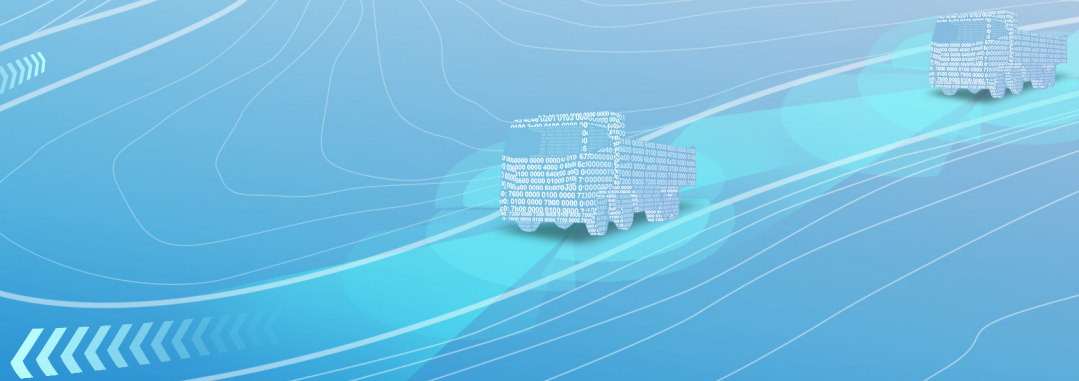




CiDi Inc. 希迪智駕科技股份有限公司

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

Stock code: 3881.HK



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CORPORATE INFORMATION

DIRECTORS

Executive Directors

Dr. Ma Wei
Dr. Albert S. Hu

Non-executive Directors

Prof. Li Zexiang (*Chairman of the Board*)
Ms. Yang Xi
Dr. Li Zhiyong

Independent non-executive Directors

Dr. Li Xiaoyuan
Prof. Tan Guangrong
Mr. Zhang Jiangang

Audit Committee

Prof. Tan Guangrong (*Chairperson*)
Dr. Li Xiaoyuan
Ms. Yang Xi

Remuneration Committee

Dr. Li Xiaoyuan (*Chairperson*)
Dr. Ma Wei
Mr. Zhang Jiangang

Nomination Committee

Prof. Li Zexiang (*Chairperson*)
Dr. Li Xiaoyuan
Mr. Zhang Jiangang

H Share Registrar

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

Auditor

BDO Limited
Certified Public Accountants
25/F, Wing On Centre
111 Connaught Road Central
Hong Kong

CORPORATE INFORMATION

Hong Kong Legal Advisor

Clifford Chance

27/F, Jardine House
One Connaught Place
Central
Hong Kong

Compliance Advisor

Gram Capital Limited

Room 1209
12/F, Nan Fung Tower
88 Connaught Road Central/
173 Des Voeux Road Central
Central
Hong Kong

Joint Company Secretaries

Ms. Au Wing Sze
Mr. Li Chunlin

Authorized Representatives

Dr. Albert S. Hu
Mr. Li Chunlin

Registered Office, Headquarters and Principal Place of Business in the PRC

Building A3 and A4
No. 336, Xueshi Road, Yuelu District
Changsha, Hunan Province
PRC

Principal Place of Business in Hong Kong

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

CORPORATE INFORMATION

Principal Banks

Bank of Communications Co., Ltd.

Changsha Yuelushan Branch

Building 1, Lufengheyuan
No. 328 Xiaoxiang Middle Road
Yuelu District
Changsha, Hunan Province
PRC

Shanghai Pudong Development Bank Co., Ltd.

Changsha Lugu Science and Technology Branch

Floors 1-3, Entrepreneurship Building
Lugu Enterprise Plaza
No. 27 Wenxuan Road
Changsha High-tech Development Zone
Changsha, Hunan Province
PRC

Bank of China Limited

Hunan Xiangjiang New Area Branch

6th Floor, Building A
Lugu Information Port
No. 658 Lugu Avenue
Yuelu District
Changsha, Hunan Province
PRC

Stock Code

3881

Company's Website

www.cidi.ai

FINANCIAL SUMMARY

Set out below is a summary of the Group's results, assets and liabilities for the past four financial years¹:

RESULTS

	Year ended 31 December			
	2025 (RMB'000)	2024 (RMB'000)	2023 (RMB'000)	2022 (RMB'000)
Revenue	884,788	410,035	132,604	31,056
Loss before income tax	(1,077,975)	(609,156)	(290,136)	(302,874)
Income tax credit	56,737	28,312	35,057	39,877
Loss for the year	(1,021,238)	(580,844)	(255,079)	(262,997)
Loss for the year attributable to: The equity holders of the Company	(1,019,694)	(580,709)	(255,079)	(262,997)

ASSETS AND LIABILITIES

	As at 31 December			
	2025 (RMB'000)	2024 (RMB'000)	2023 (RMB'000)	2022 (RMB'000)
Total assets	2,981,774	1,243,232	1,308,181	1,343,805
Total liabilities	1,251,940	2,361,107	2,165,177	1,945,722
Net assets/(liabilities)	1,729,834	(1,117,875)	(856,996)	(601,917)

¹ The Company was listed on the Main Board of the Stock Exchange on 19 December 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

We are a leading provider of intelligent driving products and technology solutions for commercial vehicles. We focus on the research and development of autonomous driving and intelligent solutions for mining applications, autonomous logistics truck solutions, V2X technologies and intelligent perception products, and offer products and solutions built on our proprietary technologies. In 2025, the deliveries of our autonomous mining truck solutions grew rapidly, and we continued to expand the commercial deployment of intelligent driving across multiple commercial scenarios. Our revenue increased from RMB410.0 million in 2024 to RMB884.8 million in 2025, representing a year-on-year increase of 115.8%, while gross profit increased from RMB101.4 million in 2024 to RMB189.4 million in 2025, representing a year-on-year increase of 86.7%. Our net loss for the year and adjusted net loss in 2025 increased year-on-year, which was mainly due to: (i) an increase in share-based payments incurred in relation to our Share Incentive Scheme; (ii) an increase in selling expenses resulting from our business expansion, and (iii) an increase in impairment losses. The Group's Share Incentive Scheme is designed to continuously motivate and retain core talent, which falls under an equity-settled share-based payment. The increase in the Group's selling expenses was primarily attributable to strategic investments in order to capture market opportunities, whilst the increase in impairment losses reflected the Group's commitment to further strengthening asset quality and financial foundations in accordance with the principle of prudence. Although the factors above have had a certain impact on the Group's short-term performance, they support the Group to continuously concentrate on core business development and achieve long-term sound operations. The Company was named to the 2025 Fortune China Tech 50 list.

I. Rapid Growth in the Commercial Deployment of Autonomous Mining Trucks

In 2025, the Group delivered 630 units/sets of autonomous mining truck solutions, representing a year-on-year increase of 317.22% compared with 2024. This breakthrough growth not only reflects high market recognition of our technological capabilities and product maturity, but also marks further progress in our commercialization efforts, which have entered a new phase of scalable replication and accelerated expansion. As of 28 February 2026, the autonomous mining trucks that have been delivered and are currently being delivered by us have exceeded 1,500 units, with cumulative autonomous driving mileage exceeding 16 million kilometers, and the total volume of coal, ore, and other mining materials transported exceeding 140 million tonnes.

MANAGEMENT DISCUSSION AND ANALYSIS

Our autonomous mining truck products have been deployed at a number of China's top-ten open-pit coal mines, forming a portfolio of benchmark projects with strong industry demonstration effects. These mining areas are generally characterized by complex operating conditions, including high altitudes, harsh climates and intensive operating requirements. The long-term stable operation of the Company's products fully demonstrates our system's reliability, environmental adaptability, and continuous operational capability in extreme environments. In addition, we have developed an industry-leading mixed-fleet operation system, enabling the collaborative operation of autonomous mining trucks and existing manned vehicles in mixed traffic, accommodating our customers' complex and variable mining processes and production schedules, ensuring sustained efficient production while upholding operational safety. The 14 pure electric autonomous mining trucks supplied to Taiwan Cement Jurong Plant have maintained stable operation for over three years. In the frontier field of driverless mining, we have established a significant first-mover advantage and a solid foundation for large-scale deployment.

In 2025, our independently developed pure electric autonomous mining trucks were officially delivered to Taiwan Cement Yingde Plant. We successfully deployed 12 autonomous mining trucks at a mine operated by Taiwan Cement, which marked the first commercial deployment of our autonomous mining truck outside Chinese Mainland. Meanwhile, we have achieved scaled deployment at sites for several key projects: at Tianchi Energy's Jiangjun Gobi No. 1 and No. 2 open-pit coal mines and the Baiyinhua open-pit coal mine in Xilingol, Inner Mongolia, where we delivered more than 70 autonomous mining trucks to each site. In addition, we have deployed over 100 autonomous mining trucks at China Coal Huali Hexiang Jilangde open-pit coal mine project, Guanghui Malang open-pit coal mine project and the Baorixile open-pit coal mine project in Hailar, where regular unmanned operations have been achieved.

We continue to expand our industrial ecosystem layout, and have achieved significant breakthroughs in our strategic customer relationships. We entered into a formal cooperation agreement with a core subsidiary of CNBM, establishing a deep strategic partnership. Moving forward, we will jointly promote the scaled deployment of driverless technologies across global mining projects under cooperation. Meanwhile, our partnerships with leading domestic mining companies, such as Guangna Group, Explosives Co., Taiwan Cement and Hongmao Group have continued to deepen. As an increasing number of mining sites enter the era of "unmanned" operations, our autonomous driving products have not only earned high recognition from our customers, but have also helped customers generate significant economic benefits and reduce safety hazards through scaled and regular operations.

MANAGEMENT DISCUSSION AND ANALYSIS

II. Continuous Expansion of Product Matrix and Application Scenarios

In 2025, we continued to drive the widespread application and scenario-based deployment of our core technologies, continuing to expand the application boundaries of our technologies and products. In the autonomous heavy-duty truck vertical, we focused on high-value, safety-critical enclosed environments such as ports and hazardous chemicals industrial parks. The China-Vietnam Puzhai-Tan Thanh Smart Port project officially commenced operations in 2025. As the first land-based port smart customs clearance platform in China centered on driverless container trucks, this project achieved technological solution in port scenarios, and also exported standards and solutions for intelligent port logistics, laying a solid foundation for subsequent business replication. In the V2X sector, we developed comprehensive solutions covering a wide range of scenarios, including urban intelligent transportation and connectivity, transit signal priority, industry-academia-research collaboration, as well as applications in mining areas, airports, highways, designated zone logistics, and smart parking facilities. As at the end of 2025, we had cumulatively deployed V2X products on over 3,000 buses, covering 11 cities. In the field of intelligent perception, the Company continued to advance technology R&D and practical deployment of our train autonomous perception system (TAPS). As the core system for next-generation autonomous train driving, the relevant products have gradually been adopted across railway systems and application scenarios with different safety integrity level (SIL) requirements. In 2025, the Company's SIL 4-rated products secured batch orders, marking a commercial breakthrough of core technologies. The SIL 4-rated TAPS products for the Hefei Underground Line S1 are being steadily delivered, while multiple sets of products have completed trial installation and validation in new scenarios such as the Wuxi Underground Line S1 and Nanjing Underground Line 7, with the scope of application continuing to expand. For our in-vehicle intelligent perception products, we established a strategic partnership with Changjiu Logistics to collaborate on initiatives such as intelligent scheduling for trunk-line transportation, automation of warehouse operations, and logistics safety early-warning systems. In the innovative "technology + insurance" business direction, the Company, leveraging its CiDi Guardian – Anbao Zhixing (安保智行) – product portfolio, established long-term partnerships with insurance institutions to jointly develop technology-enabled risk pricing models and customized insurance products, thereby promoting the in-depth application of intelligent perception technologies in commercial vehicle safety and insurance risk management.

MANAGEMENT DISCUSSION AND ANALYSIS

III. Deep Integration of Artificial Intelligence Technologies and Continuous Enhancement of Full-Stack R&D Capabilities

In 2025, we further integrated autonomous driving technologies with artificial intelligence, achieving a series of breakthrough R&D results across multiple dimensions, including cutting-edge algorithms, system architecture, and multi-agent swarm intelligence. As at 31 December 2025, the Company had filed a total of 592 patent applications and obtained 369 granted patents, further solidifying our technological moat. The operational stability of autonomous mining trucks continued to improve, reaching a performance level whereby a single operator could oversee 100 autonomous mining trucks with a total intervention time of no more than five minutes during 24-hour continuous operation. In response to the demand for scaled deployment in mining environments, we initiated the development of a comprehensive world model for mining. Through multi-agent simulation and data-driven pre-training mechanisms, we continued to enhance scenario adaptability and deployment efficiency, thereby effectively reducing marginal deployment costs. At the same time, we have developed targeted new solutions to address extreme weather conditions, such as heavy rain, dust storms and dense fog, as well as special operating conditions including communication blind spots with no or weak network coverage. These efforts ensured the stable operation and safe performance of our autonomous mining trucks in harsh environments, further consolidating the leading position of our products and technologies in the industry.

BUSINESS OUTLOOK

I. Exploring demand for intelligent and autonomous mining solutions

As autonomous mining trucks are deployed at scale, we will further promote unmanned operations across the full mining workflow, including drilling, blasting, excavation, and transportation. The Company will focus on advancing the commercialization of our blasting robots currently under development, with the aim of reducing workers' exposure to high-risk and labor-intensive blasting operations and enhancing the overall safety of mining operations. Meanwhile, with the large-scale adoption of electric mining trucks, the consumption of clean energy by mines is rapidly increasing, making energy management and cost optimization new focal points of customer concern. In response to this trend, we are actively promoting in-depth collaborations with energy companies to explore intelligent scheduling and energy management systems tailored to mining scenarios. Through refined energy management, we will not only effectively reduce the electricity costs and carbon emissions of mining operations, but will also further improve vehicle availability and operational efficiency of electric mining trucks, thereby creating quantifiable energy cost savings for our customers.

MANAGEMENT DISCUSSION AND ANALYSIS

Leveraging the autonomous decision-making and dynamic optimization capabilities of generative AI, the Company plans to develop the world's first intelligent scheduling agent for open-pit mines. This agent intends to deeply integrate data from all operational scenarios, including driverless mining truck fleets, excavator loading, road condition perception, and energy consumption, overcoming the limitations of traditional scheduling systems that rely solely on predefined rules, and enabling an upgrade from “passive scheduling” to “proactive intelligent decision-making”. This agent aims to perceive in real time the entire mine's operational status, and enhance key aspects of autonomous mining truck operations through global and dynamic optimization, including path planning, loader-truck coordination, charging and battery swapping schedules, and collision avoidance strategies. In scenarios involving complex operating conditions, unexpected failures, and multi-vehicle coordination, it is expected to autonomously generate optimal dispatch plans, significantly enhance the overall operational efficiency, safety, and cost-effectiveness of the driverless fleet. By deeply integrating generative AI with driverless mining technologies, the system is expected to serve as the “superbrain”, supporting the Company in building a smarter, more efficient and more cost-effective unmanned operating system for open-pit mines.

From the scaled deployment of autonomous mining trucks to the seamless integration of the entire drilling, blasting, excavation and haulage process, and on to the intelligent transformation of energy management, we are building an integrated technology offering covering multiple mining applications, with a focus on serving customers more deeply across the value chain. Through our full-stack capabilities, we will continue to expand the value boundaries of mining intelligence, supporting the global mining industry's evolution toward safer, more efficient and more sustainable operations.

II. Launching a new generation of proprietary customized autonomous mining trucks solutions to improve profitability

At a time when smart mining is increasingly focused on enhancing safety and efficiency, we are at the forefront of this transformation, collaborating with leading domestic original equipment manufacturers (OEMs) to advance the customized development of the next generation of autonomous mining trucks. We will fully leverage the strengths of our proprietary drive-by-wire control and power control algorithms, focusing on the deep integration of all-electric drive systems and intelligent technologies, and are committed to developing all-electric, intelligent, autonomous mining trucks capable of operating effectively under complex mining conditions. Based on our in-depth understanding of mining haulage scenarios, we are focusing on advancing the design and implementation of customized vehicles without driver cabs. By eliminating the traditional cab structure, we aim to enhance vehicle payload capacity and range, while further strengthening the operational reliability and efficiency of vehicles in driverless conditions. By integrating the Company's expertise in digital technologies with OEM industrial experience, we are building a competitive portfolio of autonomous mining trucks products and will continue to improve profitability per vehicle through iterative optimization of product definition and core algorithms.

MANAGEMENT DISCUSSION AND ANALYSIS

III. Advancing the large-scale deployment of intelligent driving across multiple commercial scenarios and expanding our business scope

In the autonomous heavy-duty truck vertical, we will focus on scenarios such as dedicated routes, port hubs, and hazardous materials parks, with a view to accelerating commercial deployment. We are closely tracking business opportunities arising from pilot projects for autonomous driving in bulk short-haul operations on public roads, with the aim of rapidly establishing industry-leading demonstration projects. We will advance the mass deployment of the driverless intelligent driving project at the Chengdu Qingbaijiang International Land Port, which will represent the first application of an integrated “autonomous driving + vehicle-road collaboration” solution in a rail-road intermodal transport scenario in Sichuan Province. We will advance the large-scale deployment of autonomous trucks at Taicang Port, establishing a leading use case in the scaled deployment at bulk cargo ports, and launch replicable solutions tailored to this scenario.

In the V2X sector, we have cumulatively achieved sales of over 14,000 units of On-Board Unit (OBU) products. To address safety risks associated with human-driven operations arising from disruptions to production workflows, we leveraged V2X technologies to realize deep connectivity across specific scenarios such as mines and ports, and carried out large-scale deployment of our OBU and Roadside Unit (RSU) products, thereby achieving enhanced operational safety and production efficiency. At the same time, we are actively promoting the integration of V2X technologies with projects that benefit the urban public, further expanding deployment of transit signal priority, and piloting applications such as the scheduling of emergency vehicles (including fire trucks and ambulances), with the aim of driving the scalable deployment of roadside RSU products as part of new infrastructure development. We will also continue to closely track the progress of ongoing vehicle-road-cloud integration pilot and demonstration projects across various regions, actively participate in related initiatives, maintain our market-leading position, and lay a solid foundation for future large-scale roll-outs.

In the field of intelligent perception products, we are actively expanding incremental market opportunities arising from the intelligent upgrading of urban infrastructure. We are closely monitoring urban rail renovation, expansion, and intelligent upgrading projects across various regions, thereby deepening the innovative application of our intelligent perception products in rail transit. Meanwhile, leveraging the rigid demand for high-precision perception in complex underground environments, we will accelerate the rollout of intelligent perception solutions to underground mine scenarios, further broadening the application boundaries and market potential of our products.

MANAGEMENT DISCUSSION AND ANALYSIS

IV. Expanding our technology + insurance business and supporting scaled adoption through lower claims frequency

The market penetration of new energy commercial vehicles continues to increase. Due to technical factors – such as powertrain characteristics, usage intensity, and maintenance costs – the frequency of insurance claims and loss ratios for electric commercial vehicles are significantly higher than those of traditional fuel-powered vehicles, resulting in persistent underwriting losses for insurance companies in this sector. As a result, the market has seen growing difficulties in obtaining insurance coverage for electric commercial vehicles, elevated renewal costs, and, in some cases, industry-wide challenges where certain vehicle owners and operators face situations in which no insurance coverage is available.

In response to these industry challenges, the Company is actively promoting intelligent perception products and advanced driving assistance systems. These systems enable customers to regulate driving behaviour, receive real-time risk alerts, and proactively intervene in hazardous situations, thereby reducing accident incidence at the source and enabling both ex-ante risk prevention and in-process risk control. These efforts will help drive a significant reduction in insurance loss ratios, promote the return of insurance premiums to more rational levels, and foster a healthy, win-win industry ecosystem involving vehicle owners, insurance companies, OEMs and technology providers.

To date, we have established close partnerships with a number of leading insurance companies, including Ping An Property & Casualty Insurance Company of China, Ltd. and China Pacific Property Insurance Co., Ltd. Through practical application in pilot projects, customers have validated the system's effectiveness in reducing insurance claims, forming a basis for the development of standardized, replicable and scalable technical solutions.

In the future, the Company will continue to deepen its strategic deployment, expand the scale of its operations and the scope of its partnerships, and drive the large-scale and commercial application of the “technology + insurance” model in the electric commercial vehicle sector. The Company will collaborate with insurance companies to jointly develop more precise and intelligent dynamic risk assessment models for commercial vehicles, assisting insurance companies in transitioning their risk management approach from “post-incident claims settlement” to a model focused on “ex-ante prevention and in-process intervention”. At the same time, the Company will collaborate with insurance companies and OEMs to deeply integrate intelligent driving technologies with insurance innovation, jointly developing pre-installed, mass-production solutions for commercial vehicles that combine “intelligent driving insurance + risk mitigation”, thereby supporting higher safety standards for commercial vehicles.

MANAGEMENT DISCUSSION AND ANALYSIS

V. Accelerating overseas expansion, advancing compliance and commercialization, and strengthening our global brand recognition

We will accelerate our expansion into overseas markets. Based on an in-depth analysis of the global distribution of mineral resources, regional policy environments, and trends in the intelligent development of the mining industry, we are focusing our efforts on key strategic regions such as Australia, South America, the United Kingdom, Africa, and the Middle East. We are rapidly advancing compliance and market access efforts in each target region, conducting comprehensive product adaptation and certification applications, seeking to advance regulatory compliance and market access in an efficient and orderly manner to achieve a full commercialization. In key strategic regions, we will establish dedicated commercial and delivery teams and actively build strategic partnerships with major overseas mining operators, multinational mining companies, and leading local mining owners to jointly promote the widespread adoption of autonomous mining trucks in overseas markets. Through the multi-dimensional overseas strategic layout, we aim to steadily build a global business network and brand presence, and to secure our leading position in the global transition toward unmanned mining operations.

REVENUE

Our revenue is primarily generated from autonomous driving products and solutions, V2X products and solutions, and intelligent perception solutions. The table below sets forth the breakdown of our revenue by business line for the indicated periods:

	Year ended 31 December			
	2025		2024	
	RMB'000	%	RMB'000	%
Autonomous driving	842,987	95.3	254,887	62.1
– Autonomous mining trucks products and solutions	833,634	94.2	246,635	60.1
– Autonomous logistics trucks solutions	9,353	1.1	8,252	2.0
V2X products and solutions	16,141	1.8	101,591	24.8
Intelligent perception	25,660	2.9	53,557	13.1
Total	884,788	100.0	410,035	100.0

MANAGEMENT DISCUSSION AND ANALYSIS

AUTONOMOUS DRIVING

During the Reporting Period, revenue from sales of autonomous driving amounted to RMB843.0 million (2024: RMB254.9 million), accounting for 95.3% of our total revenue (2024: 62.1%). Our autonomous driving can be divided into two categories, namely autonomous mining trucks products and solutions for specific scenarios and autonomous logistics trucks solutions. During the Reporting Period, sales revenue from autonomous driving increased by 230.7% compared to 2024, primarily due to an increase in revenue from our autonomous driving products and solutions, attributable to increased sales volume resulting from our continual improvements in autonomous driving products and solutions, enhanced delivery capabilities and increased customer base and customer recognition.

V2X PRODUCTS AND SOLUTIONS

During the Reporting Period, we generated revenue of RMB16.1 million from the provision of V2X products and solutions (2024: RMB101.6 million), accounting for 1.8% of our total revenue (2024: 24.8%). Revenue generated from the provision of V2X products and solutions during the Reporting Period decreased by 84.1% compared to 2024, primarily due to uncertainty regarding the implementation of industry policies and standards, which affected potential customers' procurement decisions and led to temporary softening of market demand.

INTELLIGENT PERCEPTION

During the Reporting Period, revenue generated from sales of intelligent perception solutions amounted to RMB25.7 million (2024: RMB53.6 million), accounting for 2.9% of our total revenue (2024: 13.1%). Revenue from the sales of intelligent perception solutions during the Reporting Period decreased by 52.1% compared to 2024, primarily due to temporary fluctuations in demand from certain customers and delay in project acceptance cycles.

OTHER INCOME

During the Reporting Period, our other income was RMB4.8 million (2024: RMB7.5 million), primarily due to a decrease in government grants.

COST OF SALES

During the Reporting Period, our cost of sales was RMB695.4 million (2024: RMB308.6 million), primarily due to the increase in cost of sales for autonomous driving products and solutions as a result of the increase in its sales volume.

MANAGEMENT DISCUSSION AND ANALYSIS

GROSS PROFIT AND GROSS PROFIT MARGIN

During the Reporting Period, our gross profit increased from RMB101.4 million for the year ended 31 December 2024 to RMB189.4 million for the year ended 31 December 2025. Our gross profit margin decreased from 24.7% in 2024 to 21.4% in 2025, primarily due to changes in the Group's revenue structure, mainly driven by the surge in revenue from autonomous driving products and solutions sold with vehicle, which accounted for a higher proportion.

RESEARCH AND DEVELOPMENT EXPENSES

Our research and development expenses increased from RMB193.2 million for the year ended 31 December 2024 to RMB374.5 million for the year ended 31 December 2025, primarily due to an increase in non-cash share-based payment expenses recognized during the year in connection with the Share Incentive Scheme adopted and approved on 23 September 2024.

SELLING EXPENSES

Our selling expenses increased from RMB64.4 million for the year ended 31 December 2024 to RMB132.9 million for the year ended 31 December 2025, primarily due to the share-based payment arising from the Share Incentive Scheme adopted and approved on 23 September 2024.

GENERAL AND ADMINISTRATIVE EXPENSES

Our general and administrative expenses increased from RMB300.7 million for the year ended 31 December 2024 to RMB491.1 million for the year ended 31 December 2025, primarily due to (i) an increase of RMB153.3 million in the share-based payment arising from the Share Incentive Scheme adopted and approved on 23 September 2024; and (ii) an increase of RMB16.4 million in listing expenses incurred during the year ended 31 December 2025.

OTHER LOSSES, NET

Our other losses, net increased from RMB19 thousand for the year ended 31 December 2024 to RMB9.9 million for the year ended 31 December 2025, primarily due to foreign exchange losses arising from the depreciation of HKD against RMB.

IMPAIRMENT LOSSES

Our impairment losses increased from RMB29.0 million for the year ended 31 December 2024 to RMB126.2 million for the year ended 31 December 2025, mainly attributable to (i) impairment losses of RMB65.7 million related to trade and notes receivables, which is due to the Group's significant business expansion in 2025, resulting in a substantial increase in trade and notes receivables, and (ii) impairment losses of RMB57.6 million related to other receivables and financial guarantee contracts liability, which is due to a customer's default under its financial lease agreement.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCE COSTS, NET

During the Reporting Period, our finance income primarily included (i) interest income from trade receivables with significant financing components and (ii) interest income from bank deposits, and our finance costs primarily included (i) financial cost on financial instruments with preferred rights at amortized cost and (ii) interest expenses on bank borrowings. During the same period last year, our finance income primarily included (i) interest income from term deposits and (ii) interest income from bank deposits, and our finance costs primarily included (i) financial cost on financial instruments with preferred rights at amortized cost and (ii) interest expenses on bank borrowings. The following table sets forth a breakdown of our finance costs, net for the periods indicated:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Finance income:		
Interest income from financial assets at FVTPL	16	–
Interest income from trade receivables with significant financing components	3,326	–
Interest income from bank deposits	875	2,187
Interest income from term deposits	123	2,499
Interest income from loans to a third party	446	377
	4,786	5,063
Finance costs:		
Financial cost on financial instruments with preferred rights at amortized cost	(130,049)	(128,593)
Imputed interest expenses on trade payables	(2,277)	–
Interest expenses on other borrowings	(25)	–
Interest expenses on bank borrowings	(9,813)	(6,958)
Interest expenses on lease liabilities	(107)	(165)
	(142,271)	(135,716)
Finance costs – net	(137,485)	(130,653)

INCOME TAX CREDIT

Our income tax credit increased from RMB28.3 million for the year ended 31 December 2024 to RMB56.7 million for the year ended 31 December 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

NON-IFRS MEASURE

To supplement our consolidated financial statements, which are presented in accordance with IFRS, we also use adjusted net loss (Non-IFRS Measure) as additional financial measure, which is not required by, or presented in accordance with IFRS. We believe this non-IFRS measure facilitates comparisons of operating performance from year to year and company to company by eliminating potential impacts of certain items.

We believe this measure provides useful information to investors and others in understanding and evaluating our combined results of operations in the same manner as they help our management. However, such non-IFRS financial measure that we presented may not be directly comparable to similar measures presented by other companies. The use of this non-IFRS measure should not be considered as substitute for analysis of our results of operations or financial condition as reported under IFRS. We define adjusted net loss (Non-IFRS Measure) for the year/period as net loss for the year/period adjusted by adding back (i) share-based payments, (ii) financial cost on financial instruments with preferred rights at amortized cost; and (iii) listing expenses. The following table reconciles our adjusted net loss (Non-IFRS Measure) for the years presented in accordance with IFRS, which is net loss for the year:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Net loss for the year	(1,021,238)	(580,844)
Add:		
– Share-based payments ⁽¹⁾	620,872	313,500
– Financial cost on financial instruments with preferred rights at amortized cost ⁽²⁾	130,049	128,593
– Listing expenses ⁽³⁾	28,267	11,896
Adjusted net loss (Non-IFRS Measure) for the year	(242,050)	(126,855)

Notes:

- (1) Share-based payments relate to the non-cash employee benefit expenses incurred in connection with our award to management and key employees.
- (2) Financial cost on financial instruments with preferred rights at amortized cost was in relation to financial instruments with preferred rights in connection with our issuance of ordinary shares to pre-IPO investors that conferred the redemption rights. The financial instruments with preferred rights are recognized as financial liability initially measured at fair value (representing the present value of the redemption amount) and subsequently measured at amortized cost with interest charged in finance costs. The financial cost on financial instruments with preferred rights at amortized cost is considered a non-cash item. The financial instruments with preferred rights at amortized cost will be re-designated from liabilities to equity as a result of the automatic conversion into ordinary shares upon Listing.
- (3) Listing expenses represent professional fees, underwriting commissions and other fees incurred in connection with the Global Offering.

MANAGEMENT DISCUSSION AND ANALYSIS

NET LOSS FOR THE YEAR AND ADJUSTED NET LOSS (NON-IFRS MEASURE)

We recorded a net loss of RMB1,021.2 million during the Reporting Period (2024: RMB580.8 million), primarily due to: (i) our continuous investment in research and development; (ii) the recognition of listing expenses in connection with the Listing; and (iii) share-based payments incurred in relation to our Share Incentive Scheme adopted and approved on 23 September 2024, which amounted to RMB313.5 million in 2024 and RMB620.9 million in 2025. Correspondingly, our adjusted net loss (Non-IFRS Measure) increased from RMB126.9 million in 2024 to RMB242.1 million in 2025.

LIQUIDITY AND CAPITAL RESOURCES

As of 31 December 2025, we had cash and cash equivalents of RMB1,383.7 million, while the balance as of 31 December 2024 was RMB306.4 million.

The following table sets forth a summary of our cash flows for the years indicated:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Net cash used in operating activities	(318,649)	(147,735)
Net cash (used in)/generated from investing activities	(75,321)	125,122
Net cash generated from financing activities	1,481,283	94,325
Net increase in cash and cash equivalents	1,087,313	71,712
Cash and cash equivalents at beginning of year	306,402	234,663
Effects of exchange rate changes on cash and cash equivalents	(10,015)	27
Cash and cash equivalents at end of year	1,383,700	306,402

MANAGEMENT DISCUSSION AND ANALYSIS

INDEBTEDNESS

Our indebtedness primarily consists of borrowings, financial instruments with preferred rights at amortized cost, lease liabilities, and contingent liabilities or guarantees. The following table sets forth the breakdown of our borrowings, financial instruments with preferred rights at amortized cost, lease liabilities, and contingent liabilities or guarantees as of the dates indicated:

	As of 31 December 2025 RMB'000	As of 31 December 2024 RMB'000
Borrowings	508,177	237,742
Financial instruments with preferred rights at amortized cost	–	1,894,618
Lease liabilities	4,163	3,993
Financial guarantee contracts liability	29,723	6,452
Total	542,063	2,142,805

We maintain a prudent approach in our treasury management with interest rate exposure maintained principally on a floating rate basis. We did not use any interest rate swap contracts or other financial instruments to hedge our interest rate risk. We will continue to monitor interest rate risk exposure and will consider hedging significant interest rate risk exposure should the need arises.

PLEGGED ASSETS

As of 31 December 2025, the Company has pledged three patents and mortgaged certain industrial plants and garages to secure working capital loans.

MANAGEMENT DISCUSSION AND ANALYSIS

CAPITAL COMMITMENTS

As of 31 December 2025, the Company's (i) committed investment in Chengdu Cidi Rongchuang Entrepreneurship Investment Partnership (Limited Partnership) amounted to RMB7.8 million, with the remaining committed amount due for payment by August 2030; and (ii) commitment to inject capital to our subsidiary, Anhui CiDi Engineering Technology Co., Ltd., amounted to RMB2.55 million. The committed amount will be due for payment by May 2029.

Save as disclosed above, as of 31 December 2025, we did not have any material capital commitments.

CONTINGENT LIABILITIES

The Company had no material contingent liabilities as at 31 December 2025.

GEARING RATIO

Our gearing ratio (calculated as bank loans and other borrowings divided by total equity and multiplied by 100%) was 29.4% as at 31 December 2025 as compared to -21.3% as at 31 December 2024.

FOREIGN EXCHANGE RISK AND HEDGING

The Group's exposure to foreign currency risk is arising mainly from the cash and bank balances and time deposits of the Group which are denominated in foreign currencies of the relevant group entities. Except for the cash and bank balances and other receivables denominated in foreign currencies of the relevant group entities, the group entities did not have any other monetary assets or liabilities denominated in foreign currencies as at the end of the Reporting Period.

The carrying amounts of the Group's cash and bank balances that are denominated in foreign currency of group entities, representing US\$ and HK\$, as at 31 December 2025 are approximately RMB1,369,000 and RMB366,471,000 (2024: RMB1,000 and RMB290,000), respectively.

The Group currently does not have a foreign currency hedging policy but the Directors of the Company monitor foreign exchange exposure by closely monitoring the foreign exchange risk profile and will consider hedging significant foreign currency exposure should the need arise.

MANAGEMENT DISCUSSION AND ANALYSIS

STAFF AND EMOLUMENT POLICY

As at 31 December 2025, the Group had a total of 470 employees. During the Reporting Period, the Group has incurred total staff costs (including salaries, wages, allowance and benefits) of RMB800.8 million (2024: RMB474.2 million).

We have established internal control and risk management policies covering various aspects of human resource management, including recruitment, training, work ethics and legal compliance. We maintain high standards in recruitment with strict procedures to ensure the quality of new hires and provide specialized training tailored to the needs of our employees in different departments. We also conduct regular performance reviews for our employees, with remuneration linked to performance. We monitor the implementation of internal risk management policies on a regular basis to identify, manage and mitigate internal risks in relation to the potential non-compliance with our code of conduct, work ethics, and violations of our internal policies or illegal acts at all levels of our Group. We offer our executive Directors and senior management members, who are also the Company's employees, remuneration in the form of wages, salaries, bonuses, share-based compensation, pension obligations, housing funds, medical insurances, other social insurances and other benefits. Our independent non-executive Directors receive remuneration with reference to their respective positions and duties, including being a member or the chairman of Board committees.

The Board will review and determine the remuneration and compensation packages of the Directors and senior management, taking into account the recommendations of the Remuneration Committee, which are made after considering salaries paid by comparable companies, the time commitment and responsibilities of the Directors and senior management, and the performance of the Group.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Company did not have any material acquisition and disposal of subsidiaries, associates and joint ventures for the period from the Listing Date and up to 31 December 2025.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND INVESTMENTS IN CAPITAL ASSETS

As of 31 December 2025, the Group did not have any significant investment with a carrying amount accounting for 5% or more of the Group's total assets as at the end of the Reporting Period, and there was no plan for material investments and capital assets expenditure.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

DIRECTORS

Executive Directors

Dr. Ma Wei (馬維), aged 69, is the co-founder, the vice chairman of the Board and executive Director of our Company. He joined our Company in October 2017. He was appointed as our Director on 16 October 2017.

Dr. Ma Wei has more than 20 years of experience in the electronics and technology industry. Prior to founding our Company, Dr. Ma Wei served as a lecturer at Xi'an University of Electronic Science and Technology (西安電子科技大學) from January 1985 to September 1989. He then served as a director at National Semiconductor Inc in the United States from January 2002 to September 2012 and a director at Texas Instrument Inc in the United States from September 2012 to October 2017.

Dr. Ma Wei obtained a bachelor's degree in communication engineering in April 1982 and a master's degree in communication engineering in April 1985 from Xi'an University of Electronic Science and Technology (西安電子科技大學) in the PRC. He also obtained a doctorate degree in Signal Processing from Surrey University in the United Kingdom in August 1994.

Dr. Albert S. Hu (胡斯博), aged 39, is the executive Director and chief executive officer of our Company. He joined our Company in January 2018. He was appointed as our Director and chief executive officer on 30 October 2023.

Prior to joining our Company, Dr. Albert S. Hu worked in algorithmic trading at C&C Trading, LLC in New York City, USA between November 2009 and July 2011 where he developed automated systems and strategies.

Since January 2018, Dr. Albert S. Hu has successively served as a senior scientist at the intelligent driving platform department, a principal scientist at the new technology development center, a director of research and development at the technology innovation center and the head of CiDiLabs at our Company. Dr. Albert S. Hu was recognized as a municipal industry leader as the Changsha's High-End Talent Leading Project by the Changsha Municipal Talent Leading Group in August 2021.

Dr. Albert S. Hu obtained a bachelor's double degree in economics and mathematics from Williams College in the United States in June 2009. He then obtained a master's degree in business administration in December 2014 and a doctorate degree in business administration in December 2017 from the University of California, Berkeley in the United States.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

Non-executive Directors

Prof. Li Zexiang (李澤湘), aged 65, is the founder, chairman of our Board and non-executive Director of our Company. He joined our Company since October 2017. He was appointed as our Director on 16 October 2017.

Prof. Li Zexiang has more than 30 years of experience in the motion control and manufacturing industry. Prof. Li Zexiang has served as a professor at the department of electronic and computer engineering of the Hong Kong University of Science and Technology since 1992. He established the center for automation technology at the Hong Kong University of Science and Technology in 1998 and has been the key member of the Robotics Institute of the Hong Kong University of Science and Technology since 2015. Prof. Li Zexiang has been the co-founder and director of Googol Technology Co., Ltd. (固高科技股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 301510), since October 1999. Prof. Li Zexiang has been a director of OneRobotics (Shenzhen) Co., Ltd. (臥安機器人(深圳)股份有限公司) (Stock Code: 06600), a company listed on the Hong Kong Stock Exchange, since April 2025. Prof. Li Zexiang was recognized as a fellow of the Institute of Electrical and Electronics Engineers in 2008.

Prof. Li obtained a bachelor's degree in electrical engineering and economics (with honors) from Carnegie Mellon University in United States in August 1983. He also obtained a master's degree in engineering in May 1985, a master's degree in mathematics in December 1989 and a doctorate degree in engineering in December 1989 from the University of California, Berkeley in United States.

Ms. Yang Xi (楊溪), aged 38, is the non-executive Director of our Company. She was appointed as a Director on 16 October 2017.

Ms. Yang Xi has more than 8 years of experience in the design and technology industry. Since June 2016, she has worked at Dongguan Songshan Lake International Robotics Research Institute Co., Ltd. (東莞松山湖國際機器人研究院有限公司) with her current position as a general manager.

Ms. Yang Xi obtained a bachelor's degree in design from Tongji University in the PRC (同濟大學) in June 2011, a master's degree in applied innovation from the Hong Kong Polytechnic University in June 2014 and a master's degree in technology leadership and entrepreneurship from the Hong Kong University of Science and Technology in November 2016.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

Dr. Li Zhiyong (李智勇), aged 55, is a non-executive Director of our Company. He was appointed as a non-executive Director on 19 December 2025.

Dr. Li Zhiyong has over 20 years of experience in the artificial intelligence and intelligent robotics industry. Since February 2004, he has worked at Hunan University (湖南大學) with his current position as a professor at Xiangjiang Elite Engineers College of Hunan University (湘江卓越工程師學院湖南大學分院). Dr. Li Zhiyong was awarded the Second Prize of National Teaching Achievement Award by the Ministry of Education of the PRC in July 2023, and the Second Prize of Hunan Provincial Science and Technology Progress Award by the Government of Hunan Province in July 2021. He has been a member of the 13th CPPCC Hunan Provincial Committee since December 2022 and a director of the Chinese Association for Artificial Intelligence since March 2025.

