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Application Proof of

Streamax Technology Co., Ltd.*

深圳市銳明技術股份有限公司

(the “Company”)

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

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Streamax Technology Co., Ltd.*

深圳市銳明技術股份有限公司

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

[REDACTED]

Number of [REDACTED] under the [REDACTED] : [REDACTED] H Shares (subject to the [REDACTED])

Number of [REDACTED] : [REDACTED] H Shares (subject to [REDACTED])

Number of [REDACTED] : [REDACTED] H Shares (subject to [REDACTED] and the [REDACTED])

Maximum [REDACTED] : HK\$[REDACTED] per H Share, plus brokerage of 1%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015% (payable in full on application in Hong Kong dollars and subject to refund)

Nominal value : RMB1.00 per H Share

[REDACTED] : [REDACTED]

Sole Sponsor, [REDACTED], [REDACTED], [REDACTED] and [REDACTED]



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The obligations of the [REDACTED] under the [REDACTED] are subject to termination by the [REDACTED] (for themselves and on behalf of the [REDACTED]) if certain grounds arise prior to 8:00 a.m. on the [REDACTED]. See “[REDACTED]—[REDACTED] Arrangements and Expenses—[REDACTED]—Grounds for Termination” in this document for further details.

The [REDACTED] have not been and will not be registered under the U.S. Securities Act or any state securities law in the United States and may not be [REDACTED], sold, pledged or transferred within the United States, except that [REDACTED] may be [REDACTED], sold or delivered outside the United States in offshore transactions in reliance on Regulation S.

[REDACTED]

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EXPECTED TIMETABLE⁽¹⁾

[REDACTED]

EXPECTED TIMETABLE⁽¹⁾

[REDACTED]

EXPECTED TIMETABLE⁽¹⁾

[REDACTED]

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SUMMARY

This summary aims to give you an overview of the information contained in this document. As it is a summary, it does not contain all the information that may be important to you. You should read this document in its entirety before you decide to [REDACTED] in the [REDACTED]. There are risks associated with any [REDACTED]. Some of the particular risks in [REDACTED] in the [REDACTED] are set forth in the section headed “Risk Factors” in this document. You should read that section carefully before you decide to [REDACTED] in the [REDACTED].

OVERVIEW

We are a leading global provider of AI solutions for transport service vehicles. Our efforts focus on providing two primary values: enhancing safety and optimizing efficiency. Our solutions and products primarily include AI solutions and video devices. Our AI solutions utilize vision-based AI technologies to enable perception, analysis and decision-making capabilities, enhancing driving safety and optimizing fleet operation efficiency. Our video devices leverage cameras and other integrated devices to collect, record and transmit driving data.

Solutions and products	Key functions	Primary objectives
AI solutions		
AI assisted driving systems	- Advanced driver assistance system (ADAS) - Driver monitoring system (DMS) - Automated emergency braking system (AEBS) - Blind spot detection system (BSD)	Safety
AI fleet operation management systems .	- Intelligent Bus Central Processing Unit (IBCU) - Passenger flow detection - Freight loading monitoring	Efficiency
AI large model system . .	- Fleet dispatch coordinating and managing vehicles and drivers in a fleet for deliveries and other tasks - Driver evaluation - Logistics efficiency optimizing the use of vehicles, fuel and capacity to minimize costs and maximize productivity	Safety and efficiency
Video devices	Collecting and recording visual data	Safety and efficiency

Our solutions and products are used in (i) logistics vehicles, primarily including trucks; (ii) public transportation vehicles, primarily including school buses, transit buses and taxis; and (iii) special purpose vehicles, primarily including mining vehicles, engineering cranes, sanitation vehicles and forklifts.

SUMMARY

The following is our business highlights:

Market Position	No. 4 globally Provider of vision-based AI solutions for transport service vehicles ⁽¹⁾	No. 3 globally Logistics vehicle application scenario market share ⁽²⁾	No. 2 globally Public transportation vehicle application scenario market share ⁽³⁾	No. 1 globally Provider of video devices for transport service vehicles ⁽⁴⁾
Business Performance	Over 100 Numbers of countries and regions ⁽⁵⁾	61.6% Revenue proportion of overseas markets ⁽⁶⁾	5.0 million Approximately sets of AI solutions sold ⁽⁷⁾	Over 750,000 Approximate number of vehicles served by AI large model systems ⁽⁸⁾
Financial Performance	28.3% Revenue CAGR (2023 to 2025) ⁽⁹⁾	19.7% Return on equity in 2025 ⁽¹⁰⁾	44.2% Gross profit margin in 2025	14.9% Net profit margin in 2025

Notes:

- (1) Based on our market share of 7.2% in the global vision-based AI solution for transport service vehicle market, in terms of our revenue from continuing operations in 2025, according to Frost & Sullivan.
- (2) Based on our market share of 7.0% in the logistics vehicle application scenario of the global vision-based AI solution for transport service vehicle market, in terms of our revenue from continuing operations in 2025, according to Frost & Sullivan.
- (3) Based on our market share of 10.3% in the public transportation vehicle application scenario of the global vision-based AI solution for transport service vehicle market, in terms of our revenue from continuing operations in 2025, according to Frost & Sullivan.
- (4) Based on our market share of 5.5% in the global video devices for transport service vehicle market, in terms of our revenue from continuing operations in 2025, according to Frost & Sullivan.
- (5) Where our solutions and products were sold into during the Track Record Period.
- (6) For the year ended December 31, 2025.
- (7) As of Latest Practicable Date.
- (8) Referring to the number of vehicles served by our AI large model systems, for which we had entered into contracts with our customers as of the Latest Practicable Date.
- (9) Calculated with our revenue from continuing operation from 2023 to 2025.
- (10) Calculated by dividing our profit from continuing operations in 2025 by the average balance of total equity at the beginning and the end of 2025 multiplied by 100%.

Our market position is primarily supported by (i) our ability to transform industry understanding into AI solutions and (ii) our presence in global market. Our 20 years of experience in the transport service vehicle industry allows us to deeply understand the pain points and diverse application scenarios within the industry. We transform these understandings into numerous AI-based solutions and products, covering advanced driver assistance, emergency braking, driver monitoring, blind spot detection, and even high precision vision-based AI solutions. Moreover, we are able to sell our solutions and products to over 100 countries and regions through our extensive international network during the Track Record Period. Our factories in China and Vietnam and our global headquarters and accounting center in Singapore coordinate closely to support our worldwide customer network. Through our global presence and extensive customer network, we have gained deep understandings of cross-regional industry pain points, enabling us to tailor our solutions and products to meet the unique needs of users in different regions.

SUMMARY

OUR STRENGTHS AND STRATEGIES

We believe the following strengths position us well to capitalize on future opportunities and deliver continued growth: (i) leading global provider of AI solutions for transport service vehicles; (ii) efficient three-tiered pyramid R&D structure; (iii) AI solutions aligned with needs of diverse application scenarios; (iv) global deployment with broad coverage; and (v) visionary management team and strong talent pool. Moreover, we intend to implement the following strategies: (i) continuing to develop advanced intelligent driving business and AI large model system business; (ii) strengthening our global sales network to enhance global presence; and (iii) strengthening our global supply chains and improving the level of intelligent manufacturing.

OUR SOLUTIONS AND PRODUCTS

During the Track Record Period, we generated revenue primarily from (i) AI assisted driving system, (ii) AI fleet operation management system, and (iii) video devices. The following diagram illustrates these solutions and products:



The major components of AI assisted driving systems and AI fleet operation management systems include (i) hardware for collecting and recording data, such as dashcam, camera and MDVR, (ii) software, including systems and application for data processing and firmware for controlling hardware and (iii) AI algorithms for filtering and providing recommendations. Our AI assisted driving system and AI fleet operation management system may operate independently without connecting to any cloud platform. Our customers may also choose to connect the two solutions to their or our cloud platform. Our AI large model systems require connectivity to our cloud platform. In June 2024, we began generating revenue from our AI large model systems, which are primarily delivered in the form of software through our cloud platform. As of the Latest

SUMMARY

Practicable Date, we had three R&D centers located in Shenzhen, Chongqing, and Chengdu, China. Shenzhen center focuses on the R&D of vision-based AI technology, on-device software, hardware, as well as AI large model systems. Chongqing center focuses on the R&D of vision-based AI technology, and our cloud and on-device software. Chengdu center focuses on the R&D of vision-based AI technology and cloud software.

OUR BUSINESS MODEL

We conduct in-house research and development of solutions and products, which are manufactured using raw materials sourced from suppliers to our specifications. Our products are primarily supplied to video telematics system integrators and automobile manufacturers. Our end-users, served downstream by system integrators, include logistics companies, school bus companies, taxi companies, transit bus companies, and leading companies in the energy and consumer industries. See “Business—Our Business Model.”

PRODUCTION

Our Production Bases

We operate two production bases in Guangdong, China and Vietnam respectively, both dedicated to the manufacture of AI solutions and video devices. Our China base, which commenced production in 2021, has a total gross floor area of approximately 25,000 sq.m. Our Vietnam base, which commenced production in 2023, comprises Phase I of approximately 8,400 sq.m. and Phase II (pending commencement of production) of approximately 17,000 sq.m.

OUR CUSTOMERS AND SUPPLIERS

In 2023, 2024 and 2025, revenue generated from our five largest customers accounted for 18.1%, 17.1% and 19.0% of our total revenue from continuing operations in each year during the Track Record Period, respectively. Revenue from our largest customer in each year during the Track Record Period accounted for 5.0%, 4.2% and 5.3% of our total revenue from continuing operations, respectively. All of our five largest customers were independent third parties in each year during the Track Record Period.

In 2023, 2024 and 2025, purchases from our five largest suppliers accounted for 28.8%, 28.6% and 25.2% of our total purchase for continuing operations in each year during the Track Record Period, respectively. In addition, purchases from our largest supplier accounted for 11.6%, 10.9% and 8.2% of our total purchase for continuing operations in 2023, 2024 and 2025, respectively. Save for Supplier G, a wholly-owned subsidiary of Ruiming Science, in which we retained a 19% equity interest following its disposal, all of our five largest suppliers were

SUMMARY

independent third parties in each year during the Track Record Period. See “History, Development and Corporate Structure — Major Acquisitions, Disposals and Mergers — Disposal of Ruiming Sciences”.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

Summary of Consolidated Statements of Profit or Loss

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Continuing Operations						
Revenue	1,505,251	100.0	1,997,731	100.0	2,476,928	100.0
Cost of sales	(849,557)	(56.4)	(1,079,530)	(54.0)	(1,381,277)	(55.8)
Gross profit	655,694	43.6	918,201	46.0	1,095,651	44.2
Other income, net of losses	54,421	3.6	97,364	4.9	43,980	1.8
Provision for expected credit losses on receivables and contract assets	(8,089)	(0.5)	(12,820)	(0.6)	(6,520)	(0.3)
Selling and marketing expenses	(177,081)	(11.8)	(203,513)	(10.2)	(208,738)	(8.4)
Administrative expenses	(164,116)	(10.9)	(220,680)	(11.0)	(248,679)	(10.0)
Research and development cost	(246,395)	(16.4)	(283,710)	(14.2)	(285,806)	(11.5)
Other operating expenses	(5,707)	(0.4)	(4,111)	(0.2)	(1,356)	(0.1)
Profit from operations	108,727	7.2	290,731	14.6	388,532	15.7
Finance costs	(8,188)	(0.5)	(8,209)	(0.4)	(10,447)	(0.4)
Share of profits less losses of associates	(2,250)	(0.1)	(1,868)	(0.1)	1	(0.0)
Profit before tax	98,289	6.5	280,654	14.0	378,086	15.3
Income tax (expenses)/benefit	(609)	(0.0)	5,576	0.3	(8,442)	(0.3)
Profit from continuing operations	97,680	6.5	286,230	14.3	369,644	14.9
Discontinued operation						
Profit from discontinued operation, net of tax	544	0.0	7,504	0.4	18,861	0.8
Profit for the year	98,224	6.5	293,734	14.7	388,505	15.7

Our profit for the year increased significantly from RMB97.7 million in 2023 to RMB286.2 million in 2024, primarily due to an increase in revenue from continuing operations attributable to an increase in the sales of our AI solutions, partially offset by (i) an increase in cost of sales, which was in line with our business growth and (ii) an increase in selling and marketing, administrative and R&D expenses, due to our share-based payment and increased employee compensation. Our profit for the year further increased by 29.0% from RMB286.2 million in 2024 to RMB369.6 million in 2025, primarily due to an increase in revenue from continuing operations attributable to an increase in the sales of our AI solutions, partially offset by an increase in cost of sales, which was in line with our business growth.

SUMMARY

Non-IFRS Measure

We use adjusted net profit (non-IFRS measure) in evaluating our operating results, which is not required by or presented in accordance with IFRS as an additional financial measure to supplement our consolidated financial statements, which are presented in accordance with IFRS. We define adjusted net profit (non-IFRS measure) as profit for the year from continuing operations adjusted for share-based payment expenses, which are non-cash in nature. We believe that the non-IFRS measure provides useful information to [REDACTED] and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, our presentation of adjusted net profit (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of such non-IFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for an analysis of, our results of operations or financial condition as reported under IFRS. The following table reconciles adjusted net profit (non-IFRS measure) to our profit for the year from continuing operations, presented in accordance with IFRS, for the years indicated.

	For the year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Profit from continuing operations	97,680	286,230	369,644
Add:			
Share-based payment expenses	36,717	58,905	88,976
Adjusted net profit (non-IFRS measure) .	134,397	345,135	458,620

Revenue

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Continuing operations						
AI solutions	1,166,651	77.6	1,606,573	80.4	2,015,494	81.4
AI assisted driving systems	1,099,610	73.1	1,422,593	71.2	1,823,613	73.6
AI fleet operation management systems	67,041	4.5	175,918	8.8	170,791	6.9
AI large model systems	—	—	8,062	0.4	21,090	0.9
Video devices	320,609	21.3	367,425	18.4	413,663	16.7
Others⁽¹⁾	17,991	1.1	23,733	1.2	47,771	1.9
Total	1,505,251	100.0	1,997,731	100.0	2,476,928	100.0

Note:

- (1) Primarily include (i) sales of electronic components such as optoelectronic devices, (ii) sales of AI computing infrastructure products such as uninterruptible power supply products and high voltage direct current power products, (iii) manufacturing services for products such as uninterruptible power supply products and (iv) technical services such as platform operations.

SUMMARY

Cost of Sales

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Raw materials cost	624,778	73.5	816,711	75.7	1,024,413	74.2
Direct labor cost	39,876	4.7	48,491	4.5	71,132	5.1
Manufacturing expenses	64,210	7.6	76,823	7.1	119,682	8.7
Operation and maintenance expenses . .	71,985	8.5	64,389	6.0	81,660	5.9
Others ⁽¹⁾	48,708	5.7	73,116	6.7	84,390	6.1
Total	849,557	100.0	1,079,530	100.0	1,381,277	100.0

Note:

- (1) Primarily include (i) taxes and surcharges, (ii) after-sales service fees, (iii) logistics fees, and (iv) inventory impairment loss.