Dr. Li Zhiyong obtained a doctorate degree in control theory and control engineering from Hunan University (湖南大學) in the PRC in June 2004.

Independent non-executive Directors

Dr. Li Xiaoyuan (李曉原), aged 67, is an independent non-executive Director of our Company. He was appointed as an independent non-executive Director on 19 December 2025.

Dr. Li Xiaoyuan has over 30 years of experience in the chemistry and academia industry. Dr. Li Xiaoyuan served as a postdoctoral researcher at the department of chemistry of University of California, Berkeley in the United States from 1988 to 1989 and subsequently served as a research associate at the Steacie Institute for Molecular Sciences at the National Research Council of Canada in Canada from 1989 to 1991. Since August 1991, he has successively served as an assistant professor, associate professor, professor, department head, chair professor and a professor emeritus in the department of chemistry at the Hong Kong University of Science and Technology. He was awarded the Outstanding Young Scientist Award (Overseas Category) by National Natural Science Foundation of China (國家自然科學基金委員會) in December 1999 and the SPACC-CSJ Award by the Chemical Society of Japan in July 2005.

Dr. Li Xiaoyuan obtained a bachelor's degree in chemistry from Peking University (北京大學) in the PRC in February 1982. He then obtained a master's degree in chemistry in July 1984 and a doctorate degree in Chemistry in July 1988 from Princeton University in the United States.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

Prof. Tan Guangrong (譚光榮), aged 63, is an independent non-executive Director of our Company. He was appointed as an independent non-executive Director on 19 December 2025.

Prof. Tan Guangrong has over 26 years of experience in the field of finance and accounting. He has joined Hunan University (湖南大學) since September 1999 and has been a professor at the school of economics and trade since July 2009. Prof. Tan Guangrong has been serving as an independent non-executive director at Guangdong Guanghong Electronics Co., Ltd. (國光電器股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002045), since January 2023, an independent director at Delijia Transmission Technology (Jiangsu) Co., Ltd. (德力佳傳動科技(江蘇)股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 603092), since July 2023, an independent director at Shanhe Xinghang Industrial Co., Ltd. (山河星航實業股份有限公司) since August 2023 and an independent director at Hunan Feiwo New Energy Technology Co., Ltd. (湖南飛沃新能源科技股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 301232), since September 2025. In December 2001, Prof. Tan Guangrong was certified as a non-practicing member of the Chinese Institute of Certified Public Accountants (中國註冊會計師協會).

Prof. Tan Guangrong obtained a bachelor's degree in economics with a major in accounting from Hunan University of Finance and Economics in the PRC in June 1995, a master's degree in management science and engineering from Central South University of Technology (中南工業大學) in the PRC in October 1997, and a doctorate degree in management science and engineering from Wuhan University of Technology (武漢理工大學) in the PRC in June 2004.

Mr. Zhang Jiangang (張健鋼), aged 34, is an independent non-executive Director of our Company. He was appointed as an independent non-executive Director on 19 December 2025.

Mr. Zhang Jiangang has over 8 years of experience in technology, research, and entrepreneurship. He served as a research assistant at the University of Hong Kong. Since May 2016, he has been the founder and director of INCUS Company Ltd. in Hong Kong. Mr. Zhang Jiangang has received several prestigious awards throughout his career. In 2016, he was awarded first prize at both the Qianhai Shenzhen-Hong Kong Innovation and Entrepreneurship Competition and the Cross Straits Hong Kong and Macao Entrepreneurship Competition. He won the first prize at Pitch@Palace in the PRC in 2019.

Mr. Zhang Jiangang obtained a bachelor's degree in automation from the University of Science and Technology of China (中國科學技術大學) in the PRC in June 2013. He later obtained a master's degree in technology leadership and entrepreneurship from the Hong Kong University of Science and Technology in Hong Kong in November 2016.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

SENIOR MANAGEMENT

Dr. Ma Wei (馬濰) is the co-founder, the vice chairman of the Board and executive Director of our Company. See “Directors – Executive Directors” above for his biographical details.

Dr. Albert S. Hu (胡斯博) is the executive Director and chief executive officer of our Company. See “Directors – Executive Directors” above for his biographical details.

JOINT COMPANY SECRETARIES

Mr. Li Chunlin (李春林) was appointed as one of our joint Company secretaries of the Company on 19 December 2025. Mr. Li Chunlin joined the Company in November 2017 and currently serves as the Vice President and head of risk control of our Company.

Prior to joining our Company, Mr. Li Chunlin worked at electrical control technical department of Zoomlion Heavy Industry Science and Technology Co., Ltd. (中聯重科股份有限公司) from October 2011 to March 2013, and at Hunan Zoomlion Intelligent Technology Co., Ltd. (湖南中聯重科智能技術有限公司) from April 2013 to September 2014. He served as an intellectual property lawyer and patent attorney at Hunan Tiandiren Law Firm (湖南天地人律師事務所) from September 2014 to November 2017. Mr. Li Chunlin obtained a bachelor’s degree in automation engineering from Ocean University of China (中國海洋大學) in the PRC in June 2010 and a master’s degree in law from Hunan University (湖南大學) in the PRC in July 2022.

Ms. Au Wing Sze (區詠詩) was appointed as one of our joint Company secretaries of the Company on 19 December 2025. She is a manager of the listing services department of TMF Hong Kong Limited, responsible for providing corporate secretarial and compliance services to listed companies. She has over 10 years of experience in the corporate secretarial field. Ms. Au Wing Sze is an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom. She obtained a master of corporate governance from Hong Kong Metropolitan University in Hong Kong.

CHANGES IN INFORMATION REGARDING DIRECTORS AND SENIOR MANAGEMENT

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

CORPORATE GOVERNANCE REPORT

The Board hereby presents the corporate governance report for the period from the Listing Date (19 December 2025) to 31 December 2025.

CORPORATE CULTURE

We aim to embrace a better life with intelligent driving by revolutionizing operational safety, efficiency and experience through continuous innovation in autonomous driving, V2X and intelligent perception technologies.

We plan to implement the following strategies to achieve our mission:

- Continually Invest in Intelligent Driving Technology and Enhance Product Competitiveness
- Expand Sales and Form Lasting Strategic Partnerships
- Expand Overseas Presence and Market Share
- Attract and Retain Top Talent Globally
- Selectively Engage in Investments, Mergers and Strategic Partnerships

We are also committed to fostering a corporate culture that promotes the “New Engineering Education Transformation” philosophy, identifying and nurturing young engineers with innovative spirits and cross-disciplinary expertise. We are customer-centric in our operations, leveraging our leading technological advantages to address customers’ specific pain points, thereby expanding sales and forming lasting strategic partnerships. Ultimately, we will expand overseas presence to capture market share, attract and retain more top talent globally, and build a sustainable internal and external corporate ecosystem, while operating in a way that benefits the society and the environment.

Our vision, mission and values provide guidelines for employees’ conduct and behavior, ensuring that they are integrated into the Company’s operating practices, workplace policies and rules, and stakeholder relationships. The management is responsible for setting the tone and creating the corporate culture of the Company, defining the mission, values and strategic direction of the Group, which are reviewed by the Board. The Group’s culture, mission, values and strategies remain aligned, as our corporate culture is manifested across various areas, including workforce engagement, employee retention and training, legal and regulatory compliance, employee safety, welfare and support.

CORPORATE GOVERNANCE REPORT

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to achieving high standards of corporate governance to safeguard the interests of shareholders. The principle of the Company's corporate governance is to promote effective internal control measures and to enhance the transparency and accountability of the Board to all Shareholders. Our Directors recognize the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of the Group to achieve effective accountability. The Company's corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code set out in Appendix C1 to the Listing Rules.

The Company has complied with all applicable code provisions set out in the Corporate Governance Code for the period from 19 December 2025 to 31 December 2025.

BOARD OF DIRECTORS

Composition of the Board

As of the Latest Practicable Date, the members of the Board are set out below:

Executive Directors

Dr. Ma Wei

Dr. Albert S. Hu

Non-executive Directors

Prof. Li Zexiang

Ms. Yang Xi

Dr. Li Zhiyong

Independent non-executive Directors

Dr. Li Xiaoyuan

Prof. Tan Guangrong

Mr. Zhang Jiangang

Biographical details of the Directors are set out in the section headed "Biographies of Directors and Senior Management" in this report.

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules on 18 October 2024, 21 October 2024 and 25 October 2024 (as the case may be), and (ii) understands his or her obligations as a Director of a listed issuer under the Listing Rules.

CORPORATE GOVERNANCE REPORT

Ms. Yang Xi, our non-executive Director, held positions as director and/or general manager in certain companies outside of the Group controlled by Prof. Li Zexiang. Save as disclosed above, there are no relationships (including financial, business, family, or other material/related relationships) between the members of the Board.

As of the Latest Practicable Date, the Company has been in compliance with the requirements of Rules 3.10(1) and 3.10(2) of the Listing Rules relating to the appointment of at least three independent non-executive directors with at least one of the independent non-executive directors possessing appropriate professional qualifications of accounting or related financial management expertise.

The Company has also complied with the requirement of Rule 3.10A of the Listing Rules relating to the appointment of independent non-executive directors representing at least one-third of the Board.

RESPONSIBILITIES OF THE BOARD AND MANAGEMENT

The Board is responsible for, and has the general authority of, the management and operation of the Company, and is responsible for all major decisions of the Company, including its business plans and investment proposals, internal control and risk management systems, notifiable transactions and connected transactions, nomination of the Director(s) and joint company secretary(ies), and other significant financial and operational matters of the Group. The Board has also delegated the senior management to be responsible for the day-to-day management of the Company's business.

The Board, directly and indirectly through its committees, discharges the corporate governance functions of the Company, including (but not limited to):

- (a) to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board;
- (b) to review and monitor the training and continuous professional development of Directors and senior management of the Company;
- (c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors of the Company; and
- (e) to review the Company's compliance with the Corporate Governance Code and disclosure made in the Company's corporate governance report.

CORPORATE GOVERNANCE REPORT

MECHANISM FOR DIRECTORS TO OBTAIN INDEPENDENT VIEWS AND OPINIONS

Directors are free to express their views at the Board meetings, and material decisions shall be made only after thoughtful discussion. Directors may engage an independent professional institution at the Company's expense in accordance with the procedures, if they consider it necessary to seek advice from an independent professional institution. If a Director has a material interest in a matter proposed to the Board, such Director shall abstain from the discussion and voting on relevant proposals, and such Director shall not be counted towards the quorum of that proposal. In addition, independent non-executive Directors should express objective and impartial independent opinions on the matters discussed by the Company. Apart from being the directors of the Company, the independent non-executive Directors do not hold any other positions in the Company, do not have any relationship with the Company and the substantial Shareholders of the Company that may affect them from making independent and objective judgments, and do not have any business or financial interests in the Company and its subsidiaries. Thus, during the period from the Listing Date to 31 December 2025, the participation of the independent non-executive Directors can effectively ensure that there is a strong and sufficient independent element in the Board.

During the period from the Listing Date to 31 December 2025, the Board has complied with the aforesaid relevant regulations, and the aforesaid mechanisms are effective to provide independent views and opinions to the Board. The Board will review the implementation and effectiveness of the aforesaid mechanisms annually.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received an annual confirmation from each of its independent non-executive Directors regarding his or her independence in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules. The Company is of the view that all independent non-executive Directors are independent individuals.

DIRECTORS' SERVICE CONTRACTS

Each of the Directors of the Company has entered into a service contract with the Company, which covers (among others) compliance with relevant laws and regulations, the articles of association of the Company and applicable arbitration provisions.

Save as disclosed above, we have not entered into, nor do we propose to enter into, any service contract with any Director (in their respective capacity as directors) which is terminable within one year or by the employer within one year without payment of compensation (excluding statutory compensation).

CORPORATE GOVERNANCE REPORT

APPOINTMENT AND RE-ELECTION OF DIRECTORS

The directors shall be elected or replaced by the general meeting, and may be removed by an ordinary resolution of the general meeting before the expiration of their terms of office, subject to compliance with the relevant laws, administrative regulations, departmental rules, normative documents and the requirements of the Hong Kong Listing Rules. The directors serve three-year terms, and can be re-elected and reappointed at the end of the term.

The term of office of a Director shall be calculated from the date of appointment until the expiration of the term of office of the current Board. If the term of office of a Director expires without timely reelection, or if the number of directors falls below the statutory minimum due to the resignation of directors, the original Director shall continue to perform the duties of a Director in accordance with laws, administrative regulations and the Articles of Association before the newly elected Director takes office.

Directors may be concurrently served by the general manager or other senior management members, but the total number of Directors concurrently serving as general manager or other senior management members and Directors served by employee representatives shall not exceed one-half of the total number of Directors of the Company.

DIRECTOR TRAINING AND PROFESSIONAL DEVELOPMENT

Pursuant to Code Provision C.1.4 of the Corporate Governance Code, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contributions to the Board remain informed and relevant. The Company pays attention to the continuous professional development of its Directors by arranging adequate training programs and encouraging the Directors to participate in such training to ensure that they have a proper understanding of the Company's business and operations as well as a full understanding of the duties and responsibilities of Directors under the Listing Rules and relevant laws.

During the Reporting Period, the Company organized training courses for all Directors conducted by qualified professionals/legal advisors on topics covering the duties and responsibilities of Directors. In addition, the Company has provided all Directors with relevant reading materials, including the duties and responsibilities of Directors for their reference and study.

SECURITIES TRADING AND HANDLING OF INSIDE INFORMATION

The Board has adopted the Model Code as the code of conduct governing Directors' trading in the securities of the Company. As the Company's shares were listed on the Stock Exchange on 19 December 2025, the Model Code became applicable to the Company from the Listing Date. Upon specific enquiries made by the Board, all Directors confirmed that they have complied with the provisions of the Model Code during the period from the Listing Date to the date of this annual report.

CORPORATE GOVERNANCE REPORT

The Company has also formulated and implemented policies and procedures in relation to information disclosure, including but not limited to disclosure of inside information, including monitoring of potential inside information, to ensure that relevant facts and circumstances that could have a material impact on the Company's share price are promptly identified and assessed, and where necessary, bring to the attention of the Board to determine whether a disclosure is necessary. Directors, senior management and relevant employees in possession of inside information or potential inside information are required to take reasonable steps to maintain confidentiality and to ensure that their recipients are aware of their obligations of confidentiality.

BOARD MEETINGS AND GENERAL MEETINGS

The Company was listed on the Stock Exchange on 19 December 2025. During the period from the Listing Date to 31 December 2025, the Company did not convene Board meetings and general meetings. The Board will disclose relevant meetings in the next annual report according to the requirements as set out in the Corporate Governance Code.

BOARD COMMITTEES

The Company has formed three Board committees, namely the Audit Committee, the Remuneration Committee and the Nomination Committee.

Audit Committee

The Audit Committee consists of one non-executive Director (namely Ms. Yang Xi) and two independent non-executive Directors (namely Dr. Li Xiaoyuan and Prof. Tan Guangrong). Prof. Tan Guangrong serves as the chairman of the Audit Committee. The main responsibilities of the Audit Committee include, but are not limited to, the following:

- (i) Advise the Board on the appointment, re-appointment, replacement and removal of external auditors, approve the remuneration and terms of employment of external auditors, and address any issues relating to the resignation or dismissal of external auditors;
- (ii) Review and monitor whether the external auditors are independent and objective and whether the audit procedures are effective according to applicable standards; the Audit Committee should discuss with the auditors about the nature, scope, methods and relevant declaration responsibilities before the audit work begins;

CORPORATE GOVERNANCE REPORT

- (iii) Formulate and implement policies regarding the engagement of external auditors to provide non-audit services;
- (iv) Review and monitor the truthfulness, completeness and accuracy of the Group's consolidated financial statements (including their disclosures) and annual reports and accounts, half-year reports, review the material opinions on the consolidated financial statements contained in the annual reports.
- (v) Discuss the issues raised by external auditor after reviewing the Group's semi-annual accounts and auditing annual accounts of the Group;
- (vi) Examine the Groups financial policies, financial supervision and control, internal audit system, risk management and internal control systems, and provide opinions and suggestions for improvement;
- (vii) Discuss risk management and internal supervision and control systems with the management to ensure that the management has fulfilled its responsibilities to establish effective systems. The details of discussion should include the adequacy of the issuer's resources, staff qualifications and experience in its accounting and financial reporting functions, as well as the adequacy of training programs and related budgets for staff;
- (viii) Where an internal audit function exists, ensure co-ordination between the internal and external auditors, and ensure that the internal audit function is adequately resourced and has appropriate standing within the Company, and to review and monitor its effectiveness; and
- (ix) Matters as required by applicable laws, regulations, Articles of Association or other internal rules of the Company and the Hong Kong Listing Rules and other matters authorized by the Board of the Company.

The Company was listed on the Stock Exchange on 19 December 2025. During the period from the Listing Date to 31 December 2025, no Audit Committee meetings were held. The Board will disclose relevant meetings in the next annual report according to the requirements as set out in the Corporate Governance Code.

The Audit Committee has reviewed the Company's annual results and annual report for 2025, as well as the audited consolidated financial statements for the year ended 31 December 2025, prepared in accordance with IFRS.

CORPORATE GOVERNANCE REPORT

Remuneration Committee

The Remuneration Committee consists of one executive Director (namely Dr. Ma Wei) and two independent non-executive Directors (namely Dr. Li Xiaoyuan and Mr. Zhang Jiangang). Dr. Li Xiaoyuan serves as the chairman of the Remuneration Committee. The main responsibilities of the Remuneration Committee include, but are not limited to, the following:

- (i) Formulate remuneration plans or proposals based on the main duties, scope, importance, time commitment of the positions of directors and senior management officers and other necessary factors such as the remuneration level of relevant positions in society;
- (ii) Make recommendations to the Board on the Company's policy and structure for all directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
- (iii) Remuneration plans or proposals mainly include, but are not limited to, performance evaluation standards, procedures and primary evaluation systems, major plans and systems for rewards and punishments, etc., and should include non-monetary benefits, pension rights and compensation amounts (including compensation for loss or termination of office or appointment);
- (iv) Review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- (v) Make recommendations to the Board on the remuneration packages of individual executive directors and senior management officers;
- (vi) Make recommendations to the Board on the remuneration of non-executive directors;
- (vii) Consider the remuneration paid by similar companies, the time commitment and responsibilities as well as the employment conditions of other positions within the Group;
- (viii) Study the evaluation standards for directors and senior management officers and make recommendations to the Board, review the performance of duties by the Company's directors (non-independent non-executive directors) and senior management officers and conduct their annual performance appraisals;
- (ix) Review and/or approve matters related to share schemes as described in Chapter 17 of the Hong Kong Listing Rules; and
- (x) Other matters authorized by the Board.

CORPORATE GOVERNANCE REPORT

The Company was listed on the Stock Exchange on 19 December 2025. During the period from the Listing Date to 31 December 2025, no Remuneration Committee meetings were held. The Board will disclose relevant meetings in the next annual report according to the requirements as set out in the Corporate Governance Code.

Nomination Committee

The Nomination Committee consists of one non-executive Director (namely Prof. Li Zexiang) and two independent non-executive Directors (namely Dr. Li Xiaoyuan and Mr. Zhang Jiangang). Prof. Li Zexiang serves as the chairman of the Nomination Committee. The main responsibilities of the Nomination Committee include, but are not limited to, the following:

- (i) Evaluate and review the size and composition of the Board (including skills, knowledge and experience) at least once a year based on the Company's operating activities, asset size and equity structure, and make recommendations to the Board on any proposed changes to the Board in line with the Company's strategies;
- (ii) Formulate the Company's corporate governance policies and practices, review their implementation, and make recommendations to the Board;
- (iii) Study the selection criteria and procedures for directors, general managers and other senior management officers and make recommendations, inspect and supervise the training and continuing professional development plans for directors and senior management officers;
- (iv) Selection of qualified candidates for directors, general manager and other senior management officers;
- (v) Review and make recommendations on director candidates and candidates for general manager and other senior management officers;
- (vi) Review the independence of independent non-executive directors;
- (vii) Make recommendations to the Board regarding the appointment or re-appointment of directors and succession planning for directors (in particular, the Chairman of the Board), general managers and other senior management officers;
- (viii) Formulate and maintain a policy on Board diversity, and conduct regular reviews, and disclose such policy or the summary of such policy on Board diversity in the annual report of the Company;

CORPORATE GOVERNANCE REPORT

- (ix) Examine the Company's compliance with the Corporate Governance Code in Appendix C1 to the Hong Kong Listing Rules and the disclosure of information in the Corporate Governance Report; and
- (x) Matters required by applicable laws and regulations, the Articles, the Hong Kong Listing Rules and other matters authorized by the Board of the Company.

The Company was listed on the Stock Exchange on 19 December 2025. During the period from the Listing Date to 31 December 2025, no Nomination Committee meetings were held. The Board will disclose relevant meetings in the next annual report according to the requirements as set out in the Corporate Governance Code.

BOARD DIVERSITY POLICY

In order to enhance the effectiveness of our Board and to maintain the high standard of corporate governance, we have adopted a Board Diversity Policy which sets out the objective and approach to achieve and maintain diversity of our Board. Pursuant to the Board Diversity Policy, we seek to achieve Board diversity through the consideration of a number of factors when selecting the candidates to our Board, including, but not limited to, gender, skills, age, professional experience, knowledge, cultural background, education background, ethnicity and length of service. The ultimate decision of the appointment will be based on merit and the contribution which the selected candidates will bring to our Board.

Our Board currently consists of 1 female Director and 7 male Directors with nearly half holding doctorate degrees. Our Directors have a balanced mix of knowledge and skills, including overall management and strategic development, quality assurance and control, finance and accounting and corporate governance in addition to industry experience relevant to our Group's operations and business. They obtained degrees in various majors including economics, chemistry, business management, and engineering. This diverse academic background allows the Board to approach challenges and opportunities from multiple angles, fostering innovative solutions and comprehensive strategies. We have three independent non-executive Directors with different industry backgrounds, representing more than one third of the members of our Board. Furthermore, our Board has a diverse age and gender representation. The Board's goal is to maintain female representation within the Board. Taking into account our existing business model and specific needs as well as the different background of our Directors, the Company is of the view that the Board satisfies the Board diversity policy, and the Board diversity policy of the Company would ensure that the Board will have alternative and potential successors to extend the existing gender diversity of the Board.

Our Nomination Committee is responsible for reviewing the structure and diversity of the Board and selecting individuals to be nominated as Directors. Our 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.

CORPORATE GOVERNANCE REPORT

Employee Diversity

As at the end of the Reporting Period, female employees accounted for 19% and male employees accounted for 81% of the Group's total workforce. The gender composition of the Group's employees (including senior management) is generally consistent with the talent distribution characteristics of the autonomous driving and hard technology R&D industry, falling within a reasonable range.

The Group is committed to the diversified and inclusive development of its employees. It strives to provide equal opportunities during recruitment and talent development, fostering a fair, respectful and inclusive working environment. The Group makes decisions on recruitment, training, promotion, dismissal, and retirement policies without taking into account age, gender, race, ethnicity, nationality, religion, marital status, family status, or any other non-work-related factors. The Group will continue to enhance its diversity management system, striving to achieve an excellent balance between a professional technology-oriented approach and the balanced development of employees.

Nomination Procedure

The directors shall be elected or replaced by the general meeting, and may be removed by an ordinary resolution of the general meeting before the expiration of their terms of office, subject to compliance with the relevant laws, administrative regulations, departmental rules, normative documents and the requirements of the Hong Kong Listing Rules. The directors serve three-year terms, and can be re-elected and reappointed at the end of the term.

The procedure for the selection and appointment of a Director are as follows: (1) Shareholders who individually or jointly own more than 1% of the Company's Shares or the Board make a proposal for a Director candidate; (2) the Nomination Committee of the Board selects and reviews the director candidate and its qualifications and makes recommendations to the Board for its selection and appointment; (3) the Board considers the appointment of the Director; (4) the Board submits a proposal for the consideration of the Director candidate to the general meeting; (5) the proposal for the Director candidate is voted on at the general meeting; (6) the Director approved by the general meeting takes office.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for the preparation of the Company's consolidated financial statements for the year ended 31 December 2025. The statement of the Company's independent auditor's reporting responsibilities in relation to the consolidated financial statements is set out in the independent auditor's report.

The Directors are not aware of any material uncertainties or conditions that may significantly affect the Company's ability to continue as a going concern.

CORPORATE GOVERNANCE REPORT

EMOLUMENT OF AUDITORS

The fees payable to our external auditor, BDO Limited, in respect of audit services and non-audit services for the year ended 31 December 2025 are as follows:

Service Category	Fees Paid/Payable (RMB'000)
Audit and audit-related services	2,000
Non-audit services	–
Total	2,000

JOINT COMPANY SECRETARIES

Ms. Au Wing Sze and Mr. Li Chunlin are the joint company secretaries of the Company.

Mr. Li Chunlin is the primary contact person of Ms. Au Wing Sze in the Company, and cooperates and communicates with Ms. Au Wing Sze on the corporate governance matters of the Company. Biographical details of Ms. Au Wing Sze and Mr. Li Chunlin are set out in the section headed “Biographies of Directors and Senior Management” in this annual report.

For the year ended 31 December 2025, Ms. Au Wing Sze has undertaken not less than 15 hours of relevant professional training in compliance with Rule 3.29 of the Listing Rules. As the Company’s H Shares were listed on the Stock Exchange on 19 December 2025, Mr. Li Chunlin had taken less than 15 hours of relevant professional training from the Listing Date to 31 December 2025 and will comply with Rule 3.29 of the Listing Rules in the forthcoming year.

RELATIONSHIP WITH SHAREHOLDERS

Communications with Shareholders

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

The Company communicates with Shareholders and the investment community mainly through the Company’s financial reports (including interim and annual reports), annual general meetings and other general meetings that may be convened, as well as provision of all disclosure data submitted to the Hong Kong Stock Exchange and corporate communications and other company publications published on the Company’s website and other manners.

CORPORATE GOVERNANCE REPORT

General Meetings

The general meetings of the Company serve as an opportunity for the Directors and senior management to communicate with the Shareholders. Shareholders are encouraged to participate in general meetings or to appoint proxy(ies) to attend and vote at meetings for and on their behalf if they are unable to attend the meetings. The Company shall give written notice to Shareholders at least 20 days prior to the annual general meetings and at least 15 days prior to any other general meeting.

Members of the Board, in particular, the chairmen of Board committees or their proxies, appropriate management personnel and external auditors will attend annual general meetings to answer Shareholders' questions.

The process of the Company's general meeting will be monitored and reviewed on a regular basis, and, if necessary, amended to ensure that Shareholders' needs are best served.

Corporate Communications

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

Company's Website

The Company maintains a website at www.cidi.ai as a communication platform with the Shareholders and investors. Information on the Company's website will be updated on a regular basis. Information released by the Company on the website of the Stock Exchange will also be posted on the Company's website for corporate communications in real time thereafter. Such information includes consolidated financial statements, results announcements, circulars and notices of general meetings and associated explanatory documents, etc.

Shareholders' Enquiries

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

Email: ir@cidi.ai

Shareholders may raise questions about their equity with the Company's Hong Kong Share Registrar, Tricor Investor Services Limited. The Company ensures that the Hong Kong Share Registrar maintains up-to-date data on the shares at all times to respond effectively to the Shareholders' enquiries.

CORPORATE GOVERNANCE REPORT

POLICIES RELATING TO SHAREHOLDERS

Shareholders Communication Policy

The Company has adopted and implemented a Shareholders Communication Policy to ensure that shareholders and investors have timely, equal and ready access to information about the Company. The Board considers that effective communication with the Shareholders and investors is essential for enhancing investor relations and investors' understanding of the Group's business performance and strategies. The Group also recognizes the importance of transparency and timely disclosure of corporate information, which enables the Shareholders and investors to make the best investment decision.

The Board attaches great importance to maintaining investor relations and is responsible for reviewing the policy regularly to ensure its ongoing applicability and effectiveness. The Board has reviewed and considered the implementation of the Shareholders Communication Policy to be effective from the Listing Date to the end of the Reporting Period.

Dividend Policy

The Company's profit distribution policy is: (1) the profit distribution of the Company shall maintain continuity and stability, and firmly attach importance to the actual interests of Shareholders and the long-term interests of the Company; (2) proposals related to the adjustment of the profit distribution policy shall be submitted to the general meeting of the Company for approval after consideration by the Board; (3) the Company may distribute dividends by way of cash, Shares or a combination of cash and Shares; when the conditions are met, the Company may also distribute the interim cash dividends; (4) the Company's profit distribution shall not exceed the scope of cumulative distributable profits and shall not jeopardize the Company's ability to continue as a going concern.

No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. According to relevant PRC laws, any future net profit that we make will have to be first applied to make up for our historically accumulated losses, after which we will be obliged to allocate 10% of our net 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 net profit to our statutory common reserve fund as described above.

Shareholders' Rights

To safeguard Shareholders' interests and rights, separate resolutions should be proposed at general meetings for each significant matter, for consideration and voting by Shareholders. All resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules, and the results of the voting will be published on the websites of the Company (www.cidi.ai) and the Stock Exchange (www.hkexnews.hk) after each general meeting.

CORPORATE GOVERNANCE REPORT

Pursuant to the Articles of Association, Shareholders holding individually or collectively certain percentage or more of the shares of the Company, can (i) require the Board of Directors to convene an extraordinary general meeting, (ii) make a proposal to the Company at a shareholders' general meeting of the Company. For more details, please refer to the Company's Articles of Association.

CONSTITUTIONAL DOCUMENTS

Reference is made to the Company's announcement dated 13 January 2026 regarding amendments to the Articles of Association. Following the completion of the issuance and listing of the Company's H Shares on the Main Board of the Stock Exchange on 19 December 2025, the Company has amended its Articles of Association to reflect the relevant changes in the Company's registered capital, total number of Shares, and other matters after the Listing, and has completed the filing of such amendments to the Articles of Association. Save as mentioned above and disclosed in the section headed "Subsequent Events" in this report, there were no changes in the Company's constitutional documents during the period from the Listing Date to the date of this report.

RISK MANAGEMENT AND INTERNAL CONTROL

We have implemented a series of risk management policies and procedures to identify, assess and manage risks we are exposed to in our operations. Some of the major risks we face include:

- If we are unable to develop new products and solutions that adapt to changing market demand and customer needs in a cost-effective and 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 adversely affect our profitability and operating cash flow and may not generate the results we expect to achieve.
- Intelligent driving is an emerging technology, and we face significant technical challenges to develop and commercialize our technology.
- Dependency on third-party suppliers to manufacture, assemble and test our products reduces our control over product quantity and quality, and could harm our business.
- We may not be able to obtain or maintain adequate intellectual property rights protection for our product and solution, or the scope of such intellectual property rights protection may not be sufficiently broad.
- We may not be able to obtain additional capital when desired, on favorable terms or at all.
- We may be subject to risks associated with international trade policies, geopolitics and trade protection measures, including imposition of trade restrictions and sanctions, and our reputation, business, results of operations and financial condition could be adversely affected.

CORPORATE GOVERNANCE REPORT

To monitor the ongoing implementation of our risk management policies and corporate governance measures, we also have adopted and will continue to adopt, the following risk management measures:

- 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 regular training 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.
- In order to effectively manage our regulatory compliance and legal risk exposures, we have adopted strict internal procedures to ensure the compliance of our business operations with the applicable rules and regulations. In accordance with these procedures, our in-house legal department performs the basic function of reviewing and updating the form of contracts we enter into with our customers, suppliers and other business partners. Our sales manager examines the contract terms and reviews relevant documents for our business operations, including licenses and permits obtained by the counterparties to perform their obligations under our business contracts and the necessary underlying due diligence materials, before we enter into any contract or business arrangements. We also issued the internal contract management policies to regulate the business contract reviewing, signing and implementation procedures. In addition, we continuously improve our internal policies according to changes in laws, regulations and industry standards.
- We have established internal control and risk management policies covering various aspects of human resource management such as recruitment, training, work ethics and legal compliance. We maintain high standards in recruitment with strict procedures to ensure the quality of new hires and provide specialized training tailored to the needs of our employees in different departments. We also conduct periodic performance reviews for our employees, and their remuneration is performance based. We monitor the implementation of internal risk management policies on a regular basis to identify, manage and mitigate internal risks in relation to the potential non-compliance with or violations of our code of conduct, work ethics, and our internal policies or illegal acts at all levels of our Group.

The Directors are of the opinion that our internal control system is sufficient and effective for our current operations. However, the aforesaid risk management measures are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against the occurrence of material misstatements or losses.

DIRECTORS' REPORT

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

LIST OF DIRECTORS

The list of Directors as at the Latest Practicable Date is as follows:

Executive Directors

Dr. Ma Wei
Dr. Albert S. Hu

Non-executive Directors

Prof. Li Zexiang (*Chairman of the Board*)
Ms. Yang Xi
Dr. Li Zhiyong

Independent non-executive Directors

Dr. Li Xiaoyuan
Prof. Tan Guangrong
Mr. Zhang Jiangang

Details of the Directors' biographies are set out in the section headed "Biographies of Directors and Senior Management" of this annual report.

PRINCIPAL ACTIVITIES

We are a global leading provider of intelligent driving products and technology solutions for commercial vehicles. Leveraging our integrated expertise in autonomous driving and vehicle-infrastructure cooperation, we have established a full-stack intelligent driving technology system that combines software and hardware to empower a full spectrum of intelligent mobility scenarios. We offer proprietary technology-based products and solutions, including autonomous commercial vehicles and intelligent solutions, V2X products, as well as intelligent sensing products and solutions. For a fair review of our Group's business, an analysis using key financial performance indicators, the principal risks and uncertainties facing our Group, and a discussion of our Group's future business development, please refer to the section "Management Discussion and Analysis" in this annual report, which forms part of this Directors' Report.

DIRECTORS' REPORT

MAJOR CUSTOMERS AND MAJOR SUPPLIERS

For the year ended 31 December 2025, revenue generated from our largest customer accounted for 43% of our total revenue for the year, while revenue generated from our top five customers accounted for 89% of our total revenue for the year. For the year ended 31 December 2025, purchases from our largest supplier accounted for 34% of our total purchases for the year, while purchases from our top five suppliers accounted for 70% of our total purchases for the year.

During the year ended 31 December 2025, none of the Directors, their respective associates, or any of our shareholders (owning or, to the best of the Directors' knowledge, owning more than 5% of our issued share capital) had any interest in any of our top five customers or suppliers.

SEGMENT INFORMATION

An analysis of the Group's results for the year by business segments is set out in Note 5 to the consolidated financial statements.

RESULTS

The operating results of the Group during the Reporting Period are set out in the consolidated statements of profit or loss on page 110 of this annual report.

SHARE CAPITAL

Details of the changes in the share capital of the Group during the year are set out in Note 38 to the consolidated financial statements.

DIVIDENDS

The Board did not recommend the distribution of an annual dividend for the year ended 31 December 2025.

COMPLIANCE WITH LAWS AND REGULATIONS

As far as the Board and the management are aware, the Group has complied with the relevant laws and regulations that have significant impacts on the Group's business and operations in all material respects during the Reporting Period. There was no material breach of or non-compliance with the applicable laws and regulations by the Group for the year ended 31 December 2025.

ISSUANCE OF DEBENTURES

The Group has not issued any debentures for the year ended 31 December 2025.

PURCHASE, SALE AND REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

The Group did not purchase, sell or redeem any of the Company's securities (including the sale of treasury shares) during the period from 19 December 2025 to 31 December 2025.

The Company did not hold any treasury shares as of 31 December 2025.

THE USE OF PROCEEDS FROM THE GLOBAL OFFERING

On 19 December 2025, the Company was listed on the Main Board of the Hong Kong Stock Exchange. The number of Shares under the Global Offering was 5,407,980 Shares, comprising the offer of 540,800 Shares under the Hong Kong Public Offering (as defined in the Prospectus) and the offer of 4,867,180 Shares under the International Offering (as defined in the Prospectus) at a nominal value of RMB1.00 per Share. Based on the final Offer Price of HK\$263.00 per Offer Share, the net proceeds received by the Company from the Global Offering after deducting the underwriting commission and other estimated expenses in connection with the Global Offering amounted to approximately HK\$1,309.03 million, which will be used in accordance with the use of proceeds as disclosed in the Prospectus as follows:

Purpose of utilization	% of the total net proceeds	Net proceeds raised (HKD million)	Utilized	Unutilized	Expected timetable for fully utilizing the unutilized proceeds
			proceeds from the Listing Date to 31 December 2025 (HKD million)	proceeds as of 31 December 2025 (HKD million)	
R&D of next-generation intelligent driving platform and V2X and intelligent perception upgrading projects	55%	719.97	0	719.97	Fully utilized by 31 December 2030
Improvement of our commercialization capabilities in China and overseas and further strengthening our cooperation with domestic and global customers	15%	196.35	0	196.35	Fully utilized by 31 December 2026
Potential investment, and merger and acquisition opportunities aimed at further integrating upstream and downstream resources in the industrial chain	20%	261.81	0	261.81	Fully utilized by 31 December 2026
Working capital and for general corporate uses	10%	130.90	0	130.90	Fully utilized by 31 December 2026
Total	100%	1,309.03	0	1,309.03	

We have deposited the unutilized net proceeds into short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions.

DIRECTORS' REPORT

PRINCIPAL SUBSIDIARIES

Details of the names, principal places of business, places of incorporation and issued share capital of the Company's principal subsidiaries are set out in Note 15 to the consolidated financial statements.

RESERVES

For the year ended 31 December 2025, details of movements in the reserves of the Group and the Company are set out in Note 39 and Note 43 to the consolidated financial statements, respectively.

DISTRIBUTABLE RESERVES

As at 31 December 2025, the distributable reserves of the Group amounted to RMB1,687,137,000.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group for the year ended 31 December 2025 are set out in Note 16 to the consolidated financial statements.

BANK BORROWINGS

Details of bank borrowings of the Group as at 31 December 2025 are set out in Note 28 to the consolidated financial statements.

PERMITTED INDEMNITY PROVISION

Subject to the relevant regulations, each Director shall be indemnified by the Company against all costs, charges, expenses, losses and liabilities that he/she may sustain or incur for the performance of his/her duties or the relevant matters. The Company has purchased insurance to cover the liabilities and expenses incurred in the possible proceedings against the Directors.

CONNECTED TRANSACTION

Details of the related party transactions for the year ended 31 December 2025 are set out in Note 35 to the consolidated financial statements. None of such related party transactions constitutes a "connected transaction" or a "continuing connected transaction" which is required to be disclosed in this annual report in accordance with Chapter 14A of the Listing Rules.

DIRECTORS' REPORT

During the Reporting Period, the Group had no connected transaction or continuing connected transaction which was required to be disclosed in accordance with the Listing Rules. Except for the service contract entered into by Prof. Li Zexiang in his capacity as a non-executive Director, there had been no material contracts or significant service agreements for the provision of services between the Company or any of its subsidiaries and a controlling shareholder during the Reporting Period.

SERVICE CONTRACTS OF DIRECTORS

During the Reporting Period, none of our Directors 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).

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT AND THE FIVE HIGHEST PAID INDIVIDUALS

Details of the remuneration of the Directors and the five highest paid individuals are set out in Note 8(c) and Note 8(b) to the consolidated financial statements, respectively. Pursuant to code provision E.1.5 of the Corporate Governance Code, the remuneration of the senior management for the year ended 31 December 2025 by band are set out below:

Remuneration grades	Number of persons
HK\$0 to HK\$1,000,000	–
HK\$1,000,001 to HK\$1,500,000	–
HK\$2,000,001 to HK\$2,500,000	1
HK\$3,000,001 to HK\$3,500,000	1
HK\$5,000,001 to HK\$5,500,000	–

No Director waived or agreed to waive any remuneration and no remuneration was paid by the Group to any of the Directors or the Five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

During the Reporting Period, none of the Directors or their connected entities had any material interest, either directly or indirectly, in any transaction, arrangement or contract of significance in relation to the Company, to which the Company or any of its subsidiaries was a party.

DIRECTORS' REPORT

DIRECTORS' INTERESTS IN COMPETING BUSINESS

Since the Listing Date and up to the end of the Reporting Period, none of the Directors was engaged in or interested in any business which competes or is likely to compete, directly or indirectly, with the business of the Group and would require disclosure under the Listing Rules.