Gross profit and gross profit margin

	Year ended December 31,					
	2023		2024		2025	
	Gross profit RMB'000	Gross profit margin %	Gross profit RMB'000	Gross profit margin %	Gross profit RMB'000	Gross profit margin %
Continuing operations						
AI solutions	541,151	46.4	792,349	49.3	926,610	46.0
AI assisted driving systems	498,677	45.4	685,044	48.2	807,450	44.3
AI fleet operation management systems.	42,474	63.4	102,183	58.1	105,989	62.1
AI large model systems.	—	—	5,122	63.5	13,171	62.5
Video devices	113,563	35.4	122,743	33.4	165,565	40.0
Others⁽¹⁾	980	5.4	3,109	13.1	3,476	7.3
Total	655,694	43.6	918,201	46.0	1,095,651	44.2

Note:

- (1) Primarily include (i) sales of electronic components such as optoelectronic devices, (ii) sales of AI computing infrastructure products such as uninterruptible power supply products and high voltage direct current power products, (iii) manufacturing services for products such as uninterruptible power supply products and (iv) technical services such as platform operations.

SUMMARY

Summary of Selected Items of Consolidated Statements of Financial Position

	As of December 31,		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Total non-current assets	710,421	646,922	694,957
Total current assets	1,617,612	2,394,563	2,557,425
Total assets	2,328,033	3,041,485	3,252,382
Total non-current liabilities	106,645	18,955	28,748
Total current liabilities	808,163	1,335,854	1,157,937
Total liabilities	914,808	1,354,809	1,186,685
Net current assets	809,449	1,058,709	1,399,488
Total Equity	1,413,225	1,686,676	2,065,697

Our net current assets increased from RMB809.4 million as of December 31, 2023 to RMB1,058.7 million as of December 31, 2024, primarily due to an increase in cash and cash equivalents of RMB212.3 million. Our net current assets increased from RMB1,058.7 million as of December 31, 2024 to RMB1,399.5 million as of December 31, 2025, primarily due to (i) an increase in cash and cash equivalents of RMB312.2 million, and (ii) an increase in inventories and other contract costs of RMB155.8 million, partially offset by an increase in trade and bills payables of RMB265.9 million.

Our net assets increased by 19.4% from RMB1,413.2 million as of December 31, 2023 to RMB1,686.7 million as of December 31, 2024, primarily due to (i) an increase in our capital reserve of RMB126.1 million primarily attributable to the exercise of share options of RMB109.0 million; and (ii) an increase in our retained profits of RMB122.3 million primarily attributable to our profit for the year of RMB290.0 million, partially offset by our dividends declared of RMB138.3 million. Our net assets increased by 22.5% from RMB1,686.7 million as of December 31, 2024 to RMB2,065.7 million as of December 31, 2025, primarily due to (i) an increase in our capital reserve of RMB155.7 million primarily attributable to the exercise of share options of RMB121.4 million, and (ii) an increase in our retained profits of RMB180.1 million primarily attributable to our profits for the year of RMB382.7 million.

SUMMARY

Summary of Consolidated Cash Flows Statements

	Year ended December 31,		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Net cash generated from operating activities	317,651	421,491	398,323
Net cash used in investing activities	(92,506)	(49,848)	(84,751)
Net cash generated from/(used in) financing activities	71,461	(145,614)	(22,695)
Net increase in cash and cash equivalents	296,606	226,029	290,877
Cash and cash equivalents at the beginning of the year	414,373	714,833	958,348
Effect of foreign exchange rates	3,854	17,486	(9,898)
Cash and cash equivalents at the end of the year . .	714,833	958,348	1,239,327

KEY FINANCIAL RATIOS

The following table sets out our key financial ratios for the periods indicated:

	As of or for the year ended December 31,		
	2023	2024	2025
Gross profit margin	43.6%	46.0%	44.2%
Net profit margin	6.5%	14.7%	14.9%
Debt-to-asset ratio ⁽¹⁾	39.3%	44.5%	36.5%
Trade receivables turnover ratio ⁽²⁾	4.1	5.0	4.3
Return on equity ⁽³⁾	7.0%	18.5%	19.7%

Notes:

- (1) Debt-to-asset ratio is calculated based on total liabilities divided by total assets and multiplied by 100%.
- (2) Trade receivables turnover ratio is calculated based on the respective days in the year divided by trade receivable turnover days.
- (3) Return on equity is calculated based on profit for the year or annualized profit for the period from continuing operation divided by average balance of total equity at the beginning and the end of that year multiplied by 100%.

RISK FACTORS

We believe there are certain risks and uncertainties involved in our operations, some of which are beyond our control. We have categorized these risks and uncertainties into: (i) risks relating to our business and industry, (ii) risks relating to conducting business in countries where we operate, (iii) risks relating to our financial performance, and (iv) risks relating to the [REDACTED]. These risks include, (i) we may not be able to retain existing customers, attract new customers or increase sales, (ii) our significant investment in research and development for new solutions and products may negatively impact our financial conditions and may not generate the results we expect to achieve, (iii) our historical results may not be indicative of our future performance, and we may not be able to manage future growth effectively, (iv) failure to keep up with the latest

SUMMARY

development and advancement in technologies in our industry will materially and adversely affect our business, financial condition and results of operations and (v) failure to retain our existing customers or attract new ones could materially and adversely impact our business, financial condition and results of operations.

LEGAL PROCEEDINGS AND NON-COMPLIANCE

During the Track Record Period and up to the Latest Practicable Date, we had not been and were not a party to any material legal, arbitral or administrative proceedings, and we were not aware of any pending or threatened proceedings against us or our Directors that could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations. During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any material non-compliance incidents that have led to fines, enforcement actions, or other penalties that could, individually or in the aggregate, have a material adverse effect on our business, results of operations and financial conditions.

[REDACTED]

OUR A SHARE LISTING AND REASONS FOR THE [REDACTED]

Since December 2019, our A Shares have been listed on the Shenzhen Stock Exchange with the stock code of 002970. As of the Latest Practicable Date, our Directors confirmed that we had no instances of non-compliance with the rules of the Shenzhen Stock Exchange and other applicable PRC securities laws and regulations in any material respects during the Track Record Period and, to the best knowledge of our Directors having made all reasonable enquiries, there was no material matter that should be brought to the **[REDACTED]** attention in relation to our compliance record on the Shenzhen Stock Exchange. Our PRC Legal Advisor is of the view that the confirmation of our Directors above with regard to our compliance record is accurate and reasonable. Nothing has come to the Sole Sponsor’s attention that would reasonably cause it to disagree with the Directors’ view.

SUMMARY

We seek to [REDACTED] our H Shares on the Stock Exchange to raise additional capital for business growth and expansion, diversify our fundraising channels, reinforce our industry standing, enhance global brand awareness and competitiveness and optimize our capital structure and shareholder composition to support sustainable development and governance. See “Business—Our Strategies” and “Future Plans and Use of [REDACTED]” in this document for more details.

SHARE OPTION INCENTIVE PLANS

We adopted the Share Option Incentive Plans in June 2022, May 2024 and March 2025, respectively. For the summary of the principal terms of the Share Option Incentive Plans and the dilution impact resulting from full exercise of all outstanding share options granted thereunder, see “Statutory and General Information—D. Employee Incentive Plans—1. Share Option Incentive Plans” in Appendix VI to this document for details.

[REDACTED]

DIVIDENDS AND DIVIDEND POLICY

Dividend paid to our shareholders is recognized as a liability in the period when the dividends are approved by our shareholders or Directors, as appropriate. During the Track Record Period, we declared dividends of RMB34.6 million, RMB138.3 million and RMB196.5 million in 2023, 2024 and 2025, respectively. See “Financial Information—Dividends”.

SUMMARY

FUTURE PLANS AND USE OF [REDACTED]

Assuming an [REDACTED] of HK\$[REDACTED] per Share (being the mid-point of the [REDACTED] stated in this document), we estimate that we will receive net [REDACTED] of approximately HK\$[REDACTED] million (equivalent to approximately RMB[REDACTED]) from the [REDACTED] after deducting the [REDACTED] and other estimated expenses paid and payable by us in connection with the [REDACTED] and assuming that the [REDACTED] is not exercised. Please see “Future Plans and Use of [REDACTED]” for details.

[REDACTED]

[REDACTED] represent professional fees, [REDACTED] and other fees incurred in connection with the [REDACTED]. We estimate that our [REDACTED] will be approximately HK\$[REDACTED] (at the [REDACTED] of HK\$[REDACTED] per [REDACTED] and no exercise of the [REDACTED]), representing approximately [REDACTED]% of the gross [REDACTED] (based on the [REDACTED] of HK\$[REDACTED] per [REDACTED] and assuming that the [REDACTED] is not exercised) of the [REDACTED]. We expect to incur [REDACTED] of approximately HK\$[REDACTED], of which approximately HK\$[REDACTED] is expected to be recognized in the consolidated statements of profit or loss as administrative expenses and approximately HK\$[REDACTED] is expected to be recognized as a deduction in equity directly upon the [REDACTED]. Our Directors do not expect such expenses to materially impact our results of operations in 2025. By nature, our [REDACTED] are composed of (i) [REDACTED] of approximately HK\$[REDACTED] and (ii) non-[REDACTED] related expenses of approximately HK\$[REDACTED], which consist of fees and expenses of legal advisors and the Reporting Accountants of approximately HK\$[REDACTED] and other fees and expenses of approximately HK\$[REDACTED].

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Recent Development

Our business performance for the two months ended February 28, 2026 improved as compared to the two months ended February 28, 2025. The sales volume of our AI solutions increased by 43.7% from 106.3 thousand sets in the two months ended February 28, 2025 to 152.7 thousand sets in the two months ended February 28, 2026, primarily due to an increase in the customer demand for our AI assisted driving systems used in the logistics vehicle application scenario.

SUMMARY

No Material Adverse Change

Our Directors have confirmed that, up to the date of this document, there has been no material adverse change in our financial or trading position or prospects since December 31, 2025, being the end date of our latest consolidated financial statements, and there has been no event since December 31, 2025 that would materially affect the information shown in the Accountants’ Report set out in Appendix I to this document.

BUSINESS ACTIVITIES IN RELATION TO THE U.S. OUTBOUND INVESTMENT SECURITY PROGRAM

On October 28, 2024, the Department of the Treasury issued the Provisions Pertaining to U.S. Investments in Certain National Security Technologies and Products in Countries of Concern (the “**Final Rule**”), which became effective on January 2, 2025. The Final Rule implements a regulatory framework for certain U.S. investments into China (including Hong Kong and Macau) in entities engaged in activities involving sensitive technologies critical to national securities in three sectors, namely, (i) semiconductors and microelectronics, (ii) quantum information technologies, and (iii) artificial intelligence systems with applications that pose national security risks, collectively defined as “Covered Foreign Persons”. The program would prohibit U.S. persons from undertaking certain transactions and require notification by U.S. persons on certain investments in Covered Foreign Persons.

We are engaged in the development of our artificial intelligence systems. Although our artificial intelligence system is not designed for any restricted end use, such as military end use, government intelligence or mass surveillance end use, or for the use of cybersecurity applications, digital forensic tools, penetration test tools, nor trained with a restricted quantity of computing power under the Final Rule (i.e., trained using a quantity of computing power greater than 10^{23} computational operations or more), as advised by our International Sanctions Legal Advisor, given that our products and solutions include AI systems is intended for the control of robotic systems, being developed for use in advanced driving assistance systems and automated emergency braking systems, we are likely to be deemed a Covered Foreign Person engaged in “Covered Activities” referred to in the definition of “Notifiable Transactions” as set out in 31 C.F.R. § 850.217(d)(2)(iv). As the OISP regulates U.S. person investment, determining whether any specific U.S. person’s investment in us would be a “notifiable” or a “prohibited” transaction is the responsibility of the U.S. person. U.S. persons are advised to consult independent legal advice to conduct diligence to determine their obligations under the OISP regulations prior to making an [REDACTED] in us.

SUMMARY

Following the completion of the [REDACTED], it is expected that U.S. persons will be able to [REDACTED] in our Company based on the publicly traded securities exception under the Final Rule, as long as the [REDACTED] made do not afford the U.S. persons rights that go beyond standard minority shareholder protections. Nonetheless, as acquisition of our equity interests by U.S. persons may constitute a notifiable transaction, this imposes an obligation on U.S. persons to make a notification of such acquisition to the U.S. Treasury pursuant to the Final Rule. Hence, the Final Rule may increase the compliance burden of U.S. [REDACTED] and may cause certain U.S. [REDACTED] to adopt a more cautious approach in their [REDACTED], which may negatively impact our ability to raise capital from U.S. [REDACTED].

DEFINITIONS

In this document, unless the context otherwise requires, the following terms shall have the meanings set forth below. Certain other terms are explained in “Glossary of Technical Terms.”

“2022 Share Option Incentive Plan”	the 2022 share option incentive plan of our Company as approved by our Shareholders on June 13, 2022, the principal terms of which are set out in “Statutory and General Information—D. Employee Incentive Plans—1. Share Option Incentive Plans” in Appendix VI to this document
“2024 Share Option Incentive Plan”	the 2024 share option incentive plan of our Company as approved by our Shareholders on May 14, 2024, the principal terms of which are set out in “Statutory and General Information—D. Employee Incentive Plans—1. Share Option Incentive Plans” in Appendix VI to this document
“2025 Share Option Incentive Plan”	the 2025 share option incentive plan of our Company as approved by our Shareholders on March 24, 2025, the principal terms of which are set out in “Statutory and General Information—D. Employee Incentive Plans—1. Share Option Incentive Plans” in Appendix VI to this document
“A Share(s)”	ordinary share(s) issued by our Company, with a nominal value of RMB1.00 each, which are traded in Renminbi
“A Shareholder(s)”	holder(s) of our A Share(s)
“Accountants’ Report”	the accountants’ report of our Company for the Track Record Period, as included in Appendix I to this document
“AFRC”	Accounting and Financial Reporting Council of Hong Kong
“Articles of Association” or “Articles”	the articles of association of our Company, conditionally adopted on September 8, 2025, with effect from the [REDACTED], as amended, supplemented, or otherwise modified from time to time, a summary of which is set out in Appendix V to this document

DEFINITIONS

“Audit Committee”	the audit committee of the Board
“Beijing Bafang”	Bafang Internet Technology (Beijing) Co., Ltd. (八方互聯科技(北京)有限公司), a limited liability company established under the laws of the PRC on May 10, 2017 and our non wholly-owned subsidiary
“Board”	the board of Directors of our Company
“business day”	any day (other than a Saturday, Sunday or public holiday in Hong Kong) on which banks in Hong Kong are generally open for normal banking business

[REDACTED]

“China”, “Chinese Mainland” or “PRC”	the People’s Republic of China, but for the purpose of this document and except where the context requires otherwise, references in this document to “China,” “Chinese Mainland” or the “PRC” do not apply to Hong Kong Special Administrative Region of the People’s Republic of China, the Macao Special Administrative Region of the People’s Republic of China and Taiwan Province, China
“Chongqing Streamax”	Chongqing Streamax Information Technology Co., Ltd. (重慶銳明信息技術有限公司), a limited liability company established under the laws of the PRC on April 8, 2009 and our wholly-owned subsidiary
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong)