THE RIGHTS OF DIRECTORS AND CHIEF EXECUTIVE OFFICER TO ACQUIRE SHARES OR BONDS

None of the Company, its holding company or any of its subsidiaries was engaged in any arrangement during any time of the Reporting Period, which enabled the Directors and chief executive officer to obtain benefits through the acquisition of shares or debt securities (including debentures) of the Company or any other corporation.

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

As the Company was listed on the Stock Exchange on 19 December 2025, Divisions 7 and 8 of Part XV of the SFO and Section 352 of the SFO shall be applicable to the Directors or chief executive of the Company from the date of Listing.

As at 31 December 2025, the Directors or chief executive officer of Company who has any interests or short positions (within the meaning of Part XV of the SFO) in our Shares, underlying Shares and debentures of our Company or our associated corporations which are required to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he or she is taken or deemed to have under such provisions of the SFO) or which are required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein, or which are required to be notified to our Company and the Stock Exchange pursuant to the Model Code contained in the Listing Rules, are as follows:

(i) Interest in the shares of the Company

Name of Director or chief executive	Nature of Interest	Number of Shares interested ⁽¹⁾	Approximate percentage of interest in the relevant type of shares of the Company ⁽²⁾	Approximate percentage of interest in total issued share capital of the Company as of 31 December 2025 ⁽³⁾
Prof. Li Zexiang ⁽⁴⁾	Interest in controlled corporations	16,750,130 H Shares	39.46%	38.25%
Dr. Albert S. Hu ⁽⁵⁾	Beneficial owner	138,270 H Shares	0.33%	0.32%

Notes:

- (1) All interests stated are long position.
- (2) The percentage is calculated based on the total number of 42,443,892 H Shares in issue as of 31 December 2025.
- (3) The percentage is calculated based on the total number of 43,789,310 Shares in issue as of 31 December 2025.
- (4) Under the SFO, Prof. Li Zexiang is deemed to be interested in (i) the 11,443,151 H Shares held by NovoDriv HK, the general partner of which is NovoDriv Limited, which in turn is wholly-owned by Prof. Li Zexiang; (ii) the 4,883,250 H Shares held by Changsha Gangwan, which (1) is directly held as to 99% by Prof. Li Zexiang as the limited partner, and (2) is held as to 1% by Dongguan Intelligence as the general partner, which is controlled by Prof. Li Zexiang; (iii) the 290,750 H Shares held by CWB Startup HK, which is wholly-owned by Clear Water Bay Startup Fund LP, the general partner of which is Clear Water Bay Startup Fund GP, which in turn is held as to approximately 57% by Prof. Li Zexiang; and (iv) the 132,979 H Shares held by Changsha Shengyu, the majority of the partnership interest of which is held by Dongguan Yunhe, which in turn is wholly-owned by CWB Startup HK.
- (5) As of 31 December 2025, Dr. Albert S. Hu was granted Options under the Share Incentive Scheme for up to 138,270 H Shares, entitling him to receive dividends and other economic rights attributable to such Shares.

Save as disclosed above, during the period from the Listing Date to 31 December 2025, none of the Directors or the chief executive officer of the Company have any interests and/or short positions in the Shares, underlying Shares and debentures of our Company and our associated corporations (within the meaning of Part XV of the SFO), which have been notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she is taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein, or which were required to be notified to our Company and the Stock Exchange pursuant to the Model Code contained in the Listing Rules.

(ii) Interest in associated corporations

Save for the above, the Directors were not aware of any of our Directors or the chief executive officer who had any interests and/or short positions in the Shares, underlying Shares and debentures of associated corporations (within the meaning of Part XV of the SFO), which have been notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she is taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein, or which were required to be notified to our Company and the Stock Exchange pursuant to the Model Code contained in the Listing Rules.

DIRECTORS' REPORT

INTERESTS AND/OR SHORT POSITIONS HELD BY SUBSTANTIAL SHAREHOLDERS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As the Company's shares were listed on the Stock Exchange on 19 December 2025, Divisions 2 and 3 of Part XV of the SFO and Section 336 of the SFO shall be applicable to substantial shareholders of the Company from the date of Listing.

As of 31 December 2025, the following persons (other than Directors or chief executive officer of the Company) have interests and/or short positions in the Shares or underlying Shares which would fall to be disclosed pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying the rights to vote in any circumstances at general meetings of our Company:

Name of Shareholders	Capacity/nature of interest	Number and class of Shares held ⁽¹⁾	Approximate percentage of interest in the relevant type of shares of the Company ⁽²⁾	Approximate percentage of interests in total issued share capital of the Company as of 31 December 2025 ⁽³⁾
Prof. Li Zexiang ⁽⁴⁾	Interest in controlled corporations	16,750,130 H Shares	39.46%	38.25%
NovoDriv Limited ⁽⁵⁾	Interest in controlled corporations	11,443,151 H Shares	26.96%	26.13%
NovoDriv HK	Beneficial owner	11,443,151 H Shares	26.96%	26.13%
Dongguan Intelligence ⁽⁶⁾	Interest in controlled corporations	4,883,250 H Shares	11.51%	11.15%
Changsha Gangwan	Beneficial owner	4,883,250 H Shares	11.51%	11.15%
Beijing HongShan	Beneficial owner	4,070,500 H Shares	9.59%	9.30%
Xinding Capital ⁽⁷⁾	Interest in controlled corporations	3,710,820 H Shares	8.74%	8.47%
Ruishi Capital ⁽⁸⁾	Beneficial owner	129,464 H Shares	0.31%	0.30%
		927,093 Domestic Unlisted Shares	68.91%	2.12%
Chengdu Technology VC	Beneficial owner	231,426 Domestic Unlisted Shares	17.20%	0.53%
Ceyuan Guangyi Digital Fund	Beneficial owner	140,357 Domestic Unlisted Shares	10.43%	0.32%

Notes:

- (1) All interests stated are long positions.
- (2) The calculation is based on the total number of 1,345,418 Domestic Unlisted Shares in issue of the Company or the total number of 42,443,892 H Shares in issue as of 31 December 2025.
- (3) The percentage is calculated based on the total number of 43,789,310 Shares in issue as of 31 December 2025.
- (4) Under the SFO, Prof. Li Zexiang, the non-executive Director, is deemed to be interested in (i) the 11,443,151 H Shares held by NovoDriv HK, the general partner of which is NovoDriv Limited, which in turn is wholly-owned by Prof. Li Zexiang; (ii) the 4,883,250 H Shares held by Changsha Gangwan, which (1) is directly held as to 99% by Prof. Li Zexiang as the limited partner, and (2) is held as to 1% by Dongguan Intelligence as the general partner, which in turn is controlled by Prof. Li Zexiang; (iii) the 290,750 H Shares held by CWB Startup HK, which is wholly-owned by Clear Water Bay Startup Fund LP, the general partner of which is Clear Water Bay Startup Fund GP, which in turn is held as to approximately 57% by Prof. Li Zexiang; and (iv) the 132,979 H Shares held by Changsha Shengyu, the majority of the partnership interest of which is held by Dongguan Yunhe, which in turn is wholly-owned by CWB Startup HK.
- (5) Under the SFO, NovoDriv Limited is deemed to be interested in the 11,443,151 H Shares held by NovoDriv HK as its general partner.
- (6) Under the SFO, Dongguan Intelligence is deemed to be interested in the 4,883,250 H Shares held by Changsha Gangwan as its general partner.
- (7) Under the SFO, Xinding Capital is deemed to be interested in the 3,710,820 H Shares held by Xinding No. 1, Xinding No. 6, Xinding No. 18, Xinding No. 19, Xinding No. 20 and Xinding No. 36.
- (8) Under the SFO, Ruishi Capital is deemed to be interested in the 1,056,557 Shares held by Zhitu No. 1 and Ruichuang Zhitu, among which 129,464 Domestic Unlisted Shares held by Zhitu No. 1 has converted into H Shares and 927,093 Domestic Unlisted Shares held by Ruichuang Zhitu remain unconverted upon the Listing.

PENSION SCHEME

Details of the pension scheme are set out in Note 8(a) to the consolidated financial statements.

SUBSTANTIAL LITIGATION AND ARBITRATION MATTERS

During the Reporting Period, the Group did not have any litigation or arbitration matters that had a significant impact on its operating activities.

MATERIAL CONTRACTS

During the Reporting Period, (i) no material contract was entered into and/or subsisted among the Company or any of its subsidiaries and the Controlling Shareholders or any of their subsidiaries; and (ii) there is no material contract in relation to the provision of services by the Controlling Shareholders or any of their subsidiaries to the Group.

EQUITY-LINKED AGREEMENT

For the year ended 31 December 2025, no equity-linked agreement was entered into by the Group or existed.

DIRECTORS' REPORT

PRE-EMPTIVE RIGHTS

According to the laws of the PRC and the Articles of Association, there are no provisions on the pre-emptive rights to offer new Shares by the Company to its existing Shareholders on a pro rata basis.

PUBLIC FLOAT

According to the information that is publicly available to the Company, and as far as our Directors are aware, as of the Latest Practicable Date, approximately 58.68% of the total issued share capital of the Company was held by the Public, which exceeds the 15% threshold of the total issued share capital of the Company (excluding treasury shares) required to be held by the public under Rule 19A.13A(1) of the Listing Rules. Therefore, the Board confirmed that the Company has been in compliance with Rule 19A.28B of the Listing Rules.

Lock-up

As of the Latest Practicable Date, the list of persons subject to the lock-up restrictions under Rule 18C.14 of the Listing Rules, together with their respective close associates, is set out below:

Person(s)	Capacity	Number of Shares subject to disposal restrictions ⁽¹⁾	Approximate percentage of shareholding in the total issued share capital of our Company ⁽¹⁾	Lock-up period for a Commercial Company ⁽²⁾
Key Persons				
Prof. Li Zexiang ⁽³⁾	Founder, chairman of the Board and non-executive Director	167,501,300 ⁽⁴⁾	38.25%	Commencing on the date of this prospectus and ending on the date which is 12 months from the Listing Date (i.e. 18 December 2026)
Dr. Ma Wei ⁽³⁾	Co-founder, vice chairman of the Board and executive Director	114,431,510 ⁽⁵⁾	26.13%	Commencing on the date of this prospectus and ending on the date which is 12 months from the Listing Date (i.e. 18 December 2026)
Dr. Albert S. Hu ⁽³⁾	Executive Director and chief executive officer	1,382,700 ⁽⁶⁾	0.32%	Commencing on the date of this prospectus and ending on the date which is 12 months from the Listing Date (i.e. 18 December 2026)
Pathfinder Sophisticated Independent Investors ("Pathfinder SIIs")				
Hong Shan SII ⁽⁷⁾	Pathfinder SII	40,705,000	9.30%	Commencing on the date of this prospectus and ending on the date which is 12 months from the Listing Date (i.e. 18 December 2026)
Xinding Capital SII ⁽⁸⁾	Pathfinder SII	37,108,200	8.47%	Commencing on the date of this prospectus and ending on the date which is 12 months from the Listing Date (i.e. 18 December 2026)
Legend Holdings SII ⁽⁹⁾	Pathfinder SII	13,403,480	3.06%	Commencing on the date of this prospectus and ending on the date which is 12 months from the Listing Date (i.e. 18 December 2026)

Notes:

- (1) The number of shares and the shareholding percentages are calculated on the basis of the total number of shares in issue (comprising 437,893,100 Shares) as of the Latest Practicable Date.
- (2) Pursuant to the PRC Company Law, each of the existing Shareholders of the Company (including the Key Persons and Pathfinder Slls) are not permitted to dispose of any of the Shares held by them within the 12 months immediately following the Listing Date.
- (3) Prof. Li Zexiang, Dr. Ma Wei and Dr. Albert S. Hu are key persons responsible for our technical operations and/or the research and development of our Specialist Technology Products, and the Shares they are deemed to be interested in shall be subject to lock-up requirements pursuant to Rule 18C.14 of the Listing Rules.
- (4) As of the Latest Practicable Date, Prof. Li Zexiang is deemed to be interested in (i) the 114,431,510 H Shares held by NovoDriv HK, the general partner of which is NovoDriv Limited, which in turn is wholly-owned by Prof. Li Zexiang; (ii) the 48,832,500 H Shares held by Changsha Gangwan, which (a) is directly held as to 99% by Prof. Li Zexiang as the limited partner, and (b) is held as to 1% by Dongguan Intelligence as the general partner, which in turn is controlled by Prof. Li Zexiang; (iii) the 2,907,500 H Shares held by CWB Startup HK, which is controlled by Prof. Li Zexiang; and (iv) the 1,329,790 H Shares held by Changsha Shengyu, the majority of the partnership interest of which is held by CWB Startup HK.
- (5) As of the Latest Practicable Date, Dr. Ma Wei is indirectly interested in 25.66% of the 114,431,510 H Shares held by NovoDriv HK given 25.66% partnership interest in NovoDriv HK.
- (6) As of the Latest Practicable Date, Dr. Albert S. Hu was granted Options under the Share Incentive Scheme for up to 1,382,700 Shares, entitling him to receive dividends and other economic rights attributable to such Shares. Please refer to "Appendix VII – Statutory and General Information – D. Share Incentive Scheme" for further information.
- (7) Representing the 40,705,000 H Shares to be held by Beijing HongShan upon completion of the Global Offering and Shares Subdivision.
- (8) Representing the 10,419,260 H Shares, 7,862,470 H Shares, 1,477,900 H Shares, 3,843,040 H Shares, 10,101,700 H Shares and 3,403,830 H Shares held by Xinding No. 1, Xinding No. 6, Xinding No. 18, Xinding No. 19, Xinding No. 20 and Xinding No. 36 respectively, upon completion of the Global Offering and Shares Subdivision.
- (9) Representing the 5,815,000 H Shares, 5,815,000 H Shares and 1,773,480 H Shares held by Lianpan VC, Xinghao VC and Xingfan VC respectively, upon completion of the Global Offering and Shares Subdivision.

MANAGEMENT CONTRACTS

Save for the Directors' service contracts, no contract concerning the management or administration of the whole or a substantial part of the business of the Company was entered into or existed for the year ended 31 December 2025.

DIRECTORS' REPORT

TAX RELIEF

Individual Investors

Pursuant to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》), which was most recently amended and issued on 31 August 2018, and came into force on 1 January 2019 and the Implementation Provisions of the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法實施條例》), which was most recently amended and issued on 18 December 2018, and came into force on 1 January 2019 (hereinafter collectively referred to as the “**IIT Law**”), dividends distributed by PRC enterprises are subject to individual income tax levied at a flat rate of 20%. For a foreign individual who is not a resident of the PRC, the receipt of dividends from an enterprise in the PRC is normally subject to an individual income tax of 20% unless specifically exempted by the tax authority of the State Council or reduced by relevant tax treaties.

Pursuant to the Arrangement between Chinese Mainland and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》), which was signed by Chinese Mainland and the Hong Kong Special Administrative Region on 21 August 2006 and came into effect on 8 December 2006, the Chinese Government may levy taxes on the dividends paid by a Chinese company to Hong Kong residents (including natural persons and legal entities) in an amount not exceeding 10% of the total dividends payable by the Chinese company unless a Hong Kong resident directly holds 25% or more of the equity in a Chinese company, then such tax shall not exceed 5% of the total dividends payable by the Chinese company.

The Fifth Protocol of the Arrangement between Chinese Mainland and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (《<內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排>第五議定書》), which came into effect on 6 December 2019, states that such provisions shall not apply to arrangements or transactions made for the primary purpose of gaining such tax benefit.

In addition, the application of the dividend clause of tax agreements shall be subject to provisions of the PRC tax laws and regulations, such as the guidelines specified in the Notice of the State Taxation Administration on the Issues Concerning the Application of the Dividend Clauses of Tax Agreements (Guo Shui Han [2009] No. 81) (《國家稅務總局關於執行稅收協定股息條款有關問題的通知》(國稅函[2009] 81號)), which came into force on 20 February 2009. While determining the taxation applicable to dividends under the Arrangement, the investors shall comply with these regulations.

Enterprise Investors

In accordance with the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) promulgated by the National People's Congress on 16 March 2007, effective as at 1 January 2008 and amended on 24 February 2017, and 29 December 2018, and the Implementation Provisions of the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》) promulgated by the State Council on 6 December 2007, effective as at 1 January 2008 and amended in 2019 (hereinafter collectively referred to as the "EIT Law"), a non-resident enterprise is generally subject to a 10% enterprise income tax on PRC-sourced income (including dividends received from a PRC resident enterprise), if such non-resident enterprise does not have an establishment or place in the PRC or has an establishment or place in the PRC but the PRC-sourced income is not directly connected with such establishment or place. Such withholding tax for non-resident enterprises is deducted at source, where the payer of the income is required to withhold the income tax from the amount to be paid to the non-resident enterprise. The withholding tax may be reduced or exempted pursuant to applicable treaties for the avoidance of double taxation.

The Circular on Issues Relating to the Withholding of Enterprise Income Tax by PRC Resident Enterprises on Dividends Paid to Overseas Non-PRC Resident Enterprise Shareholders of H Shares (Guo Shui Han [2008] No. 897) (《國家稅務總局關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》(國稅函[2008] 897號)) which was issued and implemented by the State Taxation Administration on 6 November 2008, further clarified that a PRC-resident enterprise must withhold enterprise income tax at a rate of 10% on dividends paid to overseas non-PRC resident enterprise shareholders of H Shares with respect to the dividends of 2008 and onwards. In addition, the Response to Questions on Levying Enterprise Income Tax on Dividends Derived by Non-resident Enterprise from Holding Stocks such as B-shares (Guo Shui Han [2009] No. 394) (《國家稅務總局關於非居民企業取得B股等股票股息徵收企業所得稅問題的批覆》(國稅函[2009] 394號)) which was issued and implemented by the State Taxation Administration on 24 July 2009, further provides that any PRC-resident enterprise that is listed on overseas stock exchanges must withhold enterprise income tax at a rate of 10% on dividends of 2008 and onwards that it distributes to non-resident enterprise shareholders. Such tax rates may be further modified pursuant to the tax treaty that China has concluded with a relevant jurisdiction.

Pursuant to the Arrangement between Chinese Mainland and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》), which was signed by Chinese Mainland and the Hong Kong Special Administrative Region on 21 August 2006 and came into effect on 8 December 2006, the Chinese Government may levy taxes on the dividends paid by a Chinese company to Hong Kong residents (including natural persons and legal entities) in an amount not exceeding 10% of the total dividends payable by the Chinese company unless a Hong Kong resident directly holds 25% or more of the equity in a Chinese company, then such tax shall not exceed 5% of the total dividends payable by the Chinese company.

DIRECTORS' REPORT

The Fifth Protocol of the Arrangement between Chinese Mainland and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (《<內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排>第五議定書》), which came into effect on 6 December 2019, states that such provisions shall not apply to arrangements or transactions made for the primary purpose of gaining such tax benefit.

In addition, the application of the dividend clause of tax agreements shall be subject to provisions of the PRC tax laws and regulations, such as the guidelines specified in the Notice of the State Taxation Administration on the Issues Concerning the Application of the Dividend Clauses of Tax Agreements (Guo Shui Han [2009] No. 81) (《國家稅務總局關於執行稅收協定股息條款有關問題的通知》(國稅函[2009] 81號)), which came into force on 20 February 2009. While determining the taxation applicable to dividends under the Arrangement, the investors shall comply with these regulations.

ENVIRONMENTAL POLICY AND PERFORMANCE

Our Group is committed to the mission of “Embrace Better Life with Intelligent Driving” and actively implements the concept of sustainable development. Leveraging our core technologies in autonomous driving and V2X, our products and solutions reduce operational energy consumption and carbon emissions by improving production efficiency, safety, and cost-effectiveness. We integrate the principles of sustainable development throughout the entire product life cycle management and strive to extend the benefits of intelligent driving to a broader range of enterprises and society through technological innovation.

As the highest decision-making body for the Group's ESG initiatives, our Board of Directors is tasked with overseeing all aspects of ESG matters. This includes assessing and identifying ESG-related risks and opportunities, ensuring the effective implementation of ESG risk management and internal control systems, and establishing our ESG management approach, strategy, priorities and objectives. The Board of Directors identifies material ESG issues through steps such as integrating environmental and social responsibility into daily management, regularly evaluating and reporting on these matters and engaging with stakeholders such as investors, customers, partners and employees to identify ESG matters relevant to them. Moreover, we consistently monitor compliance with relevant laws and regulations, promote employee awareness and participation in ESG initiatives and actively participate in social welfare activities. Through the ESG management system, the Group strives to integrate the principles of sustainable development in relation to environmental, social, and governance dimensions into its business operations and development, thereby consistently enhancing its ESG performance.

For details regarding the Group's environmental policy and performance, please refer to the “Environmental, Social and Governance” section of this annual report.

HUMAN RESOURCES AND REMUNERATION POLICY

The Group is committed to fostering a fair and diverse employment environment. We have established a labor union dedicated to continuously maintaining and developing harmonious labor relations, serving employees, supporting their growth, and safeguarding their interests. We have implemented a comprehensive benefits system, including participation in various employee social security programs organized by relevant local governments. Additionally, to provide more extensive protection for our employees, we have arranged supplementary commercial insurance. We have also developed a robust training system covering all levels and positions. Through diversified onboarding and on-the-job training programs covering various aspects such as professional skills, general knowledge, and management capabilities, we aim to comprehensively enhance employees' overall competencies, supporting their career development in alignment with the Group's strategic objectives.

We have established internal control and risk management policies covering various aspects of human resource management such as recruitment, training, work ethics and legal compliance. We maintain high standards in recruitment with strict procedures and provide specialized training tailored to the needs of our employees in different departments, thereby effectively enhancing their professional capabilities and overall competencies. We also conduct periodic performance reviews for our employees, and compensation structures are adjusted based on the outcomes of performance evaluations, providing employees with opportunities for salary adjustments or career advancement. We monitor the implementation of internal risk management policies on a regular basis to identify, manage and mitigate internal risks in relation to the potential non-compliance with our code of conduct, work ethics, and violations of our internal policies or illegal acts at all levels of our Group.

SHARE INCENTIVE SCHEME

1. Summary of share incentive scheme

The following is a summary of the principal terms of the share incentive scheme (the "**Share Incentive Scheme**"). The Share Incentive Scheme was adopted and approved on 23 September 2024.

DIRECTORS' REPORT

Save for the disclosure requirements under Rule 17.12 of the Listing Rules, the Share Incentive Scheme is not subject to the provisions under Chapter 17 of the Listing Rules and no further options or awards may be granted under the Share Incentive Scheme. Under the Share Incentive Scheme, the Company will grant option(s) (“**Option(s)**”) to Scheme Participants to acquire Unit(s) in the Shares held by Changsha Gangwan, pursuant to which the Scheme Participants shall enjoy the dividends and other economic rights attributable to the Shares held by Changsha Gangwan. As of the Latest Practicable Date, Changsha Gangwan held 93,410,000 Units, representing 43,052,800 Shares held in the Company (out of the 48,832,500 Shares in total held by Changsha Gangwan), with all of the 93,410,000 Units having already been granted to 368 Eligible Participants.

- (a) **Purpose.** The purpose of the Share Incentive Scheme is to further bolster the corporate governance structure, improve the incentive mechanism, encourage outstanding employees and consultants to be more proactive, and foster the sense of responsibility among the Scheme Participants to promote the stable, continuous and rapid growth of the Company.
- (b) **Administration.** The Share Incentive Scheme is to be administered by an implementation committee (the “**Implementation Committee**”), the members of which include Prof. Li Zexiang, Dr. Ma Wei and Dr. Albert S. Hu. Any replacement of members of the Implementation Committee shall be subject to the approval of the Board. Subject to the procedures stipulated in the Articles of Association of the Company and Changsha Gangwan, the partnership agreement, the shareholders’ agreement or other relevant documents (the “**Approval Procedures**”), the Implementation Committee may (i) issue interpretations as to the terms, execution and administration of the Share Incentive Scheme; (ii) choose and decide the Scheme Participants; (iii) stipulate, amend, change or abolish the regulations of the Share Incentive Scheme and make the appropriate decisions; (iv) amend and supplement the Share Incentive Scheme, unless such actions would cause material adverse impact on the Options or Units already obtained by the Scheme Participants, in which case the consent shall be obtained from the Scheme Participants holding more than half of the issued Options at the time; (v) decide on the distribution, grant, redemption, exercise or termination of the Options and the terms and conditions thereof, and to make the relevant amendments, changes, cancellation or waiver; and (vi) to decide on matters or exercise powers that the Company or the Implementation Committee is responsible for under the Share Incentive Scheme. The decisions of the Implementation Committee shall be final, definitive and binding on all Scheme Participants. The Implementation Committee may authorize any of its members to execute matters within the scope of its power. From the effective date of the Share Incentive Scheme, the Implementation Committee may authorize any of its members to (i) verify and confirm the exercise of the Options; and (ii) verify and confirm the exercise and conversion of the Options into Units.

- (c) **Scheme Participants.** The core employees of the Group and consultants who work for, or have made significant contributions to the Group.
- (d) **Duration.** The Share Incentive Scheme will be valid for 10 years commencing from the date of approval by the Board of the Share Incentive Scheme, unless otherwise resolved by the Board.
- (e) **Grant of Options.** Option gives a Scheme Participant a conditional right to acquire Units under the Share Incentive Scheme at a pre-determined price. Unless otherwise agreed by the Implementation Committee, the purchase price (the “**Exercise Price**”) that a Scheme Participant has to pay in order to exercise the Option and be assigned the Units shall be decided by the Implementation Committee and shall be explicitly agreed in the relevant option grant agreement (the “**Option Grant Agreement**”).

The grant of Options shall adhere to the principles of balancing responsibilities, rights and benefits. Subject to the provisions of the prevailing Articles of Association, partnership agreement, shareholders' agreement or other constitutional documents of the Company and Changsha Gangwan, Options may be allocated and granted based on the Scheme Participants' positions and performance and their contribution to the Company's results and in light of the actual condition of the Company. Subject to the Approval Procedures, the Implementation Committee shall have full and independent discretion to decide and adjust the ratio of allocation, grant of Options and exercise price of the Options based on the development of the Company. The Option Grant Agreement will take effect from the date on which the Approval Procedures are satisfactorily completed. Unless otherwise agreed in writing by the Implementation Committee, Options may be granted only if the Scheme Participant is still employed by the Company (or a subsidiary or an affiliated company established by the Company) or a labor or service relationship exists between the Scheme Participant and the Company (or a subsidiary or an affiliated company established by the Company) on the date of grant.

- (f) **Exercise of Options.** Unless otherwise agreed in writing by the Implementation Committee, upon the Scheme Participant exercising the Options under the Option Grant Agreement, the Scheme Participant shall simultaneously receive the corresponding number of Units based on the number of Options exercised. Subject to the provisions of the relevant laws and regulations and the terms of the Share Incentive Scheme, the Company will, at its own discretion from time to time, set up a window for a period of time (“**Exercise Window**”) pursuant to which Scheme Participants have the right to exercise part of or all of their Options and obtain Units in accordance with the terms of the Option Grant Agreement. The Scheme Participant shall provide a written notice to the Implementation Committee in respect of the exercise of such Options during the Exercise Window.

DIRECTORS' REPORT

- (g) **Shares.** All the 93,410,000 Units underlying the Options under the Share Incentive Scheme, (representing 43,052,800 Shares of the Company) are currently held by Changsha Gangwan for the purpose of holding Shares under the Share Incentive Scheme.
- (h) **Lapse of Options.** Unless with the written consent of the Implementation Committee, an Option shall lapse immediately on the occurrence of, among others, the following: (i) the Scheme Participant's employment with the Group is terminated as a result of serious incompetence or a violation of the law, employment contract or regulations; (ii) the Scheme Participant has materially neglected his/her duties or has committed malpractices for his/her personal gains, or has seriously damaged the rights and interests of the Company (or any subsidiary or affiliated company established by the Company); (iii) the Scheme Participant has breached any employment contract, confidentiality agreement, work product attribution agreement, non-compete agreement or any other agreements entered with the Company (or a subsidiary or an affiliated company established by the Company); (iv) the Scheme Participant has violated the rules and regulations of the Company (or a subsidiary or an affiliated company established by the Company) during the course of employment; (v) the Scheme Participant has materially breached the Option Grant Agreement, or has committed an immaterial breach of the Option Grant Agreement but has failed to rectify the situation within a reasonable period as required by Changsha Gangwan or the Company; (vi) the Scheme Participant's employment is terminated before the Listing of the Company; or (vii) the Scheme Participant has violated the partnership agreement or other constitutional documents of Changsha Gangwan. Upon the lapse of Options, unless the Implementation Committee states otherwise in writing, the Company has the right to terminate the grant of Options to the Scheme Participant and declare any or all Options that have been granted but not yet exercised to be invalid. Should any Options be exercised already by the Scheme Participant, the Company has the right to designate a third party to repurchase all Units purchased by the Scheme Participant through the exercise of Options at a price determined by good faith by the Implementation Committee (with such price being not lower than the Exercise Price), and require the relevant Scheme Participant to withdraw from the Share Incentive Scheme.
- (i) **Transferability.** Except with the written consent by the Implementation Committee, any Options granted to the Scheme Participants pursuant to the Share Incentive Scheme and the Option Grant Agreement shall not be capable of being sold, transferred, given, pledged, mortgaged, gifted or otherwise disposed of by him/her, save that in the event of his/her death, his/her personal representatives shall receive the benefit of his/her Options, provided that the personal representatives shall be subject to the restrictions and conditions that come with the Options as stipulated by the Option Grant Agreement, and shall comply with the terms of the Share Incentive Scheme and the Option Grant Agreement.

DIRECTORS' REPORT

- (j) **Lock-up Period.** The Options will be subject to a lock-up period stipulated by the Implementation Committee, in accordance with the requirements of the relevant regulatory authorities and stock exchanges. The final day of such lock-up period shall not be earlier than the end of the applicable lock-up period for the Shares held by Changsha Gangwan upon Listing.

2. Share options granted and vested during the Reporting Period

The Company granted share options under the Share Incentive Scheme from 27 September 2024 to 31 December 2025. Details of the movements in these share options during the Reporting Period are set out below:

Scheme Participant	Position in the Group	Number of Shares underlying the Options granted	Approximate percentage of issued Shares ⁽¹⁾	Date of Grant	Vesting period ⁽²⁾	Exercise Price per Option ⁽³⁾	Number of Shares underlying lapsed share options (cumulative as at 31 December 2025)
Dr. Albert S. Hu	Executive Director and chief executive officer	55,308	0.13%	27 September 2024	19 December 2028 ⁽⁴⁾	0.001	-
		82,962	0.19%			0.01	-
Four highest paid individuals (excluding Dr. Albert S. Hu)		73,744	0.17%	27 September 2024 to 9 January 2025	C	0.001	-
		101,398	0.23%		B	1	-
		161,315	0.37%		A	1	-
		18,436	0.04%		D	1	-
Other Scheme Participants ⁽⁵⁾		649,871	1.48%	27 September 2024 to 2 December 2025	C	0.001	-
		149,793	0.34%		C	0.01	-
		4,609	0.01%	D	0.01	-	
		399,141	0.91%	C	0.05	-	
		10,140	0.02%	C	0.10	-	
		78,353	0.18%	C	0.20	-	
		189,891	0.43%	E	0.20	-	
		18,436	0.04%	E ⁽⁶⁾	0.20	-	
		92,180	0.21%	C	0.50	-	
		1,743,130	3.98%	A	1.00	-	
453,528	1.04%	B	1.00	-			
23,045	0.05%	D	1.00	-			

DIRECTORS' REPORT

Notes:

- (1) These percentages are calculated on the basis of 43,789,310 Shares in issue of the Company as of 31 December 2025.
- (2) Please refer to the different categories of vesting schedules below:

Category	Vesting schedule
A	25% of the total granted Options shall vest one year from the date of grant, with the remaining 75% to vest each year thereafter over the next three years in equal proportion (i.e. 25% each year).
B	25% of the total granted Options shall vest at the end of the calendar year after the date of grant, with the remaining 75% to vest at the end of each calendar year thereafter over the next three years in equal proportion (i.e. 25% each calendar year).
C	100% of the total granted Options shall vest on the date of grant.
D	50% of the total granted Options shall vest on the date of grant, with the remaining 50% shall vest each year thereafter over the next two years in equal proportion, beginning six months from the date of grant.
E	60% of the total granted Options shall vest on the date of grant, with the remaining 40% to vest at the end of the quarter of the date which falls 180 days after the date of grant.

- (3) Subject to (i) the relevant vesting periods of the Options and (ii) the exercise of Options during the Exercise Window described above, the exercise period for all of the Options is from the period which the Shares held by Changsha Gangwan are not subject to any lock-up requirements under the relevant laws and regulations after completion of the Listing, until 7 September 2034.
- (4) As the exercise of these share options by Dr. Albert S. Hu is subject to other conditions precedent deemed necessary by the Implementation Committee of the Share Option Scheme, the vesting periods stated herein are estimates only.
- (5) Comprises of (a) other employee participants and (b) service providers with less than 0.1% of the Shares in issue (excluding treasury shares). No Options were granted to any participant in excess of the 1% individual limit or related entity participant (each as defined in the Listing Rules).

For details of the fair value of the share options granted during the Reporting Period as at the grant date, and the accounting standards and policies adopted, please refer to Note 40 to the consolidated financial statements.

For the units granted under that specific tranche, the remaining 40% shall instead vest at the beginning of the month in which the 180th day following the grant date falls.

To the best knowledge of the Directors, save as disclosed above, no participants are (i) Directors, Supervisors, chief executives or Substantial Shareholders, or associates of any of them; (ii) participants who have been granted awards exceeding the 1% individual limit under the Listing Rules; or (iii) connected entity participants or service providers. The Company has not provided any financial assistance to participants in respect of the Share Incentive Scheme.

AUDITOR

For the year ended 31 December 2025, BDO Limited served as the reporting accountant and independent auditor of the Company. The consolidated financial statements contained in this annual report have been audited by BDO Limited and there has been no change in the auditor of the Company since listing.

EVENTS AFTER THE PERIOD

Reference is made to the announcements of the Company dated 27 January 2026, 10 February 2026 and 13 February 2026, and the circular of the Company dated 27 January 2026, in relation to, among other matters, the proposed share subdivision and consequential amendments to the Articles of Association, as well as the proposed change in board lot size. The Board proposes to subdivide each of the existing issued Shares of a nominal value of RMB1 in the share capital of the Company into ten (10) Subdivided Shares of a nominal value of RMB0.1 each. Upon completion of the Share Subdivision, the Company will amend the Articles of Association accordingly to reflect the change in the Company's share capital. It is proposed that, subject to and conditional upon the Share Subdivision becoming effective, the board lot size of the Company's H Shares for trading on the Stock Exchange will be changed from 10 H Shares to 100 Subdivided H Shares. The Share Subdivision was approved by the Shareholders by voting at the extraordinary general meeting of the Company on 13 February 2026, and therefore the Share Subdivision and the change in board lot size took effect on 2 March 2026.

Except for the matters disclosed in this report, there were no significant events for the Group from 31 December 2025 up to the Latest Practicable Date.

By order of the Board

CiDi Inc.

Dr. Albert S. Hu

Executive Director and Chief Executive Officer

Hong Kong, 17 April 2026

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THE REPORT

This Environmental, Social and Governance (“**ESG**”) Report (the “**ESG Report**”) is the first ESG report published by us. It outlines the Group’s ESG policies, performance, and progress, and addresses ESG topics of concern to stakeholders. The ESG Report should be read in conjunction with the “Corporate Governance Report” section of the CiDi Inc. 2025 Annual Report (the “**2025 Annual Report**”) for a more comprehensive understanding of the Group’s ESG performance.

Reporting Time Frame

The ESG Report has the same reporting period as the 2025 Annual Report and covers the Reporting Period. To enhance the comparability of the ESG Report, some content extends beyond the aforementioned time frame as necessary.

Reporting Organizational Scope

Unless otherwise stated, the ESG Report covers the Company and its major subsidiaries.

Reporting Basis

This ESG Report has been prepared in accordance with Appendix C2 of the Listing Rules, namely the Environmental, Social and Governance Reporting Code (the “**ESG Reporting Code**”), issued by the Stock Exchange, and refers to international guidelines, including the IFRS Sustainability Disclosure Standard 1: General Requirements for Disclosure of Sustainability-related Financial Information, the IFRS Sustainability Disclosure Standard 2: Climate-related Disclosures, and the Sustainability Accounting Standards Board (“**SASB**”). This ESG Report has complied with the “Mandatory Disclosure” and “Comply or Explain” provisions set out in the ESG Reporting Code, and is prepared based on the four reporting principles of materiality, quantification, balance, and consistency.

Reporting Principles Application

Materiality	The Group established an ESG topic database to screen and evaluate topics, thereby identifying the ESG material topics within the Reporting Period, and focused on responding to and disclosing these topics. For details, please refer to the “Materiality Assessment” section of the ESG Report.
Quantification	Standards and methodologies used to calculate relevant data presented in the ESG Report were disclosed, as well as any applicable assumptions.
Balance	The ESG Report impartially presented the Group’s performance during the Reporting Period, avoiding selections, omissions, or presentation formats that may inappropriately influence the decisions or judgments of report readers.
Consistency	Relevant statistical methods have been disclosed in the ESG Report and will remain consistent in subsequent years to maintain meaningful comparisons.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Information Sources

All information disclosed in the ESG Report was derived from internal documents, statistical reports, and relevant public information within the Group.

Publication Format

The ESG Report is published in both Traditional Chinese and English versions. In case of any discrepancy, the Traditional Chinese version shall prevail. You can browse and download it through the Stock Exchange's website (www.hkexnews.hk) and the Group's official website (www.cidi.ai).

Feedback

If you have any comments on the ESG Report or the Group's ESG work, please contact us through the following channels:

Address: Building A3 and A4, No. 336, Xueshi Road, Yuelu District, Changsha, Hunan Province, the People's Republic of China ("PRC")
Email: info@cidi.ai

BOARD STATEMENT

The Group is guided by its mission of "Embrace Better Life with Intelligent Driving" and is committed to sustainable development, and seeks to improve operational safety, efficiency, and user experience through continuous innovation in autonomous driving, V2X (vehicle-to-everything), and intelligent perception technologies. We not only integrate the concept of sustainable development into the full lifecycle management of products but also benefit a wider range of enterprises and communities by enhancing traffic safety and operational efficiency, and reducing traffic energy consumption and carbon emissions through intelligent driving.

The Board has overall responsibility for the Group's ESG strategy, governance and reporting. The Board is responsible for supervising and approving ESG management policies and strategies related to the Group's business development, and for reviewing their implementation on a regular basis. The Board also reviews the results of ESG issue assessments and prioritization, including ESG topics and ESG-related risks, and continues to oversee the implementation of ESG management and the material impacts and risks arising from ESG matters. ESG-related matters are included in the Board's annual agenda, and the Board is responsible for approving ESG targets, reviewing progress against such targets, and considering material ESG matters on an ongoing basis. Through the ESG management system, the Group strives to integrate the concept of sustainable development covering environmental, social, and governance aspects into the Group's business operations and development, continuously enhancing the Group's ESG performance.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ENDURING GOOD GOVERNANCE, SUSTAINABLE MUTUAL SUCCESS

The Group regards sound and effective governance as a fundamental foundation for sustainable development. We continuously consolidate the foundation of compliance and a culture of integrity, optimize the ESG governance structure, establish a two-way dialogue mechanism with stakeholders, and accurately identify the core concerns of all parties through materiality assessments. The Group drives sustainable development with robust governance to create long-term value for stakeholders.

Compliant Management

The Group attaches great importance to the construction of a risk management and internal control system, and has formulated risk management measures and internal control policies and procedures suitable for business operations to support effective risk management and internal control.

The Group continuously strengthens its compliance system and has established a “three lines of defence” risk management structure consisting of business departments, the Audit Committee, and the Board and the general meeting of shareholders/shareholders, with each performing its respective duty in risk management. The Board conducts an annual review of the internal control system, while senior management conducts regular reviews and assessments, identifies and monitors key risk factors, and reports findings and remedial measures to the Board and the Audit Committee. The Group also actively identifies, assesses and manages ESG risks, and integrates ESG-related issues into its risk management processes.

For more information on the Group’s risk management and control, please refer to the “Corporate Governance Report” section of the 2025 Annual Report.

Anti-Corruption and Upholding Integrity

The Group strictly complies with national and local laws and regulations in the places of operation regarding the prevention of bribery, extortion, fraud, and money laundering, such as the Anti-Unfair Competition Law of the PRC, the Regulations of the PRC on Punishing Corruption, and the Anti-Money Laundering Law of the PRC. The Group has formulated and strictly implemented management measures such as the Anti-Fraud Management System to ensure compliance throughout its operations. During the Reporting Period, the Group did not receive any concluded legal cases involving the Group or its employees related to corruption, bribery, extortion, fraud, or money laundering.

The Group has established a multi-channel reporting mechanism and standardized handling procedures. Employees of the Group and external parties that have direct or indirect business dealings with the Group can report violations such as corruption, bribery, and fraud through various channels, such as email, letters, and face-to-face meetings. Furthermore, the Group has established a whistleblower protection mechanism, strictly maintaining the confidentiality of the whistleblower’s identity and related information, and effectively safeguarding the personal safety and legitimate rights and interests of the whistleblower.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group has established rigorous whistleblowing intake and investigation procedures to ensure “zero tolerance” for corrupt and fraudulent acts. The Board, as the designated body for accepting reports, initiates corresponding investigation procedures based on the level of the reported party after receiving and registering a report:

- Involving general staff and middle management: the person designated by the Board reports to the management of the Company, and the management decides whether to initiate an investigation;
- Involving senior management personnel: the person designated by the Board reports to the Board, and the Board decides whether to investigate;
- Involving Board members: the person designated by the Board reports to the shareholders, ensuring the independence of supervision at the highest governance level.

When necessary, the Group will establish a special investigation team and engage external professional institutions to participate in independent investigations. After the investigation concludes, the investigation team must produce a written report and submit it promptly to the Audit Committee and the Board for review.

The Group continuously strengthens the construction of an anti-corruption and integrity culture, conducting specialized anti-corruption training tailored for senior management, middle management, and general staff to ensure that integrity and compliance awareness covers all employees.

ESG Management

The Group has established a clear and well-defined ESG governance structure with distinct responsibilities at each level, forming a tiered management system composed of the Board, senior management, the ESG Working Group, relevant departments and subsidiaries. Among these, the Board serves as the highest decision-making body for the Group’s ESG work, responsible for overseeing the Group’s ESG-related issues, and supervising and approving the Group’s ESG management policies and strategies. The Board is also responsible for identifying and assessing ESG-related risks and other material matters, and managing risks, ensuring that ESG-related risks are incorporated into the Group’s risk management and internal control systems.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ESG Management

System Composition

Main responsibilities

The Board

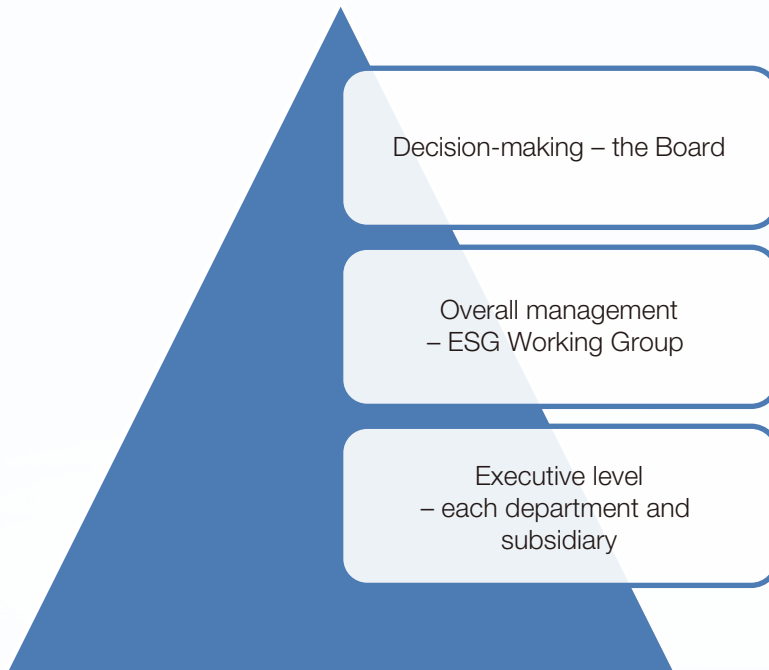
ESG-related issues are included in the Board's annual agenda. The Board is responsible for approving and reviewing the progress of ESG targets, reviewing progress against such targets, and considering material ESG matters.

ESG Working Group

The ESG Working Group operates under the Board with clearly defined terms of reference. It is primarily responsible for the overall management of ESG work, including but not limited to reviewing and supervising the progress of the Group's ESG work, ESG topics, and risk management matters, and reporting on ESG-related work

Executive level

Each department and subsidiary is primarily responsible for executing and implementing ESG-related strategies and tasks



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Stakeholder Engagement

The Group highly values regular communication with various stakeholders, establishing and continuously improving two-way communication mechanisms through multiple channels to systematically identify and respond to the demands and expectations of all stakeholders.

During the Reporting Period, the communication and response actions with the Group's key stakeholders are as follows:

Stakeholder Groups	Expectations	Communication Methods	Communication Frequency	Group Responses
Government and Regulatory Authorities	<ul style="list-style-type: none"> Legal and compliant operations Tax compliance Promote regional economic development and increase employment 	<ul style="list-style-type: none"> Work meetings On-site inspection Information submission 	<ul style="list-style-type: none"> On an ad hoc basis Regularly/On an ad hoc basis Regularly/On an ad hoc basis 	<ul style="list-style-type: none"> Strictly comply with laws and regulations Tax compliance Information disclosure
Shareholders and Investors	<ul style="list-style-type: none"> Revenue and profits Corporate governance Information disclosure 	<ul style="list-style-type: none"> Annual general meeting and extraordinary general meeting Corporate announcements and websites Investor communications 	<ul style="list-style-type: none"> On an ad hoc basis Regularly/On an ad hoc basis On an ad hoc basis 	<ul style="list-style-type: none"> Enhance financial performance Improve corporate governance Strengthen communication Enhance the quality of information disclosure
Employees	<ul style="list-style-type: none"> Employee rights and benefits Employee Benefits Career development opportunities Health and safety 	<ul style="list-style-type: none"> Meetings Training, seminars and briefings Cultural and sports activities Email and instant messaging systems 	<ul style="list-style-type: none"> Regularly/On an ad hoc basis On an ad hoc basis On an ad hoc basis On an ad hoc basis 	<ul style="list-style-type: none"> Improve the human resources management system and ensure employees' rights and benefits Carry out employee activities Implement training and development work Implement occupational health and safety measures

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Stakeholder Groups	Expectations	Communication Methods	Communication Frequency	Group Responses
Customers	<ul style="list-style-type: none"> Quality and safety of products R&D capability After-sales service Information security 	<ul style="list-style-type: none"> High-quality products and services Website and published financial reports Email Visits and meetings 	<ul style="list-style-type: none"> On an ad hoc basis On an ad hoc basis On an ad hoc basis On an ad hoc basis 	<ul style="list-style-type: none"> Ensure product quality and safety Enhance research and development innovation capabilities Provide excellent customer service Fulfill contractual and cooperation commitments Strengthen information security protection efforts
Suppliers and Partners	<ul style="list-style-type: none"> Win-win cooperation Fairness and openness 	<ul style="list-style-type: none"> Tendering Business meetings, telephone communication and interviews Regular meetings Review and evaluation of suppliers 	<ul style="list-style-type: none"> On an ad hoc basis On an ad hoc basis Regularly On an ad hoc basis 	<ul style="list-style-type: none"> Ensure the fairness and transparency of the tendering process Fulfill contractual and cooperation commitments
Community and the Public	<ul style="list-style-type: none"> Community participation Ecological protection Social responsibility 	<ul style="list-style-type: none"> Charitable activities Volunteer work Environmental protection 	<ul style="list-style-type: none"> On an ad hoc basis On an ad hoc basis On an ad hoc basis 	<ul style="list-style-type: none"> Carry out public welfare activities to promote community development Contribute to the implementation of the national "Belt and Road" initiative Environmental protection measures

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Materiality Assessment

The Group follows the “materiality” principle to conduct ESG materiality assessments, thereby accurately identifying key areas for ESG management and systematically addressing the core concerns of various stakeholders.

During the Reporting Period, based on the Stock Exchange’s ESG Reporting Code, its own development strategy and business reality, combined with industry development trends and focus areas, the Group conducted comprehensive identification, systematic assessment, and prudent confirmation of ESG topics around the two dimensions of “importance to the Group” and “importance to stakeholders,” ultimately determining the list of material topics for the Reporting Period.

Steps	Contents
Step One ESG Topic Identification	Based on the Stock Exchange’s ESG Reporting Code and the SASB Software & IT Services industry material topics, combined with factors such as the Group’s business development situation and topics of common concern in the intelligent driving industry, the Group developed an ESG topic database
Step Two ESG Topic Assessment	Fully considering the business nature and development strategy of the Group, and integrating stakeholder opinions, screening and assessment of ESG material topics during the Reporting Period were conducted
Step Three Review and Validation of Material Topics	The Board, management, etc., conducted a review and verification of material topics, confirming the final ESG material topics

Through the materiality assessment, the Group ultimately identified and confirmed 18 material topics. The ESG Report will focus on the following material topics, combined with the Stock Exchange’s ESG Reporting Code and relevant disclosure requirements, to systematically elaborate on the Group’s ESG management approaches, initiatives and key performance during the Reporting Period.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group's ESG Material Topics

Environmental	Social	Governance
<ul style="list-style-type: none">• Energy Management• Addressing Climate Change• Ecological Management• Emissions Management• Use of Water Resource	<ul style="list-style-type: none">• Employee Rights and Interests• Occupational Health and Safety• Training and Development• Labor Standards• Product Quality and Safety• Technological Innovation• Information Security and Privacy Protection• Intellectual Property Protection• Supply Chain Management• Social Welfare	<ul style="list-style-type: none">• Compliant Operation• Risk Management• Business Ethics and Anti-corruption

LEAN MANAGEMENT, INNOVATION AND QUALITY

The Group builds a quality management system covering the entire product lifecycle, drives innovative development with hard-tech, strengthens intellectual property protection and information security defenses, manages supply chain partnerships in a responsible manner, and achieves customer value through efficient customer service. With exquisite craftsmanship and continuous innovation, the Group leads the future of intelligent driving.

Product Quality

The Group strictly complies with laws and regulations such as the Product Quality Law of the PRC and the Law of the PRC on the Protection of Consumer Rights and Interests, and has formulated quality management system documents such as the Product Release Management Procedure, the Internal Audit Management Procedure, the Product Inspection Work Instruction, and the Product Safety Management Procedure. Through multi-stage inspection and control, the Group ensures product quality and safe use. At the same time, the Group has obtained a series of relevant external certifications, including but not limited to ISO 9001 Quality Management System, IATF 16949 Automotive Quality Management System Standard, ISO 26262 Road Vehicles Functional Safety, ISO/SAE 21434 Road Vehicles Cybersecurity Engineering, and ASPICE Level 2, etc.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group is committed to providing customers with high-quality intelligent driving products and solutions. We strictly follow all relevant laws and regulations, industry and enterprise standards, build a management system covering the entire product lifecycle, and establish a hierarchical quality control mechanism for products produced by the Group itself and products provided by automotive original equipment manufacturers (“OEM”) and suppliers, respectively.

Product Types	Management Systems	Product Control and Inspection Measures
Products manufactured by the Group	Production Process Management Procedure, Product Release Management Procedure, Nonconforming Product Management Procedure, etc.	Conduct quality monitoring and non-conforming product disposal for each section of the products produced by the Group, ensuring the effectiveness of the process and products
Products provided by automotive OEMs and suppliers	Procurement Management Procedure, Supplier Management Procedure, etc.	Conduct corresponding monitoring management and non-conforming product disposal for the products provided by suppliers and their processes, ensuring the effectiveness of the processes and products provided by suppliers

The Group has established a Nonconforming Product Management Procedure covering all stages of nonconforming incoming materials, nonconforming production items, and nonconforming products after delivery. For the post-delivery stage, after-sales service personnel promptly confirm faulty parts upon receiving customer feedback and process returns as necessary according to regulations. Returned products undergo re-inspection and judgment, and are then subject to classified disposal such as rework, scrapping, or return to suppliers based on the conclusion. The entire process implements identification and isolation, along with cross-functional review, to ensure standardized and traceable disposal. Through the above closed-loop mechanism, we continuously promote the rectification of quality issues, effectively safeguarding customer rights and interests and product reliability.

To ensure traceability throughout the entire product lifecycle, the Group has formulated the Identification and Traceability Management Procedure, which clearly stipulates identification management for each stage. All product identification markings are required to be clear and easy to understand, accompanied by detailed product manuals to help users accurately understand product functions and correct usage methods.

The Group strictly complies with relevant laws and regulations, such as the Advertising Law of the PRC, and has established a standardized brand promotion review mechanism. All visual promotional materials and textual content must undergo joint review and confirmation by multiple departments to ensure accurate and fair information transmission, prevent false or misleading advertising or misleading statements, and guarantee the legality and compliance of the entire brand promotion process.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Technological Innovation

The Group consistently remains committed to hard-tech innovation-driven development, has formulated and continuously improved R&D innovation management systems such as the Design and Development Management Procedure and the Project Management Procedure, and built a full-process management system covering project initiation and R&D, achievement protection, risk prevention and control, and value transformation. Through the early integration of patent planning and freedom-to-operate analysis, mid-process standardized control, and back-end intellectual property rights confirmation and protection, we are committed to achieving standardized innovation processes, protectable R&D outcomes, controllable compliance risks, and transformable innovation value, continuously solidifying the Group's core technological competitiveness.

The Group places high importance on the capability building of its R&D team. During the Reporting Period, each business unit, in line with its operational characteristics, conducted specialized training covering key areas such as software engineering, system design, standard interpretation, artificial intelligence (AI) application, algorithm optimization, vehicle integration, and fault diagnosis, achieving a 100% participation rate and a 100% pass rate in assessments for R&D personnel. Through diversified course design, scenario-based practical exercises, and continuous feedback and optimization, the Group has established a closed-loop training mechanism of "theoretical empowerment – practical testing – feedback optimization," effectively enhancing R&D efficiency and technical proficiency, providing strong talent support for continuous product innovation and technological competitiveness.

Intellectual Property Rights Protection

The Group places high importance on intellectual property rights protection, strictly complies with laws and regulations such as the Patent Law of the PRC and the Copyright Law of the PRC, and has formulated internal management measures and work manuals such as the Intellectual Property Management System, the Intellectual Property Reward Measures, and the Patent Management Work Procedures, clarifying the regulations, responsibilities, and requirements for intellectual property management, as well as the reward and punishment system, comprehensively strengthening the creation, utilization, protection, and management of intellectual property, and actively preventing intellectual property infringement risks. As of the end of the Reporting Period, the Group had cumulatively applied for 592 patents and had obtained 369 granted patents.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Information Security

The Group strictly complies with laws and regulations such as the Cybersecurity Law of the PRC, the Several Provisions on the Administration of Automotive Data Security (Trial), and the Personal Information Protection Law of the PRC, and has formulated information security management measures and confidentiality policies to implement information security and privacy protection work.

The Group has established an information security management system that complies with mainstream standards such as the National Classified Protection System of Cybersecurity 2.0, covering dimensions such as governance structure, policies and procedures, technical safeguards, and personnel awareness.

Aspects	Specific Contents
Governance Structure	<ul style="list-style-type: none">• At the senior management level, an Information Security Management Committee was established as the highest decision-making body for information security matters;• The IT Asset Management Department provides resource support and technical assistance related to data security;• Each department has set up an Information Security Working Group, responsible for the identification and classification of data assets, departmental-level data security audits, and the specific implementation of internal controls
System and Technology Safeguards	<ul style="list-style-type: none">• Continuously improve the data asset identification, classification, and hierarchical management specifications, strictly implement the principle of segregation of duties matrix and principle of least privilege, implement security control processes for map surveying and information collection, and simultaneously optimize the technical implementation details for privacy protection of the Group and customers;• Through a closed-loop technical management approach, through technical means such as data anonymization and dynamic authorization, achieve precise management of department-level data security audits and internal controls, ensuring traceability of sensitive data and compliance of operation log retention
Personnel Awareness	<ul style="list-style-type: none">• Establish a proactive reporting and fault-tolerant mechanism for security incidents and adopt a dual-track training covering “security awareness + technical practice” to turn institutional requirements into conscious security practices across all employees

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Furthermore, regarding geographic information data such as high-precision maps, the Group has entrusted qualified geographic information service providers with corresponding national qualifications to provide full lifecycle compliance services, ensuring that all stages of geographic information data collection, transmission, processing, storage, and use comply with national laws, regulations, and regulatory requirements.

Through the aforementioned multi-layered control mechanisms, the Group continuously strengthens its information security protection capabilities to ensure the continuity of business operations and the security of customer privacy.

Supply Chain Management

The Group is committed to working with suppliers to build a sustainable supply chain, continuously improving the supplier management system, and formulating internal documents such as the Procurement Management Procedure and the Supplier Management Procedure to strictly control supplier screening, onboarding, evaluation, and auditing, in order to effectively manage environmental and social risks in the supply chain and ensure that all sections in the supply chain meet the Group's sustainable development requirements.

In the supplier selection process, the Group conducts qualification reviews, performance and reputation checks, product quality and technical capability assessments of suppliers, while also comprehensively considering their environmental and social performance such as pollution control measures, carbon emission levels, and employee benefits, and requires suppliers to provide qualification certificates for verification, such as environmental management system certification and quality management system certification. Furthermore, the Group actively promotes environmentally friendly procurement, and under equal conditions, preferentially selects suppliers with better environmental and social performance, for example, prioritizing battery-powered solutions for unmanned mining truck products to reduce dependence on fossil fuels and decrease pollutant emissions.

To ensure that suppliers can continuously meet the onboarding requirements, the Group has established an annual supplier evaluation mechanism, conducting comprehensive evaluations from dimensions such as quality, cost, delivery, and service, and carries out regular re-evaluations through methods such as meeting reviews and on-site inspections to drive continuous improvement among suppliers. The Group requires all suppliers to strictly comply with applicable laws and regulations and the Group's supplier code of conduct. If significant violations or continuous non-compliance with ESG requirements are discovered, we will promptly take measures such as rectification, suspension of cooperation, or even termination of the cooperative relationship in accordance with contract terms to ensure the robustness and compliance of the supply chain.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Customer Service

The Group has formulated customer service management systems such as the After-sales Service Management Procedure and the Customer Satisfaction Management Procedure, standardizing the customer complaint handling process to ensure that functional departments can respond and follow up promptly, and provide timely and efficient responses. Upon receiving customer feedback regarding product quality, relevant department personnel of the Group will communicate with the customer at the first opportunity, promptly report the situation, and subsequently refer it to the relevant management departments for investigation and follow-up actions as soon as possible. Simultaneously, the Group will formulate corresponding preventive and corrective measures to prevent the recurrence of similar issues.

GREEN INTELLIGENT DRIVING AND ECOLOGICAL STEWARDSHIP

The Group integrates the concept of green and low-carbon throughout its operations, empowering environmental protection and ecological coexistence with intelligent driving technology. We actively respond to climate change, promote compliant emissions and efficient resource utilization, and incorporate ecological protection into the entire business development process. We leverage technology to support environmental protection, and use green intelligent driving to jointly build a beautiful and sustainable future.

Addressing Climate Change

As global warming intensifies and extreme weather events occur frequently, climate-related risks faced by enterprises are becoming increasingly prominent. The Group actively responds to the international framework of the Paris Agreement and China's "carbon peaking and carbon neutrality" goals (also known as "dual carbon"), and systematically identifies climate-related risks and opportunities across its operational scope based on relevant guidelines such as the ESG Reporting Code, and formulates corresponding management strategies to manage climate-related risks effectively and capture transition opportunities, strengthening its own ability to address climate change and climate resilience. The Group continues to advance the management of, and disclosures on, climate-related matters across the four pillars of governance, strategy, risk management, and metrics and targets.

Climate-related Governance

The Group has incorporated climate-related matters into its ESG management system. The Board is responsible for integrating climate risks into the Group's risk management and internal control system and overseeing the implementation of related management measures; the ESG Working Group is responsible for the effective governance of environmental, social, and climate-related matters within the Group's business scope, including but not limited to identifying and assessing climate-related risks and opportunities, and formulating strategies to address climate change. The ESG Working Group also closely collaborates with various departments and subsidiaries of the Group to promote the implementation of climate strategies and regularly reports to the management on the progress of target achievement and work developments.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Climate-related Strategy

The Group pays close attention to climate-related risks and opportunities and their impacts on the Group's business, has identified and assessed the potential impacts and development opportunities of climate-related matters on the Group, and simultaneously determined response strategies. The table below shows the main climate-related risks and opportunities identified and assessed.

Climate-related Risk Impacts and Responses

Risk Types	Climate-related Risks' Potential Impact on the Business Model and Value Chain	Potential Financial Impacts	Main Response Measures
Physical Risks			
Acute Risks	<ul style="list-style-type: none"> The severity of extreme weather events (typhoons, extreme heat, floods, etc.) increases, which may cause damage to facilities and equipment High temperatures affect battery performance, thereby affecting the operational efficiency of mining trucks Extreme weather events, such as typhoons and high temperatures, may endanger employee health and safety 	<ul style="list-style-type: none"> Operating costs and maintenance costs increase Operating revenue decreases 	<ul style="list-style-type: none"> Closely monitor and regularly update climate data, understand climate change conditions, timely issue warnings and adjust work plans Strengthen environmental, health, and safety management, formulate management measures and work plans for responding to extreme weather Strengthen equipment and facility maintenance
Chronic Risks	<ul style="list-style-type: none"> Average temperature rise, sea level rise, for example, climate warming leads to permafrost degradation, affecting the long-term stability of mine ground, roads, and slopes, leading to increased operational difficulty for unmanned mining trucks Sea level rise may cause damage to coastal company assets 	<ul style="list-style-type: none"> Operating costs increase Maintenance costs increase 	<ul style="list-style-type: none"> Enhance the climate change response capability of intelligent driving products such as unmanned mining trucks, and improve long-term climate resilience Install cooling and heating facilities to ensure the safe operation of equipment

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Risk Types	Climate-related Risks' Potential Impact on the Business Model and Value Chain	Potential Financial Impacts	Main Response Measures
Transition Risks			
Policies and Legal Risks	<ul style="list-style-type: none"> The government may introduce stricter environmental and safety regulations, and enterprises face higher energy-saving and emission-reduction regulatory requirements Global environmental and human rights (such as indigenous rights) requirements for critical mineral mining are becoming stricter, therefore the procurement requirements for unmanned mining trucks are increasing Failure to comply with stricter climate change regulations may face litigation risks 	<ul style="list-style-type: none"> Compliance costs may increase Operating costs increase 	<ul style="list-style-type: none"> Closely monitor the latest policies, regulations, and treaties to avoid increased costs due to non-compliance Actively implement compliance requirements in accordance with legal and regulatory requirements to avoid unnecessary costs arising from non-compliance
Technology Risk	<ul style="list-style-type: none"> Increasingly stringent future energy conservation and emissions reduction requirements may necessitate the development of greener technologies to meet market demand 	<ul style="list-style-type: none"> Increased R&D costs 	<ul style="list-style-type: none"> Increase investment in technological innovation, vigorously develop low-carbon and energy-saving technologies
Market Risk		<ul style="list-style-type: none"> Increased operating costs Increased R&D costs Decreased Operating revenue 	<ul style="list-style-type: none"> Focus on market development trends, implement clean production, reduce unit costs, and improve efficiency Develop energy-saving and consumption-reducing strategies Incorporate climate factors into the investment decision-making process, increase investment in renewable energy and alternative energy

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Climate-related Opportunity Impacts and Responses

Opportunity Types	Climate-related Opportunities'		
	Potential Impact on the Business Model and Value Chain	Potential Financial Impacts	Main Response Measures
Resource Efficiency	<ul style="list-style-type: none"> While the level of energy and water conservation improves, it can also lead to cost reductions 	<ul style="list-style-type: none"> Reduced operating costs 	<ul style="list-style-type: none"> Continuously focus on and apply high-efficiency production methods and equipment Promote clean production
Energy Sources	<ul style="list-style-type: none"> Use electricity and renewable energy sources to reduce reliance on fossil fuels and mitigate the risk of energy crises Use new technologies to reduce energy consumption 	<ul style="list-style-type: none"> Operating costs decrease Revenue increases 	<ul style="list-style-type: none"> Adopt renewable energy Pay attention to and apply new energy-saving technologies
Products and Services	<ul style="list-style-type: none"> Through R&D and innovation to develop new products or services, meeting market demands Expand business diversification and enhance market adaptability 	<ul style="list-style-type: none"> Increased operating revenue 	<ul style="list-style-type: none"> Launch products or services that meet market demand
Market	<ul style="list-style-type: none"> With the increase in customer awareness of green and low-carbon, the market favors green and low-carbon products and services, therefore enterprises with green and low-carbon advantages are easily welcomed by the market, and also more easily enter emerging markets to obtain financial support related to renewable energy, such as government subsidies, rewards, as well as preferential insurance or loans 	<ul style="list-style-type: none"> Increased operating revenue Decreased operating costs 	<ul style="list-style-type: none"> Launch products or services that meet market demands, and enter emerging markets Advance the green and low-carbon transformation of enterprises

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Climate-related Risk Management

The Group has integrated climate risk management into the overall risk management process, conducting climate-related risk identification, assessment, and management work through business value chain analysis and in accordance with the latest climate information disclosure guidelines from the Stock Exchange. In the future, the Group will continue to improve the climate risk assessment process, incorporating scenario analysis methods, including reference to the green scenario (consistent with the Paris Agreement scenario, with global temperature rising by 1.5° C to 2° C by 2100) and the brown scenario (greenhouse gas (“**GHG**”) scenario, with global temperature rising by 4° C to 5° C by 2100), to better formulate climate risk response measures.

Climate-related Metrics and Targets

The Group actively responds to the national dual carbon strategy and related policies, continuously promotes GHG emission reduction and improvement of energy use efficiency, and continuously improves the energy metering management system to achieve precise monitoring of energy consumption. At the same time, we have formulated and implemented energy conservation and emission reduction targets and measures, promoting the coordinated advancement of energy conservation and GHG emission reduction. For details on energy-saving measures, please refer to the “Resource Management” section of the ESG Report.

Compliance in Emissions Management

The Group strictly complies with relevant laws and regulations concerning air emissions and GHG emissions, discharges into water and land, and waste generation and disposal, such as the Environmental Protection Law of the PRC, the Air Pollution Prevention and Control Law of the PRC, the Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Waste, and the Water Pollution Prevention and Control Law of the PRC. The Group has formulated the Environmental Protection Management System and the Environmental and Occupational Health and Safety Management Manual to implement environmental protection work. During the Reporting Period, the Group obtained ISO 14001 Environmental Management System certification.

To comprehensively implement environmental protection work, the Group has established an Environmental Management and Protection Team, with the goal of ensuring compliant management of air emissions, wastewater, discharges and waste disposal, and promoted environmental protection work according to the “Plan-Do-Check-Act” (“**PDCA**”) model of the ISO 14001 Environmental Management System.

During the Reporting Period, the main sources of air pollutants generated during the Group’s operational processes came from the use of fossil fuels in vehicles and engineering equipment, including nitrogen oxides, sulfur oxides, etc. The Group is committed to continuously advancing pollutant reduction work, continuously strengthening pollution prevention and control measures in accordance with applicable environmental laws and regulations, and implementing emission monitoring.

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The Group follows the principles of reduction, reuse, and recycling, guided by source reduction and resource utilization, clearly defining goals to reduce waste generation and improve comprehensive waste utilization, implementing waste classification management, and promotes waste recycling based on compliant disposal. Non-hazardous waste is handed over to qualified third parties for removal or recycling after classification; hazardous waste is strictly entrusted to qualified units for disposal according to environmental protection approval requirements. At the same time, we promote paperless office practice and other measures to reduce waste at source.

Resource Management

The main resources used by the Group during its operational processes are electricity, fossil fuels, and water. The Group strictly complies with resource and energy-related laws and regulations, such as the Energy Conservation Law of the PRC and the Law of the PRC on the Promotion of Clean Production, implements efficient management of resources and energy, and promotes green transformation.

Regarding energy use, the Group has established an energy monitoring and intelligent management system, conducted regular energy monitoring, and has set an energy-saving goal of reducing total electricity consumption by 5% by 2025 compared with the 2023 baseline. Based on energy monitoring and assessment results, the Group has implemented targeted energy-saving measures, including replacing old, high-energy-consuming equipment with more energy-efficient equipment, such as air conditioners, lighting, and production machinery; providing energy-saving and environmental protection training for employees, and encouraging the implementation of energy-saving measures.

The Group attaches great importance to the efficient use of water resources, has formulated and implemented a water-saving goal of reducing total water consumption by 5% by 2025 compared with the 2020 baseline, and promoted the following water-saving measures in all business segments to continuously improve water resource utilization efficiency, including:

- Implementing water circulation systems for cooling, cleaning, etc., to reduce the use of fresh water;
- Regularly inspecting water supply pipelines, repairing leaks promptly upon discovery to avoid unnecessary waste of water resources;
- Installing water-saving devices in restrooms, such as sensor faucets, and reminding employees to turn off faucets after use.

The main packaging materials involved in the Group's operational processes are paper, plastic, etc. To save packaging material consumption, the Group has, on one hand, used biodegradable materials to reduce environmental pollution, and, on the other hand, actively promoted the recycling of paper.

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Ecological Protection

The Group strictly complies with laws and regulations such as the Environmental Impact Assessment Law of the PRC concerning the reduction of significant impacts on the environment and natural resources. We uphold the concept of ecological protection and green development, implementing measures across source prevention, process control and ecological restoration from planning to operational stages, conducting scientific restoration of impacted ecosystems, and supporting them with monitoring, emergency response, and other safeguard measures, to comprehensively control the impact of production and operations on the environment and natural resources.

The Group has established an environmental risk management system covering the entire process of risk identification, hazard investigation, and emergency response. We dynamically track trends in environmental risk changes, regularly conduct environmental hazard investigations in all aspects of production and operations, continuously improve mechanisms for risk investigation, plan formulation, and emergency drills, ensuring a rapid response and scientific handling when environmental incidents occur. At the same time, the Group has established a specialized emergency response system for sudden environmental incidents, formulating specialized emergency plans for different types of environmental risks, and equipping sufficient emergency supplies and equipment, to comprehensively prevent and resolve environmental risks, minimizing the impact of sudden situations on the environment and natural resources.

PEOPLE-CENTRED DEVELOPMENT AND SHARED PROGRESS

The Group adheres to a people-oriented management philosophy, building a comprehensive employee management system, fully safeguarding occupational health and workplace safety, systematically advancing talent cultivation and team construction, and creating a warm and belonging work environment through diverse care initiatives. By fostering the mutual development of employees and the enterprise, the Group seeks to build a stronger foundation for long-term growth.

Employment Management

The Group strictly complies with labor-related laws and regulations, such as the Labor Law of the PRC, the Labor Contract Law of the PRC, the Social Insurance Law of the PRC, and the Regulations on the Prohibition of Child Labor, and has established and continuously improved human resources policies, including the Employee Handbook and the Employee Recruitment Management System, covering compensation and dismissal, recruitment and promotion, working hours and leave, equal opportunity, diversity, anti-discrimination, benefits and welfare, and the prevention of child labor or forced labor.

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The Group is committed to creating a fair and diverse employment environment, is committed to a workplace free from discrimination based on gender, age, nationality, marital status, disability, religion or race, and enabling every employee to work in an atmosphere of equality. The Group attracts talent through multiple channels, such as campus recruitment, online recruitment, and internal referrals, to meet our demand for different types of talent. During the recruitment process, the Group strictly reviews the identity information of applicants to verify age and verifies the information through background checks, and does not employ any person under the age of sixteen. If child labor is discovered, the Group will immediately handle it in accordance with relevant laws and regulations, conduct an investigation, and take remedial measures to prevent the incident from happening again. The Group has entered into labor contracts with employees in accordance with the law, clarifying matters such as compensation and benefits, position, and reasons for dismissal.

The Group has formulated the Compensation and Benefits System and the Performance Management System, followed performance-based remuneration and equal pay for equal work, provided employees with fair and market-competitive compensation, and established a compensation structure consisting of basic salary, performance salary, allowances and subsidies, and year-end bonus, balancing stability and incentives. The Group has established a clear promotion system and, based on employees' performance appraisal results, gives priority to promoting employees with good performance and outstanding achievements. At the same time, we have established a comprehensive performance appraisal system, annually evaluating compensation levels based on market conditions, position, and other factors, dynamically adjusting the compensation structure so that employees have opportunities for salary adjustments or career advancement. In addition, we have established a benefits system, participating in various employee social security plans organized by applicable local municipal and provincial governments, including housing, pension, medical (including maternity), work-related injury, and unemployment benefit plans, and provides supplementary commercial insurance coverage for employees.

Regarding working hours and leave, the Group complies with the standard eight-hour working day under the Labor Law of the PRC, has formulated reasonable work and rest schedules, and ensures that all employees enjoy various leave rights in accordance with the law, including paid annual leave, statutory holidays, marriage leave, maternity leave, paternity leave, prenatal examination leave, sick leave, etc., to avoid forced labor; for work that genuinely requires extended working hours and overtime on rest days, the Group implements measures in accordance with the Labor Contract Law of the PRC and internal relevant regulations.

The Group complies with international standards such as the International Covenant on Human Rights and the Universal Declaration of Human Rights, improves employment norms and standards, avoids forced labor, has established a mechanism for handling employment violations, and regularly organizes self-inspections and self-checks on employment practices. In the event of any violations, the Group will promptly address them in compliance with applicable laws and regulations, launch an investigation, and implement corrective measures to prevent recurrence.

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Health and Safety

The Group strictly complies with health and safety-related laws and regulations such as the Work Safety Law of the PRC, the Fire Protection Law of the PRC, and the Law on Prevention and Control of Occupational Diseases of the PRC, and has formulated and implemented a series of workplace safety and health protection policies and procedures such as the Environmental, Occupational Health and Safety Performance Monitoring and Measurement Control Procedure and the Work-Related Accident Management System. The Group has obtained ISO 45001 Occupational Health and Safety Management System certification.

The Group has established and continuously improved the safety management system and policies, established a safety management organization led by the general manager, defined safety responsibilities at all levels, and ensured the implementation and execution of various safety systems. At the same time, the Group has continuously carried out safety risk identification and assessment work, conducted comprehensive identification and rectification of potential hazards, and formulated risk response measures. In addition, the Group has established management systems such as the Occupational Health and Safety Operation Control Procedure, implemented the prevention and control of occupational disease hazard factors, provided employees with appropriate personal protective equipment (PPE), and conducted training on its use to minimize the risk of hazard exposure.

To efficiently respond to safety emergencies, the Group has established an emergency working group, formulated and implemented safety emergency plans, and regularly conducted emergency drills to enhance the Group's safety emergency awareness and skills. During the Reporting Period, the Group organized a company-wide fire drill in June 2025, effectively enhancing all employees' emergency response and self-protection capabilities.

Talent Cultivation

The Group is committed to promoting the continuous development of employees, establishing and improving a training system that covers all levels and positions, comprehensively enhancing the overall quality of employees through diversified training, and facilitating the synergistic advancement of career development and the Group's strategic objectives.

The Group has constructed a training and development model that combines internal and external approaches:

- Internal training: covers four major modules: onboarding training, job-specific professional skills, general knowledge, and management capabilities, employing diverse formats such as topic-based training sessions, practical exercises, experience sharing, and collaborative workshops to ensure deep integration of training content with business needs;
- External training: based on business development needs, selects and sends employees to participate in industry summits, technical exchanges, and professional certification training to broaden their industry perspectives and exposure to emerging developments.

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During the Reporting Period, the Group conducted a total of 124 employee training sessions, covering dimensions such as new employee onboarding, professional skills, general knowledge, and management capabilities, and covering employees at all levels as well as part-time employees. Through the closed-loop mechanism of “learning-practice-sharing”, the Group effectively enhanced employees’ professional capabilities and overall competencies, promoted the improvement of overall team performance, and achieved a win-win situation for both individual employee growth and the Group’s development.

Caring for Employees

The Group is committed to creating a vibrant, motivated and cohesive corporate culture. By organizing and carrying out a wide variety of employee activities, the Group continuously enhances employee cohesion and sense of belonging.

During the Reporting Period, we meticulously planned and held 8 diverse employee activities centered around traditional festivals and thematic occasions, covering two major dimensions: recreational and sports competitions, and professional culture:

- Recreational and sports activities: included a mini-marathon, basketball matches, badminton matches, and daily fitness activities, advocating for a healthy lifestyle and promoting the physical and mental well-being of employees;
- Professional culture activities: held thematic activities with characteristics of a technology enterprise, such as “1024 Programmer’s Day”, to strengthen the technical team’s cultural identity and sense of professional pride.



Mini-marathon

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Employee basketball match



“1024 Programmer’s Day”

COMMUNITY HARMONY, SHARED PROSPERITY

The Group uses technology as a link to connect industrial development with social shared prosperity. We deepen university-industry collaboration to cultivate specialized talents in the field of intelligent driving in a targeted manner; actively respond to the “Belt and Road” Initiative, empowering the development of smart transportation in countries along the route with intelligent driving technology; and continuously carry out community engagement and public welfare activities, giving back to society with heartwarming actions.

University-Industry Collaboration

The Group continuously deepens the integration of industry and education, building a diversified university-industry collaboration system with universities to jointly promote talent cultivation and scientific research innovation. Furthermore, the Group provides a large number of internship positions for partner institutions throughout the year and dispatches “corporate mentors” to campuses to deeply participate in student development, cultivating specialized talents in the field of intelligent driving in a targeted manner through the combination of theory and practice.

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Simultaneously, the Group actively conducts science outreach and hands-on educational activities for young people, effectively building a bridge for school-enterprise communication, broadening students' professional horizons, and deepening young students' understanding and comprehension of the intelligent driving industry. During the Reporting Period, we cumulatively received 740 student visits and exchanges from universities, middle schools, and primary schools, covering all educational stages from primary school, junior high school, high school to university, using immersive experiences to stimulate young people's interest and enthusiasm for technological innovation.



University teachers and students visiting for a tour



Middle school teachers and students visiting for social practice

Contributions to the “Belt and Road” Initiative

The Group actively responds to the “Belt and Road” Initiative, leveraging its self-developed intelligent driving and V2X technologies to deeply participate in the construction of smart transportation and smart cities in countries and regions participating in the “Belt and Road” Initiative. By implementing unmanned driving solutions in typical scenarios such as mining areas, ports, and urban public transportation, we help local areas improve transportation operational efficiency and safety, reduce energy consumption and carbon emissions, and use technological power to promote infrastructure connectivity and green, low-carbon development. While realizing commercial value, the Group focuses on the integration of technology with local needs, promoting people-to-people connectivity and industrial win-win outcomes through jointly building demonstration projects, conducting technical exchanges, and talent cultivation with countries along the route.

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Case Study: Empowering the China-Vietnam Smart Port in Advancing Unmanned Operations

To address the upgrading demand of cross-border logistics, the Group applied cutting-edge technologies to key nodes along the China-Vietnam border. In the China-Vietnam Puzhai – Tan Thanh Smart Port project, we integrated core technologies such as multi-sensor fusion perception and V2X collaboration to create an end-to-end unmanned customs clearance solution suitable for complex scenarios.

This cooperation achieved significant results, successfully realizing “minute-level customs clearance, 24/7 operation” at the port, with operational efficiency leaping forward. This project solution provides a replicable smart port model, implementing the China-Vietnam Joint Statement with concrete actions, providing a practical model for deepening China-ASEAN cooperation and promoting trade facilitation and rule coordination.



CiDi Inc. unmanned container trucks passing through the checkpoint

Community Engagement and Public Welfare

The Group actively fulfills corporate social responsibility, assists community development through various means, and continuously dedicates love and strength in areas such as environmental protection, community living standards, cultural projects, and educational development.

Community Co-construction and Environmental Protection

During the Reporting Period, the Group actively participated in the supervision activities for the implementation of the rural rainwater and sewage diversion project organized by the Xueshi Sub-district, where its operations are located, contributing corporate strength to enhance the level of rural environmental governance and ecological construction. Simultaneously, the Group organized a series of community engagement and public welfare activities such as visiting retired teachers, assisting residents in difficulty, and popularizing constitutional knowledge, conveying corporate warmth through caring actions and fostering positive interaction with the community.

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Educational Support and Knowledge Popularization

The Group focuses on youth development and legal education. Through activities like legal publicity entering communities and campuses, we popularized constitutional knowledge, enhanced residents' legal awareness, and helped create a favorable atmosphere of respecting, learning, abiding by, and using the law.