DEFINITIONS

“Company,” “our Company,” “we,” “our” or “us”	Streamax Technology Co., Ltd. (深圳市銳明技術股份有限公司), a company established under the laws of the PRC on September 3, 2002, and converted into a joint stock company with limited liability on May 26, 2015, whose A Shares have been listed on the Shenzhen Stock Exchange (stock code: 002970)
“CSRC”	the China Securities Regulatory Commission (中國證券監督管理委員會), a regulatory body responsible for the supervision and regulation of the PRC national securities markets
“Director(s)”	the director(s) of our Company
“Dongguan Streamax Electronics”	Dongguan Streamax Electronics Co., Ltd. (東莞銳明電子有限公司), a limited liability company established under the laws of the PRC on March 2, 2021 and our wholly-owned subsidiary
“Dongguan Streamax Intelligent”	Dongguan Streamax Intelligent Co., Ltd. (東莞市銳明智能有限公司), a limited liability company established under the laws of the PRC on October 23, 2018 and our wholly-owned subsidiary
“EIT”	enterprise income tax
“EIT Law”	the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》), as amended, supplemented or otherwise modified from time to time
“Extreme Conditions”	the occurrence of “extreme conditions” as announced by any governmental authority of Hong Kong due to serious disruption of public transport services, extensive flooding, major landslides, large-scale power outage or any other adverse conditions, and occurring before Typhoon Signal No. 8 or above is replaced with Typhoon Signal No. 3 or below

DEFINITIONS

[REDACTED]

“Frost & Sullivan”	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., our industry consultant
“Frost & Sullivan Report”	the industry report commissioned by us and independently prepared by Frost & Sullivan, a summary of which is set forth in “Industry Overview”

[REDACTED]

“Group,” “our Group,” “we,” “our” or “us”	our Company and our subsidiaries (or our Company and any one or more of our subsidiaries, as the content may require), or where the context so requires, in respect of the periods before our Company became the holding company of our present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant time
“Guide for New Listing Applicants”	the Guide for New Listing Applicants issued by the Hong Kong Stock Exchange effective from January 1, 2024 (as amended, supplemented or otherwise modified from time to time)
“H Share(s)”	overseas [REDACTED] foreign shares in the share capital of our Company, with a nominal value of RMB1.00 each, which are to be [REDACTED] for and [REDACTED] in Hong Kong dollars and [REDACTED] on the Stock Exchange
“H Shareholder(s)”	holder(s) of our H Share(s)

[REDACTED]

DEFINITIONS

[REDACTED]

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong dollars” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

[REDACTED]

DEFINITIONS

[REDACTED]

“Hong Kong Streamax”

STREAMAX ELECTRONICS LIMITED, a private company limited by shares established in Hong Kong on May 31, 2013 and our wholly-owned subsidiary

[REDACTED]

“IFRS”

IFRS Accounting Standards, as issued by the International Accounting Standards Board

“Independent Third Party(ies)”

person(s) or company(ies) who/which, to the best of our Directors’ knowledge, information and belief, is/are not a connected person of our Company

[REDACTED]

DEFINITIONS

[REDACTED]

“JPY”	Japanese Yen, the lawful currency of Japan
“Latest Practicable Date”	March 24, 2026, being the latest practicable date for the purpose of ascertaining certain information in this document prior to its publication

[REDACTED]

“Listing Committee”	the Listing Committee of the Stock Exchange

[REDACTED]

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with GEM of the Stock Exchange
“Nomination Committee”	the nomination committee of the Board

DEFINITIONS

[REDACTED]

“oversea” or “overseas”	countries and regions excluding the PRC and including Hong Kong SAR, Macau SAR, and Taiwan China
“PBOC”	the People’s Bank of China (中國人民銀行), the central bank of the PRC
“PRC Company Law”	the Company Law of the PRC (中華人民共和國公司法), as amended, supplemented or otherwise modified from time to time
“PRC Legal Advisor”	King & Wood, our legal advisor as to PRC laws

DEFINITIONS

“PRC Securities Law”	the Securities Law of the PRC (中華人民共和國證券法), as amended, supplemented or otherwise modified from time to time
[REDACTED]	
“Relevant Region(s)”	Hong Kong, Turkey, Russia (excluding Crimea, so-called Donetsk Democratic Republic and Luhansk Democratic Republic regions, Zaporizhzhia and Kherson regions), the Balkans (In particular, Serbia) and Democratic Republic of the Congo
“Regulation S”	Regulation S under the U.S. Securities Act
“Remuneration and Appraisal Committee”	the remuneration and appraisal committee of our Board
“Renminbi” or “RMB”	Renminbi, the lawful currency of China
“SAFE”	the State Administration for Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
“SAMR”	the State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局)
“SASAC”	the State-owned Assets Supervision and Administration Commission of the State Council of the PRC (中華人民共和國國務院國有資產監督管理委員會)
“SAT”	the State Administration of Taxation of the PRC (中華人民共和國國家稅務總局)
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

DEFINITIONS

“Share(s)”	ordinary share(s) in the capital of our Company with a nominal value of RMB 1.00 each, including A Shares and H Shares
“Share Option Incentive Plans”	2022 Share Option Incentive Plan, 2024 Share Option Incentive Plan and 2025 Share Option Incentive Plan, the principal terms of which are set out in “Statutory and General Information—D. Employee Incentive Plans—1. Share Option Incentive Plans” in Appendix VI to this document
“Shareholder(s)”	holder(s) of our Share(s)
“Shenzhen Chenrui”	Shenzhen Chenrui Software Development Co., Ltd. (深圳辰銳軟件開發有限公司), a limited liability company established under the laws of the PRC on May 28, 2013 and our wholly-owned subsidiary
“Shenzhen Ruiyin Investment”	Shenzhen Ruiyin Investment Co., Ltd. (深圳市銳銀投資有限公司), a limited liability company established under the laws of the PRC on April 13, 2020 and our wholly-owned subsidiary
“Shenzhen Streamax Trading”	Shenzhen Streamax Trading Co., Ltd. (深圳市銳鴻貿易有限公司), a limited liability company established under the laws of the PRC on July 11, 2024 and our wholly-owned subsidiary
“Sichuan Streamax Zhitong”	Sichuan Streamax Zhitong Technology Co., Ltd. (四川銳明智通科技有限公司), a limited liability company established under the laws of the PRC on April 10, 2019 and our wholly-owned subsidiary
“Sole Sponsor”	the sole sponsor as named in “Directors and Parties Involved in the [REDACTED]” in this document

[REDACTED]

DEFINITIONS

“State Council”	the State Council of the PRC (中華人民共和國國務院)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Strategy Committee”	the strategy committee of our Board
“Streamax America”	STREAMAX AMERICA LLC, a limited liability company incorporated in Texas, United States on January 24, 2017 and our wholly-owned subsidiary
“Streamax Middle East”	STREAMAX MIDDLE EAST TECHNOLOGY L.L.C., a company incorporated in the United Arab Emirates with limited liability on August 3, 2023 and our non wholly-owned subsidiary
“Streamax Singapore”	STREAMAX PTE. LTD., a private company limited by shares incorporated in Singapore on July 3, 2023 and our wholly-owned subsidiary
“Streamax Vietnam”	STREAMAX ELECTRONICS (VIETNAM) COMPANY LIMITED, a limited liability company established in Vietnam on December 1, 2022 and our wholly-owned subsidiary
“Takeovers Code”	the Code on Takeovers and Mergers issued by the SFC
“Track Record Period”	the years ended December 31, 2023, 2024 and 2025
“U.S. dollars” or “US\$”	United States dollars, the lawful currency of the United States
“U.S. Securities Act”	United States Securities Act of 1933, as amended, supplemented or otherwise modified from time to time, and the rules and regulations promulgated thereunder

[REDACTED]

DEFINITIONS

“United States” or “U.S.”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“VAT”	value-added tax

[REDACTED]

“%”	Percent

In this document, the terms “associate(s),” “close associate(s),” “connected person(s),” “connected transaction(s),” “core connected person(s),” “controlling shareholder(s),” “subsidiary(ies)” and “substantial shareholder(s)” shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

For ease of reference, the names of the PRC established companies or entities, laws or regulations have been included in this document in both the Chinese and English languages, and in the event of any inconsistency, the Chinese versions shall prevail.

GLOSSARY OF TECHNICAL TERMS

Unless the context otherwise requires, explanations and definitions of certain terms used in this document in connection with our Company and our business shall have the meanings set out below. The terms and their meanings may not always correspond to standard industry meaning or usage of these terms.

“ADAS”	advanced driver assistance system, a system that uses sensors installed on the vehicle to monitor the surrounding environment to increase the comfort and safety of driving
“ADS”	automated driving system, a system that enables a vehicle to operate autonomously, handling all aspects of driving, including navigation, decision-making, and control, without the need for human intervention
“AEB” or “AEBS”	automatic emergency braking system, a system that uses cameras or radar to detect obstacles and automatically applies the brakes to prevent or mitigate collisions
“AIGC”	artificial intelligence generated content, a system that autonomously generates simulated driving scenarios, which are used in training intelligent driving algorithms
“AVM”	around view monitoring, a system that provides a 360-degree panoramic view around the vehicle to enhance driving safety and convenience
“black light”	infrared illumination used by vehicle camera systems to enhance visibility of pedestrians, curbs, and other obstacles in low-light or nighttime conditions
“BSD”	blind spot detection, a system that detects blind spots around the vehicle using sensors such as side-mounted cameras, front/rear cameras, or millimeter-wave radar, and alert the driver to lane-change or turning risks
“CMCS”	collision mitigation control system, a safety system integrated into public transportation vehicles, designed to intervene in real-time during emergency situations to reduce the impact of external collisions, enhancing both vehicle and passenger safety by minimizing risks

GLOSSARY OF TECHNICAL TERMS

“CO ₂ e”	carbon dioxide equivalent
“deadhead”	a situation where a transportation vehicle is operating without carrying any cargo or passengers, traveling empty or without any productive load, which is inefficient and non-revenue-generating
“DMS”	driver monitoring system, a vehicle safety system that utilizes in-vehicle cameras to monitor the driver’s facial features, eye status, head posture, and behaviors
“EMC”	electro-magnetic compatibility, the ability of a device or system to function properly in its electromagnetic environment without causing or being susceptible to electromagnetic interference
“IATF16949”	an internationally recognized quality management system standard developed by the International Automotive Task Force and specifically applied in the design, development, production, installation and servicing of automotive-related products
“L0”, “L1”, “L2”, “L3”, “L4” and “L5”	the levels of autonomous driving, also known as taxonomy of driving automation for vehicles, categorize the extent to which a vehicle is capable of operating without human intervention, which levels are defined by State Administration for Market Regulation, China National Standardization Administration, see “Industry Overview” for further details
“LiDAR”	light detection and ranging, a remote sensing method that uses pulsed lasers to measure the distance or range of objects
“MDVR”	mobile digital video recorder, a device used for on-board video monitoring in vehicles
“NOA”	navigate on autopilot, a feature in advanced driver-assistance systems that allows a vehicle to autonomously navigate a predefined route, including functions like automated lane changes and highway navigation
“PCB”	printed circuit board, a medium used to connect or wire components to one another in a circuit

GLOSSARY OF TECHNICAL TERMS

“PCBA”	printed circuit board assembly, a completed PCB assembly that contains electronic components, or the process of assembling electronic components on to a PCB
“SMT”	surface mount technology, an electronic assembly method where components are mounted directly onto the surface of a PCB
“SoC”	system on a chip, an integrated circuit that integrates most or all components of a computer or other electronic system
“Social vehicle”	any non-school vehicle, such as private cars or trucks, operating on public roads, especially in relation to traffic situations that may pose a safety risk to school buses and their passengers
“Tier 1” or “Tier 1 supplier”	company that supply parts or systems directly to automobile manufacturers. Other types of suppliers in the automotive industry include Tier 2 and Tier 3 suppliers. Tier 2 suppliers supply to Tier 1 suppliers. Tier 3 suppliers supply to Tier 2 suppliers. According to Frost & Sullivan, the term “Tier 1 supplier” is commonly used and recognized in the autonomous driving industry
“Transport service vehicle”	a vehicle designed to meet the needs of commercial activities and public services by transporting goods or people, mainly including logistics vehicles, public transportation vehicles (such as school buses, transit buses, taxis and ride-hailing vehicles) and special purpose vehicles (such as mining vehicles)
“V2X”	vehicle-to-everything, the communication between a vehicle and any entity that may affect, or may be affected by, the vehicle

FORWARD-LOOKING STATEMENTS

This document contains certain forward-looking statements and information relating to our Company and its subsidiaries that are based on the beliefs of, assumptions made by and information currently available to our management. When used in this document, the words “aim,” “anticipate,” “believe,” “could,” “estimate,” “expect,” “going forward,” “intend,” “may,” “ought to,” “plan,” “project,” “seek,” “should,” “target,” “will,” “would” and the negative of these words and other similar expressions, as they relate to us or our management, are intended to identify forward-looking statements. Such statements reflect the current views of our management with respect to future events, operations, liquidity and capital resources, some of which may not materialize or may change. These statements are subject to certain risks, uncertainties and assumptions, including the other risk factors as described in this document. You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The risks and uncertainties facing our company which could affect the accuracy of forward-looking statements include, but are not limited to, the following:

- future developments, trends and conditions in the industry and markets in which we operate or into which we intend to expand;
- our business and operating strategies and plans to achieve these strategies;
- general economic, political and business conditions in the markets in which we operate;
- changes to the regulatory environment, operating conditions and general outlook in the industry and geographical markets in which we operate;
- our financial condition and performance;
- the actions and developments of our competitors; and
- change or volatility in interest rates, foreign exchange rates, equity prices, volumes, operations, margins, risk management and overall market trends.

Subject to the requirements of applicable laws, rules and regulations, we do not have or undertake any obligation to update or otherwise revise the forward-looking statements in this document, whether as a result of new information, future events or otherwise.

In this document, statements of or references to our intentions or those of our Directors are made as of the date of this document. Any such information may change in light of future developments. All forward-looking statements in this document are qualified by reference to the cautionary statements in this section.

RISK FACTORS

An [REDACTED] in the Shares involves various risks. You should consider carefully all the information set out in this document and, in particular, the risks described below before making an [REDACTED] in the Shares.

The occurrence of any of the following events could materially and adversely affect our business, financial condition and results of operations. If any of these events occur, the [REDACTED] of the Shares could decline, and you may lose all or part of your [REDACTED]. You should seek professional advice from your relevant advisors regarding your prospective [REDACTED] in the context of your particular circumstances.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

We may not be able to retain existing customers, attract new customers or increase sales.

Our business growth relies on our ability to retain existing customers, attract new customers, and increase sales to both new and existing customers, which depends on a number of factors, including whether our solutions and products can address the needs of our customers at competitive prices, and our ability to continue improving and enhancing the functionality, performance, reliability, design, security and adaptability of our solutions and products.

The industries in which we operate continuously experience rapid technological evolution, frequent introductions of new solutions and products, continual shifts in customer demands and constant emergence of new industry standards and practices. Our success will depend, in part, on our ability to respond to these changes in a cost-effective and timely manner.

If we are not able to provide products that meet our customers’ requirement, or we are not able to improve our solutions and products according to our customers’ evolving needs, we may lose our existing customers and we may not be able to attract new customers, under which circumstances our business, financial condition, results of operations, and prospects may be materially and adversely affected.

Our significant investment in research and development for new solutions and products may negatively impact our financial conditions and may not generate the results we expect to achieve.

The industries in which we operate are subject to rapid technological changes. We have been investing heavily in our research and development to expand our offerings and maintain our competitiveness.

RISK FACTORS

However, since development activities are inherently uncertain, we may not obtain expected benefits or retain sufficient resources including qualified research and development personnel. Even if our research and development efforts deliver expected results, we may still encounter practical difficulties in commercialization. Moreover, new technologies in AI industry could render our solutions and products obsolete or unattractive, which could result in a decline in our revenues, profitability and market share.

Our historical results may not be indicative of our future performance, and we may not be able to manage future growth effectively.

We have been growing over the last several years. Our revenue from continuing operations increased by 32.7% from RMB1,505.3 million in 2023 to RMB1,997.7 million in 2024 and further increased by 24.0% to RMB2,476.9 million in 2025. Many factors may impact our revenue growth rate, including increased competition, slowing demand, or terminations of contracts by our existing customers. Our recent and historical growth should not be considered indicative of our future performance. We have encountered in the past, and will encounter in the future, risks and uncertainties frequently experienced by growing companies in rapidly changing industries. Moreover, since we had incurred loss in the past, if we do not address these risks successfully, our operating and financial results could differ materially from our expectations, and results of operations may be materially and adversely affected.

As our business grows, we need to scale and adapt our operational, financial, and management controls, as well as our reporting systems and procedures, to manage future development. Failure to successfully manage our anticipated growth could negatively affect our brand and reputation, harm our ability to retain and attract customers, and adversely impact our business, financial condition, and results of operations.

Failure to keep up with the latest development and advancement in technologies in our industry will materially and adversely affect our business, financial condition and results of operations.

The vision-based AI solution for transport service vehicle industry is technology-intensive. We have developed applications in various technologies, such as AI technologies, visual technologies and intelligent driving technologies. See “Business—Our Core Technologies.” However, if we fail to continuously keep pace with the industry’s technological developments, its business operations may be adversely affected. In addition, our ability to attract new customers and increase revenue from existing customers depends in large part on our ability to enhance and improve our existing products and solutions and to introduce compelling new solutions and features that reflect the changing nature of our customers’ needs. Failure to do so would adversely affect our business operations.

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Failure to retain our existing customers or attract new ones could materially and adversely impact our business, financial condition and results of operations.

Our ability to retain existing customers or attract new customers depends on several factors, including (i) the competitiveness of our pricing and payment terms; (ii) the market acceptance of our new solutions and products; and (iii) the iteration capabilities to keep pace with customers’ new demands.

Moreover, as our customer base grows, our service capabilities may encounter increasing challenges, and customers’ dissatisfaction may hinder our ability to retain existing customers and attract new ones. If our existing customers decrease or cease their usage of our solutions and products, we may be unable to acquire new customers that spend similarly for our solutions and products, and our business, financial condition and results of operations will be materially and adversely affected.

We may be subject to product liability claims if our solutions and products contain defects.

Our solutions and products may contain errors, defects, security vulnerabilities or software issues that are difficult to detect and correct. Our solutions and products may contain serious errors or defects, security vulnerabilities or software issues which we are unable to successfully correct in a timely manner or at all, which could result in, delay or loss in market acceptance, damage to our reputation and brand, significant expenditures of capital and revenue loss. In addition, flaws or deficiencies in AI technologies could undermine the accuracy of the decisions and analysis made by the relevant solutions and products. Any flaws or deficiencies in our solutions and products, whether actual or perceived, could materially and adversely affect our business, reputation, results of operations and prospects. Any error, defect, security vulnerability, service interruption or software issue in our solutions and products could result in considerable losses to our customers or end users. Our customers or end users may seek significant compensation from us for any losses they suffer or cease conducting business with us altogether. Further, our customers or end users may share information about their negative experiences on social media, which could damage our reputation and result in a loss of future sales. We cannot assure you that provisions limiting our exposure to claims, which we typically include in agreements with our customers, would be enforceable, adequate, or would otherwise protect us from liabilities or damages with respect to any particular claim. Even if unsuccessful, a claim brought against us by any of our customers or end users would likely be time-consuming, costly to defend and may have a material adverse impact on our reputation and brand, making it harder for us to sell our solutions and products.

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We depend on the continued services and contribution of our senior management and other key employees, including R&D personnel and sales personnels.

Our continued success depends and will continue to depend on our efforts and abilities to retain the key members of our management team. The loss of services of any of these individuals, or the ineffective management of any leadership transitions, could significantly delay or prevent the achievement of our development and strategic objectives. In addition, our success depends on our ability to attract, recruit and train a large number of qualified employees and retain existing key personnel including critical R&D personnel. In order to compete for talent, we may need to offer higher compensation, better training and more attractive career opportunities and other benefits to our employees, which may be costly. We cannot assure you that we will be able to attract or retain a qualified workforce necessary to support our future growth. In addition, our ability to train and integrate new employees into our operations may not meet the demands of our growing business. Any of the above issues related to our workforce may materially and adversely affect our operations and future growth.

We may not be able to successfully execute our strategic initiatives or meet our long-term financial goals.

The success of our business initiatives and strategies depends on various factors, such as economic condition, market condition, competition, regulatory requirements, technological advancement and preferences of customers and end users. See “Business—Our Strategy.” If these factors do not develop as we expect, our business initiatives and strategies may not be successful in enhancing our business as anticipated. In addition, the execution of these plans may require significant investment of resources and management attention, and we may face challenges in implementing them effectively or within the expected time frame. As a result, our business, financial condition and results of operations may be adversely affected.

If we fail to expand into new application scenarios or develop new solutions and products, our business, prospects and growth momentum may be materially and adversely affected.

Our innovative AI-empowered solutions and products could address diversified needs of our customers across different application scenarios. However, there is no assurance that our expansion into innovative areas, such as advanced intelligent driving, will be successful. Existing market leaders in our target application scenarios may be able to compete more effectively than us by leveraging their experience and greater brand recognition among customers. We may be required to develop new supply-chain relationships and capabilities and to comply with new laws and regulations applicable to these businesses. Any unexpected development in relation to the above factors could have a material adverse effect on our business and prospects.

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Changes in tariffs may adversely affect our international sales and our results of operations.

Revenue generated from our sales to the U.S. was RMB191.6 million, RMB337.0 million and RMB341.4 million, representing 12.7%, 16.9% and 13.8% of our total revenue in 2023, 2024 and 2025, respectively. In 2025, the United States government announced a series of tariff increases on imports from China. Beginning in February, 2025, a baseline 10% tariff was imposed on all imports from China, followed by successive adjustments in March and April 2025. As of April 11, 2025, the tariff rate on imports from China introduced by the U. S. government had increased to 145%. In response to the tariff tensions initiated by the United States, China implemented a series of measures, including raising tariffs on imported goods of U.S. origin to as high as 125%. On April 9, 2025, the United States implemented a 90-day pause on the varying reciprocal tariffs except for those on Chinese goods, leaving the 10% baseline tariff in place. On May 12, 2025, China and the United States jointly announced a 90-day suspension of certain of their trade restrictions, so that the United States will impose tariffs of 30% on most Chinese imports during this period, while China will impose tariffs of 10% on U.S. imports. On July 29, 2025, China and the United States jointly announced a 90-day extension of the tariff suspension. The two sides agreed to continue negotiations during this period. See “Business—Recent Regulation in Relation to Tariffs” for details. In the event that our customers reduce their orders, be such due to a decrease in overall demand of our solutions and products, replacing us with other suppliers, downturn of the macro-economy or other reasons, our business, financial conditions and results of operation will be adversely affected.

We cannot assure you that our sales to the U.S. in the future will remain unaffected or how our sales will be affected in light of the uncertainties relating to the geopolitical landscape and the development of the trade tension and tariff imposition. Any trade restrictions imposed by the U.S. on our solutions and products may increase our U.S. customers’ purchase costs and hence lower our competitiveness.

We face fierce competition in the global vision-based AI solution market.

The vision-based AI solution for transport service vehicle industry in which we operate is highly competitive. Our competitors may have or in the future gain more financial resources, sophisticated technological capabilities and broader customer base and relationships than us. As a result, our competitors may be able to respond more quickly and effectively to new or changing opportunities, technologies, regulatory requirements or user demand than us. We may be subject to severer competition in the particular division if our potential competitors increase significantly their investment in research and development and occupation of the market share.

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We may also face competition from new entrants who may offer lower prices or new technologies and products. Increased competition could result in lower sales, price reductions, reduced margins or loss of market share. If we are unable to compete successfully, or if competing successfully requires us to take costly actions in response to the actions of our competitors, our business, financial condition and results of operations may be materially and adversely affected.

We may be subject to risks associated with procurement from our suppliers.

Our success depends in part on our ability to manage the supply chain to manufacture and deliver our solutions and products in a timely manner and with quality. In 2023, 2024 and 2025, our raw material cost was RMB624.8 million, RMB816.7 million and RMB1,024.4 million, representing 73.5%, 75.7% and 74.2% of our total cost of sales. The raw materials and components we use are subject to several factors, including commodity price fluctuations, changes in supply and demand, our bargaining power with suppliers, and health epidemics. Any future shortage in supplies may lead to increases in the prices of alternatives and may cause suppliers to allocate available raw materials and components more selectively among their customers across these industries. Moreover, such shortage could lead to increases in material cost and negatively impact our future profitability. As a result of unforeseen or sudden events, we may experience slow movement of our inventories, fail to utilize or sell our inventories swiftly, or face the risk of inventory obsolescence, and our business, results of operations, financial condition and prospects may be adversely affected.

We may be exposed to risks relating to cost fluctuations of raw material.

Our raw material costs represent a substantial portion of our total cost of goods sold. We may be subject to fluctuations in the prices of raw materials, as well as in transportation and other necessary supplies or services, due to factors beyond our control, such as fluctuations in foreign currency exchange rates, changes in the geopolitical environment and economic conditions, natural disasters or changes in the supply and demand for raw materials.

For example, according to Frost and Sullivan, the price of electronic components, including PCBs, PCBA and other components, the main raw materials and parts of our products, fluctuated in recent years. We cannot assure you that the price of the raw materials will not increase significantly in the future. If that occurs, we may not be able to offset price increases by raising the prices of our products, in which case our profit margin will decrease. On the other hand, if the prices of our products increase significantly, we may lose our competitive advantage in the market. This in turn could result in loss of sales and customers. In both cases, our business, financial condition and results of operations may be materially and adversely affected.

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Unauthorized use of our intellectual properties by third parties may harm our brand and reputation and materially and adversely affect our business, and we may incur substantial expenses to protect our intellectual property rights.

As of December 31, 2025, we had 539 granted patents in China and overseas, including 142 invention related patents. As of December 31, 2025, we had 288 copyrights and 101 registered trademarks in China and overseas. We rely on a combination of patent, trademark and copyright laws, trade secrets protection, restrictions on disclosure and other agreements that restrict the use of our intellectual properties to protect these rights. For details, see “Business—Intellectual Property.”

Our business partners may infringe upon our brands, images, characters and other intellectual property rights, and third parties may independently discover trade secrets and proprietary information, limiting our ability to assert any trade secret rights against such parties. Our competitors and other third parties may register trademarks or apply for patents that are similar to ours, and may divert potential customers from us to them. If we are unable to prevent such activities, competitors and other third parties may drive potential customers away from our platforms, which could materially and adversely affect our results of operations. Policing unauthorized use of our proprietary technology, trademarks and other intellectual property is difficult and expensive, and litigation may be necessary to enforce our intellectual property rights. Future litigation could result in substantial costs and diversion of our resources and could disrupt our business, as well as materially and adversely affect our financial condition and results of operations.

We may be subject to intellectual property infringement claims, which can lead us to time-consuming and costly proceedings.

We cannot be certain that our operations and business do not or will not infringe upon or otherwise violate trademarks, copyrights, patents, know-how, trade secrets or other intellectual property rights held by third parties without our awareness. We may from time to time be subject to proceedings and claims against us relating to the intellectual property rights of others in the future in Chinese Mainland, the United States or any other jurisdictions. Further, the laws and regulations in the PRC related to intellectual property rights are still evolving, and we cannot assure you that PRC courts or regulatory authorities would agree with our analysis.

Defending against any infringement or licensing allegations and claims can be costly and time consuming, and the outcome of many of these claims and proceedings cannot be predicted. If we are found to have violated the intellectual property rights of others, we may be liable for

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monetary damages, prohibited from using such intellectual property, and forced to develop new alternatives, and our business, financial position, results of operations, prospects and reputation could be materially and adversely affected.

Our business and financial performance depend on the compatibility of our solutions and products with third-party products and services.

As we make our solutions available across a variety of IT systems and other third-party devices, we depend on the compatibility of our solutions with the devices and IT systems that we do not control. Additionally, in the future, one or more technology companies may choose not to support the operation of their hardware, software, or infrastructure that our platforms are compatible with. Any changes to technologies used in our solutions and products to existing features that we rely on, or to IT systems which make it difficult for our customers or end users to access our products or solutions, may make it more difficult for us to maintain or increase our revenues. As a result, our business, financial condition, and results of operations could be adversely impacted.

Confidentiality agreements and non-compete covenants with employees and other third parties may not adequately prevent disclosure of trade secrets and other proprietary information.

We have devoted substantial resources to the development of our technology and know-how. We cannot assure you that confidentiality agreements will not be breached, that we will have adequate remedies for any breach in time or at all, or that our proprietary technology, know-how or other intellectual property will not otherwise become known to third parties. In addition, others may independently discover trade secrets and proprietary information, limiting our ability to assert any proprietary rights against such parties. Costly and time-consuming litigation could be necessary to enforce and determine the scope of our proprietary rights, and failure to obtain or maintain trade secret protection could adversely affect our competitive position.

If we are not able to maintain and enhance our brand and reputation, our business, financial condition, and results of operations may be harmed.

The successful promotion of our brand attributes will depend on a number of factors, including our channel partners’ marketing efforts, our ability to continue to develop high-quality solutions and our ability to successfully differentiate our applications from those of competitors. In addition, independent industry analysts may provide reviews of our solution and our competitors’ products. If these reviews were negative, or less positive as compared to those of our competitors’ products, our brand may be harmed.

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Furthermore, negative publicity or citation involving our industry, our Company, our solutions and products, our management, our customers or our business partners may materially and adversely harm our business and reputation. We may have to incur significant resources to remedy the effects of these negative reports, which may materially and adversely affect our results of operations. Also, our brand promotion activities may not generate customer awareness or yield increased revenue, and even if they do, any increased revenue may not offset the expenses incurred in building our brand. If we do not successfully maintain and enhance our brand, our business may not grow, we may have reduced pricing power relative to competitors, and we could lose customers or fail to attract potential customers, any of which would harm our business, financial condition, and results of operations.

If we fail to implement and maintain an effective system of internal controls, we may be unable to accurately report our results of operations or prevent fraud, and [REDACTED] confidence and the [REDACTED] of our Shares may be materially and adversely affected.

If we fail to maintain the adequacy of our internal control over financial reporting, as these standards are modified, supplemented or amended from time to time, we could suffer material misstatements in our financial statements and fail to meet our reporting obligations, which would likely cause [REDACTED] to lose confidence in our reported financial information. This could in turn limit our access to capital markets, harm our results of operations and lead to a decline in the [REDACTED] of our Shares. Additionally, ineffective internal control over financial reporting could expose us to increased risk of fraud or misuse of corporate assets and subject us to potential delisting from the stock exchange on which we list, regulatory investigations and civil or criminal sanctions. We may also be required to restate our financial statements from prior periods.

We may be involved in legal or administrative proceedings, which could have a material adverse effect on our business, financial condition and results of operations.

We may be subject to claims, litigation and disputes, various legal and administrative proceedings, and any resulting damages. In addition, agreements we entered into may include indemnification provisions which may subject us to costs and damages in the event of a claim against an indemnified third party. Regardless of the merit of particular claims, legal and administrative proceedings may be costly and time consuming and may divert our management attention. If one or more legal or administrative matters were resolved against us or an indemnified third party, we may incur additional expenses to cover compensatory or punitive monetary damages, disgorge any relevant profits, establish remedial measures or comply with injunctions or specific performance. As a result, our business, financial condition and results of operations may be materially and adversely affected.