Xueshi Sub-district Constitution Publicity Day Activity

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ESG KEY PERFORMANCE

Environmental Key Performance

Air Pollutants¹

Indicators	Units	2025
Nitrogen oxides (NOx) emissions	kg	83.71
Sulphur oxides (SOx) emissions	kg	0.46
Particulate matter (PM) emissions	kg	3.47

GHG

Indicators	Units	2025
Scope 1 GHG emissions ²	Tonnes of CO ₂ equivalent	76.53
Scope 2 GHG emissions ³	Tonnes of CO ₂ equivalent	745.28
Scope 3 GHG emissions ⁴	Tonnes of CO ₂ equivalent	148.30
Total GHG emissions (Scope 1 and 2)	Tonnes of CO ₂ equivalent	821.81
Total GHG emissions intensity (Scope 1 and 2)	Tonnes of CO ₂ equivalent/ RMB million of revenue	0.93

¹ Air pollutant emissions primarily originated from fossil energy used in on-road mobile sources and non-road mobile sources. The calculation methods and emission factors were referenced from the Technical Guidelines for Compiling Emission Inventories of On-Road Mobile Pollution Sources (Trial) and the Technical Guidelines for Compiling Emission Inventories of Non-Road Mobile Pollution Sources (Trial) issued by the Ministry of Ecology and Environment of the PRC.

² Scope 1 GHG emissions primarily originated from the use of fossil fuels in on-road mobile sources, and non-road mobile sources. The calculation methodology and emission factors were referenced from the Guidelines for Calculation and Reporting of Greenhouse Gas Emissions from Land Transportation Enterprises (Trial) and the Guidelines for Calculation and Reporting of Greenhouse Gas Emissions from Other Industrial Sectors issued by the National Development and Reform Commission (“NDRC”) of the PRC, as well as “Appendix 2: Environmental Key Performance Indicators Reporting Guidelines” in the Stock Exchange’s How to Prepare an ESG Report.

³ Scope 2 GHG emissions calculations adopted electricity emission factors based on the Announcement on the Release of 2023 Carbon Dioxide Emission Factors for Electricity issued by the Ministry of Ecology and Environment of the PRC.

⁴ Scope 3 GHG emissions primarily originated from business air travel. The calculation methodology was referenced from the Greenhouse Gas Accounting System: Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011), while the emission factors were based on relevant materials from the International Civil Aviation Organization.

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Energy and Resources

Indicators	Units	2025
Indirect energy consumption		
Purchased electricity	MWh	1,404.60
Total indirect energy consumption	MWh	1,404.60
Direct energy⁵		
Diesel	MWh	212.42
Petrol	MWh	88.43
Total direct energy consumption	MWh	300.85
Total energy consumption		
Total energy consumption	MWh	1,705.45
Energy consumption intensity	MWh/RMB million of revenue	1.93
Water resources⁶		
Water consumption	m ³	6,855.00
Water consumption intensity	m ³ /RMB million of revenue	7.75

⁵ Data were set out based on the methodology and emission factors from the “Appendix II: Environmental Key Performance Indicator Reporting Guidelines” of the How to Prepare an ESG Report of the Stock Exchange, the Corporate GHG Emission Accounting Methods and Reporting Guidelines for Industrial and Other Industries (Trial) issued by the NDRC and the General Rules for Calculation of the Comprehensive Energy Consumption (GB/T 2589–2020).

⁶ Since the Group has primarily obtained its water supply from the municipal pipeline network, there was no issue in sourcing water during the Reporting Period.

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Social Key Performance

Employment Performance

Indicators	Units	2025
Number of employees⁷		
Total employees	Employees	489
Number of employees by gender		
Male	Employees	393
Female	Employees	96
Number of employees by age group		
Age 30 or below	Employees	151
Age 31–40	Employees	285
Age 41–50	Employees	43
Age 51 or above	Employees	10
Number of employees by geographical region		
Chinese Mainland	Employees	485
Hong Kong, China	Employees	1
Other regions and countries	Employees	3
Employee turnover rate		
Employee turnover by gender		
Male	%	8.65
Female	%	13.54
Employee turnover by age group		
Age 30 or below	%	20.53
Age 31–40	%	4.91
Age 41–50	%	4.65
Age 51 or above	%	0
Employee turnover by geographical region		
Chinese Mainland	%	9.69
Hong Kong, China	%	0
Other regions and countries	%	0

⁷ As of 31 December 2025, the workforce comprised 470 full-time staff and 19 contract/short-term staff.

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Health and Safety

Indicators	Units	2025
Work-related fatalities ⁸	Employees	0
Percentage of work-related fatalities	%	0
Lost days due to work injury	Days	10

Development and Training

Indicators	Units	2025
Percentage of employees trained⁹		
Percentage of employees trained by gender		
Male	%	80.59
Female	%	19.41
Percentage of employees trained by employment type		
Senior management	%	1.58
Middle management	%	5.54
General staff	%	90.50
Contract/short-term staff	%	2.38
Average training hours per employee¹⁰		
Average training hours per employee by gender		
Male	Hours	9.97
Female	Hours	11.97
Average training hours per employee by employment type		
Senior management	Hours	16.99
Middle management	Hours	15.32
General staff	Hours	10.21
Contract/short-term staff	Hours	3.71

⁸ The number of work-related fatalities and the related fatality rate for the Group were both zero in 2025, 2024, and 2023.

⁹ Data were calculated in accordance with the recommended formula in "Appendix 3: Guidance on Reporting Social Key Performance Indicators" of the Stock Exchange's How to Prepare an ESG Report, which is expressed as: Number of employees trained by gender and by employee category/Total number of employees trained.

¹⁰ Data were calculated in accordance with the recommended formula in "Appendix 3: Guidance on Reporting Social Key Performance Indicators" of the Stock Exchange's How to Prepare an ESG Report, which is expressed as: total training hours per employee by gender and by employee category/total number of employees in the specific category.

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Supply Chain Management

Indicators	Units	2025
Number of suppliers by geographical region		
Chinese Mainland	Suppliers	1,409
Hong Kong, China	Suppliers	15
Other regions and countries	Suppliers	6

Product Responsibility

Indicators	Units	2025
Percentage of total products sold or shipped subject to recalls for safety and health reasons	%	0
Number of products and service-related complaints received	Cases	12
Complaint resolution rate	%	100

R&D Innovation

Indicators	Units	2025
Number of R&D personnel	Employees	265
Percentage of R&D personnel	%	54.19
Cumulative patent applications	Patents	592
Cumulative patents granted	Patents	369

Anti-corruption

Indicators	Units	2025
Number of concluded corruption-related legal cases	Cases	0

Community Engagement and Public Welfare

Indicators	Units	2025
Total person-times of volunteer participation	Person-times	930
Total cumulative hours of volunteer participation	Hours	150

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HKEX ESG REPORTING CODE INDEX

Major Scopes, Aspects, Mandatory Disclosure, General Disclosure and Key Performance Indicator (“KPI”)	Related Section(s)/Remark
Mandatory Disclosure	
Governance Structure	A statement from the Board containing the following elements: (i) a disclosure of the Board’s oversight of ESG issues; (ii) the board’s ESG management approach and strategy, including the process used to evaluate, prioritize, and manage material ESG-related issues (including risks to the issuer’s businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer’s businesses.
Board Statement ESG Management	
Reporting Principles	A description of, or an explanation on, the application of the Reporting Principles in the preparation of the ESG report
	About the Report Stakeholder Engagement Materiality Assessment
Reporting Boundary	An explanation of the reporting boundary of the ESG report and a description of the process used to identify which entities or operations are included in the ESG report. For any change in the reporting boundary, the issuer should identify and give reasons for the change.
	About the Report

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Major Scopes, Aspects, Mandatory Disclosure, General Disclosure and Key Performance Indicator	Related Section(s)/Remark
A. Environmental	
Aspect A1: Emissions	
General Disclosure	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.</p>
KPI A1.1	The types of emissions and respective emissions data. Environmental Key Performance
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). As the waste data statistics system is still being refined, the relevant data for the Reporting Period cannot be
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). appropriately disclosed at this time. The Group will continue to enhance its data management and reporting system to enable disclosure in the future
KPI A1.5	Description of the emissions target(s) set and steps taken to achieve them. Compliance in Emissions Management
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and description of reduction target(s) set and steps taken to achieve them. Compliance in Emissions Management

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Major Scopes, Aspects, Mandatory Disclosure, General Disclosure and Key Performance Indicator		Related Section(s)/Remark
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Resource Management
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Environmental Key Performance
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Environmental Key Performance
KPI A2.3	Description of the energy use efficiency target(s) set, and steps taken to achieve them.	Resource Management
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Resource Management
KPI A2.5	Total packaging materials used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	As the packaging materials data statistics system is still being refined, the relevant data for the Reporting Period cannot be appropriately disclosed at this time. The Group will continue to enhance its information statistics system to enable disclosure in the future
Aspect A3: Environment and Natural Resources		
General Disclosure	Policies on minimizing the issuer's significant impacts on the environment and natural resources.	Compliance in Emissions Management Ecological Protection
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Compliance in Emissions Management Ecological Protection

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Major Scopes, Aspects, Mandatory Disclosure, General Disclosure and Key Performance Indicator	Related Section(s)/Remark
B. Social	
Aspect B1: Employment	
General Disclosure	Information on: <ul style="list-style-type: none"> (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.
KPI B1.1	Total workforce by gender, employment type (for example, full-time or part-time), age group and geographical region. Social Key Performance
KPI B1.2	Employee turnover rate by gender, age group and geographical region. Social Key Performance
Aspect B2: Health and Safety	
General Disclosure	Information on: <ul style="list-style-type: none"> (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years (including reporting years). Social Key Performance
KPI B2.2	Lost days due to work injury. Social Key Performance
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored. Health and Safety

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Major Scopes, Aspects, Mandatory Disclosure, General Disclosure and Key Performance Indicator		Related Section(s)/Remark
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Talent Cultivation
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Social Key Performance
KPI B3.2	The average training hours completed per employee by gender and employee category.	Social Key Performance
Aspect B4 : Labor Standards		
General Disclosure	Information on: <ul style="list-style-type: none"> (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor. 	Employment Management
KPI B4.1	Description of measures to review employment practices to avoid child and forced labor.	Employment Management
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Employment Management
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Social Key Performance
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Major Scopes, Aspects, Mandatory Disclosure, General Disclosure and Key Performance Indicator		Related Section(s)/Remark
Aspect B6: Product Responsibility		
General Disclosure	Information on: <ul style="list-style-type: none"> (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress. 	Product Quality Customer Service
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Social Key Performance
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	Customer Service Social Key Performance
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Technological Innovation
KPI B6.4	Description of quality assurance process and recall procedures.	Product Quality
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Information Security

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Major Scopes, Aspects, Mandatory Disclosure, General Disclosure and Key Performance Indicator	Related Section(s)/Remark
Aspect B7: Anti-corruption	
General Disclosure	Information on: Anti-Corruption and Upholding Integrity
	<ul style="list-style-type: none"> (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases. Anti-Corruption and Upholding Integrity Social Key Performance
KPI B7.2	Description of preventive measures and whistleblowing procedures, how they are implemented and monitored. Anti-Corruption and Upholding Integrity
KPI B7.3	Description of anti-corruption training provided to directors and staff. Anti-Corruption and Upholding Integrity
Aspect B8: Community Investment	
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests. Community Engagement and Public Welfare
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport). Community Engagement and Public Welfare
KPI B8.2	Resources contributed (e.g. money or time) to the focus area. Community Engagement and Public Welfare Social Key Performance

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Major Scopes, Aspects, Mandatory Disclosure, General Disclosure and Key Performance Indicator		Related Section(s)/Remark
Part D: Climate-related Disclosures		
(I) Governance	Governance	Addressing Climate Change
(II) Strategy	Climate-related risks and opportunities	Addressing Climate Change
	Business model and value chain	Addressing Climate Change
	Strategy and decision-making	Addressing Climate Change
	Financial position, financial performance and cash flows	Addressing Climate Change
	Climate resilience	Addressing Climate Change
(III) Risk Management	Risk Management	Addressing Climate Change
(IV) Metrics and Targets	Greenhouse gas emissions	Environmental Key Performance
	Climate-related transition risks	Addressing Climate Change
	Climate-related physical risks	Addressing Climate Change
	Climate-related opportunities	Addressing Climate Change
	Capital deployment	Addressing Climate Change
	Internal carbon prices	Since the Group's principal business operations do not involve carbon-intensive production processes, this item is not applicable. We will continue to monitor climate-related policies and market practices, and will evaluate the necessity and feasibility of introducing internal carbon pricing in due course, taking into account business development and regulatory requirements
	Remuneration	The Group will actively consider incorporating climate-related considerations into its remuneration mechanism in the future, based on its actual operating circumstances
	Industry-based metrics	Addressing Climate Change
	Climate-related targets	Addressing Climate Change
	Applicability of cross-industry metrics and industry-based metrics	Addressing Climate Change

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF CIDI INC.

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

OPINION

We have audited the consolidated financial statements of CiDi Inc. (the “**Company**”) and its subsidiaries (together the “**Group**”) set out on pages 110 to 220, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

Revenue recognition

Refer to the accounting policies in Note 2.2.3 and disclosure of revenue in Note 6 to the consolidated financial statements.

For the year ended 31 December 2025, the Group’s revenue from sales of autonomous driving, sales of V2X products and solutions and sales of intelligent perception were RMB843.0 million, RMB16.1 million and RMB25.7 million, respectively. Revenue was recognised at a point in time when control of the underlying goods or services has been transferred to the customers.

INDEPENDENT AUDITOR'S REPORT

We identified revenue recognition as a key audit matter as significant audit resources and efforts were spent on auditing this area due to the magnitude of the revenue amount and the variety of the relevant contract terms and conditions as agreed with customers.

Our response

Our procedures in relation to revenue recognition included the following:

- We understood and evaluated management's internal controls in relation to revenue recognition;
- We inspected sales contracts with the Group's customers based on the revenue streams, identified the key terms and conditions relating to the transfer of control of goods or services to customers and assessed whether the Group's revenue recognition policies comply with the requirements of the applicable accounting standards;
- We tested, on a sampling basis, revenue transactions by inspecting the key terms and conditions of the underlying contracts, and the supporting documents such as delivery records, customer acceptance reports and underlying sales invoices;
- We circulated confirmations, on a sampling basis, with customers of the Group to confirm trade receivables balance at the balance sheet date and sales transactions for the year ended 31 December 2025;
- We tested revenue transactions, on a sampling basis, that took place before and after the balance sheet date by tracing to the supporting documents such as delivery records, customer acceptance reports and underlying sales invoices to assess whether these transactions were recognised in the appropriate reporting period;

Estimation of expected credit losses of trade receivables

Refer to the accounting policies in Note 2.2.10(d), credit risk of trade receivables in Note 3.1(b)(ii), critical estimates and judgements in Note 4 and disclosure of trade receivables in Note 26 to the consolidated financial statements.

As at 31 December 2025, the Group had net trade receivables amounting to approximately RMB624.4 million, after making expected credit losses ("**ECL**") of approximately RMB83.2 million. Trade receivables represented 20.9% of the total assets of the Group.

We identified estimation of expected credit losses of trade receivables as a key audit matter due to the significance of the balance of trade receivables and estimation uncertainty and significant judgements were involved in the measurement of ECL as mentioned above.

INDEPENDENT AUDITOR'S REPORT

Our response

Our procedures in relation to management's measurement of ECL of trade receivables included the following:

- We obtained an understanding of the management's internal control and assessment process of the measurement 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;
- We evaluated management's controls in relation to the measurement of ECL of trade receivables;
- We evaluated the appropriateness of the methodology and model as adopted by management in determining the ECL of trade receivables with the involvement of our internal experts;
- For trade receivables assessed individually, we evaluated the appropriateness of management estimates and judgments by assessing the historical payment profiles, subsequent settlements, and the credit ratings of the counterparties;
- For trade receivables assessed collectively:
 - We evaluated the appropriateness of the grouping of trade receivables by reference to their shared credit risk characteristics and aging;
 - We tested, on a sampling basis, the accuracy of the aging information of trade receivables against the relevant underlying supporting documents;
 - We assessed the reasonableness of the historical loss rates with reference to the historical payment records and aging analysis;
- We evaluated the reasonableness of the forward-looking information as applied by management with reference to the external macroeconomic data with the involvement of our internal experts;
- We evaluated the results of management's sensitivity analysis of expected loss rates and forward-looking information using reasonably possible changes of the relevant key parameters;
- We tested the mathematical accuracy of the calculations of the expected loss rates and the amounts of ECL provision;
- We assessed the appropriateness and adequacy of the disclosures related to ECL of trade receivables in the context of the applicable accounting standards.

INDEPENDENT AUDITOR'S REPORT

OTHER INFORMATION IN THE ANNUAL REPORT

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The directors are also responsible for overseeing the Group's financial reporting process. The Audit Committee assists the directors in discharging their responsibility in this regard.

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 the terms of our 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.

INDEPENDENT AUDITOR'S 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.
- 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 work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT

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

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

From the matters communicated with the directors, 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.

BDO Limited

Certified Public Accountants

Li Xiang

Practising Certificate no. P08497

Hong Kong, 30 March 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Revenue	6	884,788	410,035
Cost of sales	7	(695,433)	(308,595)
Gross profit		189,355	101,440
Other income	9	4,758	7,455
Other losses, net	10	(9,910)	(19)
Impairment losses	11	(126,171)	(29,038)
Selling expenses	7	(132,918)	(64,439)
General and administrative expenses	7	(491,059)	(300,721)
Research and development expenses	7	(374,545)	(193,181)
Operating loss		(940,490)	(478,503)
Finance income	12	4,786	5,063
Finance costs	12	(142,271)	(135,716)
Finance costs – net	12	(137,485)	(130,653)
Loss before income tax		(1,077,975)	(609,156)
Income tax credit	13	56,737	28,312
Loss for the year		(1,021,238)	(580,844)
Other comprehensive (loss)/income for the year			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Change in foreign currency translation of the financial statements of the subsidiaries of the Company		(21)	21
Total comprehensive loss for the year		(1,021,259)	(580,823)
Loss for the year attributable to:			
The equity holders of the Company		(1,019,694)	(580,709)
Non-controlling interests		(1,544)	(135)
		(1,021,238)	(580,844)
Total comprehensive loss for the year attributable to:			
The equity holders of the Company		(1,019,715)	(580,688)
Non-controlling interests		(1,544)	(135)
		(1,021,259)	(580,823)
Loss per share attributable to the equity holders of the Company (in RMB)			
Basic and diluted loss per share for loss attributable to the equity holders of the Company (in RMB)	14	(5.91)	(3.57)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment (“PPE”)	16	286,273	309,612
Right-of-use assets (“ROU assets”)	17	40,623	41,093
Intangible assets	18	2,034	1,756
Deferred tax assets	19	237,401	180,653
Prepayments and other receivables	24	11,025	10,542
Trade receivables	26	89,773	–
Financial assets at fair value through profit or loss (“FVTPL”)	22	3,235	2,541
Total non-current assets		670,364	546,197
Current assets			
Inventories	20	133,503	96,544
Trade and notes receivables	26	566,919	137,360
Prepayments and other receivables	24	97,934	117,920
Contract assets	25	19,132	12,251
Financial assets at FVTPL	22	79,583	10,005
Financial assets at fair value through other comprehensive income (“FVTOCI”)	23	721	290
Income tax recoverable		498	454
Restricted bank deposits	27	29,420	10,481
Term deposits	27	–	5,328
Cash and cash equivalents	27	1,383,700	306,402
Total current assets		2,311,410	697,035
Total assets		2,981,774	1,243,232
Current liabilities			
Trade and notes payables	30	435,078	63,299
Contract liabilities	6(b)	52,494	42,011
Borrowings	28	394,477	153,842
Lease liabilities	17	3,827	3,661
Other payables and accruals	31	176,465	101,707
Income tax payables		–	2
Provision	32	49,216	17,735
Total current liabilities		1,111,557	382,257
Net current assets		1,199,853	314,778
Total assets less current liabilities		1,870,217	860,975

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Non-current liabilities			
Trade payables	30	26,347	–
Borrowings	28	113,700	83,900
Lease liabilities	17	336	332
Financial instruments with preferred rights at amortized cost	29	–	1,894,618
Total non-current liabilities		140,383	1,978,850
Total liabilities		1,251,940	2,361,107
Net assets/(liabilities)		1,729,834	(1,117,875)
Capital and reserves			
Capital and reserves attributable to owners of the Company:			
Paid-in capital	37	–	–
Share capital	38	43,789	38,381
Treasury stock	39	–	(1,492,141)
Reserves	39	3,592,391	1,221,580
Accumulated losses		(1,905,254)	(885,560)
Capital and reserves attributable to owners of the Company		1,730,926	(1,117,740)
Non-controlling interests		(1,092)	(135)
Total equity/(deficit)		1,729,834	(1,117,875)

The consolidated financial statements on pages 110 to 220 were approved and authorized for issue by the board of directors on 30 March 2026.

On behalf of the board of directors

Ma Wei

Albert S. Hu

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	Attributable to the equity holders of the Company							Total RMB'000
	Paid-in capital RMB'000	Share capital RMB'000	Treasury stock (Note 39) RMB'000	Reserves (Note 39) RMB'000	Accumulated losses RMB'000	Subtotal RMB'000	Non- controlling interests RMB'000	
As at 1 January 2024	38,381	-	(1,492,141)	1,460,415	(863,651)	(856,996)	-	(856,996)
Comprehensive loss								
Loss for the year	-	-	-	-	(580,709)	(580,709)	(135)	(580,844)
Change in foreign currency translation of the financial statements of the subsidiaries of the Company	-	-	-	21	-	21	-	21
Total comprehensive loss for the year	-	-	-	21	(580,709)	(580,688)	(135)	(580,823)
Transactions with owners in their capacity as owners								
Conversion into a joint stock company (Note 38(a))	(38,381)	38,381	-	(558,800)	558,800	-	-	-
Share-based payment (Note 40)	-	-	-	319,944	-	319,944	-	319,944
Total transactions with owners in their capacity as owners for the year	(38,381)	38,381	-	(238,856)	558,800	319,944	-	319,944
As at 31 December 2024	-	38,381	(1,492,141)	1,221,580	(885,560)	(1,117,740)	(135)	(1,117,875)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	Attributable to the equity holders of the Company							
	Paid-in capital RMB'000	Share capital RMB'000	Treasury stock (Note 39) RMB'000	Reserves (Note 39) RMB'000	Accumulated losses RMB'000	Subtotal RMB'000	Non- controlling interests RMB'000	Total RMB'000
As at 1 January 2025	-	38,381	(1,492,141)	1,221,580	(885,560)	(1,117,740)	(135)	(1,117,875)
Comprehensive loss								
Loss for the year	-	-	-	-	(1,019,694)	(1,019,694)	(1,544)	(1,021,238)
Change in foreign currency translation of the financial statements of the subsidiaries of the Company	-	-	-	(21)	-	(21)	-	(21)
Total comprehensive loss for the year	-	-	-	(21)	(1,019,694)	(1,019,715)	(1,544)	(1,021,259)
Transactions with owners in their capacity as owners								
Issuance of ordinary shares relating to initial public offering ("IPO"), net of underwriting commissions and other issuance costs (Note 38)	-	5,408	-	1,215,744	-	1,221,152	-	1,221,152
Conversion of financial instruments with preferred rights at amortized cost to ordinary shares (Note 29)	-	-	1,492,141	532,526	-	2,024,667	-	2,024,667
Contribution from non-controlling interests with change of the ownership interest in a subsidiary that do not result in a loss of control (Note 15(a)(d))	-	-	-	213	-	213	587	800
Share-based payment (Note 40)	-	-	-	622,349	-	622,349	-	622,349
Total transactions with owners in their capacity as owners for the year	-	5,408	1,492,141	2,370,832	-	3,868,381	587	3,868,968
As at 31 December 2025	-	43,789	-	3,592,391	(1,905,254)	1,730,926	(1,092)	1,729,834

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Operating activities			
Loss before income tax		(1,077,975)	(609,156)
Adjustments for:			
Depreciation of property, plant and equipment	7	23,946	25,582
Amortisation of intangible assets	7	1,501	1,459
Depreciation of right-of-use assets	7	7,422	7,612
Impairment losses under expected credit losses (“ECL”) model	11	126,171	29,038
Loss on disposal of/written off property, plant and equipment	10	334	20
Gain on lease termination	10	–	(80)
Provision for inventories	7	4,155	3,673
Share-based payment expenses	8	622,349	319,944
Change in fair value of financial assets at FVTPL	10	(384)	70
Interest income from financial assets at FVTPL	12	(16)	–
Interest income from trade receivables with significant financing components	12	(3,326)	–
Interest income from term deposits	12	(123)	(2,499)
Interest income from loan to a third party	12	(446)	(377)
Finance costs	12	142,271	135,716
Exchange loss/(gain), net		9,994	(6)
Operating cash flows before movements in working capital		(144,127)	(89,004)
(Increase)/Decrease in inventories	20	(41,115)	74,011
Increase in trade and notes receivables, other receivables and prepayments and financial assets at FVTOCI	24, 26	(596,330)	(109,937)
Increase in contract assets	25	(9,748)	(2,581)
(Increase)/Decrease in restricted bank deposits	27	(10,952)	27,102
Increase/(Decrease) in trade and notes payables and other payables	30, 31	473,188	(3,187)
Increase/(Decrease) in contract liabilities		10,482	(44,113)
Cash used in operations		(318,602)	(147,709)
Income taxes paid		(47)	(26)
Net cash used in operating activities		(318,649)	(147,735)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Investing activities			
Proceeds from disposal of property, plant and equipment		1	14
Purchase of property, plant and equipment		(1,589)	(1,393)
Purchase of intangible assets		(1,324)	(684)
Purchase of financial assets at FVTPL		(79,932)	(10,500)
Advance to a third party		–	(2,600)
Repayment from term deposits		5,000	140,000
Proceeds received at the maturity of financial assets at FVTPL		10,000	–
Proceeds of lease deposits		–	289
Interest income received from financial assets at FVTPL		60	–
Interest income received from term deposits		450	9,760
Placement of restricted bank deposits		(20,437)	(10,170)
Repayment from restricted bank deposits		12,450	406
Net cash (used in)/generated from investing activities		(75,321)	125,122
Financing activities			
Proceeds from issuance of ordinary shares		1,289,669	–
Transaction costs for acquisition of capital contributions from investors		–	(1,440)
Proceeds from capital contributions from non-controlling interests	15(a)(c)	800	–
Proceeds from the other borrowing	33	2,000	–
Proceeds from bank borrowings	33	436,108	238,900
Repayment of bank borrowings	33	(165,800)	(128,700)
Repayment of the other borrowing	33	(2,000)	–
Interest paid on bank borrowings	33	(9,711)	(6,950)
Repayment of lease liabilities	33	(5,376)	(5,518)
Interest paid on lease liabilities	33	(107)	(165)
Payments for listing expenses		(64,300)	(1,802)
Net cash generated from financing activities		1,481,283	94,325
Net increase in cash and cash equivalents		1,087,313	71,712
Cash and cash equivalents at beginning of year		306,402	234,663
Effect of exchange rate changes		(10,015)	27
Cash and cash equivalents at the end of year, represented by bank balances and cash		1,383,700	306,402

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

CiDi Inc. (the “**Company**”) was incorporated in the People’s Republic of China (the “**PRC**”) on 16 October 2017 as a limited liability company. The Company’s registered office and the principal place of business activities is located at Building A3 and A4, Hunan Inspection and Testing Specialty Industrial Park, No. 336, Xueshi Road, Yuelu District, Changsha City, Hunan Province, the PRC.

Upon approval by the shareholders’ general meeting held on 28 May 2024, the Company was converted into a joint stock company with limited liability under the Company Law of the PRC in July 2024. On 8 January 2025, the Company’s registered name was changed from "CiDi Inc. (希迪智駕(湖南)股份有限公司)" to "CiDi Inc. (希迪智駕科技股份有限公司)".

The Company completed the initial public offering (“**IPO**”) and had its H shares listed on the Main Board of the Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) on 19 December 2025.

In the opinion of the directors of the Company, the ultimate controlling shareholder of the Company is Li Zexiang.

The Company and its subsidiaries (collectively, the “**Group**”) are principally engaged in providing autonomous driving products and solutions for commercial vehicles.

The detailed information of major subsidiaries was disclosed in Note 15.

2. SUMMARY OF ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of the consolidated financial statements are set out below.

2.1 Basis of Preparation

The consolidated financial statements of the Group have been prepared in accordance with IFRS Accounting Standards issued by International Accounting Standards Board (“**IASB**”).

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets at FVTPL and financial assets at FVTOCI, which are carried at fair value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. SUMMARY OF ACCOUNTING POLICY INFORMATION (Continued)

2.1 Basis of Preparation (Continued)

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

The consolidated financial statements have been prepared based on the consolidated financial information of the Group. Inter-company transactions, balances and unrealized gains/losses on transactions between group companies are eliminated on consolidation.

Adoption of amended standards – effective on 1 January 2025

The amendments are first effective for the current accounting period of the Group:

Amendments to IAS 21 and IFRS 1	Lack of exchangeability
Amendments to Illustrative Examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37	Disclosures about Uncertainties in the Financial Statements

These amendments did not have material impacts on the Group's results and financial position for the current or prior period. The Group has not early applied any amended IFRSs and IASs that is not yet effective for the current accounting period.

Revised IFRSs and IASs that have been issued but not yet effective

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not effective for the year ended 31 December 2025 and have not been early adopted by the Group. These standards, amendments or interpretations are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions except the new IFRS 18 as set out below.

The Group plans to adopt these new standards, amendments to standards and annual improvements when they become effective:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. SUMMARY OF ACCOUNTING POLICY INFORMATION (Continued)

2.1 Basis of Preparation (Continued)

New and amendments to IFRS Accounting Standards issued but not yet effective

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments ¹
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards ¹
IFRS 18	Presentation and Disclosure in Financial Statements ²
IFRS 19	Subsidiaries without Public Accountability: Disclosures ²
Amendments to IFRS 10 and IAS 28	Sale or contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity ¹
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency ²

¹ Effective for annual periods beginning on or after 1 January 2026.

² Effective for annual periods beginning on or after 1 January 2027.

³ The amendments shall be applied prospectively to sale or contribution of assets occurring in annual periods beginning on or after a date to be determined.

The Group has already commenced an assessment of the impact of these new or revised standards and amendments.

IFRS 18 sets out requirements on presentation and disclosures in financial statements and it will replace IAS 1 Presentation of Financial Statements. The new standard 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. Minor amendments to IAS 7 Statement of Cash Flows and IAS 33 Earnings per Share are also made. IFRS 18 will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The Group does not plan to early adopt IFRS 18. IFRS 18, after its adoption on 1 January 2027, will impact the presentation of financial statements (including aggregation and disaggregation of items within statement of financial position and statement of profit or loss and other comprehensive income), but in terms of recognition and measurement, IFRS 18 is not expected to have significant impact on the financial performance and positions of the Group.

Except for this, no material impact on the financial performance and positions of the Group is expected when they become effective.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. SUMMARY OF ACCOUNTING POLICY INFORMATION (Continued)

2.2 Material accounting policy information

2.2.1 Inventories

Inventories are stated at the lower of cost and net realizable value. Cost mainly comprises contract costs in progress, raw materials, consigned-processing-material and finished goods. Costs of purchased inventories 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.

2.2.2 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 each 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 and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of each reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. SUMMARY OF ACCOUNTING POLICY INFORMATION (Continued)

2.2 Material accounting policy information (Continued)

2.2.2 Current and deferred income tax (Continued)

(b) Deferred income tax (Continued)

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

Deferred 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.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred 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 tax is recognized in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.2.3 Revenue recognition

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

Control is transferred over time and revenue is recognized over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates and enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. SUMMARY OF ACCOUNTING POLICY INFORMATION (Continued)

2.2 Material accounting policy information (Continued)

2.2.3 Revenue recognition (Continued)

Otherwise, revenue is recognized at a point in time when the customer obtains control of the distinct goods or services.

In determining whether revenue of the Group should be reported gross or net is based on a continuing assessment of various factors. When determining whether the Group is acting as the principal or agent in offering goods or services to the customer, the Group needs to first identify who controls the specified goods or services before they are transferred to the customer. The Group follows the accounting guidance for principal-agent considerations to assess whether the Group controls the specified goods or service before it is transferred to the customer, the indicators of which including but not limited to (a) whether the entity is primarily responsible for fulfilling the promise to provide the specified service; (b) whether the entity has inventory risk before the specified service has been transferred to a customer; and (c) whether the entity has discretion in establishing the prices for the specified goods or service. The management considers the above factors in totality, as none of the factors individually are considered presumptive or determinative, and applies judgment when assessing the indicators depending on each different circumstances.

At the inception of the contract, the Group assesses the goods promised that have been promised to the customer and identifies as a performance obligation when (a) a good or service (or a bundle of goods or services) that is distinct; or (b) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

(i) *Autonomous driving solutions*

Revenue generated from sales of autonomous driving solutions which combines the unmanned electric mining trucks and logistics trucks with remote control cockpit and full-stack solutions with proprietary algorithms and software for use in closed environments, which is recognized at the point in time when the performance obligation under the terms of a contract with the customer is satisfied and control of the product has been transferred to the customer, generally upon the acceptance of the solutions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. SUMMARY OF ACCOUNTING POLICY INFORMATION (Continued)

2.2 Material accounting policy information (Continued)

2.2.3 Revenue recognition (Continued)

(i) *Autonomous driving solutions (Continued)*

The Group controls the specified goods and services before they are transferred to a customer and has discretion in establishing prices. The Group is the principal and the revenue generated from sales of autonomous driving solutions is reported on a gross basis.

The Group generally offers assurance-type warranties to customers and such warranties are not considered a distinct performance obligation to customers. The Group accounts for the warranty in accordance with IAS 37 (Note 32).

After the sales contracts have been signed, partial consideration will be collected by the Group. The Group began to stock up after collecting the prepayments. Before the solutions are delivered to the customers, partial consideration will be collected by the Group. The remaining consideration except for the amount of quality warranty will be collected during the credit period of customers. The amount of quality warranty will be collected after the end of the warranty period. The Group usually offers a warranty period of six months to one year.

(ii) *Autonomous driving products*

Revenue generated from sales of autonomous driving products for use in closed environments which could be installed in the electric trucks, which is recognized at the point in time when the performance obligation under the terms of a contract with the customer is satisfied and control of the products has been transferred to the customer, generally upon the acceptance of the products.

The Group controls the specified goods before they are transferred to a customer and has discretion in establishing prices. The Group is the principal and the revenue generated from sales of autonomous driving products is reported on a gross basis.

The Group generally has the right to collect certain of the contract price of the products from the customers upon their acceptance of the products. The remaining payments are settled after the end of the standard warranty period. The Group usually offers a warranty period for one year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. SUMMARY OF ACCOUNTING POLICY INFORMATION (Continued)

2.2 Material accounting policy information (Continued)

2.2.3 Revenue recognition (Continued)

(iii) *Vehicle to everything (“V2X”) products and solutions*

The Group provides V2X products and solutions to its customers. Revenue is recognized when control over the products and solutions have been transferred to the customer. The customers cannot receive and consume the benefits simultaneously from the Group as well as control the products and solutions until the products and solutions are delivered to the customer. The products and solutions generally have no alternative use for the Group due to contractual restrictions. However, an enforceable right to payment does not arise until the products and solutions are accepted by the customer. Therefore, revenue is recognized at a point in time when the products and solutions are accepted by the customer.

The determination of whether revenue should be reported on a gross or net basis is based on an assessment of whether the Group is acting as the principal or an agent in the transactions. The Group provides significant service to the V2X products and solutions and is responsible for the overall management of the contract, the Group is the principal in the transaction and recognizes revenue in the gross amount of consideration to which it is entitled from the customer.

After the sales contracts have been signed, partial consideration will be collected by the Group. Then, after the products and solutions are delivered to the designated location of customers and are initial accepted by the customers, partial consideration will be collected by the Group. The remaining consideration except for the amount of quality warranty will be collected after the final acceptance of customers. The amount of quality warranty will be collected after the end of the warranty period. The Group usually offers a warranty period from one year to three years.

(iv) *Commission income*

The Group acts in the capacity of an agent rather than as the principal in the transaction of ancillary services relating to procurement of the peripheral software development services related to V2X. Revenue generated from these services is reported on a net basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. SUMMARY OF ACCOUNTING POLICY INFORMATION (Continued)

2.2 Material accounting policy information (Continued)

2.2.3 Revenue recognition (Continued)

(v) *Intelligent perception*

Revenue generated from sales of intelligent perception solutions is recognized at the point in time when the performance obligation under the terms of a contract with the customer is satisfied and control of the solutions has been transferred to the customer, generally upon the acceptance of the products and solutions.

The Group controls the specified goods and services before they are transferred to a customer and has discretion in establishing prices. The Group is the principal and the revenue generated from sales of intelligent perception solutions is reported on a gross basis.

The consideration will be collected once through bank acceptance notes after the settlements with customers monthly. The Group usually offers a warranty period from one year to three years.

(vi) *Contract assets and liabilities*

When either party to a contract has performed, the Group presents the contract in the consolidated statements of financial position as a contract asset or a contract liability, depending on the relationship between the Group's performance and the customer's payment. A contract asset is the Group's right to consideration in exchange for services that the Group has transferred to a customer.

If a customer pays consideration or the Group has a right to an amount of consideration that is unconditional, before the Group transfers goods to the customer, the Group has a contract liability when the payment is received or a receivable is recorded (whichever is earlier). A contract liability is the Group's obligation to transfer goods to a customer for which the Group has received consideration from the customer. A receivable is recorded when the Group has an unconditional right to consideration. The right to consideration is unconditional if only the passage of time is required before payment of that consideration is due.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. SUMMARY OF ACCOUNTING POLICY INFORMATION (Continued)

2.2 Material accounting policy information (Continued)

2.2.4 Principles of consolidation

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company 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.

2.2.5 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of the 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 dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the year 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. SUMMARY OF ACCOUNTING POLICY INFORMATION (Continued)

2.2 Material accounting policy information (Continued)

2.2.6 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 functional currency for Company and its subsidiaries incorporated in the People's Republic of China (“**PRC**”) is RMB. The Group's presentation currency is RMB.

(b) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. 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 recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statements of profit or loss and other comprehensive income within finance costs. All other foreign exchange gains and losses are presented in the consolidated statements of profit or loss and other comprehensive income on a net basis within “Other losses, 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 FVTOCI are recognized in OCI.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. SUMMARY OF ACCOUNTING POLICY INFORMATION (Continued)

2.2 Material accounting policy information (Continued)

2.2.7 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation and accumulated impairment.

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 year/period in which they are incurred.

Other than construction in progress, depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimate useful lives as follows:

Buildings	10–20 years
Vehicles	4 years
Machinery and equipment	5 years
Office equipment, computers and others	5 years
Tested field and related equipment	5 years
Leasehold improvements	shorter of the term of the lease or the estimated useful lives of the assets

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 (Note 2.2.9).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. SUMMARY OF ACCOUNTING POLICY INFORMATION (Continued)

2.2 Material accounting policy information (Continued)

2.2.7 Property, plant and equipment (Continued)

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within “Other losses, net” in the consolidated statements of profit or loss and other comprehensive income.

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.

2.2.8 Intangible assets

(a) Software

Acquired software is initially capitalized on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with maintaining computer software programs are recognized as an expense as incurred. Software is stated at historical cost less accumulated amortization and impairment losses, if any. Amortization is calculated using the straight-line method to allocate the cost over their estimated useful lives. The Group amortizes software with a limited useful life using the straight-line method over the following periods:

Software	3 years
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When determining the useful life, the management of the Group has taken into the account the (i) estimated period that can bring economic benefits to the Group; (ii) the useful life estimated by the comparable companies in the market.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. SUMMARY OF ACCOUNTING POLICY INFORMATION (Continued)

2.2 Material accounting policy information (Continued)

2.2.8 Intangible assets (Continued)

(b) *Research and development ("R&D")*

The Group incurs significant costs and efforts on research and development activities. 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 use or sale;
- 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.

The cost of an internally generated intangible asset is the sum of the expenditures incurred from the date the asset meets the recognition criteria above to the date when it is available for use. The costs capitalized in connection with the intangible asset include costs of materials and services used or consumed, employee costs incurred in the creation of the asset and an appropriate portion of relevant overheads.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. SUMMARY OF ACCOUNTING POLICY INFORMATION (Continued)

2.2 Material accounting policy information (Continued)

2.2.8 Intangible assets (Continued)

(b) Research and development (“R&D”) (Continued)

Development expenditures not satisfying the above criteria are recognized in the profit or loss as incurred and development expenditures previously recognized as an expense are not recognized as an asset in a subsequent period.