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We may be subject to additional contributions of social insurance and housing provident fund and late payments and fines imposed by relevant governmental authorities.

As advised by our PRC Legal Advisors, if an employer had not made social insurance contributions at a rate and based on an amount prescribed by the law, or at all, it would be ordered by social insurance contributions collection institutions to rectify the non-compliance and pay the required contributions within a stipulated deadline and be subject to a late payment fee. If the employer still failed to rectify the failure to make social insurance contributions within the stipulated deadline, it would be subject to a fine ranging from one to three times of the amount overdue. In addition, an employer that had not made housing provident fund contributions at a rate and based on an amount prescribed by the law, or at all, would be ordered by the housing provident fund management center to rectify the non-compliance and pay the required contributions within a stipulated deadline. If the employer still failed to rectify the failure to make housing provident contributions within the stipulated deadline, it would be subject to the court’s compulsory enforcement. There is no assurance that our current practice will at all times be deemed in full compliance with relevant laws and regulations by government authorities.

During the Track Record Period, we did not make full contributions to social insurance and housing provident funds for all of our employees as required under applicable laws and regulations. As a result of such non-compliance, we may be required to pay any shortfall in social insurance contributions within a prescribed time period and to pay penalties if we fail to do so. In 2023, 2024 and 2025, the shortfall amount of social insurance and housing provident fund contributions is estimated to be approximately RMB902.6 thousand, RMB480.0 thousand and RMB1,017.0 thousand, respectively. In addition, during the Track Record Period, contributions for certain employees were made through third-party human resources service provider in a location different from where such employees were employed. If the arrangement of payment by third-party human resource service provider is challenged by government authorities, we may be deemed to fail to discharge our obligations in relation to the payment of social insurance and housing provident funds through our own accounts as an employer.

Our leased or owned property interests may be defective and our right to lease or use the properties may be challenged, which could cause additional expenses or significant disruption to our operation.

We lease properties for our office and other uses. If the lessors are not entitled to lease the properties to us and the owners of such properties decline to ratify the lease agreements between us and the respective lessors, we may not be able to enforce our rights to lease such properties under the respective lease agreements against the owners. If our lease agreements are claimed as null and void by third parties who are the real owners of such leased properties, we could be

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required to vacate the properties, in which event we could only initiate the claim against the lessors under relevant lease agreements for indemnities for their breach of the relevant leasing agreements.

Additionally, as of the Latest Practicable Date, we had not completed the lease registration for 18 of our leased properties in China. Although failure to do so does not in itself invalidate the leases, the lessors and the lessees may be exposed to potential fines if they fail to rectify such non-compliance within the prescribed time frame after receiving notice from the relevant PRC government authorities. The relevant government authorities may impose a fine ranging from RMB1,000 to RMB10,000 for each unregistered lease. We cannot assure you that the lessors will cooperate and complete the registration in a timely manner once we are required to do so. In the event that any fine is imposed on us for our failure to register our lease agreements, we may not be able to recover such losses from the lessors. We cannot assure you that suitable alternative locations are readily available on commercially reasonable terms, or at all, and if we are unable to relocate our operations in a timely manner, our operations may be interrupted. For details, see “Business—Properties.”

Our transfer pricing arrangements may be subject to scrutiny by the relevant tax authorities in the countries and regions where we operate.

Under the applicable laws and regulations in the jurisdictions in which we operate, arrangements and transactions among related parties may be subject to audit or challenge by the relevant tax authorities. During the Track Record Period, our global operations covered over 100 countries and regions. See “Business—Competitive Advantages—End-to-End Global Layout.” In 2023, 2024 and 2025, revenue generated from our overseas sales was RMB908.3 million, RMB1,317.8 million and RMB1,526.9 million, accounting for 60.3%, 66.0% and 61.6% of our total revenue, respectively. We could face material and adverse tax consequences if the relevant tax authorities determine that the certain intra-group transactions of us do not represent arm’s length negotiations and consequently adjust any of those entities’ income in the form of a transfer pricing adjustment. A transfer pricing adjustment could, among other things, increase our tax liabilities. If we fail to rectify such incident within the limited timeframe required by the relevant tax authorities, the relevant tax authorities may impose late payment interest or surcharge and other penalties on us for any unpaid taxes. In addition, a transfer pricing arrangement may give rise to tax recoverable in certain jurisdictions as a result of tax adjustments. There is no assurance that we could successfully recover the tax recoverable from the relevant tax authorities. Our business, financial condition and results of operations may therefore be materially and adversely affected.

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We may be subject to the risks associated with international trade policies, geopolitics and trade protection measures, including imposition of trade restrictions and sanctions.

The U.S. government imposed economic and trade sanctions directly or indirectly affecting China-based technology companies. It is possible that the extent and scope of such sanctions may escalate. There is no assurance as to how the U.S.-China trade tensions might develop or whether there will be any changes to the scope and extent of goods that are or will be subject to such export controls, sanctions, tariffs, or new trade policies introduced by the two countries.

Export Control

In recent years, the United States has increased export controls restrictions on China through the Export Administration Regulations (the “**EAR**”), which includes a list of foreign persons on which certain trade restrictions are imposed (the “**Entity List**”). The export, re-export and/or in-country transfer of items subject to the EAR to a listed foreign person is generally prohibited unless the specified license requirements are met. These restrictions or regulations, and similar or more expansive restrictions or regulations that may be imposed by the U.S. or other jurisdictions in the future, may materially and adversely affect our ability to acquire technologies, systems, devices or components that may be critical to our technology infrastructure, product offerings and business operations. Any uncertainties and changes in these current or future restrictions or regulations may have a negative impact on our reputation and business. If certain of our customers or suppliers are listed on the Entity List and are subject to restrictions from sourcing or selling technologies, software, or components from or to us, we may not be able to obtain, extend or maintain the requisite regulatory permits in relation to our transactions with these customers and suppliers.

We cannot assure you that our customers will not engage in the export of their goods incorporating our solutions and products into the U.S. or other countries and regions, and that such import or export will not be subject to the restrictions introduced by the U.S. or other states and political entities. Furthermore, if we export our solutions and products to other countries and regions which are or become subject to sanctions or export controls, our business, financial condition and results of operations may be materially and adversely affected.

If the export sales of our customers’ end solutions and products are restricted, prohibited or made subject to any trade conditions under any international policies or international export controls or economic sanctions imposed by any jurisdictions, the downstream customers’ demand for our solutions and products may drop significantly and, as a result, our business, financial condition and results of operations may be materially and adversely affected.

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Final Rule

On October 28, 2024, the Department of the Treasury issued the Provisions Pertaining to U.S. Investments in Certain National Security Technologies and Products in Countries of Concern (the “**Final Rule**”), which became effective on January 2, 2025. The Final Rule implements a regulatory framework for certain U.S. investments into China (including Hong Kong and Macau) in entities engaged in activities involving sensitive technologies critical to national securities in three sectors, namely, (i) semiconductors and microelectronics, (ii) quantum information technologies, and (iii) artificial intelligence systems with applications that pose national security risks, collectively defined as “Covered Foreign Persons”. The program prohibits U.S. persons from undertaking certain transactions and requires notification by U.S. persons on certain investments in Covered Foreign Persons, which may increase the compliance burden of U.S. [REDACTED] and may cause certain U.S. [REDACTED] to adopt a more cautious approach in their [REDACTED], and thus may negatively impact our ability to raise capital from U.S. [REDACTED]. Please refer to “Business— Business Activities in relation to the U.S. Outbound Investment Security Program” for details.

Our performance depends on favorable labor relations with our employees .

We cannot guarantee that we will not experience any material work stoppages or strikes in the future. If our employees engage in a strike or other work stoppage, we may experience significant operational disruption and/or accept higher labor costs, resulting in an adverse effect on our business, financial condition and results of operations. We may, from time to time, be involved in labor disputes, experience labor shortage, face difficulties with localized management of employees, and may make adjustments such as retrenchment plans to our labor force in line with our business needs. These challenges may lead to difficulties with implementing adjustments, such as issues not resolved within a reasonable period of time after negotiations between parties. In addition, we may incur compensation and other costs that, if not sufficiently covered by insurance, we would need to bear at our own expense.

As certain of our employees are represented by labor unions, any deterioration in our labor relations with employees or the labor union could cause labor disputes, which could result in the disruption of production and operations. There is no guarantee that we will always be able to maintain stable and quality labor force at favorable costs. We may still face liability claims, negative publicity and interventions related to workplace safety or employee injuries. Such incidents could result in a deterioration of our labor relations with employees and damage our reputations. Any deterioration in our labor relations could result in the disruption of production and operations, and may subject us to legal proceedings, as well as monetary and reputational damages.

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In addition, we may need to increase our total compensation to attract and retain the experienced professionals required to achieve our business objectives. In such circumstances, our profit margin may decrease, which could have an adverse effect on our business, financial condition and results of operations.

Any inability to generate or obtain additional capital may adversely affect our business and financial condition.

We may be unable to raise additional funds, whether through equity or debt financing when needed, on favorable terms or at all to fund our continued operations. Even if we do raise additional capital through public or private equity offerings, the ownership interest of our existing shareholders, including [REDACTED] in this [REDACTED], will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect our shareholders’ rights. In addition, we may obtain bank loans with financial covenants that may restrict our ability to borrow, invest or declare dividends. Any failure by us to comply with or any violation of such covenants may constitute an event of default on our loans, which may result in a cross-default under other loan agreements. In such case, our business, financial condition and results of operations may be materially and adversely affected.

We have granted share-based awards in the past under our share incentive plan and may continue to grant share-based awards in the future, which may result in increased share-based compensation expenses and have an adverse effect on our future profitability.

We adopted share incentive plans for our officers, directors, employees and other eligible persons to incentivize their performance and align their interests with ours. Our share-based payment expenses were RMB36.7 million, RMB58.9 million and RMB89.0 million in 2023, 2024 and 2025, respectively. We may continue to grant share-based compensation awards in the future. As a result, our expenses associated with share-based compensation may increase, which may have a material and adverse effect on our financial condition and results of operations. Our ability to attract or retain highly skilled employees may be adversely affected by declines in the perceived value of our equity or equity awards. Furthermore, there are no assurances that the number of shares reserved for issuance under our share incentive plan will be sufficient to grant equity awards adequate to recruit new employees and to compensate existing employees. In case we decide to reserve and issue additional shares under our share incentive plan, [REDACTED] interests in our Company will be further diluted by such issuance.

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Our insurance coverage may be inadequate to protect us from the liabilities we may incur or cover all of our potential costs.

The insurance coverage for our solutions and products and business operations is limited. Any uninsured occurrence of business disruption, litigation or natural disaster, or significant damages to our uninsured equipment or facilities could have a material adverse effect on our business, financial condition and results of operations. Our current insurance coverage may not be sufficient to prevent us from suffering any loss and there can be no assurance that we will be able to successfully claim losses under our current insurance policy on a timely basis, or at all. If we incur any loss that is not covered by our insurance policies, or the compensated amount is significantly less than our actual loss, our business, financial condition and results of operations could be materially and adversely affected.

Any future occurrence of force majeure events, natural disasters, wars or outbreaks of contagious diseases may materially and adversely affect our business, financial condition and results of operations.

Any future occurrence of force majeure events, natural disasters, wars or outbreaks, epidemics or pandemics of contagious diseases may materially and adversely affect our business, financial condition and results of operations. Moreover, natural disasters such as earthquakes, floods and droughts in the PRC or other jurisdictions where we operate may materially and adversely affect regional and global economy and therefore our business. Our production facilities, warehouses and information systems are susceptible to damage or disruption from fire, floods, typhoons, earthquakes, power loss, telecommunications failures, break-ins, war, riots, terrorist attacks, or similar events. Any of the foregoing events may give rise to interruptions, damage to our property, delays in production, breakdowns, system failures, technology platform failures, or internet failures, which could materially and adversely affect our business, financial condition and results of operations.

Misconduct, non-compliance and omissions by our employees or third parties could harm our business and reputation.

Misconduct and omissions by our employees could subject us to liability or negative publicity. Misconduct and omissions by our business partners, including our various suppliers, service providers and customers, as well as other related third parties, could subject us to liability or negative publicity. Our service providers may be subject to regulatory penalties or punishments because of their regulatory compliance failures, which may, directly or indirectly, affect our business. We cannot be certain whether such third parties have infringed or will infringe any other parties’ legal rights or violate any regulatory requirements. We cannot rule out the possibility of incurring liabilities or suffering losses due to any non-compliance by third parties. The legal

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liabilities and regulatory actions on our business partners or other third parties involved in our business may affect our business activities and reputation, which may in turn affect our results of operations.

RISKS RELATING TO CONDUCTING BUSINESS IN COUNTRIES WHERE WE OPERATE

Failure to fully adapt to changes in the economic, legal, industrial, political and social conditions in the jurisdictions where we operate could materially and adversely affect our business, financial condition, results of operations and prospects.

In 2023, 2024 and 2025, the revenue from our overseas business was RMB908.3 million, RMB1,317.8 million and RMB1,526.9 million, respectively, representing 60.3%, 66.0% and 61.6% of our total revenue in the same years. During the Track Record Period, we sold our solutions and products to more than 100 countries and regions. Our operations are subject to a number of market, business and financial risks and uncertainties. We may also face various challenges operating overseas, such as providing products and customer support, recruiting personnel in international markets, managing sales channels effectively in new markets with limited experience, complying with local laws, regulations and trade policies, and protecting our intellectual property rights.

In addition, changes in corporate and government spending, volatility of the capital markets and inflation all affect the business and economic environment, the growth of the wireless communication module industry and ultimately, the profitability of our business.

Filing with the CSRC is required in connection with our future offerings, and we cannot predict whether we will be able to complete such filing.

On February 17, 2023, the CSRC released Trial Administrative Measures for Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the “**Trial Measures**”) and five relevant guidelines, which became effective on March 31, 2023. Pursuant to the Trial Measures, PRC domestic companies which, after the overseas offering and listing, offer subsequent securities in the same overseas market or conduct offering and listing in other overseas markets (the “**Future Offerings**”), shall complete the filing procedures of, and report relevant information to, the CSRC. Based on the foregoing, for the Future Offerings after the proposed [REDACTED], we are required to comply with the filing procedures of the CSRC. It is uncertain whether we can, or how long it will take us to, complete filing procedures in connection with the Future Offerings. We may be subject to approval, filing or other requirements by other PRC government authorities under the PRC laws in the future. Any failure to complete the relevant procedures may have an adverse effect on the Future Offerings.

RISK FACTORS

We are subject to strictly regulated markets for data protection.

We receive, collect, store, process, transfer, and use personal information and other data relating to users of our solution, our employees and contractors, and other persons. We have legal and contractual obligations, including to third parties, regarding the protection of confidentiality and appropriate use of certain data, including facial recognition data and other personal information. We are subject to numerous local, and international laws, directives, and regulations regarding privacy, data protection, and data security and the collection, storing, sharing, use, processing, transfer, disclosure, and protection of personal information and other data, the scope of which are changing, subject to differing interpretations, and may be inconsistent across jurisdictions or conflict with other legal and regulatory requirements. Further, any significant change to applicable laws, regulations or industry practices regarding the collection, use, retention, security or disclosure of data, or their interpretation, or any changes regarding the manner in which the consent of users or other data subjects for the collection, use, retention or disclosure of such data must be obtained, could increase our costs.

Any failure or perceived failure on us to comply with our posted privacy policies, our privacy-related obligations to users or other third parties, or any other legal obligations or regulatory requirements relating to privacy, data protection, or data security, may result in governmental investigations or enforcement actions, litigation, claims, or public statements against us by consumer advocacy groups or others and could result in significant liability, cause our users to lose trust in us, and otherwise materially and adversely affect our reputation and business. Additionally, if third parties we work with violate applicable laws, regulations or contractual obligations, such violations may put our users’ data at risk, could result in governmental investigations or enforcement actions, fines, litigation, claims, or public statements against us by consumer advocacy groups or others and could result in significant liability, cause our users to lose trust in us, and otherwise materially and adversely affect our reputation and business.

If we fail to obtain and maintain the requisite licenses and approvals required in any jurisdiction where we operate our business, our business, financial condition and results of operations may be materially and adversely affected.

Under the laws and regulations in jurisdictions where we operate, we are required to obtain or complete a number of licenses, approvals, registrations, filings and other permissions for our operation. We may become subject to additional license, approval and other requirements as we develop and expand the scope of our business. We may fail to meet such requirements timely or at all, in which case we may be subject to administrative penalties and our ability to expand our business and sustain our growth may be adversely affected.

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In addition, certain licenses, permits or registrations we hold are subject to periodic renewal. We may not be able to maintain or timely renew our licenses and certificates when their current term expires. Furthermore, due to the evolving interpretation and implementation of existing laws and the adoption of additional laws and regulations, the licenses, permits, registrations or filings we hold may be deemed insufficient by the relevant government. If we fail to apply for, maintain or renew the licenses, permits, or registrations required for our operations, we may be subject to fines and additional penalties. Resolving such deficiencies and enhancing compliance may require additional operational expenses and divert our management attention. Additionally, we may experience negative publicity due to such deficiencies. As a result, our business, financial condition and results of operations may be adversely affected.

Holders of our H Shares may be subject to PRC corporate income tax obligations.

Under the current PRC tax laws and regulations, non-PRC resident individuals and non-PRC resident enterprises are subject to different tax obligations with respect to the dividends paid to them by us and the gains realized upon the sale or other disposition of H Shares by them. Non-PRC resident individuals are required to pay PRC individual income tax at a 20% rate for the dividends or gains from share transfer derived in China under the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》) and its implementation regulations. Accordingly, we are required to withhold such tax from dividend payments, unless applicable tax treaties between the PRC and the jurisdiction in which the foreign individual or enterprise resides reduce or exempt the relevant tax obligations. According to the Notice of the Ministry of Finance and the State Administration of Taxation on Several Policy Issues Concerning Individual Income Tax (《財政部國家稅務總局關於個人所得稅若干政策問題的通知》) issued on May 13, 1994, foreign individuals are exempt from individual income tax on dividends received from foreign-invested enterprises. Pursuant to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region (“HKSAR”) for 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》) signed on August 21, 2006, the PRC government may impose tax on dividends paid by a PRC company to a resident of the HKSAR (including natural person and legal entity), but such tax will not exceed 10% of the total amount of the dividends payable by the Chinese company. If an HKSAR resident directly holds 25% or more of the equity interest in a PRC company, such tax will not exceed 5% of the total dividends payable by the Chinese company. The Fifth Protocol to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for 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》) issued by the STA effective on December 6, 2019 stipulates that the arrangements or transactions made for the primary purpose of obtaining the above-mentioned tax benefits are not subject to the above-mentioned provisions.

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For non-PRC resident enterprises that do not have establishments or premises in the PRC, and for those who have establishments or premises in the PRC but whose income is not related to such establishments or premises, under the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》), and its implementation regulations, dividends paid by us and gains realized by such foreign enterprises upon the sale or other disposition of H Shares are typically subject to PRC enterprise income tax at a 10% rate. 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 (《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》) issued by the STA, also stipulates that the withholding tax rate for dividends payable to non-PRC resident enterprise holders of H Shares shall be 10%, subject to a further reduction under a special arrangement or an applicable treaty between China and the jurisdiction of the residence of the relevant non-PRC resident enterprise. Despite the arrangements mentioned above, the interpretation and application of applicable PRC tax laws and regulations are subject to the then relevant laws and regulations due to several factors, including whether the relevant preferential tax treatment will be revoked in the future such that all non-PRC resident individual holders will be subject to PRC individual income tax at a flat rate of 20%. If there is any change to applicable tax laws and rules and interpretation or application with respect to such laws and rules, the value of your [REDACTED] in our H Shares may be materially affected.

If the government tax policies change, our business, financial condition and results of operations may be materially and adversely affected

We cannot assure you that the policies on preferential tax treatment will not change or that any preferential tax treatment we enjoy or are entitled to enjoy will not be terminated. According to the applicable PRC tax regulations, the statutory corporate income tax rate in the PRC is 25%. We and certain of our subsidiaries were listed as “High and New Technology Enterprise” or enjoy the “two exemptions and three half reduction” policies and apply preferential income tax rate during the Track Record Period. For details, see Note 9 to the Accountants’ Report in Appendix I to this document. If our preferential tax treatments are revoked, become unavailable or if the calculation of our tax liability is successfully challenged by PRC tax authorities, the termination of any of the various types of preferential tax treatment we enjoy could adversely affect our business, financial condition and results of operations.

RISK FACTORS

There may be uncertainties in effecting service of legal process and enforcing judgments against us, most of our Directors and senior management.

We are a company incorporated under the laws of the PRC and a majority of our assets and subsidiaries are located in the PRC. The majority of our Directors and senior management reside within the PRC. The assets of these Directors and senior management also may be located within the PRC. It may not be possible for [REDACTED] to effect service of process upon us or those persons inside the PRC or to enforce against us or them any judgments obtained from non-PRC courts.

The PRC does not have treaties providing for the reciprocal recognition and enforcement of judgments of courts in the United States, the United Kingdom, Japan or other countries. On January 18, 2019, the Supreme People’s Court and the Hong Kong Special Administrative Region Government signed the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (《關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) (the “**New Arrangement**”). The New Arrangement was issued on January 25, 2024 and came into effect on January 29, 2024, seeking to establish a mechanism with greater clarity and certainty for recognition and enforcement of judgments in a wider range of civil and commercial matters between Hong Kong Special Administrative Region and Chinese Mainland. The New Arrangement does not include the requirement for a choice of court agreement in writing by the parties. There may be uncertainties in the enforcement of a judgment rendered by a Hong Kong court in Chinese Mainland if the parties in the dispute did not agree to enter into a choice of court agreement in writing. As a result, it may be difficult or impossible for [REDACTED] to effect service of process against certain of our assets or Directors in the PRC in order to seek recognition and enforcement of judgments by non-PRC courts, including a Hong Kong court, in Chinese Mainland.

RISKS RELATING TO OUR FINANCIAL PERFORMANCE

We are subject to credit risk related to delay in payment and defaults of customers. Any significant delay in payment or default on our receivables could materially and adversely affect our liquidity, financial condition and results of operations.

As of December 31, 2023, 2024 and 2025, the carrying balance of our trade and bills receivables amounted to RMB422.5 million, RMB476.4 million, and RMB665.4 million, respectively, representing 28.1%, 23.8%, and 26.9% of our revenue for each year. Due to the seasonal nature of our revenue, which is generally higher in the second half of the year than in the first half, our trade and bills receivable balances as of December 31, 2023, 2024 and 2025 tend to be relatively large. Specifically, the revenue of the second half of 2023, 2024 and 2025 represented approximately 54.4%, 54.6% and 53.3% of our total revenue in 2023, 2024 and 2025, respectively.

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If we fail to collect accounts receivable effectively, or if the operating or financial conditions of our major debtors deteriorate, we may face the risk that accounts receivable cannot be recovered on time or may incur bad debt losses.

Our investments or acquisitions may have a material adverse effect on our business, reputation, financial condition and results of operations.

As of December 31, 2023, 2024 and 2025, our interests in associates were RMB16.5 million, RMB12.5 million and RMB24.1 million. We may be engaged in discussions or negotiations with respect to one or more of these types of transactions. These transactions involve significant challenges and risks, including: (i) integration of personnel, operations, solutions and products; (ii) disruption of ongoing business; (iii) additional compliance requirements; (iv) prior misconducts or non-compliances; (v) potential anti-monopoly investigations. Any such developments described above could disrupt our existing business and have a material adverse effect on our business, reputation, financial condition and results of operations.

We are uncertain about the recoverability of our deferred tax assets, which may affect our financial positions in the future.

As of December 31, 2023, 2024 and 2025, our deferred tax assets amounted to RMB32.6 million, RMB40.3 million and RMB41.2 million, respectively, which mainly arose from the credit loss allowance and provision and other accruals. Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilized. This requires significant judgment on the tax treatments of certain transactions and also assessment on the probability that adequate future taxable profits will be available for the deferred tax assets to be recovered. In this context, we cannot guarantee the recoverability or predict the movement of our deferred tax assets, and to what extent they may affect our financial positions in the future.

We face inventory obsolescence, shortage or excess risks. Our results of operations could be materially harmed if we are unable to accurately forecast demand for our products.

We may strategically keep a higher level of stock for certain key hardware to preempt possible industry wide shortages. As of December 31, 2023, 2024 and 2025, our inventories and other contract costs amounted to RMB329.2 million, RMB349.4 million and RMB505.2 million, respectively. Maintaining an optimal level of inventory is important for the success of our business. However, we are exposed to inventory obsolescence and inventory shortage risks as a result of a variety of factors beyond our control, including changes in customer needs and the inherent uncertainty of the success of product launches. We cannot assure you that we can

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accurately predict market demands to avoid under-stocking or overstocking inventory, or that our inventory management measures will be implemented effectively so that we will not have significant levels of inventory obsolescence, shortage or excess.

If we are unable to achieve and sustain a level of liquidity sufficient to support our operations and fulfill our obligations, our business, financial condition, and results of operations could be adversely affected.

We actively monitor and manage our cash and cash equivalents so that sufficient liquidity is available to fund our operations and other corporate purposes. In the future, increased levels of liquidity may be required to adequately support our operations and initiatives and to mitigate the effects of business challenges or unforeseen circumstances. If we are unable to achieve and sustain such increased levels of liquidity, we may suffer adverse consequences, including reduced investment in our platform development, difficulties in executing our business plan and fulfilling our obligations, and other operational challenges. Any of these developments could adversely affect our business, financial condition, and results of operations.

RISKS RELATING TO THE [REDACTED]

We will be concurrently subject to [REDACTED] and regulatory requirements of Chinese Mainland and Hong Kong.

As our A Shares are listed on the Shenzhen Stock Exchange and our H Shares will be [REDACTED] on the [REDACTED], we will be required to comply with the applicable [REDACTED] rules and other regulatory regimes of both jurisdictions unless an exemption is available or a waiver has been obtained. Accordingly, we may incur additional costs and resources to ensure our compliance with the [REDACTED] rules of both jurisdictions.

Following the [REDACTED], our A Shares will continue to be traded on the Shenzhen Stock Exchange and our H Shares will be [REDACTED] on the [REDACTED]. Under current laws and regulations in China, without the approval from the relevant regulatory authorities, our H Shares and A Shares are neither interchangeable nor fungible. There is no [REDACTED] or settlement between the H Share and A Share markets. With different trading characteristics, the H Share and A Share markets have divergent [REDACTED], liquidity and [REDACTED] bases, as well as different levels of retail and institutional [REDACTED] participation. As a result, the [REDACTED] performance of our H Shares and A Shares may not be comparable. Nonetheless, fluctuations in the price of our A Shares may adversely affect the [REDACTED] of our H Shares, and vice versa. Due to the different characteristics of the H Share and A Share markets, the

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historical prices of our A Shares may not be indicative of the performance of our H Shares. Therefore, you should not place undue reliance on the trading history of our A Shares when making your [REDACTED] decision in our H Shares.

There has been no prior public market for our H Shares, and an active [REDACTED] for our H Shares may not develop or be sustained.

Prior to the completion of the [REDACTED], there has been no public market for our H Shares. There can be no guarantee that an active [REDACTED] for our H Shares will develop or be sustained after the completion of the [REDACTED]. The [REDACTED] is the result of negotiations between our Company and the [REDACTED], which may not be indicative of the [REDACTED] at which our H Shares will be [REDACTED] following completion of the [REDACTED]. The [REDACTED] of our H Shares may drop below the [REDACTED] at any time after completion of the [REDACTED].

The [REDACTED] and [REDACTED] of our H Shares may be subject to significant volatility in response to various factors beyond our control, including the general market conditions of securities in Hong Kong and elsewhere in the world.

The [REDACTED] of our H Shares may be volatile and could fluctuate widely in response to factors beyond our control, including general market conditions of the securities markets in Hong Kong and elsewhere in the world. In particular, the performance and fluctuation of the market prices of other companies with business operations located mainly in Chinese Mainland that have listed their securities in Hong Kong may affect the volatility in the [REDACTED] of and [REDACTED] for our H Shares. Some of these companies have experienced significant volatility, including significant price declines after their initial public offerings. The trading performances of the securities of these companies at the time of or after their offerings may affect the overall investor sentiment towards Chinese Mainland-based companies listed in Hong Kong and consequently may impact the [REDACTED] performance of our H Shares.

Future sales or perceived sales of substantial amounts of our H Shares in the [REDACTED] could have a material adverse impact on the prevailing [REDACTED] of our H Shares and our ability to raise additional capital in the future, or may result in dilution of your shareholding.

Prior to the [REDACTED], there has not been a public market for our H Shares. Future sales or perceived sales by our existing Shareholders of our H Shares after the [REDACTED] could result in a significant decrease in the prevailing [REDACTED] of our H Shares. Only a limited number of the Shares currently outstanding will be available for sale or issuance immediately after the [REDACTED] due to contractual and regulatory restrictions on disposal and new issuance. Nevertheless, after these restrictions lapse or if they are waived, future sales of significant

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amounts of our H Shares in the public market or the perception that these sales may occur could significantly decrease the prevailing [REDACTED] of our H Shares and our ability to raise equity capital in the future.

Our historical dividends may not be indicative of our future dividend policy, and there can be no assurance whether and when we will pay dividends in the future.

We declared dividends of RMB34.6 million, RMB138.3 million and RMB196.5 million in 2023, 2024 and 2025. We protect our Shareholders’ interest by ensuring a consistent dividend policy. There is no assurance that we will be able to declare or distribute dividends of any amount in any year in the future. The declaration, payment and amount of any future dividends are subject to the discretion of our Directors, after taking into account various factors, including but not limited to our results of operations, financial condition, cash flows, capital expenditure requirements, market conditions, our strategic plans and prospects for business development, regulatory restrictions on the payment of dividends and other factors as our Directors may deem relevant, and subject to the approval at Shareholders’ meeting. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and the applicable PRC laws and regulations. See “Financial Information—Dividends” for further details of our dividend policy. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. Our historical dividends should not be taken as indicative of our dividend policy in the future. Moreover, if we cannot obtain sufficient foreign currencies to satisfy our foreign currency demands, we may not be able to pay dividends in foreign currencies to our Shareholders. Further, we cannot assure you that new regulations will not be promulgated in the future that would have the effect of further restricting the remittance of Renminbi into or out of China.