During the reporting period, the Group’s R&D expenditures incurred did not meet the capitalization principle above and were expensed as incurred.

2.2.9 Impairment of non-financial assets

Non-financial assets, including PPE, ROU assets, intangible assets, prepayments for acquisition of PPE and investment in subsidiaries, are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss 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. 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 that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.2.10 Investments and other financial assets

(a) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI, or through profit or loss), and
- those to be measured at amortized cost.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. SUMMARY OF ACCOUNTING POLICY INFORMATION (Continued)

2.2 Material accounting policy information (Continued)

2.2.10 Investments and other financial assets (Continued)

(a) Classification (Continued)

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 debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVTOCI.

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.

(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 FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. SUMMARY OF ACCOUNTING POLICY INFORMATION (Continued)

2.2 Material accounting policy information (Continued)

2.2.10 Investments and other financial assets (Continued)

(c) Measurement (Continued)

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 losses, net" together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statements of profit or loss and other comprehensive income.
- **FVTOCI:** 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 FVTOCI. 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 losses, net". Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in "Other losses, net" and impairment expenses are presented as separate line item in the consolidated statements of profit or loss and other comprehensive income.
- **FVTPL:** Assets that do not meet the criteria for amortized cost or financial assets at FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in profit or loss and presented net in "Other losses, net" in the period in which it arises.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. SUMMARY OF ACCOUNTING POLICY INFORMATION (Continued)

2.2 Material accounting policy information (Continued)

2.2.10 Investments and other 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 FVTPL are recognized in "Other losses, net" in the consolidated statements of profit or loss and other comprehensive income as applicable.

(d) Impairment

The Group performs impairment assessment under ECL model on financial assets which are measured at amortized cost and contract assets. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("**12m ECL**") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognizes lifetime ECL for trade receivables and contract assets. The ECL on these assets is assessed collectively and individually.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognizes lifetime ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. SUMMARY OF ACCOUNTING POLICY INFORMATION (Continued)

2.2 Material accounting policy information (Continued)

2.2.10 Investments and other financial assets (Continued)

(d) Impairment (Continued)

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at each reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. SUMMARY OF ACCOUNTING POLICY INFORMATION (Continued)

2.2 Material accounting policy information (Continued)

2.2.10 Investments and other financial assets (Continued)

(d) Impairment (Continued)

(i) Significant increase in credit risk (Continued)

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full.

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. SUMMARY OF ACCOUNTING POLICY INFORMATION (Continued)

2.2 Material accounting policy information (Continued)

2.2.10 Investments and other financial assets (Continued)

(d) Impairment (Continued)

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganization.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over one year past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognized in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. SUMMARY OF ACCOUNTING POLICY INFORMATION (Continued)

2.2 Material accounting policy information (Continued)

2.2.10 Investments and other financial assets (Continued)

(d) Impairment (Continued)

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

2.2.11 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument. Financial guarantee contract liabilities are measured initially at their fair values. It is subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with IFRS 9; and
- the amount initially recognized less, where appropriate, cumulative amortization recognized over the guarantee period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. SUMMARY OF ACCOUNTING POLICY INFORMATION (Continued)

2.2 Material accounting policy information (Continued)

2.2.12 Trade receivables

Trade receivables are amounts due from customers for the products and solutions rendered in the ordinary course of business. If collection of trade receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade 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 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 26 for further information about the Group's accounting for trade receivables and Note 3.1 (b) for a description of the Group's credit risk management.

2.2.13 Financial instruments with preferred rights at amortized cost

A contract that contains an obligation for the Group to purchase the Group's equity instruments for cash or another financial asset gives rise to a financial liability for the present value of the redemption amount. Even if the Group's obligations to purchase are conditional on the counterparty exercising a right to redeem, the financial instrument with preferred rights are recognized as financial liability initially measured at fair value (representing the present value of the redemption amount) and subsequently measured at amortized cost with interest charged in finance costs.

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged or canceled after the settlement by the Group has been made. The carrying amount of the financial instruments are reclassified to equity when and only when, the Group's obligation (i.e. the redemption obligation) have expired, with the corresponding credit to the treasury stocks.

2.2.14 Cash and cash equivalents

For the purpose of presentation in the consolidated statements of cash flows, cash and cash equivalents include 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. SUMMARY OF ACCOUNTING POLICY INFORMATION (Continued)

2.2 Material accounting policy information (Continued)

2.2.15 Paid-in capital/Share capital and treasury stocks

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Treasury stocks are equity instruments deducted from equity when the Group reacquires its own equity instruments.

The ordinary shares with preferred rights are recognized as paid-in capital/share capital with the excess of the nominal values of the shares in capital reserve upon the proceed received, and initially reclassified from equity to financial liabilities (i.e. financial instruments with preferred rights at amortized cost) with the corresponding debit to the treasury stocks.

2.2.16 Trade and notes payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and notes payables are classified as current liabilities unless payment is not due within 12 months after each reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

2.2.17 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 and 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. SUMMARY OF ACCOUNTING POLICY INFORMATION (Continued)

2.2 Material accounting policy information (Continued)

2.2.17 Borrowings (Continued)

Borrowings are derecognized from the consolidated statements of financial position 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 the consolidated statements of profit or loss and other comprehensive income 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 each reporting period.

2.2.18 Borrowings 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.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other borrowing costs are expensed in the period in which they are incurred.

2.2.19 Employee benefits

(a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and other allowances 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 each 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 statements of financial position.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. SUMMARY OF ACCOUNTING POLICY INFORMATION (Continued)

2.2 Material accounting policy information (Continued)

2.2.19 Employee benefits (Continued)

(b) *Pension obligations*

Employees of the Group are covered by various government-sponsored defined-contribution pension plans under which the employees are entitled to a monthly pension based on certain formulas. The relevant government agencies are responsible for the pension liability to these employees when they retire. The Group contributes on a monthly basis to these pension plans for the employees which are determined at a certain percentage of their salaries. Under these plans, the Group has no obligation for post-retirement benefits beyond the contribution made. Contributions to these plans are expensed as incurred and contributions paid to the defined contribution pension plans for a staff are not available to reduce the Group's future obligations to such defined-contribution pension plans even if the staff leaves the Group.

(c) *Housing funds, medical insurances and other social insurances*

The employees of the Group in the PRC 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. Contributions to the housing funds, medical insurances and other social insurances are expensed as incurred.

(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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. SUMMARY OF ACCOUNTING POLICY INFORMATION (Continued)

2.2 Material accounting policy information (Continued)

2.2.19 Employee benefits (Continued)

(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 each reporting period are discounted to present value.

2.2.20 Leases

The Group mainly leases buildings and a piece of leasehold land as lessee. Lease terms are negotiated on an individual basis and contain various different terms and conditions.

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability 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 over the shorter of the asset's useful life and the lease term on a straight-line basis.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. SUMMARY OF ACCOUNTING POLICY INFORMATION (Continued)

2.2 Material accounting policy information (Continued)

2.2.20 Leases (Continued)

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 at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Right-of-use assets are measured at cost comprising the following (if applicable):

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs, and
- restoration costs.

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

2. SUMMARY OF ACCOUNTING POLICY INFORMATION (Continued)

2.2 Material accounting policy information (Continued)

2.2.20 Leases (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.

For a lease modification that is not accounted for as a separate lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease and making a corresponding adjustment to the right-of-use asset for all other lease modifications. The Group recognizes in profit or loss any gain or loss relating to the partial or full termination of the lease.

Payments associated with short-term leases 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.

2.2.21 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.

For government grants based on the performance appraisal, if the relevant department has the rights to suspend or recover the grants, the government grants will be recognized in the consolidated statements of financial position as "Deferred income" when received. If the performance appraisal are achieved, the government grants will be transferred in the consolidated statements of profit or loss and other comprehensive income as "Other income". If subsequently some or the entire amount becomes repayable unexpectedly, the repayment is accounted for as a change in estimate and the repayable portion of the credit previously recognized is reversed and recognized in the period in which the Group concludes that it is no longer reasonably assured that the terms for forgiveness will be met.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. SUMMARY OF ACCOUNTING POLICY INFORMATION (Continued)

2.2 Material accounting policy information (Continued)

2.2.22 Finance income

Interest income is presented as the finance income where it is earned from financial assets at FVTPL, trade receivables with significant financing components, bank deposits, term deposits, loans to a third party and loan to a related party of the Company, see Note 12 below.

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).

2.2.23 Loss per share

(i) Basic loss per share

Basic loss per share is calculated by dividing:

- the loss attributable to equity holders of the Company, and
- by the weighted average number of ordinary shares outstanding during the financial year.

(ii) 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. SUMMARY OF ACCOUNTING POLICY INFORMATION (Continued)

2.2 Material accounting policy information (Continued)

2.2.24 Provision

Provision for product warranties is 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. Provision is not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provision is measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of each reporting period.

2.2.25 Share-based payment

The fair value of awarded shares granted to employees and consultants under the share option scheme less amount paid by employees and consultants is recognized as an employee benefits expense over the relevant service period, being the vesting period of the shares, and the credit is recognized in equity in the employee share-based compensation reserve. The fair value of the shares is measured at the grant date. 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 service conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. SUMMARY OF ACCOUNTING POLICY INFORMATION (Continued)

2.2 Material accounting policy information (Continued)

2.2.25 Share-based payment (Continued)

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. Where shares are forfeited due to a failure by the employee to satisfy the service conditions, any expenses previously recognized in relation to such shares are reversed effective at the date of the forfeiture.

The grant of share-based payments by the shareholders to the employees of the subsidiaries are treated as a capital contribution to subsidiaries in the separate financial statements of the Company. The fair value of employee services received, determined by reference to the grant date fair value, is recognized over the vesting period as an increase to investments in subsidiaries undertakings, with a corresponding adjustment to equity in the separate financial statements of the Company.

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: mainly market risk, credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

(a) Market risk

(i) Foreign exchange risk

The Group's exposure to foreign currency risk is arising mainly from the cash and bank balances and time deposits of the Group which are denominated in foreign currencies of the relevant group entities. Except for the cash and bank balances and other receivables denominated in foreign currencies of the relevant group entities, the group entities did not have any other monetary assets or liabilities denominated in foreign currencies as at the end of the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(i) Foreign exchange risk (Continued)

The carrying amounts of the Group's cash and bank balances that are denominated in foreign currency of group entities, representing US\$ and HK\$, as at 31 December 2025 are approximately RMB1,369,000 and RMB366,471,000 (2024: RMB1,000 and RMB290,000), respectively.

The Group currently does not have a foreign currency hedging policy but the directors of the Company monitor foreign exchange exposure by closely monitoring the foreign exchange risk profile and will consider hedging significant foreign currency exposure should the need arise.

Sensitivity analysis

This sensitivity analysis details the Group's sensitivity to a 5% appreciation and depreciation in each relevant foreign currencies US\$ and HK\$ against functional currencies RMB. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currencies denominated monetary items and adjusts their translation at the end of the year end for a 5% change in foreign currency rates. A positive number below indicates an increase in post-tax profit for the year and a negative number below indicates a decrease in post-tax profit for the year where the relevant foreign currencies fluctuate 5% against RMB.

	2025 RMB'000	2024 RMB'000
US\$ impact		
– US\$ strengthens against RMB by 5%	68	*
– US\$ weakens against RMB by 5%	(68)	*
HK\$ impact		
– HK\$ strengthens against RMB by 5%	18,324	14
– HK\$ weakens against RMB by 5%	(18,324)	(14)

* Less than 1 thousand

In the opinion of the directors of the Company, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the reporting period end exposures do not reflect the exposure during the year.

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

The Group's interest rate risk primarily arises from borrowings, financial instruments with preferred rights at amortized cost, financial assets measured at FVTPL, cash and cash equivalents, restricted bank deposits and term deposits. Those carried at floating rates expose the Group to cash flow interest rate risk whereas those carried at fixed rates expose the Group to fair value interest rate risk. The interest rates and terms of repayments of borrowings are disclosed in Note 28. The Group did not use any interest rate swap contracts or other financial instruments to hedge against its interest rate risk for each reporting period.

As at 31 December 2024 and 31 December 2025, the Group was not exposed to significant interest rate risk. The Group regularly monitors its interest rate risk to ensure there is no undue exposure to significant interest rate risk.

(b) Credit risk

The Group is exposed to credit risk in relation to its cash and cash equivalents, restricted bank deposits, term deposits, trade and notes receivables, contract assets, other receivables, financial assets at FVTOCI and financial guarantee contracts liability. The carrying amount of each class of the above assets represents the Group's maximum exposure to credit risk in relation to the corresponding class of assets.

(i) Credit risk of cash and cash equivalents, restricted bank deposits and term deposits

To manage this risk, the Group's domestic subsidiaries only make transactions with state-owned banks or reputable commercial banks which are all high-credit-quality financial institutions. 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. The credit losses are assessed to be immaterial.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Credit risk of trade and notes receivables and contract assets

The Group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for trade receivables without a significant financing component and contract assets. To measure the expected credit losses, other than trade receivables with significant financing components that are subject to individual evaluation, trade receivables and contract assets have been grouped based on shared credit risk characteristics and aging.

The expected loss rates are based on the credit rating of counter parties and the payment profiles of sales over a period of each reporting period and probability of default of counter parties on an ongoing basis throughout each reporting period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the Gross Domestic Product (“GDP”) and the growth rate of information technology industry to be the most relevant factor in Chinese Mainland in the credit risk assessment, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Notes receivables were mainly bank acceptance notes aged less than six months. The Group measures credit risk using probability of default, exposure at default and loss given default. As at 31 December 2024 and 31 December 2025, the expected credit loss for bank acceptance notes receivables is RMB0.14 million and RMB0.62 million respectively.

The loss allowance of trade receivables and contract assets as at 31 December 2024 and 31 December 2025 was determined as follows:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Credit risk of trade and notes receivables and contract assets (Continued)

As at 31 December 2024, the loss allowance of trade receivables and contract assets assessed under collective basis is determined as follows:

Collective basis	Up to	3 to	6 to	9 to	over	Total
	3 months	6 months	9 months	12 months	12 months	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2024						
Gross carrying amount	70,222	24,256	30,520	1,606	35,488	162,092
Loss allowance	(4,164)	(1,438)	(1,809)	(95)	(11,583)	(19,089)
Expected loss rate (in %)	5.93	5.93	5.93	5.93	32.64	11.78

As at 31 December 2025, the loss allowance of trade receivables and contract assets assessed under collective basis and individual basis is determined as follows:

Collective basis	Up to	3 to	6 to	9 to	over	Total
	3 months	6 months	9 months	12 months	12 months	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2025						
Gross carrying amount	49,005	103,039	105,990	3,287	100,169	361,490
Loss allowance	(5,959)	(12,531)	(12,890)	(400)	(41,599)	(73,379)
Expected loss rate (in %)	12.16	12.16	12.16	12.17	41.53	20.30

Individual basis	Up to	3 to	6 to	9 to	over	Total
	3 months	6 months	9 months	12 months	12 months	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2025						
Gross carrying amount	369,117	-	-	-	-	369,117
Loss allowance	(13,666)	-	-	-	-	(13,666)
Expected loss rate (in %)	3.70	-	-	-	-	3.70

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Credit risk of trade and notes receivables and contract assets (Continued)

The movements in provision for impairment of trade receivables and contract assets are as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Loss allowance		
At beginning of the year	19,089	3,409
Provision for trade receivables and contract assets, net	68,080	15,680
Trade receivables written off	(124)	–
At end of the year	87,045	19,089

(iii) Credit risk of other receivables

Other receivables mainly comprise payments made on behalf of customers, amount due from the third parties, amount due from the employee, deposits, loan to a third party and loans to the employee. The management of the Group makes individual assessment on the recoverability of payments made on behalf of customers, amount due from the third parties, amount due from the employee, deposits, loan to a third party and loans to the employee based on historical settlement records and past experiences. The Group measures credit risk using probability of default, exposure at default and loss given default.

For impairment on payments made on behalf of customers, amount due from the third parties, amount due from the employee, deposits, loan to a third party and loans to the employee, it is measured as either 12-month expected credit losses or lifetime expected credit loss, depending on whether there has been significant increase in credit risk since initial recognition. Other financial assets 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 financial asset 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 makes periodic collective assessments as well as individual assessment on these financial assets based on historical settlement records and past experience.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(iii) Credit risk of other receivables (Continued)

On that basis, movements on the Group's provision for impairment of other receivables are as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Provision for impairment		
At beginning of the year	7,785	726
Increase in provision for impairment recognised in the consolidated statements of profit or loss and other comprehensive income (<i>note</i>)	34,348	7,059
At end of the year	42,133	7,785

Note: As at 31 December 2025, the directors of the Company have performed impairment assessment and concluded that there has been significant increase in credit risk since initial recognition of the loans to the end customer, Anhui Beishan (as defined in the note 31(c) to the consolidated financial statements). In making the assessment, the Group considered Anhui Beishan is having significant financial difficulty and is unlikely to pay its creditors, including the Group, in full, and concluded the default event has occurred. Accordingly, the loss allowance for loans to the end customer provided by the Group is measured at an amount to lifetime expected credit losses. Additional impairment loss of RMB34,348,000 has been recognized in the profit or loss during the period ended 31 December 2025.

(iv) Credit risk of financial assets at FVTOCI

Financial assets at FVTOCI comprise receivables financing. Receivables financing mainly represents bills of acceptance issued by banks for the sale of goods. The Group expects that the change of fair value associated with bank bills of acceptance is considered to be immaterial since they have original maturities of six months or less and the accepting banks are state-owned banks and other large listed banks with good reputation and high credit rating.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(v) Credit risk of financial guarantee contracts liability

The management of the Group makes individual assessment on the expected credit losses of financial guarantee contracts. The Group measures credit risk using probability of default, exposure at default and loss given default.

On that basis, movements on the Group's expected credit losses of financial guarantee contracts are as follow:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Provision for impairment		
At beginning of the year	6,452	186
Increase in provision for impairment recognised in the consolidated statements of profit or loss and other comprehensive income (<i>note</i>)	23,271	6,266
At end of the year	29,723	6,452

Note: As at 31 December 2025, the directors of the Company have performed impairment assessment and concluded that there has been significant increase in credit risk since initial recognition of the financial guarantee contracts entered with Haitong Unitrust (as defined in the note 31(e) to the consolidated financial statements). In making the assessment, the Group considered the heightened credit risk information of Anhui Beishan (as defined in the note 31(c) to the consolidated financial statements), including Anhui Beishan's actual significant deterioration in the financial condition and forward-looking information that is available without undue cost or effort. Accordingly, the loss allowance for financial guarantee contracts issued by the Group is measured at an amount to lifetime expected credit losses. Additional impairment loss of RMB23,271,000 has been recognized in the profit or loss during the period ended 31 December 2025.

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 and the ability to raise funds through debt and equity financing. The Group historically financed its working capital requirements through borrowing from bank, issue of financial instruments with preferred rights at amortized cost (Note 29).

Management monitors rolling forecasts of the Group's liquidity reserve on the basis of expected cash flows.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at each year end to the contractual maturity date for all non-derivative financial liabilities. 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 immaterial.

	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
As at 31 December 2024					
Trade and notes payables	63,299	–	–	–	63,299
Other payables and accruals (excluding repayable government grants, other tax payables, payroll and welfare payables, and accruals) (Note 31)	68,327	–	–	–	68,327
Borrowings (including interest accrual up to maturity)	159,715	38,295	48,764	–	246,774
Lease liabilities	3,701	338	–	–	4,039
As at 31 December 2025					
Trade and notes payables	436,199	26,513	–	–	462,712
Other payables and accruals (excluding repayable government grants, other tax payables, payroll and welfare payables, and accruals) (Note 31)	101,223	–	–	–	101,223
Borrowings (including interest accrual up to maturity)	406,203	105,297	10,863	–	522,363
Lease liabilities	3,864	338	–	–	4,202

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

For financial instruments with preferred rights at amortized cost, please refer to Note 29 for more details.

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 paid-in 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.

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 consolidated financial statements. 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 IFRS Accounting Standards.

- (i) Level 1: The fair value of financial instruments traded in active markets is based on quoted market prices at the end of each 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.
- (ii) Level 2: The fair value of financial instruments that are not traded in an active market are 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.
- (iii) Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

(a) Fair value hierarchy (Continued)

There were no transfers between level 1, 2 and 3 for recurring fair value measurements during the year ended 31 December 2025.

The carrying amounts of the financial assets and liabilities, which are measured at amortized cost, approximated their fair value as at 31 December 2024 and 31 December 2025.

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

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
As at 31 December 2024				
Assets				
Financial assets at FVTPL				
– Unlisted equity investments	–	–	929	929
– Unlisted debt investment	–	–	1,612	1,612
– Structured deposits	–	10,005	–	10,005
Financial assets at FVTOCI				
– Receivables financing	–	–	290	290
	–	10,005	2,831	12,836

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
As at 31 December 2025				
Assets				
Financial assets at FVTPL				
– Unlisted equity investments	–	–	727	727
– Unlisted debt investment	–	–	2,508	2,508
– Structured deposits	–	79,583	–	79,583
Financial assets at FVTOCI				
– Receivables financing	–	–	721	721
	–	79,583	3,956	83,539

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

(b) Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments; and
- Other technique, such as asset based approach, is used to determine fair value for the remaining financial instrument.

There were no changes in valuation techniques during the year ended 31 December 2025.

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

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

	Financial assets at FVTPL RMB'000	Financial assets at FVTOCI RMB'000	Total RMB'000
As at 1 January 2024	2,116	9,799	11,915
Acquisitions	500	62,705	63,205
Disposals	–	(72,214)	(72,214)
FV change	(75)	–	(75)
As at 31 December 2024	2,541	290	2,831
As at 1 January 2025	2,541	290	2,831
Acquisitions	500	132,473	132,973
Disposals	–	(132,042)	(132,042)
FV change	194	–	194
As at 31 December 2025	3,235	721	3,956

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 summarises the quantitative information about the significant unobservable inputs used in recurring level 3 fair value measurements.

Description	Fair value		Valuation techniques and key inputs	Significant unobservable inputs	Relationship of key assumptions to fair value
	As at 31 December 2024	2025			
	RMB'000	RMB'000			
Financial assets at FVTPL					
– Unlisted equity investments	929	727	Fair values are estimated based on market approach of underlying investment.	Equity value (31 December 2024: RMB25,080,000 and 31 December 2025: RMB19,641,000).	The higher the equity value, the higher the fair value.
– Unlisted debt investment	1,612	2,508	Fair values are estimated based on market approach of underlying investment.	Equity value (31 December 2024: RMB31,432,000 and 31 December 2025: RMB38,711,000).	The higher the equity value, the higher the fair value.
Financial assets at FVTOCI					
– Receivables financing	290	721	Present value of the contracted cash inflow of the discount rate that reflect the market credit risk.	N/A	N/A

For unlisted equity investments: as at 31 December 2024 and 31 December 2025, if equity value higher/lower by 10%, fair value of financial assets at FVTPL would have been approximately RMB93,000 and RMB73,000 higher/lower respectively.

For unlisted debt investment: as at 31 December 2024 and 31 December 2025, if equity value higher/lower by 10%, fair value of financial assets at FVTPL would have been approximately RMB161,000 and RMB251,000 higher/lower respectively.

The receivables financing of the Group mainly consists of bank acceptance bills of the reputable banks in the PRC which contains 6 state-owned banks and 9 listed joint-stock commercial banks. The receivables financing is relatively high credit ratings with the short remaining terms. The Group considers that the fair value of receivables financing approximately equals to its contracted face value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4. CRITICAL ESTIMATES AND JUDGEMENTS

The preparation of the consolidated financial statements requires the use of accounting estimates which, by definition, will seldom exactly equal the actual results. Management also needs to exercise judgment 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 twelve months period are addressed below.

(a) Estimation of the fair value of financial assets at FVTPL

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.

(b) Principal versus agent considerations

Determining whether the Group is acting as a principal or as an agent in the provision of certain services to its customers requires judgment and consideration of all relevant facts and circumstances. In evaluation of the Group's role as a principal or agent, the Group considers, individually or in combination, whether the Group (i) controls the specified good or service before it is transferred to the customer, (ii) is primarily responsible for fulfilling the contract, (iii) is subject to inventory risk, and (iv) has discretion in establishing prices.

(c) Inventory provision

Inventories are stated at the lower of cost and net realizable value as stated in Note 2.2.1. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4. CRITICAL ESTIMATES AND JUDGEMENTS (Continued)

(d) Income taxes and deferred income taxes

There are certain transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

The Group recognizes deferred tax assets based on estimates that is probable to generate sufficient taxable profits in the foreseeable future against which the deductible losses will be utilized. The recognition of deferred tax assets mainly involved management's judgements and estimations about the timing and the amount of taxable profits of the companies who had tax losses. During the reporting period, in the opinion of directors, deferred tax assets have been recognized in respect of these accumulated tax losses and other deductible temporary differences based on the fact that the Group is probable to generate sufficient taxable profits in the foreseeable future.

(e) Warranty provision

The Group provides product warranties on all new goods based on the contracts with its customers at the time of sale of goods. 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. These estimates are primarily based on the estimates of the nature, frequency and average costs of future claims. These estimates are inherently uncertain given the Group's relatively short history of sales, and changes to the historical or projected warranty experience may cause material changes to the warranty provision in the future. Warranty cost is recorded as a component of cost of sales in the consolidated statements of profit or loss and other comprehensive income. The Group re-evaluates the adequacy of the warranty accrual on a regular basis.

(f) Impairment assessment of financial assets and financial guarantee contracts liability

The loss allowances for financial assets at amortized cost, contract assets and financial guarantee contracts liability 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 are disclosed in Note 3.1(b).

(g) Impairment assessment of non-financial assets

Non-financial assets are reviewed for impairment, whenever events or changes in circumstances that may cause the carrying amounts of the assets to exceed their recoverable amounts. The recoverable amount of an asset or a cash generating unit is determined as the higher of their unit's fair value less cost of disposal and its value-in-use which requires the use of assumptions and estimates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5. SEGMENT INFORMATION

The executive directors of the Company have been identified as the chief operating decision maker of the Group who reviews the operating results of the Group's business as one operating segment to make strategic decisions and resources allocation. Therefore, the Group regards that there is only one segment which is used to make strategic decisions.

No geographical segment information is presented as the majority of the revenue and operating losses of the Group are derived within PRC and the majority of the operating assets of the Group are located in the PRC, which is considered as one geographic location with similar risks and returns.

Revenue from customers contributing over 10% of the total revenue of the Group during the years ended 31 December 2024 and 31 December 2025 is as follows:

	Year ended 31 December	
	2025	2024
Customer A	–	37%
Customer B	–	11%
Customer C	*	11%
Customer D	–	15%
Customer E	43%	–
Customer F	18%	–

* Less than 10%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6. REVENUE

(a) Disaggregation revenue from contracts with customers

Revenue for the years ended 31 December 2024 and 31 December 2025 are as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Revenue from customers and recognized at point in time		
Autonomous driving		
– Autonomous mining trucks products and solutions	833,634	246,635
– Autonomous logistics trucks solutions	9,353	8,252
	842,987	254,887
V2X products and solutions	16,141	101,591
Intelligent perception	25,660	53,557
	884,788	410,035

Revenue on a gross or net basis for the years 31 December 2024 and 31 December 2025 are as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
On a gross basis	884,398	408,894
On a net basis	390	1,141
	884,788	410,035

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6. REVENUE (Continued)

(a) Disaggregation revenue from contracts with customers (Continued)

Revenue by location of the customers for the years 31 December 2024 and 31 December 2025 are as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
East China	12,311	195,146
South-Central China	24,386	85,371
Southwest China	24,545	108,336
Northwest China	202,234	9,402
Northern China	573,542	11,725
South China	1,920	–
Northeast China	–	55
Overseas	45,850	–
	884,788	410,035

(b) Contract liabilities

During the year ended 31 December 2025, the additions to the contract liabilities were primarily due to cash collections in advance of fulfilling performance obligations, while the reductions to the contract liability balance were primarily due to the recognition of revenues upon fulfilment of performance obligations.

As at 31 December 2024 and 31 December 2025, the Group's contract liabilities amounted to RMB42,011,000 and RMB52,494,000, respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6. REVENUE (Continued)

(b) Contract liabilities (Continued)

The following table shows how much of the revenue recognized during the year ended 31 December 2024 and 31 December 2025 is included in the contract liabilities:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Revenue recognized that was included in the contract liability balance at the beginning of the year	15,048	60,803

The transaction price allocated to the remaining performance obligation (unsatisfied or partially unsatisfied) as at 31 December 2024 and the expected timing of recognizing revenue are as follows:

	Autonomous Driving RMB'000	V2X products and solutions RMB'000	Intelligent Perception RMB'000
Within one year	742,356	31,289	114,963
More than one year but not more than two years	440,225	1,433	151,358
More than two years	–	1,509	167,172
	1,182,581	34,231	433,493

The transaction price allocated to the remaining performance obligation (unsatisfied or partially unsatisfied) as at 31 December 2025 and the expected timing of recognizing revenue are as follows:

	Autonomous Driving RMB'000	V2X products and solutions RMB'000	Intelligent Perception RMB'000
Within one year	158,135	7,080	21,292
More than one year but not more than two years	352,903	–	13,245
More than two years	600,216	–	12,179
	1,111,254	7,080	46,716

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7. EXPENSES BY NATURE

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Employee benefits expenses (<i>Note 8</i>)	800,796	474,180
Raw materials and consumables used	634,979	254,806
Changes in inventories of contract costs in progress, consigned- processing-material and finished goods	(5,164)	6,184
Provision for inventories (<i>Note 20</i>)	4,155	3,673
Outsourcing labor costs	4,378	1,427
Office and travelling expenses	34,438	25,114
Depreciation of property, plant and equipment (<i>a</i>)	23,946	25,582
Amortization of intangible assets (<i>b</i>)	1,501	1,459
Depreciation of right-of-use assets (<i>c</i>)	7,422	7,612
Short-term lease expenses (<i>Note 17</i>)	1,244	346
Legal, consulting and other professional fees	39,721	21,516
Marketing expenses	66,988	15,500
Warranty	39,471	12,282
Listing expenses	28,267	11,896
Auditors' remuneration	2,000	–
Others	9,813	5,359
	1,693,955	866,936

(a) Depreciation of the Group's property, plant and equipment has been recognized as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Research and development expenses	5,278	5,686
General and administrative expenses	18,105	18,906
Selling expenses	228	730
Costs of inventories	335	260
	23,946	25,582

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7. EXPENSES BY NATURE (Continued)

(b) Amortization of the Group's intangible assets has been recognized as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Research and development expenses	247	335
General and administrative expenses	1,246	867
Selling expenses	1	10
Cost of inventories	7	247
	1,501	1,459

(c) Depreciation of the Group's right-of-use assets has been recognized as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Research and development expenses	3,337	2,683
General and administrative expenses	2,940	3,649
Selling expenses	646	796
Cost of inventories	499	484
	7,422	7,612

8. EMPLOYEE BENEFIT EXPENSES

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Wages, salaries and bonuses	136,410	111,843
Share-based compensation expenses (Note 40)	622,349	319,944
Pension obligations, housing funds, medical insurances and other social insurances	33,000	31,468
Other employee benefit expenses	9,037	10,925
	800,796	474,180

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

8. EMPLOYEE BENEFIT EXPENSES (Continued)

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

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

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the years ended 31 December 2024 and 31 December 2025, include 2 and 2 directors respectively, whose emoluments are disclosed in Note 8(c). The emoluments payable to the remaining individuals during the years ended 31 December 2024 and 31 December 2025 are as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Wages, salaries and bonuses	5,358	4,015
Share-based compensation expenses	60,606	32,188
Pension obligations, housing funds, medical insurances and other social insurances	487	357
	66,451	36,560

The remaining highest paid individuals fell within the following bands:

	Year ended 31 December	
	2025	2024
Emolument bands		
HK\$4,000,001 to HK\$4,500,000	–	1
HK\$12,000,001 to HK\$12,500,000	1	–
HK\$14,500,001 to HK\$15,000,000	1	–
HK\$16,000,001 to HK\$16,500,000	–	1
HK\$19,500,001 to HK\$20,000,000	–	1
HK\$45,000,001 to HK\$50,000,000	1	–
	3	3

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

8. EMPLOYEE BENEFIT EXPENSES (Continued)

(c) Details of emoluments in respect of the directors and supervisors of the Company

The emoluments in respect of each of the directors and supervisors paid/payable by the Group for the year ended 31 December 2024 are as follows:

Name	Director's fee RMB'000	Wages and salaries RMB'000	Discretionary bonuses RMB'000	Social security costs, housing benefits and employee welfare RMB'000	Share-based compensation expenses RMB'000	Total RMB'000
Directors						
Mr. Ma Wei (Note i)	-	2,400	600	15	-	3,015
Mr. Albert S. Hu (Note ii)	-	786	130	173	12,305	13,394
	-	3,186	730	188	12,305	16,409
Supervisors						
Mr. Zhu Jianneng (Note iii)	-	210	100	72	4,416	4,798
Mr. Sheng Weitian (Note iv)	-	282	43	73	2,731	3,129
	-	492	143	145	7,147	7,927

The emoluments in respect of each of the directors and supervisors paid/payable by the Group for the year ended 31 December 2025 are as follows:

Name	Director's fee RMB'000	Wages and salaries RMB'000	Discretionary bonuses RMB'000	Social security costs, housing benefits and employee welfare RMB'000	Share-based compensation expenses RMB'000	Total RMB'000
Directors						
Mr. Ma Wei (Note i)	-	2,400	608	15	-	3,023
Mr. Albert S. Hu (Note ii)	-	900	1,201	150	27,169	29,420
	-	3,300	1,809	165	27,169	32,443
Supervisors						
Mr. Zhu Jianneng (Note iii)	-	420	221	111	11,160	11,912
Mr. Sheng Weitian (Note iv)	-	492	142	112	7,541	8,287
	-	912	363	223	18,701	20,199

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

8. EMPLOYEE BENEFIT EXPENSES (Continued)

(c) Details of emoluments in respect of the directors and supervisors of the Company (Continued)

Notes:

- (i) Mr. Ma Wei was appointed as a director in October 2017.
- (ii) Mr. Albert S. Hu was appointed as a director in October 2023.
- (iii) Mr. Zhu Jianneng was appointed as a supervisor in May 2024. The board of supervisors were cancelled in December 2025.
- (iv) Mr. Sheng Weitian was appointed as a supervisor in May 2024. The board of supervisors were cancelled in December 2025.

(d) Directors' retirement benefits and termination benefits

No director's retirement or termination benefit subsisted at the end of each year disclosed or at any time during the year ended 31 December 2025.

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

No consideration provided to third parties for making available director's services subsisted at the end of each year disclosed or at any time during the year ended 31 December 2025.

(f) Information about borrowings, quasi-borrowings and other dealings in favour of directors, controlled bodies corporate by and controlled entities with such directors

No borrowings, quasi-borrowings and other dealings in favor of directors, controlled bodies corporate by and connected entities with such directors subsisted at the end of each year disclosed or at any time during the year ended 31 December 2025.

(g) Directors' material interest 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 of the Company had a material interest whether directly or indirectly, subsisted at the end of each year disclosed or at any time during the year ended 31 December 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

9. OTHER INCOME

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Government grants (a)	1,896	5,096
Super-input value-added tax ("VAT") credit (b)	1	2,215
Others	2,861	144
	4,758	7,455

- (a) The government grants mainly represent government subsidies for the Group's research and development expenditures.
- (b) Super-input VAT credit amounted to RMB2.2 million and RMB1 thousand for the years ended 31 December 2024 and 31 December 2025 was recognized in consolidated statements of profit or loss and other comprehensive income due to the VAT reform. In accordance with Caishui 2023 No. 43 introduced by Ministry of Finance (MOF) and State Taxation Administration (STA) for The People's Republic of China, the Company meet the requirement of the advanced manufacturing industry and are eligible for additional VAT credits by 5% of the current period creditable VAT input from 1 January 2023 to 31 December 2027.

10. OTHER LOSSES, NET

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Change in fair value of financial assets at FVTPL	384	(70)
Gain on lease termination	–	80
Loss on disposal of/written off property, plant and equipment	(334)	(20)
Foreign currency exchange loss	(9,960)	(9)
	(9,910)	(19)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

11. IMPAIRMENT LOSSES

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Impairment losses under ECL model, net of reversal		
Trade and notes receivables	(65,684)	(15,550)
Contract assets	(2,868)	(163)
Other receivables	(34,348)	(7,059)
Financial guarantee contracts liability	(23,271)	(6,266)
	(126,171)	(29,038)

Details of financial guarantee contract liability and impairment are set out in notes 31 (c) and 3.1 (b) to the consolidated financial statements, respectively.

12. FINANCE COSTS – NET

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Finance income:		
Interest income from financial assets at FVTPL	16	–
Interest income from trade receivables with significant financing components	3,326	–
Interest income from bank deposits	875	2,187
Interest income from term deposits	123	2,499
Interest income from loans to a third party	446	377
	4,786	5,063
Finance costs:		
Financial cost on financial instruments with preferred rights at amortized cost (<i>Note 29</i>)	(130,049)	(128,593)
Imputed interest expenses on trade payables	(2,277)	–
Interest expenses on other borrowings	(25)	–
Interest expenses on bank borrowings	(9,813)	(6,958)
Interest expenses on lease liabilities	(107)	(165)
	(142,271)	(135,716)
Finance costs – net	(137,485)	(130,653)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

13. INCOME TAX CREDIT

(a) Income tax credit

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Current tax	11	23
Deferred tax (Note 19)	(56,748)	(28,335)
	(56,737)	(28,312)

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Hong Kong

The Group's subsidiary in Hong Kong is subject to Hong Kong profits tax of which the tax rate was 16.5% up to 1 April 2018 when the two-tiered profits tax regime took effect, under which the tax rate is 8.25% for assessable profits in the first Hong Kong Dollars ("HKD") 2 million and 16.5% for any assessable profits in excess. Since the subsidiary did not have assessable profits during the year ended 31 December 2025, no Hong Kong profits tax has been provided.

Chinese Mainland

In accordance with the Enterprise Income Tax Law ("EIT Law"), Foreign Investment Enterprises ("FIEs") and domestic companies established in Chinese Mainland are subject to Enterprise Income Tax ("EIT") at a rate of 25%.

In December 2019, the Company was qualified as a High and New Technology enterprise ("HNTE") and enjoyed a preferential tax rate of 15% from December 2019 to December 2022. In December 2022, the Company re-applies for HNTE status and the application was approved for another three-year period from December 2022 to December 2025. In October 2022, Novodriv Chongqing Ltd., the subsidiary of the Company, was qualified as a HNTE and enjoyed a preferential tax rate of 15% from October 2022 to October 2025. The Company and Novodriv Chongqing Ltd. were both in accumulated loss position for the years ended 31 December 2025. Pursuant to the relevant regulations on extension for expiries of unused tax losses of HNTE issued in August 2018, the expiry period of the accumulated unexpired tax losses of the Company and Novodriv Chongqing Ltd., which are qualified as HNTE, will expire in 10 years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

13. INCOME TAX CREDIT (Continued)

(a) Income tax credit (Continued)

In accordance with the Notice on Implementing the Inclusive Tax Deduction and Exemption Policies for Micro and Small Enterprises (Cai Shui [2023] No.6) jointly issued by the Ministry of Finance and the State Taxation Administration of the PRC, from 1 January 2023 to 31 December 2024, the annual taxable income of a small low-profit enterprise that is not more than RMB1 million shall be recognised at 25% of income and be subject to the corporate income tax at a tax rate of 20%; in accordance with the Notice on Implementing the Inclusive Tax Deduction and Exemption Policies for Micro and Small Enterprises (Cai Shui [2023] No. 12) jointly issued by the Ministry of Finance and the State Taxation Administration of the PRC, the applicable period of preferential policies related to Cai Shui [2023] No. 6 extended to 31 December 2027. The other subsidiaries incorporated in the PRC are subject to an enterprise income tax at a rate of 5% for the year ended 31 December 2025.

According to the relevant laws and regulations promulgated by the State Taxation Administration of the PRC, enterprises engaging in research and development activities are entitled to claim 200% from October 2022 onwards of their research and development expenses incurred as tax deductible expenses when determining their assessable profits for that year (the “**Super Deduction**”).