You should not place any reliance on any information released by us in connection with the listing of our A Shares on Shenzhen Stock Exchange.

As our A Shares are listed on the Shenzhen Stock Exchange, we are subject to periodic reporting and other information disclosure requirements in China. Accordingly, from time to time, we publicly release information relating to us through the Shenzhen Stock Exchange or other media outlets designated by the CSRC. Such information is prepared and disclosed in accordance with the regulatory requirements of the PRC securities authorities, industry standards and market practices in China, which differ from those applicable to the [REDACTED]. As a result, the presentation of our financial and operational information for the Track Record Period as disclosed on the Shenzhen Stock Exchange or other media outlets may not be directly comparable to the financial and operational information contained in this document.

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Accordingly, prospective [REDACTED] in our H Shares should rely solely on the financial, operational and other information included in this document when making [REDACTED] decisions as to whether to purchase our H Shares. By applying to purchase our H Shares in the [REDACTED], you will be deemed to have agreed that you will not rely on any information other than that contained in this document and any formal announcements we make in Hong Kong in connection with the [REDACTED].

You should read the entire document carefully and only rely on the information included in this document to make your [REDACTED] decision, and we strongly caution you not to rely on any information contained in press articles or other media coverage relating to us, our Shares or the [REDACTED].

We strongly caution [REDACTED] not to rely on any press articles or other media coverage concerning us, our Shares or the [REDACTED]. Prior to the publication of this document, there may have been press or media reports regarding us and the [REDACTED]. Such reports may contain information not included in this document, including operating or financial data, projections, valuations or other details. We have not authorized the release of any such information in the press or other media and accept no responsibility for its accuracy or completeness. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such press or media reports. To the extent that any such information is inconsistent with, or conflicts with, the information contained in this document, we disclaim any responsibility for it, and [REDACTED] should not place reliance on such information.

Certain facts, forecasts and other statistics in this document obtained from government and official sources have not been independently verified and may not be reliable.

Certain facts, forecasts and other statistics in this document are derived from various government and official resources. However, our Directors cannot guarantee the quality or reliability of such source materials. We believe that the sources of the said information are appropriate sources for such information and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. Nevertheless, information from official government sources has not been independently verified by us, the Sole Sponsor and [REDACTED] or any of their respective affiliates or advisers and, therefore, we make no representation as to the accuracy of such facts and statistics. Further, we cannot assure our [REDACTED] that they are stated or compiled on the same basis or with the same degree of accuracy as similar statistics presented elsewhere. In all cases, our [REDACTED] should consider carefully how much weight or importance should be attached to or placed on such facts or statistics.

WAIVERS AND EXEMPTIONS

In preparation for the [REDACTED], we have sought the following waivers from strict compliance with the relevant provisions of the Listing Rules and exemptions from strict compliance with the Companies (Winding up and Miscellaneous Provisions) Ordinance.

MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rules 8.12 and 19A.15 of the Listing Rules, we must have a sufficient management presence in Hong Kong. This normally means that at least two of our executive Directors must be ordinarily resident in Hong Kong.

Since our principal business and operations are substantially located, managed and conducted in the PRC, our Directors consider that appointment of additional executive Directors who will ordinarily be resident in Hong Kong would not be beneficial to, or appropriate for, our Group. As none of our executive Directors are ordinarily based in Hong Kong, we do not contemplate that we will in the foreseeable future have a sufficient management presence in Hong Kong for the purpose of satisfying the requirements under Rules 8.12 and 19A.15 of the Listing Rules.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver from strict compliance with the requirements under Rules 8.12 and 19A.15 of the Listing Rules. We will put in place the following measures in order to ensure that regular communication is maintained between the Stock Exchange and our Company:

- (a) we have appointed two authorized representatives pursuant to Rule 3.05 of the Listing Rules, who will act as our principal channel of communication with the Stock Exchange. The two authorized representatives are Mr. Wang Xidian, our executive Director and general manager, and Mr. Chow Shing Lung (“**Mr. Chow**”), one of our joint company secretaries. Mr. Wang Xidian confirms that he possesses valid travel documents and can readily travel to Hong Kong, whilst Mr. Chow ordinarily resides in Hong Kong. Each of the authorized representatives will be available to meet with the Stock Exchange in Hong Kong within a reasonable period of time upon the request of the Stock Exchange and will be readily contactable by telephone and email. Each of the authorized representatives is authorized to communicate on behalf of our Company with the Stock Exchange;
- (b) the authorized representatives have means to contact our Directors (including our independent non-executive Directors) promptly at all times as and when the Stock Exchange wishes to contact our Directors for any matter;

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- (c) all of our Directors have confirmed that they possess, or can apply for or renew, valid travel documents to visit Hong Kong, and would be able to meet with the Stock Exchange upon reasonable notice and within a reasonable period. Each of our Directors will be readily contactable by telephone and email, and is authorized to communicate on behalf of our Company with the Stock Exchange;
- (d) each of our Directors has provided his/her respective contact details, including mobile phone number, email address and address, to the Stock Exchange and the authorized representatives. In the event that any Director expects to travel or will otherwise be out of office, he/she will provide contact details for his/her place of accommodation to the authorized representatives;
- (e) our Company has appointed Red Sun Capital Limited as compliance advisor, pursuant to Rule 3A.19 of the Listing Rules, who will have access at all times to the authorized representatives, our Directors and other senior management of our Company, and will act as an additional channel of communication with the Stock Exchange for the period commencing on the date of the [REDACTED] of our H Shares on the [REDACTED] and ending on the date when our Company distributes its annual report for the first full financial year in accordance with Rule 13.46 of the Listing Rules; and
- (f) meetings between the Stock Exchange and our Directors can be arranged through the authorized representatives, the compliance advisor of our Company or directly with our Directors within a reasonable time frame. Our Company will inform the Stock Exchange promptly in respect of any change in its authorized representatives and/or compliance advisor.

APPOINTMENT OF JOINT COMPANY SECRETARIES

Pursuant to Rule 8.17 of the Listing Rules, we must appoint a company secretary who satisfies Rule 3.28 of the Listing Rules. According to Rule 3.28 of the Listing Rules, our company secretary must be an individual who, by virtue of his or her academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of company secretary.

The Stock Exchange considers the following academic or professional qualifications to be acceptable:

- (a) a member of The Hong Kong Chartered Governance Institute;

WAIVERS AND EXEMPTIONS

- (b) a solicitor or barrister (as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong)); and
- (c) a certified public accountant (as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong)).

Note 2 to Rule 3.28 of the Listing Rules further provides that the Stock Exchange considers the following factors in assessing the “relevant experience” of the individual:

- (a) length of employment with the issuer and other issuers and the roles he or she played;
- (b) familiarity with the Listing Rules and other relevant laws and regulations including the SFO, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code;
- (c) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and
- (d) professional qualifications in other jurisdictions.

Pursuant to paragraph 13 of Chapter 3.10 of the Guide for New Listing Applicants, the Stock Exchange will consider a waiver application by an issuer in relation to Rules 3.28 and 8.17 of the Listing Rules based on the specific facts and circumstances. Factors that will be considered by the Stock Exchange include:

- (a) whether the issuer has principal business activities primarily outside Hong Kong;
- (b) whether the issuer is able to demonstrate the need to appoint a person who does not have the Acceptable Qualification (as defined under paragraph 9 of Chapter 3.10 of the Guide for New Listing Applicants) nor Relevant Experience (as defined under paragraph 9 of Chapter 3.10 of the Guide for New Listing Applicants) as a company secretary; and
- (c) why the directors consider the individual to be suitable to act as the issuer’s company secretary.

WAIVERS AND EXEMPTIONS

Further, pursuant to paragraph 11 of Chapter 3.10 of the Guide for New Listing Applicants, such waiver, if granted, will be for a fixed period of time (the “**Waiver Period**”) and on the following conditions:

- (d) the proposed company secretary must be assisted by a person who possesses the qualifications or experience as required under Rule 3.28 of the Listing Rules and is appointed as a joint company secretary throughout the Waiver Period; and
- (e) the waiver will be revoked if there are material breaches of the Listing Rules by the issuer.

We have appointed Mr. Zhang Jiong (“**Mr. Zhang**”) as one of our joint company secretaries. Mr. Zhang is the secretary of our Board. Mr. Zhang joined our Group as an assistant to the president in July 2024, and has served as the secretary of our Board since December 2024. Although our Company believes, having regard to Mr. Zhang’s past experience in handling corporate matters, that he has a thorough understanding of our Company and our Board, Mr. Zhang does not possess the requisite qualifications required by Rule 3.28 of the Listing Rules. Therefore, our Company has appointed Mr. Chow, who possesses such qualification, to be a joint company secretary to assist Mr. Zhang in the compliance matters for the [REDACTED] as well as other Hong Kong regulatory requirements for a period of three years commencing from the [REDACTED]. For the biographies of our joint company secretaries, see “Directors and Senior Management – Joint Company Secretaries” in this document. Over such three-year period, we will implement measures to assist Mr. Zhang to satisfy the requisite qualifications as prescribed in Rule 3.28 of the Listing Rules.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver from strict compliance with the requirements under Rules 8.17 and 3.28 of the Listing Rules in relation to Mr. Zhang’s appointment as a joint company secretary pursuant to Chapter 3.10 of the Guide for New Listing Applicants on the following conditions:

- (a) Mr. Zhang must be assisted by Mr. Chow, who possesses the qualification and experience as required under Rule 3.28 of the Listing Rules and is appointed as a joint company secretary throughout the validity period of the waiver; and
- (b) the waiver is valid for a period of three years from the [REDACTED] and will be revoked immediately if and when Mr. Chow ceases to provide such assistance or if there are material breaches of the Listing Rules by our Company.

WAIVERS AND EXEMPTIONS

It is anticipated that Mr. Zhang will gain experience with the assistance of Mr. Chow. Before the end of the initial three-year period, we will evaluate the then experience of Mr. Zhang in order to determine whether the requirements as stipulated in Rules 3.28 and 8.17 of the Listing Rules can be satisfied at the time and on-going assistance would be needed. We would then endeavor to demonstrate to the satisfaction of the Stock Exchange that Mr. Zhang, having had the benefit of Mr. Chow’s assistance for three years, would then have acquired the “relevant experience” within the meaning of Rule 3.28 of the Listing Rules so that a further waiver would not be necessary.

WAIVER AND EXEMPTION IN RELATION TO THE SHARE OPTION INCENTIVE PLANS

The Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance prescribe certain disclosure requirements in relation to the share options granted by our Company (the “**Share Option Disclosure Requirements**”):

- (a) rule 17.02(1)(b) of the Listing Rules requires a listing applicant to, *inter alia*, disclose in the document full details of all outstanding options and awards and their potential dilution effect on the shareholdings upon listing as well as the impact on the earnings per share arising from the issue of shares in respect of such outstanding options or awards;
- (b) paragraph 27 of Appendix D1A to the Listing Rules requires a listing applicant to disclose, *inter alia*, particulars of any capital of any member of the group which is under option, or agreed conditionally or unconditionally to be put under option, including the consideration for which the option was or will be granted, the price and duration of the option, and the name and address of the grantee, or an appropriate negative statement, provided that where options have been granted or agreed to be granted to all the members or debenture holders or to any class thereof, or to employees under a share option scheme, it shall be sufficient, so far as the names and addresses are concerned, to record that fact without giving the names and addresses of the grantees; and
- (c) paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance requires that the number, description and amount of any shares in or debentures of the company which any person has, or is entitled to be given, an option to subscribe for, together with the particulars of the option, that is to say, (a) the period during which it is exercisable; (b) the price to be paid for shares or debentures subscribed for under it; (c) the consideration (if any) given or to be given for

WAIVERS AND EXEMPTIONS

it or for the right to it; and (d) the names and addresses of the persons to whom it or the right to it was given or, if given to existing shareholders or debenture holders as such, the relevant shares or debentures must be specified in the document.

Pursuant to paragraphs 6 to 7 of Chapter 3.6 of the Guide for New Listing Applicants, the Hong Kong Stock Exchange would normally grant a waiver from disclosing the names and addresses of certain grantees if the applicant could demonstrate that such disclosures would be irrelevant or unduly burdensome, subject to certain conditions specified therein (the “**Waiver Conditions**”):

As of the Latest Practicable Date, each of the 2022 Share Option Incentive Plan, the 2024 Share Option Incentive Plan and the 2025 Share Option Incentive Plan was in effect, to which the Share Option Disclosure Requirements are applicable. For details, see “Appendix VI—Statutory and General Information—D. Employee Incentive Plans—1. Share Option Incentive Plans” to this document.

As of the Latest Practicable Date, the total number of A Shares underlying all outstanding options under the Share Option Incentive Plans amounted to 8,269,440, accounting for approximately [REDACTED]% of the total issued Shares upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised and no additional Shares are issued pursuant to the Share Option Incentive Plans), of which the outstanding options representing 460,000 A Shares, 780,000 A Shares, 620,000 A Shares and 6,409,440 A Shares were granted to our two Directors, four members of senior management (other than Directors), seven connected persons of the Company (other than Directors and members of senior management) and 175 grantees who are employees of our Group and are not Directors, members of senior management or connected persons of our Company, respectively, accounting for approximately 5.56%, 9.43%, 7.50% and 77.51% of the total outstanding options under the Share Option Incentive Plans, and approximately [REDACTED]%, [REDACTED]%, [REDACTED]% and [REDACTED]% of the total issued Shares upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised and no additional Shares are issued pursuant to the Share Option Incentive Plans).

We have applied to (i) the Hong Kong Stock Exchange for a waiver from strict compliance with the requirements under Rule 17.02(1)(b) and paragraph 27 of Appendix D1A to the Listing Rules and (ii) the SFC for a certificate of exemption from strict compliance with paragraph 10(d) of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance pursuant to section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in connection with the disclosure of certain details relating to the Share Option Incentive Plans and the grantees in this document on the grounds that the waiver and the exemption will not prejudice the interests of the [REDACTED] public and full compliance with such disclosure requirements would be unduly burdensome for our Company for the following reasons:

WAIVERS AND EXEMPTIONS

- (a) given that 175 grantees (other than our Directors, senior management or the connected persons of the Company) are involved under the Share Option Incentive Plans, strict compliance with such disclosure requirements in setting out full details of all the grantees under the Share Option Incentive Plans in this document would be costly and unduly burdensome for our Company in light of a significant increase in cost and time for information compilation and document preparation. For example, the disclosure of personal information of each grantee may require the consent of all grantees to comply with personal information privacy laws and principles. Given the number of grantees, obtaining their consent would cause an unnecessary burden on our Company;
- (b) full disclosure of the outstanding options granted to each grantee could provide our employees with access to information about the remuneration of their peers or other employees, which may have a negative impact on employee morale, lead to negative internal competition and result in increased costs of recruiting and retaining talent. On the contrary, not disclosing such details in full will allow us more flexibility in determining our remuneration policies and details;
- (c) full disclosure of the details of the grantees and the respective options granted to them will provide competitors with details of our employee remuneration and facilitate their recruitment activities, which may affect our Group’s ability to recruit and retain valuable personnel;
- (d) the grant and exercise in full of the options under the Share Option Incentive Plans will not cause any material adverse impact on the financial position of our Group;
- (e) there will not be any new H Shares issued under the Share Option Incentive Plans as such plans are A-Share incentive plans;
- (f) not being fully compliant with the Share Option Disclosure Requirements would not prevent the Company from providing our [REDACTED] with an informed assessment of the activities, assets, liabilities, financial position, management and prospects of our Company; and
- (g) material information relating to the options, including most of the information required under the Waiver Conditions, has been disclosed in this document to provide prospective [REDACTED] with sufficient information to make an informed decision, and such information includes:
 - (i) a summary of the terms of the Share Option Incentive Plans;

WAIVERS AND EXEMPTIONS

- (ii) the aggregate number of A Shares subject to the outstanding options and the percentage in our total issued Shares of which such number represents;
- (iii) the potential dilutive effect and the impact on earnings per Share upon full exercise of the options and the issue of new Shares in respect of the options immediately following completion of the [REDACTED] (assuming the [REDACTED] is not exercised); and
- (iv) the details of the outstanding options granted under the Share Option Incentive Plans by the range of underlying A Shares, including the date of grant, vesting period, exercise price and the percentage of our Company’s total issued share capital represented upon completion of the [REDACTED].