The income tax on the Group’s loss before income tax differs from the theoretical amount that would arise using the enacted tax rate in the PRC applicable to the Group as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Loss before income tax	(1,077,975)	(609,156)
Income tax credit computed at the applicable income tax rate of 25%	(269,494)	(152,289)
Tax effect of:		
Preferential tax rate	107,798	60,916
Difference in tax rates of subsidiaries	550	(470)
Super Deduction in respect of research and development (“R&D”) expenditures	(17,166)	(11,417)
Expenses not deductible for taxation purpose	116,454	68,750
Tax losses for which no deferred income tax assets were recognized	4,919	6,053
Temporary differences for which no deferred income tax assets were recognized	202	145
Income tax credit	(56,737)	(28,312)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

13. INCOME TAX CREDIT (Continued)

(a) Income tax credit (Continued)

- (i) Expenses not deductible for tax purposes mainly represent share-based compensation expenses and financial cost on financial instruments with preferred rights at amortized cost incurred in the Company and the Company's subsidiaries in Chinese Mainland which are not deductible according to the relevant laws and regulations promulgated by the State Tax Bureau of the PRC.

(b) Tax losses

As at 31 December 2024 and 31 December 2025, the Group did not recognize deferred income tax assets in respect of losses of RMB56.47 million and RMB87.43 million respectively. The tax losses incurred from the Company's subsidiaries in Chinese Mainland that are not recognized as deferred tax assets will expire from 2025 to 2030. Tax losses of the Company's subsidiary incorporated in Hong Kong will be carried forward indefinitely. Deductible losses that are not recognized for deferred income tax assets will expire as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Expiry year		
2025	–	466
2027	1,180	2,476
2028	16,591	16,591
2029	36,947	36,941
2030	32,716	–
	87,434	56,474

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14. LOSS PER SHARE

(a) Basic loss per share

Basic loss per share for the years ended 31 December 2024 and 31 December 2025 are calculated by dividing the loss attributable to the Company's equity holders by the weighted average number of ordinary shares in issue during the respective years.

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000 (Restate)
Loss attributable to the equity holders of the Company (RMB'000)	(1,019,694)	(580,709)
Weighted average number of ordinary shares outstanding (thousand shares)	172,574	162,775
Basic loss per share (expressed in RMB per share)	(5.91)	(3.57)

The weighted average number of ordinary shares in issue was determined assuming the contingently redeemable shares, being the ordinary shares after the conversion into joint stock company classified as financial instruments with preferred rights at amortized cost (Note 29), had been excluded. As at 31 December 2024, the numbers of contingently redeemable shares are 22,103,000. Upon the completion of Global Offering as at 19 December 2025, all preferred rights entitled to the Company's investors were expired and the contingently redeemable shares were classified as ordinary shares.

The weighted average number of ordinary shares outstanding and basic and diluted loss per share were adjusted after taking into account the effect of the share subdivision approved by the extraordinary general meeting of the Company held on 13 February 2026 which one ordinary share of par value RMB1.00 each in the share capital of the Company being subdivided into ten shares of par value RMB0.10 each in the share capital of the Company (Note 42). Comparative figures have been retrospectively adjusted on the assumption that the above-mentioned share subdivision had been effective since the beginning of the prior year.

(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. For the years ended 31 December 2024, financial instruments with preferred rights issued to investors (Note 29) were not included in the calculation of diluted loss per share because they were antidilutive. Accordingly, diluted loss per share for the years ended 31 December 2024 and 31 December 2025 was the same as basic loss per share for the respective years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15. SUBSIDIARIES

(a) Subsidiaries of the Company

During the year ended 31 December 2025 and as at the date of this report, the Company has equity interests in the following subsidiaries:

Company Name	Place of Incorporation/ establishment and kind of legal entity	Date of Incorporation/ establishment	Issued/ Registered Capital In thousand	Equity interest attributable to the Company		Principal activities	Place of operation	Note
				As at 31 December 2024	As at 31 December 2025			
新驅動重慶智能汽車有限公司 Novodriv Chongqing Ltd.	The PRC, limited liability company	29 May 2020	RMB70,939	100%	100%	Research and development	The PRC	(d)
天津希迪智能網聯技術有限公司 Tianjin CiDi Intelligent Network Technology Co., Ltd	The PRC, limited liability company	14 December 2020	RMB20,000	100%	100%	Research and development	The PRC	(d)
長沙希迪智慧建築有限責任公司 Changsha CiDi Intelligent Building Co., Ltd	The PRC, limited liability company	29 July 2019	RMB3,000	100%	100%	Constructions	The PRC	(b)(d)
希迪智駕(成都)科技有限公司 CiDi Intelligent Driving (Chengdu) Technology Co., Ltd	The PRC, limited liability company	1 April 2022	RMB50,000	100%	100%	Sales and marketing	The PRC	(d)
柳州希迪科技有限公司 Liuzhou CiDi Intelligent Driving Technology Co., Ltd	The PRC, limited liability company	17 May 2022	RMB10,000	100%	100%	Sales and marketing	The PRC	(d)
襄陽希迪智能網聯科技有限公司 Xiangyang CiDi Intelligent Network Technology Co., Ltd	The PRC, limited liability company	8 October 2022	RMB20,000	100%	100%	Sales and marketing	The PRC	(d)
深圳希迪網聯創新科技有限公司 Shenzhen CiDi Intelligent Network Technology Co., Ltd	The PRC, limited liability company	23 February 2023	RMB4,000	100%	62.26%	Sales and marketing	The PRC	(c)(d)
希迪智駕(海南)科技有限公司 CiDi Intelligent Driving (Hainan) Technology Co., Ltd	The PRC, limited liability company	17 March 2023	RMB5,000	100%	100%	Sales and marketing	The PRC	(d)
CiDi Auto (HongKong) Limited	Hong Kong, limited liability company	9 November 2023	HKD1,000	100%	100%	Sales and marketing	Hong Kong	(e)
安徽希迪工程科技有限公司 Anhui CiDi Engineering Technology Co., Ltd	The PRC, limited liability company	4 June 2024	RMB5,000	51%	51%	Sales and marketing	The PRC	(f)(d)
廣西希迪智駕科技有限公司 Guangxi CiDi Intelligent Driving Technology Co., Ltd	The PRC, limited liability company	5 June 2025	RMB40,000	N/A	100%	Sales and marketing	The PRC	(d)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15. SUBSIDIARIES (Continued)

(a) Subsidiaries of the Company (Continued)

- (a) The English name of the subsidiaries represents the best effort by the management of the Group in translating their Chinese names as they do not have an official English name.
- (b) In April 2021, the registered capital of Changsha CiDi Intelligent Building Co., Ltd increased RMB1 million of the new shareholder, 長沙智谷高新產業投資有限公司. As at the reporting date, 長沙智谷高新產業投資有限公司 has not yet paid the capital. According to the articles of association, the shareholders can enjoy the shareholders' rights after paying the capital, therefore Changsha CiDi Intelligent Building Co., Ltd was fully consolidated by the Company during the year ended 31 December 2025.
- (c) In February 2023, CiDi Inc. and 深圳市深科創產業發展有限公司 entered into an agreement to set up a limited company, Shenzhen CiDi Intelligent Network Technology Co., Ltd, which has a register capital of RMB4 million. As at 31 December 2025, 深圳市深科創產業發展有限公司 has paid RMB0.8 million of the register capital, and the Company has paid RMB1.32 million of the register capital reducing its continuing interest to 62.26%. According to the articles of association, the shareholders can enjoy the shareholders' rights after paying the capital. An amount of RMB587,000 (being the proportionate share of the carrying amount of the net assets of Shenzhen CiDi Intelligent Network Technology Co., Ltd) has been transferred to non-controlling interests. The difference of RMB213,000 between the increase in the non-controlling interests and the consideration received of RMB0.8 million has been credited to capital reserve.
- (d) The statutory financial statements of the PRC subsidiaries of Company have not yet been issued for the years ended 31 December 2024 and 31 December 2025. There is no statutory requirement to issue the audit report for the PRC company.
- (e) As at the reporting date, the statutory financial statements have not yet been issued for the year ended 31 December 2024 and 31 December 2025 for CiDi Auto (HongKong) Limited. The statutory financial statements are not due to issue.
- (f) In April 2025, the Company and 安徽智聯互通工程科技有限公司 entered into an agreement to set up a limited company, Anhui CiDi Engineering Technology Co., Ltd, which has a register capital of RMB5 million. As at 31 December 2025, 安徽智聯互通工程科技有限公司 has not yet paid the capital. The equity interest attributable to the Company is 51%.
- (g) All the subsidiaries of the Company are directly held by the Company.
- (h) As of the date of this report, there were no changes to the equity interests held by the Company in these subsidiaries since 31 December 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

16. PROPERTY, PLANT AND EQUIPMENT

	Buildings RMB'000	Vehicles RMB'000	Machinery and equipment RMB'000	Office equipment, computers and others RMB'000	Tested field and related equipment RMB'000	Construction in progress RMB'000	Leasehold improvements RMB'000	Total RMB'000
Cost								
As at 1 January 2024	308,718	21,913	1,240	16,111	15,258	2,380	4,217	369,837
Additions	-	113	-	880	-	1,442	-	2,435
Disposal	-	(71)	(26)	(68)	-	-	-	(165)
Write off upon termination of leasehold building	-	-	-	-	-	-	(953)	(953)
As at 31 December 2024 and 1 January 2025	308,718	21,955	1,214	16,923	15,258	3,822	3,264	371,154
Additions	-	-	123	1,098	-	-	-	1,221
Disposal	-	(1,600)	-	(25)	-	(80)	-	(1,705)
As at 31 December 2025	308,718	20,355	1,337	17,996	15,258	3,742	3,264	370,670
Depreciation and impairment								
As at 1 January 2024	6,110	12,301	565	10,189	6,461	-	1,419	37,045
Provided for the year	14,664	4,054	95	1,982	2,960	-	1,827	25,582
Disposal	-	(69)	(5)	(58)	-	-	-	(132)
Write off upon termination of leasehold building	-	-	-	-	-	-	(953)	(953)
As at 31 December 2024 and 1 January 2025	20,774	16,286	655	12,113	9,421	-	2,293	61,542
Provided for the year	14,664	3,357	84	1,912	2,960	-	969	23,946
Disposal	-	(1,066)	-	(25)	-	-	-	(1,091)
As at 31 December 2025	35,438	18,577	739	14,000	12,381	-	3,262	84,397
Net book value								
As at 31 December 2024	287,944	5,669	559	4,810	5,837	3,822	971	309,612
As at 31 December 2025	273,280	1,779	598	3,997	2,877	3,742	1	286,273

In February 2025, a PRC court issued an asset preservation order on a building owned by the Group. This order was issued in connection with a legal dispute with a supplier with further details set out in note 32(b) to the consolidated financial statements. The order restricts the Group from transferring or disposing of the building pending resolution of the dispute.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

17. LEASES

(a) Amounts recognized in the consolidated statements of financial positions

The consolidated statements of financial positions show the following amounts relating to leases:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Right-of-use assets		
– Leasehold land	36,446	37,282
– Leasehold buildings	4,177	3,811
	40,623	41,093
Lease liabilities		
– Current	3,827	3,661
– Non-current	336	332
	4,163	3,993

Additions to leased buildings during the years ended 31 December 2024 and 31 December 2025 were approximately RMB6.5 million and RMB7.0 million respectively.

(b) Amounts recognised in the consolidated statements of profit or loss and other comprehensive income

The consolidated statements of profit or loss and other comprehensive income show the following amounts relating to leases:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Depreciation of right-of-use assets	7,422	7,612
Interest expense (<i>Note 12</i>)	107	165
Expense relating to short-term leases (<i>Note 7</i>)	1,244	346
Gain on lease termination (<i>Note 10</i>)	–	80

The total cash outflows for leases during the years ended 31 December 2024 and 31 December 2025 were approximately RMB6.03 million and RMB6.73 million, respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

17. LEASES (Continued)

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

The Group leases various buildings and a piece of leasehold land for operation. Rental contracts of the leasehold buildings are typically made according to contracts by contracts ranging from one year to five years. 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 lessors. Leased buildings may not be used as security for borrowing purposes.

18. INTANGIBLE ASSETS

	Acquired software RMB'000
Cost	
As at 1 January 2024	7,776
Additions	923
As at 31 December 2024 and 1 January 2025	8,699
Additions	1,779
As at 31 December 2025	10,478
Amortisation and impairment	
As at 1 January 2024	5,484
Provided for the year	1,459
As at 31 December 2024 and 1 January 2025	6,943
Provided for the year	1,501
As at 31 December 2025	8,444
Net book value	
As at 31 December 2024	1,756
As at 31 December 2025	2,034

As at 31 December 2024 and 31 December 2025, the intangible assets of the Group are mainly software which included research and development testing software and office software.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

19. DEFERRED TAX ASSETS

The following is a summary of the deferred tax balances of the Group for financial reporting purposes:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Deferred tax assets	282,326	181,264
Set-off with deferred tax liabilities pursuant to set-off provisions	(44,925)	(611)
	237,401	180,653
Deferred tax liabilities	(44,925)	(611)
Set-off with deferred tax assets pursuant to set-off provisions	44,925	611
	–	–
	237,401	180,653

The followings are the major deferred tax assets and liabilities recognised and movements thereon before offsetting during the year ended 31 December 2024 and 31 December 2025:

	Lease liability	Unrealized intercompany profits	Impairment allowance	Provision for warranties	Tax losses	ROU asset	Fair value adjustment	Significant financing components of trade receivables	Significant financing components of trade payables	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2024	246	298	3,270	740	148,358	(505)	(89)	–	–	152,318
Credit/(charged) to profit or loss	273	(291)	1,305	2,761	24,304	(28)	11	–	–	28,335
As at 31 December 2024 and 1 January 2025	519	7	4,575	3,501	172,662	(533)	(78)	–	–	180,653
Credit/(charged) to profit or loss	(43)	–	15,246	8,212	45,463	10	(51)	32,184	(44,273)	56,748
As at 31 December 2025	476	7	19,821	11,713	218,125	(523)	(129)	32,184	(44,273)	237,401

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

20. INVENTORIES

As at 31 December 2024 and 31 December 2025, the inventories held by the Group for sales are shown by category as below:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Contract costs in progress (a)	88,050	55,196
Raw material	48,004	41,027
Finished goods	7,143	7,936
Consigned-processing-material	163	58
Less: provision	(9,857)	(7,673)
	133,503	96,544

(a) Contract costs in progress mainly include the direct materials, employee costs and manufacturing costs to be consumed in the process of service rendering related to the sales contracts.

During the years ended 31 December 2024 and 31 December 2025, inventories recognized as cost of sales amounted to RMB296.31 million and RMB718.44 million, respectively, and including provision for inventories recognized as cost of sales amounted to RMB3.67 million and RMB4.16 million, respectively.

Provision for inventories was recognized for the amount by which the carrying amount of the inventories exceeds its net realizable value and was recorded in "cost of sales" in the consolidated statements of profit or loss and other comprehensive income. Provision for inventories movements for the years ended 31 December 2024 and 31 December 2025 are as below:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
At the beginning of the year	7,673	18,979
Provision	4,155	3,673
Written off	(1,971)	(14,979)
At the end of the year	9,857	7,673

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

21. FINANCIAL INSTRUMENTS BY CATEGORY

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Financial assets		
Financial assets at FVTPL (<i>Note 22</i>)	82,818	12,546
Financial assets at FVTOCI (<i>Note 23</i>)	721	290
Financial assets at amortized cost:		
– Trade and notes receivables (<i>Note 26</i>)	656,692	137,360
– Other receivables (excluded prepayments, deferred listing expenses and VAT recoverable) (<i>Note 24</i>)	40,716	48,729
– Cash and cash equivalents (<i>Note 27</i>)	1,383,700	306,402
– Restricted bank deposits (<i>Note 27</i>)	29,420	10,481
– Term deposits (<i>Note 27</i>)	–	5,328
	2,194,067	521,136
Financial liabilities		
Financial liabilities at amortized cost:		
– Trade and notes payables (<i>Note 30</i>)	461,425	63,299
– Other payables and accruals (excluding repayable government grants, other tax payables, payroll and welfare payables, and accruals) (<i>Note 31</i>)	101,223	68,327
– Borrowings (<i>Note 28</i>)	508,177	237,742
– Lease liabilities (<i>Note 17</i>)	4,163	3,993
– Financial instruments with preferred rights at amortized cost (<i>Note 29</i>)	–	1,894,618
	1,074,988	2,267,979

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

22. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group classifies the following financial assets at FVTPL:

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

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Financial assets		
Non-current assets		
Financial assets at FVTPL		
– Unlisted equity investment (a)	727	929
– Unlisted debt investment (b)	2,508	1,612
	3,235	2,541
Current assets		
Financial assets at FVTPL		
– Structured deposits (c)	79,583	10,005
	82,818	12,546

- (a) In September 2022, the Company entered into an agreement to invest in 3.7037% equity interests of a limited company, 山東新源高科汽車技術有限公司 (Shandong Xinyuan High Tech Automobile Technology Co., Ltd.), with a total investment of RMB500,000. The consideration was paid fully in September 2022. As a shareholder, the Group has no significant influence based on the fact that no representation on the board of directors or other special rights are over the limited company. Hence, the investment is accounted for as financial assets at FVTPL with changes in the fair value recorded in the consolidated statements of profit or loss and other comprehensive income.

The unlisted equity investment is classified as non-current as the management expects to realise the financial asset after twelve months after the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

22. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

- (b) In March 2023, the Company entered into an agreement to invest in 9.7% interests of 成都希迪蓉創創業投資合夥企業(有限合夥) (Chengdu CiDi Rongchuang Venture Capital Partnership (Limited Partnership)) with a total investment of RMB9,800,000. The limited partnership funds will focus on the investment portfolio in the industry of autonomous driving etc. The Company paid the investment of RMB1,000,000, RMB500,000 and RMB500,000 in November 2023, December 2024 and January 2025, respectively.

The unlisted debt investment is classified as non-current as the management expects to realise these financial assets after twelve months after the reporting period.

- (c) Structured deposits measured at FVTPL represents the subscription of the wealth management products of several financial institutions in PRC which are unsecured and with variable interest rates. The deposits can be purchased or disposed at any date during the open days. The Group measures the investments at fair value using the quoted subscription or redemption prices published by the bank.

23. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Financial assets at FVTOCI		
– Receivables financing	721	290

Receivables financing measured at FVTOCI represents bills of acceptance issued by banks. The Group's business model of financial assets at FVTOCI is achieved both by collecting contractual cash flows and selling of these assets. As at 31 December 2024 and 31 December 2025, all receivables financing of the Group were due within one year.

During the year ended 31 December 2025, the Group has transferred substantially all the risks and rewards of ownership of certain bills receivable endorsed to its suppliers, even if the suppliers have the rights of recourse. The relevant assets and liabilities were derecognized and no longer included in the consolidated financial statements. In the opinion of the directors, the Group has limited exposure in respect of the settlement obligation of these bills receivable under the relevant PRC rules and regulations should the issuing banks fail to settle the bills on maturity date. The Group considered the issuing banks of these bills are of good credit quality and non-settlement of these bills by the issuing banks on maturity is not probable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

23. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Continued)

The Group's maximum exposure that may result from the default of these endorsed bills receivable at the end of each reporting period are as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Endorsed bills for settlement of payables to suppliers	92,269	27,655
Outstanding endorsed bills receivable with recourse	92,269	27,655

24. PREPAYMENTS AND OTHER RECEIVABLES

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Non-current		
Prepayments for acquisition of PPE	11,025	10,542
	11,025	10,542
Current		
Prepayments made to the third-party suppliers	43,397	35,402
Prepayments for listing expenses	–	2,689
Deferred listing expenses	–	2,049
Amount due from the employee (a)	2,142	71
Amount due from the third parties (b)	28,801	25
Payments made on behalf of customers (c)	8,286	14,175
Loans to the employee (d)	2,088	2,030
Loans to a third party (e)	13,348	12,875
VAT recoverable	13,822	29,051
Deposits	28,183	27,338
	140,067	125,705
Less: provision for impairment	(42,133)	(7,785)
	97,934	117,920

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

24. PREPAYMENTS AND OTHER RECEIVABLES (Continued)

- (a) As at 31 December 2024 and 31 December 2025, amount due from the employee were mainly petty cash. The petty cash was non-trade in nature, unsecured, interest free and repayable on demand.
- (b) As at 31 December 2025, amount due from the third parties were mainly the payments made on behalf of a customer under the financial guarantee contract. Details of financial guarantee contract liability and impairment are set out in notes 31 (c) and 3.1 (b) to the consolidated financial statements, respectively.
- (c) Payments made on behalf of customers represent receivables on the payments made on behalf of the customers arising from the transaction of ancillary services relating to V2X for the Group acting as an agent. The receivables are trade in nature, unsecured, interest-free and repayable on demand. The Group assessed whether revenue should be reporting on a gross or net basis for each sales transaction with basis as set out in Note 4 (b). For certain sales transactions where the Group acts as agent during the year ended 31 December 2025, revenue is recorded on a net basis and the receivables arising from these transactions were recorded in other receivables. The management expects to realize these financial assets within twelve months after the reporting period.
- (d) As at 31 December 2024 and 31 December 2025, loans to the employee was non-trade in nature, unsecured, interest bearing at 3% per annum and repayable on demand.
- (e) As at 31 December 2024 and 31 December 2025, loans to a third party represented the loans to the end customer for its business operation. The loans were non-trade in nature, unsecured, guaranteed by the project leader of customer, the interest-bearing from 3.5% to 5% per annum. According to the loan contracts, the principal amounts of RMB2.6 million, RMB3 million, RMB5 million and RMB1.8 million will be repayable in September 2024, December 2024, June 2025 and December 2025 respectively with the interests. In August 2024, the Company and the borrower entered into a supplementary agreement to extend the repayment dates of the loans, the principal amounts of RMB12.4 million would be repayable in December 2025 with the interests. The result of the modification of the financial assets is considered immaterial. As at 31 December 2025, the Group considered Anhui Beishan is having significant financial difficulty and is unlikely to pay its creditors, including the Group, in full, and concluded the default event has occurred. The ECL assessment of the loans to the end customer is set out in note 3.1(b)(iii) to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25. CONTRACT ASSETS

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Carrying amount	23,009	13,261
Impairment	(3,877)	(1,010)
	19,132	12,251

Contract assets are generally the final payments of revenue contracts which are due at the end of the quality assurance period (1–3 years). Contract assets are recorded as the Group has no right on these amounts of consideration when the revenue is recognized.

26. TRADE AND NOTES RECEIVABLES

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Non-current		
Trade receivables	93,801	–
Less: provision for impairment (<i>Note 3.1(b)</i>)	(4,028)	–
	89,773	–
Current		
Trade receivables	613,797	148,831
Less: provision for impairment (<i>Note 3.1(b)</i>)	(79,140)	(18,079)
	534,657	130,752
Notes receivables	32,879	6,754
Less: provision for impairment (<i>Note 3.1(b)</i>)	(617)	(146)
	32,262	6,608
	566,919	137,360

(a) As at 31 December 2024 and 31 December 2025, notes receivables were mainly bank acceptance notes aged less than one year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

26. TRADE AND NOTES RECEIVABLES (Continued)

The Group usually grants a credit period of 0 days to 180 days to its customers, and extending to a credit period of 18 months to 24 months for major customers. As at 31 December 2024 and 31 December 2025, the aging analysis of trade receivables based on recognition date of gross trade receivables are as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Up to 3 months	413,195	66,076
3 to 6 months	99,287	18,726
6 to 9 months	96,547	28,271
9 to 12 months	2,804	1,424
over 12 months	95,765	34,334
	707,598	148,831

27. CASH AND CASH EQUIVALENTS/TERM DEPOSITS/RESTRICTED BANK DEPOSITS

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Cash and cash equivalents	1,383,700	306,402
Term deposits		
– Short-term bank deposits (a)	–	5,328
– Long-term bank deposits (a)	–	–
	–	5,328
Restricted bank deposits (b)	29,420	10,481

(a) Term deposits were deposits with initial terms of over three months which neither past due nor impaired. The directors of the Company considered that the carrying amount of the term deposits with initial terms of over three months approximated to their fair value as at 31 December 2024 and 31 December 2025. Various term deposits were secured for borrowings, please refer to Note 28 for more details.

Short-term bank deposits are bank deposits with maturities over three months but within twelve months and redeemable on maturity. Long-term bank deposits are bank deposits with maturities over twelve months and redeemable on maturity. The effective interest rates for the short-term bank deposits were 3% per annum for the years ended 31 December 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

27. CASH AND CASH EQUIVALENTS/TERM DEPOSITS/RESTRICTED BANK DEPOSITS (Continued)

- (b) As at 31 December 2024 and 31 December 2025, the restricted deposits were mainly denominated in RMB and held in separate designed bank accounts as security deposits for issuance of bank acceptance bills and fulfilment of contracts related to autonomous driving.

The restricted deposits for issuance of bank acceptance bills were used to secure the bank acceptance bills issued by the Company, and the restricted period was less than one year.

The restricted deposits for fulfilment of contracts were deposited in September 2024 and released in March 2025.

As at 31 December 2024, a bank account with the amount of RMB0.68 million of the Group was frozen by the court in the PRC due to a legal case. The bank account has been released after the legal case terminated in April 2025.

As at 31 December 2025, three bank accounts with total carrying amounts of RMB8.8 million of the Group were frozen and will be released when the legal case resolves. Further details are set out in note 32(b).

The restricted deposits carry interests at 0.1%-0.85% and 0.05%-1.0% per annum as at 31 December 2024 and 31 December 2025.

28. BORROWINGS

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Borrowings included in current liabilities		
Secured and unguaranteed bank borrowings (a)	44,208	39,822
Unsecured and unguaranteed bank borrowings (b)	350,269	114,020
	394,477	153,842
Borrowings included in non-current liabilities		
Secured and unguaranteed bank borrowings (a)	66,700	83,900
Unsecured and unguaranteed bank borrowings (b)	47,000	–
	113,700	83,900
Total borrowings	508,177	237,742

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

28. BORROWINGS (Continued)

The following table sets out the maturity profile of the total bank borrowings as at each reporting period end:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
On demand or within one year	394,477	153,842
More than one year, but not exceeding two years	103,000	36,000
More than two years, but not exceeding five years	10,700	47,900
More than five years	–	–
Total	508,177	237,742

(a) Secured and unguaranteed bank borrowings

- (i) In November 2022 and in February 2023, the Company entered into the loan facility agreement with China Construction Bank Corporation Hunan Branch Business Department which provided the Company loans aggregated principal amount of RMB2 million and RMB2.5 million respectively with an initial interest rate of 3.95% per annum, which shall be repaid from June 2023 to October 2025. Borrowings under the loan facility agreement were collateralized by the three-year term deposit of the Company with the carrying amount of RMB5 million during the terms of borrowings. As at 12 December 2025, the principal amount of RMB4.5 million and related interest were fully repaid.
- (ii) In June 2024, the Company entered into a loan facility agreement with Bank of Communications Co., Ltd. Hunan Branch which provided the Company a loan with the maximum amount of RMB90 million with an interest rate of 3.20% per annum, which shall be repaid from December 2024 to June 2027. Borrowings under the loan facility agreement were collateralized by portion of the buildings of the Group and 3 invention patents of the Company during the terms of borrowings. During the year ended 31 December 2024 and 31 December 2025, the borrowings and related interest were repaid according to payment schedule.
- (iii) In October 2024 and June 2025, the Company entered into two loan facility agreements with Bank of Communications Co., Ltd. Hunan Branch which provided the Company loans with the maximum amount of RMB30 million and RMB27 million with an interest rate of 3.10% per annum, which shall be repaid from April 2025 to November 2027 and December 2025 to June 2028. Borrowings under the loan facility agreement were collateralized by portion of the buildings of the Group and 3 invention patents of the Company during the terms of borrowings. During the year ended 31 December 2024 and 31 December 2025, the borrowings and related interest were repaid according to payment schedule.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

28. BORROWINGS (Continued)

(b) Unsecured and unguaranteed bank borrowings

- (i) In May 2023 and in October 2023, the Company entered into a one-year loan facility agreement with Bank of Communications Co., Ltd. Hunan Branch which provided the company the credit limit in the aggregate principal amount of RMB50 million and RMB5 million. In February 2024, the Company drew down borrowings with the amount of RMB10 million under the facility with an interest rate of 3.85% per annum which shall be repaid by February 2025. In February 2025, the borrowings and related interest were fully repaid. And the Company drew down bank acceptances from July 2023 to October 2023 with the amount of RMB25.13 million under the facility and the amount paid were fully repaid on 30 June 2024. In July 2024, the Company drew down borrowings with the amount of RMB8.4 million under the facility with an interest rate of 3.50% per annum. The borrowings and related interest were fully repaid in July 2025.
- (ii) In December 2023, the Company entered into a one-year loan facility agreement with China CITIC Bank Co., Ltd. Changsha Branch which provided the Company a credit limit in an aggregate principal amount of RMB40 million. In January 2024, the Company drew down borrowings with the amount of RMB5 million under the facility with an interest rate of 4.0% per annum which shall be repaid by January 2025. In January 2025, the borrowings and related interest were fully repaid.
- (iii) In December 2023, the Company entered into a loan facility agreement with Bank of Beijing Co., Ltd. Changsha Branch which provided the Company a credit limit in an aggregate principal amount of RMB30 million. In September 2024 and December 2024, the Company drew down borrowings with the amount of RMB10 million and RMB10 million respectively under the facility with an interest rate of 3.75% and 3.5% per annum which shall be repaid by September 2025 and December 2025. The borrowings of RMB10 million and related interest were repaid in September 2025 and December 2025.
- (iv) In December 2023, the Company entered into a one-year loan facility agreement with Shanghai Pudong Development Bank Co., Ltd. Changsha Branch which provided the Company a credit limit in an aggregate principal amount of RMB10 million. In January 2024, the Company drew down borrowings with the amount of RMB5 million respectively under the facility with an interest rate of 3.85% per annum which shall be repaid by January 2025. In January 2025, the borrowings and related interest were fully repaid.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

28. BORROWINGS (Continued)

(b) Unsecured and unguaranteed bank borrowings (Continued)

- (v) In March 2024, the Company entered into a one-year loan facility agreement with Bank of China Co., Ltd. Hunan Xiangjiang New District branch which provided the Company a credit limit in an aggregate principal amount of RMB40 million. In March 2024, the Company drew down borrowings with the amount of RMB5.5 million under the facility with an interest rate of 3.45% per annum which shall be repaid by March 2025. In April 2024, the Company drew down borrowings with the amount of RMB5 million under the facility with an interest rate of 3.45% per annum which shall be repaid by April 2025. In June 2024, the Company drew down borrowings with the amount of RMB5 million under the facility with an interest rate of 3.45% per annum which were fully repaid in June 2025. In March, April 2025 and June 2025, the borrowings and related interest were fully repaid.
- (vi) In March 2024, the Company entered into a one-year loan facility agreement with China Everbright Bank Limited Changsha Yingwan branch which provided the Company a credit limit in an aggregate principal amount of RMB40 million. In March 2024, the Company drew down borrowings with the amount of RMB10 million under the facility with an interest rate of 3.85% per annum which shall be repaid by March 2025. In March 2025, the borrowings and related interest were fully repaid.
- (vii) In September 2024, the Company entered into a one-year loan facility agreement with Industrial and Commercial Bank of China Limited Changsha Yinxun branch which provided the Company a credit limit in an aggregate principal amount of RMB20 million. In September 2024, the Company drew down borrowings with the amount of RMB20 million under the facility with an interest rate of 3.15% per annum which shall be repaid by September 2025. In September 2025, the borrowings and related interest were fully repaid.
- (viii) In December 2024, the Company entered into a one-year loan facility agreement with Shanghai Pudong Development Bank Co., Ltd. Changsha Branch which provided the Company a credit limit in an aggregate principal amount of RMB30 million. In December 2024, the Company drew down borrowings with the amount of RMB20 million under the facility with an interest rate of 3.45% per annum which shall be repaid by December 2025. In December 2025, the borrowings and related interest were fully repaid.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

28. BORROWINGS (Continued)

(b) Unsecured and unguaranteed bank borrowings (Continued)

- (ix) In February 2025, the Company entered into a loan facility agreement with Bank of Communications Co., Ltd. Hunan Branch which provided the Company loans aggregated principal amount of RMB11.6 million with a fixed interest at 3.1% per annum which shall be repaid by November 2025. In November 2025, the borrowings and related interest were fully repaid.
- (x) In February 2025, June 2025 and December 2025, the Company entered into three loan facility agreements with Shanghai Pudong Development Bank Co., Ltd. Changsha Branch which provided the Company loans aggregated principal amount of RMB10 million, RMB10 million and RMB30 million with a fixed interest at 3.45%, 3.35% and 3.00% per annum which shall be repaid by February 2026, June 2026 and December 2026, respectively.
- (xi) In February 2025, the Company entered into a loan facility agreement with Bank of Hunan Corporation Limited Xiangjiang New Area Branch which provided the Company a credit limit in an aggregate principal amount of RMB15 million. In February 2025, the Company drew down borrowings with the amount of RMB15 million under the facility with an interest rate of 3.5% per annum which shall be repaid by February 2026.
- (xii) In March 2025, the Company entered into a loan facility agreement with Bank of Communications Co., Ltd. Hunan Branch which provided the Company loans aggregated principal amount of RMB50 million with a fixed interest at 2.98% per annum which shall be repaid by March 2026.
- (xiii) In March 2025, the Company entered into a loan facility agreement with China Construction Bank Corporation Hunan Branch which provided the Company loans aggregated principal amount of RMB20 million with a fixed interest at 2.98% per annum which shall be repaid by September 2025. In September 2025, the borrowings and related interest were fully repaid.
- (xiv) In April 2025, the Company entered into a loan facility agreement with China Everbright Bank Limited Changsha Yingwan branch which provided the Company loans aggregated principal amount of RMB10 million with a fixed interest at 3.3% per annum which shall be repaid by April 2026.
- (xv) In April 2025, a subsidiary of the Company entered into a loan facility agreement with Bank of Chengdu Co., Ltd. Shawan Branch which provided loans aggregated principal amount of RMB5 million with a fixed interest at 2.5% per annum which shall be repaid by April 2026.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

28. BORROWINGS (Continued)

(b) Unsecured and unguaranteed bank borrowings (Continued)

- (xvi) In September 2025 and December 2025, the Company entered into two loan facility agreement with China Construction Bank Corporation Hunan Branch which provided the Company loans aggregated principal amount of RMB19.5 million and RMB30 million with a fixed interest at 2.98% per annum which shall be repaid by March 2027 and December 2027, respectively
- (xvii) In September 2025 and December 2025, the Company entered into two loan facility agreement with Bank of Communications Co., Ltd. Hunan Branch which provided the Company loans aggregated principal amount of RMB8.4 million and RMB104.3 million with a fixed interest at 2.98% and 3.00% per annum which shall be repaid by July 2026 and December 2026, respectively.
- (xviii) In September 2025, the Company entered into a one-year loan facility agreement with Industrial and Commercial Bank of China Limited Changsha Yinxun branch which provided the Company loans aggregated principal amount of RMB20 million with a fixed interest rate at 2.8% per annum which shall be repaid by September 2026.
- (xix) In September 2025, October 2025 and November 2025, the Company entered into three loan facility agreements with Bank of China Co., Ltd. Hunan Xiangjiang New District branch which provided the Company loans aggregated principal amount of RMB15 million, RMB5 million and RMB10 million with a fixed interest at 2.95% per annum which shall be repaid by September 2026, October 2026 and November 2026, respectively.
- (xx) In November 2025 and December 2025, the Company entered into three loan facility agreements with Bank of Beijing Co., Ltd. Changsha Branch which provided the Company loans aggregated principal amount of RMB14.8 million, RMB10 million and RMB10 million with a fixed interest at 3.40% per annum, which shall be repaid by November 2026 and December 2026, respectively.
- (xxi) In November 2025 and December 2025, the Company entered into two loan facility agreements with CITIC Bank Co., Ltd. Changsha Branch which provided the Company loans aggregated principal amount of RMB4.7 million and RMB5.3 million with a fixed interest at 3.2% per annum which shall be repaid by November 2026 and December 2026, respectively.
- (xxii) In December 2025, the Company entered into a one-year loan facility agreement with Hua Xia Bank Co., Limited which provided the Company loans aggregated principal amount of RMB10 million with a fixed interest at 3.1% per annum which shall be repaid by December 2026.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

29. FINANCIAL INSTRUMENTS WITH PREFERRED RIGHTS AT AMORTISED COST

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Current liabilities		
Financial instruments with preferred rights at amortized cost	-	-
Non-current liabilities		
Financial instruments with preferred rights at amortized cost	-	1,894,618

Since the date of incorporation, the Company has completed several rounds of financing by issuing ordinary shares with preferred rights to investors, namely, Series A Shares, Series A-1 Shares, Series A-2 Shares, Series A-3 Shares, Series B Shares, Series B+ Shares, Series C Shares and Series C+ Shares.

The movements of financial instruments with preferred rights at amortized cost for the years ended 31 December 2024 and 31 December 2025 were as follows:

	Financial instruments with preferred rights at amortized cost RMB'000
As at 1 January 2024	1,766,025
Finance cost on financial instruments with preferred rights at amortized cost	128,593
As at 31 December 2024	1,894,618
As at 1 January 2025	1,894,618
Finance cost on financial instruments with preferred rights at amortized cost	130,049
Conversion of financial instruments with preferred rights at amortized cost to ordinary shares	(2,024,667)
As at 31 December 2025	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

29. FINANCIAL INSTRUMENTS WITH PREFERRED RIGHTS AT AMORTISED COST (Continued)

(a) Series A financing to Series C+ financing

Series A financing

In January 2018, the Company entered into an investment agreement with certain series A investors, pursuant to which the Company issued and allotted approximately 3,489,000 shares, representing approximately 34.89% of the equity interests of the Company, to series A investors, at a consideration of USD30,000,000 (equals to RMB189,288,000). The proceeds of RMB189,288,000 were received by the Company in February, March and July 2018. The Company had initially recognized the related financial instruments with preferred rights of RMB189,288,000 (present value of the estimated amount to be paid out by the Company) in 2018. In February, March and July 2018, the Company applied a discount rate from 3.53% to 3.56% to derive the present value of the issued financial instruments.

In June 2019, the Company entered into an investment agreement with certain series A-1 investors, pursuant to which the Company issued and allotted approximately 1,595,745 shares, representing approximately 6.00% of the equity interests of the Company, to series A-1 investors, at a consideration of USD12,000,000 (equals to RMB82,716,000). The proceeds of RMB82,716,000 were received by the Company in June and September 2019. The Company had initially recognized the related financial instruments with preferred rights of RMB82,716,000 (present value of the estimated amount to be paid out by the Company) in 2019. In June and September 2019, the Company applied a discount rate from 6.58% to 7.70% to derive the present value of the issued financial instruments.

In July 2020, the Company entered into investment agreements separately with certain series A-2 investors, pursuant to which the Company issued and allotted approximately 1,632,309 shares, representing approximately 5.78% of the equity interests of the Company, to series A-2 investors, at a consideration of RMB100,139,000. The proceeds of RMB100,139,000 were received by the Company in July and August 2020. The Company had initially recognized the related financial instruments with preferred rights of RMB100,139,000 (present value of the estimated amount to be paid out by the Company) in 2020. In July and August 2020, the Company applied a discount rate from 7.35% to 7.42% to derive the present value of the issued financial instruments.

In December 2020, the Company entered into an investment agreement with certain series A-3 investors, pursuant to which the Company issued and allotted approximately 4,163,269 shares, representing approximately 12.85% of the equity interests of the Company, to series A-3 investors, at a consideration of RMB281,700,000. The proceeds of RMB281,700,000 were received by the Company in December 2020 and January 2021. The Company had initially recognized the related financial instruments with preferred rights of RMB281,700,000 (present value of the estimated amount to be paid out by the Company) in 2020 and 2021 respectively. In December 2020 and January 2021, the Company applied a discount rate from 7.49% to 7.72% to derive the present value of the issued financial instruments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

29. FINANCIAL INSTRUMENTS WITH PREFERRED RIGHTS AT AMORTISED COST (Continued)

(a) Series A financing to Series C+ financing (Continued)

Series B financing

In March 2021, the Company entered into an investment agreement with certain series B investors, pursuant to which the Company issued and allotted approximately 3,078,248 shares, representing approximately 8.68% of the equity interests of the Company, to series B investors, at a consideration of RMB280,348,000. The proceeds of RMB280,348,000 were received by the Company in March, April and May 2021. The Company had initially recognized the related financial instruments with preferred rights of RMB280,348,000 (present value of the estimated amount to be paid out by the Company) in 2021. In March, April and May 2021, the Company applied a discount rate from 6.91% to 8.09% to derive the present value of the issued financial instruments.

In August 2021, the Company entered into an investment agreement with certain series B+ investors, pursuant to which the Company issued and allotted approximately 1,558,592 shares, representing approximately 4.21% of the equity interests of the Company, to series B+ investors, at a consideration of RMB263,650,000. The proceeds of RMB263,650,000 were received by the Company in August, September, October and November 2021. The Company had initially recognized the related financial instruments with preferred rights of RMB263,650,000 (present value of the estimated amount to be paid out by the Company) in 2021. In August, September, October and November 2021, the Company applied a discount rate from 7.51% to 8.35% to derive the present value of the issued financial instruments.

Series C financing

In January 2022, the Company entered into an investment agreement with certain series C investors, pursuant to which the Company issued and allotted approximately 1,251,089 shares, representing approximately 3.27% of the equity interests of the Company, to series C investors, at a consideration of RMB270,300,000. The proceeds of RMB270,300,000 were received by the Company in March, April and June 2022. The Company had initially recognized the related financial instruments with preferred rights of RMB270,300,000 (present value of the estimated amount to be paid out by the Company) in 2022. In March, April and June 2022, the Company applied a discount rate from 7.87% to 8.64% to derive the present value of the issued financial instruments.

In December 2023, the Company entered into an investment agreement with certain series C+ investors, pursuant to which the Company issued and allotted approximately 102,078 shares, representing approximately 0.27% of the equity interests of the Company, to series C+ investors, at a consideration of RMB24,000,000. The proceeds of RMB24,000,000 were received by the Company in December 2023. The Company had initially recognized the related financial instruments with preferred rights of RMB24,000,000 (present value of the estimated amount to be paid out by the Company) in 2023. In December 2023, the Company applied a discount rate of 10.54% to derive the present value of the issued financial instruments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

29. FINANCIAL INSTRUMENTS WITH PREFERRED RIGHTS AT AMORTISED COST (Continued)

(a) Series A financing to Series C+ financing (Continued)

Series C financing (Continued)

In accordance with Series A investment agreements to Series C+ investment agreements, Series A Investors to Series C+ Investors had been granted with certain preferred rights (the "Preferred Rights") upon capital contribution. These Preferred Rights mainly included the followings:

(b) Key terms

Liquidation preference

In the event of any liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, all assets and funds of the Company legally available for distribution to the shareholders shall, by reason of the shareholders' ownership of the shares, be distributed as follows:

The holders of the ordinary shares with preferred rights shall be entitled to receive for each outstanding ordinary shares with preferred rights held and fully paid, as applicable, the amount equal to one hundred percent of the applicable ordinary shares with preferred rights' issue price, plus all declared but unpaid dividends on such ordinary shares with preferred rights. Upon the liquidation, in order of preference, first to the holders of Series C+ ordinary shares with preferred rights, then to the holders of Series C ordinary shares with preferred rights, Series B+ ordinary shares with preferred rights, Series B ordinary shares with preferred rights, Series A-3 ordinary shares with preferred rights, Series A-2 ordinary shares with preferred rights, Series A-1 ordinary shares with preferred rights, and last to the holders of Series A ordinary shares with preferred rights. If there are any assets or funds remaining after the aggregate amount have been distributed or paid in full to the applicable holders of ordinary shares with preferred rights as above, the remaining assets and funds legally available for distribution shall be distributed ratably among the holders of ordinary shares and holders of ordinary shares with preferred rights according to the relative number of ordinary shares on an as-converted basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

29. FINANCIAL INSTRUMENTS WITH PREFERRED RIGHTS AT AMORTISED COST (Continued)

(b) Key terms (Continued)

Anti-dilution right

If the Company increases its paid-in capital/share capital at a price lower than the price paid by Series A Investors to Series C+ Investors on a per paid-in capital/share capital basis, Series A Investors to Series C+ Investors have a right to require (i) the Company to issue new paid-in capital/share capital for nil consideration (or lowest price allowed by law) to Series A Investors to Series C+ Investors: or (ii) existing shareholders to transfer the equity interests of the Company directly or indirectly held to Series A Investors to Series C+ Investors for nil consideration (or lowest price allowed by law), so that the total amount paid by Series A Investors to Series C+ Investors divided by the total amount of paid-in capital/share capital obtained is equal to the price per paid-in capital/share capital in the new issuance. The increased shares should have a limitation which will not cause the percentage of shareholding of the Company held by NovoDriv (HK) Limited Partnership, the ultimate holding company of the Company, (the “**NovoDriv**”) below 25%.

The directors of the Company considered that the fair value of the anti-dilution right given to investors was immaterial and therefore no liability was recognised by the Company.

Redemption rights

The Company shall redeem, at the option of any holder of outstanding ordinary shares with preferred rights, all of the outstanding ordinary shares with preferred rights (other than the unpaid shares) held by the requesting holder, at any time after (a) the failure by the Company to complete a Qualified IPO as at 5 February 2026, or (b) the significant violation of the investing agreements, shareholders agreements, articles of association and other related documents by the Company or NovoDriv or NovoDriv Limited or 東莞灣區智能科技有限公司 or 馬濂 or 李澤湘. The redemption price for Series A fully paid ordinary shares with preferred rights (other than the unpaid shares) shall be equal to the ordinary shares with preferred rights’ purchase price, plus an annual simple interest rate of 4% accrued for the period from the ordinary shares with preferred rights’ deemed issue date up to and until the date when such ordinary shares with preferred rights are redeemed, plus all declared but unpaid dividends. The redemption price for Series A-1 fully paid ordinary shares with preferred rights, Series A-2 fully paid ordinary shares with preferred rights, Series A-3 fully paid ordinary shares with preferred rights, Series B fully paid ordinary shares with preferred rights, Series B+ fully paid ordinary shares with preferred rights, Series C fully paid ordinary shares with preferred rights and Series C+ fully paid ordinary shares with preferred rights (other than the unpaid shares) shall be equal to the ordinary shares with preferred rights’ purchase price, plus an annual simple interest rate of 8% accrued for the period from the ordinary shares with preferred rights’ deemed issue date up to and until the date when such ordinary shares with preferred rights are redeemed, plus all declared but unpaid dividends.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

29. FINANCIAL INSTRUMENTS WITH PREFERRED RIGHTS AT AMORTISED COST (Continued)

(b) Key terms (Continued)

Redemption rights (Continued)

Upon the redemption, in order of preference, first to the holders of Series C+ ordinary shares with preferred rights, then to the holders of Series C ordinary shares with preferred rights, Series B+ ordinary shares with preferred rights, Series B ordinary shares with preferred rights, Series A-3 ordinary shares with preferred rights, Series A-2 ordinary shares with preferred rights, Series A-1 ordinary shares with preferred rights, and last to the holders of Series A ordinary shares with preferred rights.

If the assets and funds are insufficient for the full payment to redemption of such ordinary shares with preferred rights, then the entire assets and funds legally available for distribution shall be distributed ratably among such holders in proportion. If obtain the consent of all requesting holders, upon the redemption, in order of preference, first to the holders of Series C+ ordinary shares with preferred rights, then to the holders of Series C ordinary shares with preferred rights, Series B+ ordinary shares with preferred rights, Series B ordinary shares with preferred rights, Series A-3 ordinary shares with preferred rights, Series A-2 ordinary shares with preferred rights, A-1 ordinary shares with preferred rights, and Series A ordinary shares with preferred rights, and last to the holders of ordinary shares.

(c) Presentation and Classification

The ordinary shares with preferred rights are classified as financial liabilities. In addition, the Group measures financial instruments with preferred rights at amortized costs and does not bifurcate any embedded derivatives from the host instruments.

Upon the completion of Global Offering as at 19 December 2025, all preferred rights entitled to the Company's investors were expired and the financial instruments with preferred rights at amortized cost recognized due to these preferred rights had been reclassified to equity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

30. TRADE AND NOTES PAYABLES

The suppliers usually grant a credit period of 0 days to 90 days to the Group and the Company, and extended to a credit period of 18 months from major suppliers. As at 31 December 2024 and 31 December 2025, the aging analysis of the trade payables based on transaction date are as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Non-current		
Trade payables	26,347	–
Current		
Trade payables		
– The third parties	425,609	63,299
	425,609	63,299
Notes payables	9,469	–
	435,078	63,299

As at 31 December 2024 and 31 December 2025, the aging analysis of trade payables are as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Up to 6 months	290,412	32,411
6 to 12 months	133,513	17,336
over 12 months	28,031	13,552
	451,956	63,299

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31. OTHER PAYABLES AND ACCRUALS

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Payroll and welfare payables	49,037	27,030
Other taxes payable	24,079	3,689
Amount due to the third parties (a)	501	6,111
Other payable arising from the transaction of ancillary services (b)	8,262	11,837
Accruals	2,126	2,661
Payables for purchases of PPE	40,194	39,986
Deposits	45	–
Financial guarantee contracts liability (c)	29,723	6,452
Accrued listing expenses	22,498	3,941
	176,465	101,707

- (a) Amount due to the third parties are trade nature, unsecured, interest free and repayable on demand.
- (b) Other payable arising from the transaction of ancillary services represent proceeds received from the customers and yet to be paid to the third party suppliers on behalf of the customers arising from the transaction of ancillary services relating to V2X for the Group acting as an agent. Please refer to Note 24 for more details. The payable are trade nature, unsecured, interest-free and repayable on demand.
- (c) In September 2023, the Company entered into a guarantee agreement in favour of Jiangsu Financial Leasing Co., Ltd. (“**Jiangsu Financial Leasing**”) to provide guarantee for the buyer credit loan in the maximum principal amount of RMB20 million made available by Jiangsu Financial Leasing to Henan Yuda Industry and Trade Co., Ltd. (“**Henan Yuda**”) and Henan Anda Blasting Co., Ltd. (“**Henan Anda**”). Henan Yuda and Henan Anda are independent of the Group and are the end users of the products and solutions sold by the Company. Under the guarantee agreement, the Company assumes joint guarantee liability with the principal debtors, Henan Yuda and Henan Anda. The guarantee covers 20% of the principal amount advanced by Jiangsu Financial Leasing with overdue interest and any other amounts payable by Henan Yuda and Henan Anda under the relevant loan agreement and the amount of guarantee would not exceed RMB4 million. The guarantee periods start from the date of expiry of the buyer credit loan to three years later. As at 31 December 2025, the financial guarantee has been expired.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31. OTHER PAYABLES AND ACCRUALS (Continued)

In March 2024, the Company entered into a guarantee agreement in favour of Haitong Unitrust International Financial Leasing Co., Ltd. (“**Haitong Unitrust**”) to provide guarantee for the buyer credit loan in the maximum principal amount of RMB70 million made available by Haitong Unitrust to Anhui Beishan Engineering Technology Co., Ltd. (“**Anhui Beishan**”). Anhui Beishan is independent of the Company and is the end user of the products and solutions sold by the Company. Under the guarantee agreement, the Company assumes joint guarantee liability with the principal debtor, Anhui Beishan. The guarantee covers the principal amount advanced by Haitong Unitrust with overdue interest and any other amounts payable by Anhui Beishan under the relevant loan agreement and the amount of guarantee would not exceed RMB70 million. The guarantee periods start from the date of expiry of the buyer credit loan to three years later. The fair value of the financial guarantee contracts provided for Jiangsu Financial Leasing and Haitong Unitrust on initial recognition was determined by Avista Limited, a professional valuer independent to the Group. The details of impairment assessment subsequent to the initial recognition are set out in note 3.1(b) to the consolidated financial statements.

As at 31 December 2024 and 31 December 2025, the financial guarantee contracts liability RMB6,452,000 and RMB29,723,000 was recognized respectively in “other payables” in the consolidated statements of financial position.

32. PROVISION

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Provision for warranties (a)	48,367	16,886
Provision for outstanding litigation (b)	849	849
	49,216	17,735

- (a) Provision for warranties are recognized when the Group has a present obligation (legal or constructive) as a result of the sales contracts it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.
- (b) The Group has been informed that a supplier provided construction services has started legal proceedings against the Group for collection of construction payments and related interests in December 2024. As at the date of this report, the legal case has been docketed by the court in the PRC, and the legal case will be heard in 2026. In February 2025, a PRC court issued an asset preservation order on a building and three bank accounts owned by the Group. These bank accounts with total carrying amounts of RMB8.8 million of the Group were frozen and will be released when the legal case resolves. Details of the order on the building are set out in note 16 of the consolidated financial statements. The Group has recorded the unpaid construction services fee in “Other payables” and the related interests in “Provision for outstanding litigation”.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

32. PROVISION (Continued)

The movements of the Group's provision are analyzed as follows:

	Provision for warranties RMB'000	Provision for outstanding litigation RMB'000	Total RMB'000
As at 1 January 2024	4,743	–	4,743
Provision for the year	16,931	849	17,780
Amounts utilized during the year	(4,788)	–	(4,788)
As at 31 December 2024	16,886	849	17,735
As at 1 January 2025	16,886	849	17,735
Provision for the year	43,103	–	43,103
Amounts utilized during the year	(11,622)	–	(11,622)
As at 31 December 2025	48,367	849	49,216

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

33. RECONCILIATION OF LIABILITIES FROM FINANCING ACTIVITIES

	Financial instruments with preferred rights at amortized costs <i>(Note 29)</i> RMB'000	Lease liabilities <i>(Note 17)</i> RMB'000	Borrowings <i>(Note 28)</i> RMB'000	Total RMB'000
As at 1 January 2024	1,766,025	3,588	127,534	1,897,147
Cash flows	–	(5,683)	103,250	97,567
New leases	–	6,515	–	6,515
Finance cost on financial instruments with preferred rights at amortized cost	128,593	–	–	128,593
Interest expenses	–	165	6,958	7,123
Lease termination	–	(592)	–	(592)
As at 31 December 2024	1,894,618	3,993	237,742	2,136,353
As at 1 January 2025	1,894,618	3,993	237,742	2,136,353
Cash flows	–	(5,483)	260,597	255,114
New leases	–	6,952	–	6,952
Finance cost on financial instruments with preferred rights at amortized cost	130,049	–	–	130,049
Conversion of financial instruments with preferred rights at amortized cost to ordinary shares	(2,024,667)	–	–	(2,024,667)
Interest expenses	–	107	9,838	9,945
Other non-cash movements	–	(1,406)	–	(1,406)
As at 31 December 2025	–	4,163	508,177	512,340

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

34. COMMITMENTS

- (a) As at 31 December 2025, the Company has commitment to the limited partnership fund investments amounted to RMB7.80 million. The residual committed amount will be due for payment before August 2030.
- (b) As at 31 December 2025, the Company has commitment to inject capital to its subsidiary, Anhui CiDi Engineering Technology Co., Ltd, amounted to RMB2.55 million. The committed amount will be due for payment before May 2029.

35. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, control the other party or exercise significant influence over the other party in making financial and operation decisions. Parties are also considered to be related if they are subject to common control. Members of key management and their close family member of the Group are also considered as related parties.

The following significant transactions were carried out between the Group and its related party during the periods presented. In the opinion of the directors of the Company, the related party transactions were carried out in the normal course of business and at terms negotiated between the Group and the respective related parties.

(a) Name and relationship of related parties

Name of related parties	Relationship with the Group
深圳庫瑪創新科技集團有限公司	The same director
深圳市深科創產業發展有限公司	Controlled by the ultimate controlling shareholder of the Company
深圳科創學院	Controlled by the ultimate controlling shareholder of the Company
新驅動香港有限合夥	Ultimate holding company

(b) Transactions with related parties

(i) Purchase from the related parties

	Relationship	Year ended 31 December	
		2025	2024
		RMB'000	RMB'000
深圳庫瑪創新科技集團有限公司	Purchase goods	35	–
深圳市深科創產業發展有限公司	Purchase intangible assets	810	–
深圳科創學院	Purchase services	12	–
		857	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

35. RELATED PARTY TRANSACTIONS (Continued)

(b) Transactions with related parties (Continued)

(ii) Repayment from the related parties

	Start date	End date	Year ended 31 December	
			2025	2024
			RMB'000	RMB'000
新驅動香港有限合夥	11/8/2021	No fixed term	–	660
			–	660

Note: In June 2020, the Company entered into a management services agreement contract with NovoDriv, the ultimate holding company of the Company, and paid RMB3.66 million in accordance with the terms. In February 2023, NovoDriv and the Company confirmed that the service had not yet been provided, and agreed to sign the termination agreement. NovoDriv repaid the amounts of RMB3 million and RMB0.66 million in April 2023 and June 2024 respectively.

(c) Key management personnel compensation

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Wages, salaries and bonuses	6,384	4,551
Share-based compensation expenses	45,870	19,452
Pension obligations, housing funds, medical insurances and other social insurances	388	333
	52,642	24,336

36. CONTINGENT LIABILITIES

Saved as disclosed in note 27(b) to the consolidated financial statements, no other material contingent liabilities undertaken by or impacted on the Company or the Group as at the reporting date.

37. PAID-IN CAPITAL

Paid-in capital are generated from founders' and investors' capital injection. The excess of total consideration raised over paid-in capital was credited to the Company's capital reserve (Note 39).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

37. PAID-IN CAPITAL (Continued)

Authorized and issued

	Number of ordinary shares '000	Equivalent nominal value of shares RMB'000
As at 1 January 2024	38,381	38,381
Conversion into a joint stock limited company (Note 38 (a))	(38,381)	(38,381)
As at 31 December 2024 and 31 December 2025	–	–

- (a) In December 2020, the Company entered into an investment agreement with series A-3 investors, pursuant to which total capital of RMB281,700,000 was contributed into the Company. The proceeds of RMB191,700,000 were received by the Company in December 2020. The remaining proceeds of RMB90,000,000 were received by the Company in Jan 2021, with RMB4,163,269 and RMB277,536,731 credited to the Company's paid-in capital and capital reserves, respectively (Note 39). Certain preferred rights upon capital contribution were granted to series A-3 investors (Note 29).
- (b) In March 2021, the Company entered into an investment agreement with series B investors, pursuant to which total capital of RMB280,347,776 was contributed into the Company. The proceeds of RMB280,347,776 were received by the Company in March, April and May 2021, with RMB3,078,248 and RMB277,269,528 credited to the Company's paid-in capital and capital reserves, respectively (Note 39). Certain preferred rights upon capital contribution were granted to series B investors (Note 29).
- (c) In August 2021, the Company entered into an investment agreement with series B+ investors, pursuant to which total capital of RMB263,650,000 was contributed into the Company. The proceeds of RMB263,650,000 were received by the Company in August, September, October and November 2021, with RMB1,558,592 and RMB262,091,408 credited to the Company's paid-in capital and capital reserves, respectively (Note 39). Certain preferred rights upon capital contribution were granted to series B+ investors (Note 29).
- (d) In January 2022, the Company entered into an investment agreement with series C investors, pursuant to which total capital of RMB270,300,000 was contributed into the Company. The proceeds of RMB270,300,000 were received by the Company in March, April and June 2022, with RMB1,251,089 and RMB269,048,911 credited to the Company's paid-in capital and capital reserves, respectively (Note 39). Certain preferred rights upon capital contribution were granted to series C investors (Note 29).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

37. PAID-IN CAPITAL (Continued)

Authorized and issued (Continued)

- (e) In December 2023, the Company entered into an investment agreement with a series C investor, pursuant to which total capital of RMB24,000,000 was contributed into the Company. The proceeds of RMB24,000,000 were received by the Company in December 2023, with RMB102,078 and RMB23,897,922 credited to the Company's paid-in capital and capital reserves, respectively (Note 39). Certain preferred rights upon capital contribution were granted to series C+ investor (Note 29).

38. SHARE CAPITAL

	Number of ordinary shares '000	Share capital RMB'000
As at 1 January 2024	–	–
Conversion into a joint stock limited company (a)	38,381,330	38,381
As at 31 December 2024 and 1 January 2025	38,381,330	38,381
Issuance of ordinary shares relating to IPO, net of underwriting commissions and other issuance costs (b)	5,407,980	5,408
As at 31 December 2025	43,789,310	43,789

- (a) In July 2024, as approved in the shareholders' general meeting, the Company was converted into a joint stock company with limited liability under the Company Law of the PRC. The Company has transferred its capital reserve and accumulated loss of RMB1,460,415,000 and RMB558,800,000, respectively, to share capital of approximately 38,381,330 ordinary shares at RMB1.0 each, with the excess credited to the Company's share premium (Note 39).
- (b) The Company completed the IPO on 19 December 2025 and issued 5,407,980 ordinary shares to the public at a price of HKD263 per share.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

39. TREASURY STOCK AND RESERVES

	Reserves					Total RMB'000
	Treasury stock (Note (a)) RMB'000	Share premium RMB'000	Capital Reserve RMB'000	Employee share-based compensation reserve RMB'000	Exchange reserve RMB'000	
As at 1 January 2024	(1,492,141)	-	1,460,415	-	-	1,460,415
Change in foreign currency translation of the financial statements of the subsidiaries of the Company	-	-	-	-	21	21
Conversion into a joint stock company (Note 38(a))	-	901,615	(1,460,415)	-	-	(558,800)
Share-based payment (Note 40)	-	-	-	319,944	-	319,944
As at 31 December 2024 and 1 January 2025	(1,492,141)	901,615	-	319,944	21	1,221,580
Change in foreign currency translation of the financial statements of the subsidiaries of the Company	-	-	-	-	(21)	(21)
Contribution from non-controlling interests with change of the ownership interest in a subsidiary that do not result in a loss of control (Note 15(a)(d))	-	-	213	-	-	213
Conversion of financial instruments with preferred rights at amortized cost to ordinary shares	1,492,141	-	532,526	-	-	532,526
Issuance of ordinary shares relating to IPO, net of underwriting commissions and other issuance costs	-	1,215,744	-	-	-	1,215,744
Share-based payment (Note 40)	-	-	-	622,349	-	622,349
As at 31 December 2025	-	2,117,359	532,739	942,293	-	3,592,391

- (a) The Group recorded treasury stock to reflect the carrying amount of the financial instruments with preferred rights at the date of issuance of the Series A financing to Series C+ financing. Further details are described in Note 29(a).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

40. EQUITY-SETTLED SHARE-BASED PAYMENT

The Company has adopted a Pre – IPO share option scheme pursuant to a resolution passed on 23 September 2024 (the “**2024 Share Option Scheme**”).

The purpose of the 2024 Share Option Scheme is to recognize the contribution or future contribution of the Eligible Participants (as defined below) for their contribution to the Group by granting options to them as incentives or rewards and to attract, retain and motivate high-calibre Eligible Participants in line with the performance goals of the Group.

The Eligible Participants of the 2024 Share Option Scheme include the directors and employees of the Company or any of its subsidiaries and any persons (whether a natural person, a corporate entity or otherwise) who provide consultancy services to the Group.

Under the 2024 Share Option Scheme, the Company will grant option(s) (“**Option(s)**”) to Scheme Participants to acquire the shares of Changsha Gangwan Investment Partnership (Limited Partnership) (“**Changsha Gangwan**”), the immediate holding company of the Company. The Eligible Participants shall not have any interest or economic rights (including the rights to receive dividends) in the shares of Changsha Gangwan prior to the vesting of the options. According to the scheme, Changsha Gangwan is required to keep a minimum percentage equity interest in the Company. As at 31 December 2024 and 31 December 2025, the registered shares of the Company is 38,381,330 Shares and 43,789,310 Shares, respectively. 89,560,000 Options and 6,070,000 Options of Changsha Gangwan have been granted to 389 and 47 Eligible Participants under the 2024 Share Option Scheme at an exercise price ranging from RMB0.001 to RMB1 per Option during the year ended 31 December 2024 and 31 December 2025. The share options granted to the Eligible Participants shall be vested by various types: (a) 100% after the qualified initial public offering of the Company is completed, (b) 75% after the qualified initial public offering of the Company is completed, and 25% in March 2026, (c) 25% after the qualified initial public offering of the Company is completed, and 25%, 25% and 25% in December 2025, December 2026 and December 2027 respectively, (d) 25% after the qualified initial public offering of the Company is completed, and 25%, 25% and 25% in September 2026, September 2027 and September 2028 respectively, (e) 25% after the qualified initial public offering of the Company is completed, and 25%, 25% and 25% in September 2026, September 2027 and September 2028 respectively, (f) 25% after the qualified initial public offering of the Company is completed, and 25%, 25% and 25% in October 2026, October 2027 and October 2028, (g) 25%, 25%, 25% and 25% in January 2026, January 2027, January 2028 and January 2029 respectively and (h) 25%, 25%, 25% and 25% in November 2026, November 2027, November 2028 and November 2029 respectively. The share options shall be vested in yearly instalments of agreed percentage at each agreed date commencing from the vesting commencement date. The Company completed initial public offering at 19 December 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

40. EQUITY-SETTLED SHARE-BASED PAYMENT (Continued)

The share options under the 2024 Share Option Scheme have an exercise period of ten years from the grant date. According to the 2024 Share Option Scheme, the granted shares can be vested when the conditions of vesting are satisfied and the qualified initial public offering of the Company is completed, subject to employees' continuous service to the Group.

During the year ended 31 December 2024 and 31 December 2025, the Group recognized share-based compensation expenses of RMB319,944,000 and RMB622,349,000 in profit or loss over its relevant vesting periods with a corresponding increase in employee share-based compensation reserve. Share-based compensation expenses have been recognized as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Research and development expenses	247,338	109,529
General and administrative expenses	329,419	176,166
Selling expenses	40,442	21,591
Costs of inventories	5,150	12,658
	622,349	319,944

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

40. EQUITY-SETTLED SHARE-BASED PAYMENT (Continued)

The following Options were outstanding during the year ended 31 December 2025:

Date of grant	Vesting Period	As at 1 January 2024		Number of Options As at 31 December 2024 and 1 January 2025		As at 31 December 2025		
		Granted	Forfeited (a)	Granted	Forfeited (a)	Granted	Forfeited (a)	
27 September 2024	27 September 2024–19 December 2025	-	51,052,500	(42,500)	51,010,000	-	(455,000)	50,555,000
	27 September 2024–31 December 2025	-	3,172,500	-	3,172,500	-	-	3,172,500
	27 September 2024–31 March 2026	-	200,000	-	200,000	-	-	200,000
	27 September 2024–26 September 2026	-	9,430,000	(42,500)	9,387,500	-	(355,000)	9,032,500
	27 September 2024–31 December 2026	-	3,172,500	-	3,172,500	-	-	3,172,500
	27 September 2024–26 September 2027	-	9,430,000	(42,500)	9,387,500	-	(355,000)	9,032,500
	27 September 2024–31 December 2027	-	3,172,500	-	3,172,500	-	-	3,172,500
	27 September 2024–26 September 2028	-	9,430,000	(42,500)	9,387,500	-	(355,000)	9,032,500
10 October 2024	10 October 2024–19 December 2025	-	75,000	-	75,000	-	(75,000)	-
	10 October 2024–26 September 2026	-	75,000	-	75,000	-	(75,000)	-
	10 October 2024–26 September 2027	-	75,000	-	75,000	-	(75,000)	-
	10 October 2024–26 September 2028	-	75,000	-	75,000	-	(75,000)	-
1 November 2024	1 November 2024–19 December 2025	-	50,000	-	50,000	-	-	50,000
	1 November 2024–29 October 2026	-	50,000	-	50,000	-	-	50,000
	1 November 2024–29 October 2027	-	50,000	-	50,000	-	-	50,000
	1 November 2024–29 October 2028	-	50,000	-	50,000	-	-	50,000
9 January 2025	9 January 2025–8 January 2026	-	-	-	-	1,005,000	(57,500)	947,500
	9 January 2025–8 January 2027	-	-	-	-	1,005,000	(57,500)	947,500
	9 January 2025–8 January 2028	-	-	-	-	1,005,000	(57,500)	947,500
	9 January 2025–8 January 2029	-	-	-	-	1,005,000	(57,500)	947,500
14 November 2025	14 November 2025–14 November 2026	-	-	-	-	300,000	-	300,000
	14 November 2025–14 November 2027	-	-	-	-	300,000	-	300,000
	14 November 2025–14 November 2028	-	-	-	-	300,000	-	300,000
	14 November 2025–14 November 2029	-	-	-	-	300,000	-	300,000
14 November 2025	14 November 2025–9 January 2026	-	-	-	-	195,000	-	195,000
	14 November 2025–9 January 2027	-	-	-	-	195,000	-	195,000
	14 November 2025–9 January 2028	-	-	-	-	195,000	-	195,000
	14 November 2025–9 January 2029	-	-	-	-	195,000	-	195,000
2 December 2025	2 December 2025–9 January 2026	-	-	-	-	17,500	-	17,500
	2 December 2025–9 January 2027	-	-	-	-	17,500	-	17,500
	2 December 2025–9 January 2028	-	-	-	-	17,500	-	17,500
	2 December 2025–9 January 2029	-	-	-	-	17,500	-	17,500
			89,560,000	(170,000)	89,390,000	6,070,000	(2,050,000)	93,410,000

(a) Two employees and sixteen employees of the Company resigned in 2024 and 2025, respectively, and the granted share options were forfeited.

The fair value of the share options granted on 27 September 2024 was between RMB287.06 and RMB288.04 per share and the exercise price was between RMB0.001 and RMB1 per Option, the fair value of the share options granted on 10 October 2024 was RMB287.11 per share and the exercise price was RMB1 per Option, the fair value of the share options granted on 1 November 2024 was RMB287.08 per share and the exercise price was RMB1 per Option, the fair value of the share options granted on 9 January 2025 was RMB294.71 per share and the exercise price was RMB1 per Option, the fair value of the share options granted on 14 November 2025 was between RMB245.35 and RMB245.37 per share and the exercise price was RMB1 per Option and the fair value of the share options granted on 2 December 2025 was RMB245.37 per share and the exercise price was RMB1 per Option.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

40. EQUITY-SETTLED SHARE-BASED PAYMENT (Continued)

The fair value of 2024 Share Option Scheme was estimated as at the date of grant using a binomial model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

	27 September 2024	10 October 2024	1 November 2024	9 January 2025	14 November 2025	2 December 2025
Dividend yield (%)	–	–	–	–	–	–
Expected Volatility (%)	49.16	49.22	49.46	49.71	48.56	48.56
Risk-free interest rate (%)	2.16	2.13	2.12	1.64	1.79	1.79
Expected life of options (years)	10	10	10	10	10	10
Minimum shares of the Company held by Changsha Gangwan	4,104,788 shares	4,118,615 shares	4,127,832 shares	4,313,114 shares	4,302,053 shares	4,305,279 shares

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

41. DIVIDEND

No dividend has been paid or declared by the Company or subsidiaries of the Company during the year ended 31 December 2024 and 31 December 2025 and up to the date of this report.

42. SUBSEQUENT EVENTS

Saved as disclosed elsewhere in the consolidated financial statements, the Group has following significant events after reporting period:

On 2 March 2026, the Company implemented the share subdivision on the basis that each ordinary share of the Company with a par value of RMB1.00 each be subdivided into 10 ordinary shares with a par value of RMB0.10 each. The share subdivision was approved by a vote of shareholders at the extraordinary general meeting of the Company held on 13 February 2026. Further details were set out in the announcements of the Company dated 27 January 2026, 10 February 2026 and 13 February 2026 and the circular of the Company dated 27 January 2026.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

43. BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY

(a) Statement of financial position of the Company

	2025 RMB'000	2024 RMB'000
ASSETS AND LIABILITIES		
Non-current assets		
Property, plant and equipment	5,389	8,459
Right-of-use assets	2,795	2,782
Intangible assets	1,382	1,756
Deferred tax assets	230,760	174,786
Investment in subsidiaries	145,598	126,908
Prepayments and other receivables	190,500	190,000
Trade receivables	87,512	–
Financial assets at fair value through profit or loss	3,235	2,541
Total non-current assets	667,171	507,232
Current assets		
Inventories	114,638	79,025
Trade and notes receivables	593,259	148,386
Prepayments and other receivables	241,258	258,852
Contract assets	18,384	11,444
Financial assets at FVTPL	79,583	10,005
Financial assets at fair value through other comprehensive income	291	290
Income tax recoverable	3	3
Restricted bank deposits	20,624	9,796
Term deposits	–	5,328
Cash and cash equivalents	1,371,205	244,392
Total current assets	2,439,245	767,521
Total assets	3,106,416	1,274,753
Current liabilities		
Trade and notes payables	447,900	75,974
Contract liabilities	31,086	21,750
Borrowings	389,474	153,842
Lease liabilities	2,816	2,811
Other payables and accruals	174,040	52,852
Provision	48,164	16,595
Total current liabilities	1,093,480	323,824
Net current assets	1,345,765	443,697
Total assets less current liabilities	2,012,936	950,929

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

43. BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (Continued)

(a) Statement of financial position of the Company (Continued)

	2025 RMB'000	2024 RMB'000
Non-current liabilities		
Trade payables	26,347	–
Borrowings	113,700	83,900
Financial instruments with preferred rights at amortized cost	–	1,894,618
Total non-current liabilities	140,047	1,978,518
Total liabilities	1,233,527	2,302,342
Net assets/liabilities	1,872,889	(1,027,589)
Capital and reserves		
Capital and reserves attributable to owners of the Company:		
Paid-in capital	–	–
Share capital	43,789	38,381
Treasury stock	43(b) –	(1,492,141)
Reserves	43(b) 3,592,178	1,221,559
Accumulated losses	(1,763,078)	(795,388)
Total equity/deficit	1,872,889	(1,027,589)

The statement of financial position of the Company was approved and authorized for issue by the board of directors on 30 March 2026.

On behalf of the board of directors

Ma Wei

Albert S. Hu

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

43. BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (Continued)

(b) Reserve movement of the Company

	Reserves					Total RMB'000
	Treasury stock RMB'000	Share premium RMB'000	Capital Reserve RMB'000	Employee share-based	Exchange reserve RMB'000	
				compensation reserve RMB'000		
As at 1 January 2024	(1,492,141)	-	1,460,415	-	-	1,460,415
Conversion into a joint stock company (Note 38(a))	-	901,615	(1,460,415)	-	-	(558,800)
Share-based payment (Note 40)	-	-	-	319,944	-	319,944
As at 31 December 2024 and 1 January 2025	(1,492,141)	901,615	-	319,944	-	1,221,559
Share-based payment (Note 40)	-	-	-	622,349	-	622,349
Issuance of ordinary shares relating to IPO, net of underwriting commissions and other issuance costs	-	1,215,744	-	-	-	1,215,744
Conversion of financial instruments with preferred rights at amortized cost to ordinary shares	1,492,141	-	532,526	-	-	532,526
As at 31 December 2025	-	2,117,359	532,526	942,293	-	3,592,178

DEFINITIONS

“Affiliated company”	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
“Articles” or “Articles of Association”	the articles of association of the Company, as amended and in force from time to time
“Audit Committee”	the audit committee of our Company
“Board”	the board of directors of our Company
“Changsha Gangwan”	Changsha Gangwan Investment Partnership (Limited Partnership) (長沙港灣投資合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on August 25, 2017 and one of our Controlling Shareholders
“Changsha Shengyu”	Changsha Shengyu Private Equity Fund Enterprise (Limited Partnership) (長沙晟譽私募股權基金企業(有限合夥)), a limited partnership established under the laws of the PRC on March 1, 2018 and one of our Controlling Shareholders
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company”, “our Company”, “the Company”, “we” or “us”	CiDi Inc. (希迪智駕科技股份有限公司) (previously known as 希迪智駕(湖南)股份有限公司), established as a limited liability company in the PRC on October 16, 2017, the H-shares of which are listed and traded on the Stock Exchange (Stock Code: 3881)
“Corporate Governance Code”	the corporate governance code as set out in Appendix C1 to the Listing Rules
“CNBM”	China National Building Material Group Corporation
“Compliance Advisor”	Gram Capital Limited
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules and unless the context requires otherwise, refers to Prof. Li Zexiang, NovoDriv HK, NovoDriv Limited, Changsha Gangwan, Dongguan Intelligence, CWB Startup HK, Clear Water Bay Startup Fund GP, Clear Water Bay Startup Fund LP, Changsha Shengyu and Dongguan Yunhe

DEFINITIONS

“CSRC”	the China Securities Regulatory Commission (中國證券監督管理委員會)
“CWB Startup HK”	CWB Startup Invest HK Limited, a company incorporated in Hong Kong with limited liability on March 17, 2016 and one of our Controlling Shareholders
“Director(s)”	the director(s) of our Company
“Domestic Unlisted Shares”	ordinary shares in the share capital of our Company, with a nominal value of RMB1.00 (or RMB0.10 after the Share Subdivision with effect from 2 March 2026) each, which are not listed on any stock exchange
“Dongguan Intelligence”	Dongguan Wanqu Intelligence Technology Co., Ltd. (東莞灣區智能科技有限公司), a company established under the laws of the PRC with limited liability on July 31, 2017 and one of our Controlling Shareholders
“Dongguan Yunhe”	Dongguan Yunhe Equity Investment Co., Ltd. (東莞蘊和股權投資有限公司), a company established under the laws of the PRC with limited liability and one of our Controlling Shareholders
“Dr. Ma Wei”	Dr. Ma Wei (馬濰), our co-founder, executive Director and vice chairman
“Group”, “our Group”, “the Group”, “we,” “us” or “our”	the Company and its subsidiaries or, where the context so requires, in respect of the period prior to our Company becoming the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant time
“H Share(s)”	overseas listed foreign share(s) in the share capital of our Company, with a nominal value of RMB1.00 (or RMB0.10 after the Share Subdivision with effect from 2 March 2026) each, which are to be subscribed for and traded in Hong Kong dollars and for which an application has been made for the granting of listing and permission to deal in on the Stock Exchange
“H Share Registrar”	Tricor Investor Services Limited
“HK\$” or “HKD” or “Hong Kong dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the People’s Republic of China

DEFINITIONS

“Hong Kong Stock Exchange” or “Stock Exchange”	The Stock Exchange of Hong Kong Limited
“IFRS”	International Financial Reporting Standards
“Independent Third Party(ies)”	an individual(s) or a company(ies) who or which is/are not connected person(s) (within the meaning of the Listing Rules) of the Company
“Latest Practicable Date”	15 April 2026, being the latest practicable date for ascertaining certain information in this prospectus before the publication of this annual report
“Listing”	the listing of H Shares on the Main Board of the Stock Exchange
“Listing Date”	19 December 2025
“Listing Rules” or “Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“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 Companies as set out in Appendix C3 to the Listing Rules
“NovoDriv Chongqing”	New Drive Chongqing Intelligent Vehicle Co., Ltd. (新驅動重慶智能汽車有限公司), a company established under the laws of the PRC with limited liability on May 29, 2020, our direct wholly-owned subsidiary
“NovoDriv HK”	NovoDriv (HK) Limited Partnership, a limited partnership registered under the laws of Hong Kong on August 11, 2017 and one of our Controlling Shareholders
“Nomination Committee”	the nomination committee of our Company
“Prof. Li Zexiang”	Professor Li Zexiang (李澤湘教授), our founder, chairman of the Board and non-executive Director
“Remuneration Committee”	the remuneration committee of our Company

DEFINITIONS

“Reporting Period”	1 January 2025 to 31 December 2025
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“Share Subdivision”	The subdivision of each of the existing issued shares of a nominal value of RMB1.00 in the share capital of the Company into ten (10) subdivided shares of a nominal value of RMB0.1 each, which took effective on 2 March 2026.
“Shareholder(s)”	holder(s) of our Shares
“Share(s)”	H Shares and the Domestic Unlisted Shares
“subsidiary(ies)”	has the meaning ascribed to it under the Companies Ordinance
“TCC”	TCC Group Holdings Co., Ltd., formerly known as Taiwan Cement Corporation, an Independent Third Party
“Tianjin CiDi”	Tianjin CiDi Intelligent Network Technology Co., Ltd. (天津希迪智能網聯技術有限公司), a company established under the laws of the PRC with limited liability on December 14, 2020, our direct wholly-owned subsidiary
“AI”	artificial intelligence, a field of research in computer science focused on creating systems capable of performing tasks that typically require human intelligence
“autonomous”	when describing mining or logistics trucks, means that the vehicle has reached AD level, where it can perceive its environment, make decisions and control its movements without human intervention
“V2X”	vehicle-to-everything, referring to the communication between a vehicle and any entity that may affect, or may be affected by, the vehicle
“OBU”	on-board unit, referring to a device installed on vehicles enabling V2X communication and supporting V2X applications
“RSU”	roadside unit, referring to device installed on the roadside enabling V2X communication and supporting V2X applications
“SIL4”	safety integrity level 4, the highest level in the safety integrity level classification system, standing for low probability of failure and rigorous safety assurance processes



CiDi Inc.

希迪智駕科技股份有限公司