In light of the above, our Directors believe that the grant of the waiver and exemption sought under this application and the non-disclosure of the required information will not hinder potential [REDACTED] from making an informed assessment of the activities, assets and liabilities, financial position, management and prospects of our Group and will not prejudice the interests of the public [REDACTED].

The Stock Exchange [has granted] us a waiver from strict compliance with the disclosure requirements under Rule 17.02(1)(b) of the Listing Rules and paragraph 27 of Appendix D1A to the Listing Rules with respect to the options granted under the Share Option Incentive Plans, subject to the conditions that:

- (a) the grant of a certificate of exemption from strict compliance with the relevant Companies (Winding Up and Miscellaneous Provisions) Ordinance requirements by the SFC;
- (b) on an individual basis, full details of the outstanding options granted by our Company under the Share Option Incentive Plans to each of our Directors, members of the senior management and other connected persons of our Company, including all the particulars required by the Share Option Disclosure Requirements;
- (c) in respect of the outstanding options granted by our Company under the Share Option Incentive Plans to grantees other than those referred to in sub-paragraph (b) above, disclosure will be made on an aggregate basis, categorized into lots based on the number of A Shares underlying each individual grantee, being (i) less than 50,000 A Shares and (ii) 50,001 to 150,000 A Shares. For each lot of A Shares, the following details are disclosed in this document, including (i) the aggregate number of the grantees and the number of A Shares subject to the options granted to them under the

WAIVERS AND EXEMPTIONS

- Share Option Incentive Plans, (ii) the consideration paid for the grant of the options granted under the Share Option Incentive Plans, and (iii) the exercise period and the exercise price for the options granted under the Share Option Incentive Plans;
- (d) the aggregate number of A Shares underlying the outstanding options and the percentage of our Company’s total issued share capital represented by such number of A Shares as of the Latest Practicable Date will be disclosed in this document;
 - (e) the potential dilutive effect and the impact on earnings per Share upon full exercise of the options and the issue of new A Shares in respect of the options will be disclosed in this document;
 - (f) a summary of the principal terms of the Share Option Incentive Plans will be disclosed in the section headed “Appendix VI—Statutory and General Information—D. Employee Incentive Plans—1. Share Option Incentive Plans” in this document;
 - (g) the particulars of this waiver are set out in this document; and
 - (h) a full list of all the grantees with outstanding options over A Shares under the Share Option Incentive Plans, containing all details as required under Rule 17.02(1)(b) of the Listing Rules and paragraph 27 of Appendix D1A to the Listing Rules and paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance will be made available for public inspection in accordance with “Documents Delivered to the Registrar of Companies in Hong Kong and Available on Display and for Inspection—Document Available for Inspection” in Appendix VII to this document.

The SFC [has granted] us a certificate of exemption under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance exempting our Company from strict compliance with paragraph 10(d) of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance with respect to the options granted under the Share Option Incentive Plans, subject to the conditions that:

- (a) on an individual basis, full details of the outstanding options granted by our Company under the Share Option Incentive Plans to each of our Directors, members of the senior management and other connected persons of our Company, will be disclosed in the section headed “Appendix VI—Statutory and General Information—D. Employee Incentive Plans—1. Share Option Incentive Plans” in Appendix VI to this document as required by paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance;

WAIVERS AND EXEMPTIONS

- (b) in respect of the outstanding options granted under the Share Option Incentive Plans to grantees other than those referred to in sub-paragraph (a) above, disclosure will be made on an aggregate basis, categorized into lots based on the number of A Shares underlying each individual grantee, being (i) less than 50,000 A Shares and (ii) 50,001 to 150,000 A Shares. For each lot of A Shares, the following details are disclosed in this document, including (i) the aggregate number of the grantees and the number of A Shares subject to the options granted to them under the Share Option Incentive Plans, (ii) the consideration paid for the grant of the options granted under the Share Option Incentive Plans, and (iii) the exercise period and the exercise price for the options granted under the Share Option Incentive Plans;
- (c) a full list of all the grantees containing all the particulars as required under paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance will be made available for physical public inspection in accordance with “Documents Delivered to the Registrar of Companies in Hong Kong and Available on Display and for Inspection—Document Available for Inspection” in Appendix VII to this document; and
- (d) the particulars of this exemption will be disclosed in this document and that this document will be issued on or before [June 17], 2026.

[REDACTED]

WAIVERS AND EXEMPTIONS

[REDACTED]

WAIVERS AND EXEMPTIONS

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

DIRECTORS

Name	Residential address	Nationality
Executive Directors		
Mr. Zhao Zhijian (趙志堅)	Room 35A, Building 5 KedaYayuan, South Xueyuan Avenue Nanshan District, Shenzhen Guangdong PRC	Chinese
Mr. Wang Xidian (望西淀)	Room 715, No. 139 Qinghuang South Road Qingxi Town, Dongguan Guangdong PRC	Chinese
Mr. Liu Lei (劉壘)	Unit C 3218, Building 1, Tianxia Bicui Pearl Nanshan District, Shenzhen Guangdong PRC	Chinese
Mr. Huang Kaiming (黃凱明)	22F, Block D Baoneng Taigucheng South Garden No.2199, Centre Road Nanshan District, Shenzhen Guangdong PRC	Chinese
Independent Non-Executive Directors		
Mr. Jin Zhenchao (金振朝)	Room 1015, Building E, Block 1 Jinyu Lingfeng Garden 155 Bulong Road, Buji Subdistrict Longgang District, Shenzhen Guangdong PRC	Chinese

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

Name	Residential address	Nationality
Mr. Liang Jinhua (梁金華)	Room 12B5, Building 1, Lvyinge No. 7 Fumin Road Futian District, Shenzhen Guangdong PRC	Chinese
Prof. Xiang Huaikun (向懷坤)	Room 308, Building 2, Jiatingyuan No. 32 Quanyuan Road Nanshan District, Shenzhen Guangdong PRC	Chinese
Prof. Zuo Zhong (左中)	9/F, East Block, Warden of Student Hostel Wu Yee Sun College The Chinese University of Hong Kong Ma Liu Shui, Shatin New Territories Hong Kong	Chinese (Hong Kong)

Further information about our Directors is set out in “Directors and Senior Management” in this document.

PARTIES INVOLVED IN THE [REDACTED]

Sole Sponsor and [REDACTED]	China International Capital Corporation Hong Kong Securities Limited 29/F, One International Finance Centre 1 Harbour View Street Central Hong Kong

[REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

Legal Advisors to our Company

As to Hong Kong and U.S. laws:

Paul Hastings (Hong Kong) LLP

22/F, Bank of China Tower

1 Garden Road

Hong Kong

As to PRC law:

King & Wood

28th Floor, China Resources Tower

2666 Keyuan South Road

Nanshan District, Shenzhen

Guangdong

PRC

As to PRC data compliance laws:

Shihui Partners

42/F, Tower C

Beijing Yintai Centre

No. 2 Jianguomenwai Avenue

Chaoyang District

Beijing

PRC

Legal Advisors to the Sole Sponsor and the [REDACTED]

As to Hong Kong laws:

Jingtian & Gongcheng LLP

Suites 3203–3209, 32/F, Edinburgh Tower

The Landmark

15 Queen’s Road Central

Hong Kong

As to PRC law

Commerce & Finance Law Offices

10/F, HyQ, Chow Tai Fook Finance Tower

Qian Hai, Shenzhen

Guangdong

PRC

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

Auditor and Reporting Accountants

KPMG

Certified Public Accountants

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

8th Floor, Prince’s Building

10 Chater Road

Central

Hong Kong

Industry Consultant

Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.

Suite 2504, Wheelock Square

1717 Nanjing West Road

Jing’an District

Shanghai

PRC

[REDACTED]

CORPORATE INFORMATION

Registered Office	21–23/F, Building B1 Nanshan Zhiyuan No. 1001 Xueyuan Avenue Taoyuan Subdistrict Nanshan District, Shenzhen Guangdong PRC
Headquarters and Principal Place of Business in the PRC	21–23/F, Building B1 Nanshan Zhiyuan No. 1001 Xueyuan Avenue Taoyuan Subdistrict Nanshan District, Shenzhen Guangdong PRC
Place of Business in Hong Kong	46/F, Hopewell Centre No. 183 Queen’s Road East Wan Chai Hong Kong
Company’s Website	<u>www.streamax.com</u> <i>(The information on the website does not form part of this document)</i>
Joint Company Secretaries	Mr. Zhang Jiong (張炯) 21–23/F, Building B1 Nanshan Zhiyuan No. 1001 Xueyuan Avenue Taoyuan Subdistrict Nanshan District, Shenzhen Guangdong PRC Mr. Chow Shing Lung (鄒醒龍) 46/F, Hopewell Centre No. 183 Queen’s Road East Wan Chai Hong Kong

CORPORATE INFORMATION

Authorized Representatives

Mr. Wang Xidian (望西淀)
21–23/F, Building B1
Nanshan Zhiyuan
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Guangdong
PRC

Mr. Chow Shing Lung (鄒醒龍)
46/F, Hopewell Centre
No. 183 Queen’s Road East
Wan Chai
Hong Kong

Audit Committee

Mr. Liang Jinhua (*Chairperson*)
Mr. Jin Zhenchao
Prof. Xiang Huaikun

Remuneration and Appraisal Committee

Prof. Xiang Huaikun (*Chairperson*)
Mr. Wang Xidian
Mr. Jin Zhenchao

Nomination Committee

Mr. Jin Zhenchao (*Chairperson*)
Mr. Zhao Zhijian
Prof. Zuo Zhong

Strategy Committee

Mr. Zhao Zhijian (*Chairperson*)
Mr. Liang Jinhua
Prof. Xiang Huaikun

[REDACTED]

CORPORATE INFORMATION

Compliance Advisor

Red Sun Capital Limited

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Hong Kong

Principal Banks

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Futian District, Shenzhen
Guangdong
PRC

Ping An Bank, Shenzhen Hi-Tech District Branch

Unit 9, 1/F, Block A, Building 1, Shenzhen Bay
Innovation and Technology Center
Nanshan District, Shenzhen
Guangdong
PRC

Bank of China, Shenzhen Branch, Shahe Sub-branch

Building 22, Guanghua Street
Overseas Chinese Town
Nanshan District, Shenzhen
Guangdong
PRC

INDUSTRY OVERVIEW

The information and statistics set out in this section and other sections of this document were extracted from the Frost & Sullivan Report prepared by Frost & Sullivan, which was commissioned by us, and from various official government publications and other publicly available publications. We engaged Frost & Sullivan to prepare the Frost & Sullivan Report, an independent industry report, in connection with the [REDACTED]. The information from official government sources has not been independently verified by us, the Sole Sponsor, the [REDACTED], any of their respective directors and advisers or any other persons or parties involved in the [REDACTED], and no representation is given as to its accuracy.

SOURCE AND RELIABILITY OF INFORMATION

We have commissioned Frost & Sullivan, an independent market research and consulting company, to conduct an analysis of Global vision-based AI solution industry in transport service vehicle. Frost & Sullivan is an independent global consulting firm, founded in 1961 in New York. It offers industry research and market strategies and provides growth consulting and corporate training. It has over 40 offices worldwide with over 2,000 industry consultants, market research analysts, and economists. We commissioned Frost & Sullivan for a total fee of RMB520,000 in connection with the preparation of the market research report (the “**Frost & Sullivan Report**”). We have included certain information from the Frost & Sullivan Report in this document to provide our potential [REDACTED] with a more comprehensive understanding of the industries in which we operate.

During the preparation of the Frost & Sullivan Report, Frost & Sullivan performed both (i) primary research, which involved in-depth interviews with leading industry participants and industry experts; and (ii) secondary research, which involved review of company reports, independent research reports and data based on Frost & Sullivan’s own research database. Projected data was obtained from historical data analysis plotted against macroeconomic data with reference to specific industry-related factors. The Frost & Sullivan Report was compiled based on the following assumptions: (i) Global economy is likely to maintain a steady growth in the next decade; (ii) Global social, economic and political environment is likely to remain stable in the forecast period from 2026 to 2030, which ensures the stable and healthy development of the Global vision-based AI solution industry in transport service vehicle.

INDUSTRY OVERVIEW

OVERVIEW OF GLOBAL AI SOLUTION MARKET IN TRANSPORT SERVICE VEHICLE

Overview of Transport Service Vehicle Market

Transport service vehicles are designed to meet the needs of commercial activities and public services by transporting goods or people. Transport service vehicles mainly include logistics vehicles, public transportation vehicles (such as buses, taxis, ride-hailing vehicles, etc.) and special-purpose vehicles (such as mining vehicles, etc.).

Logistics vehicles are primarily used for transporting goods, mainly include light, medium, and heavy-duty trucks. According to Frost & Sullivan, as of the end of 2025, the global and China ownership of logistics vehicles were approximately 52 million and 21 million units, respectively, indicating the global and China logistics vehicle service market have significant market potential.

Public transportation vehicles are primarily used for transporting people and include buses (transit buses, school buses, etc.), taxis, ride-hailing vehicles, etc. According to Frost & Sullivan, as of the end of 2025, the global fleet size of taxis and ride-hailing vehicles was about 13 million units and the China fleet size of taxis and ride-hailing vehicles was about 6.4 million units. As of the end of 2025, the global and China ownership of buses were about 6.3 million and 1.6 million units, respectively, indicating a vast market capacity.

Special-purpose vehicles refer to vehicles that have specific functions or are used for special purposes, such as mining vehicles, street sweepers, and ambulances. These vehicles are typically equipped with specialized equipment and are used in specific industries or emergency services. Taking mining transportation as an example, according to Frost & Sullivan, in 2025, the mining transportation market sizes were about RMB850 billion globally and RMB195 billion in China, indicating a significant market potential for special-purpose vehicle services.

The fleet size of transport service vehicles constitutes the fundamental base for vision-based AI solutions and video devices. Transport service vehicle fleets typically exhibit long replacement cycles, resulting in a sizeable and continuously upgradeable in-service vehicle base. Vision-based AI solutions and video devices, can be deployed on both newly produced vehicles and existing units through retrofit installation, hardware replacement or software upgrades. Consequently, the existing fleet size of transport service vehicles represents a substantial source of incremental demand, and each vehicle remains a potential installation unit throughout its operational life cycle.

INDUSTRY OVERVIEW

Pain points of Transport Service Vehicle Market

Safety is one of the most concerning factors in the transport service vehicle industry. Drivers are exposed to complex road environments for long periods of time, prone to fatigue driving and distraction.

According to Frost & Sullivan, based on the data from Governors Highway Safety Association of the United States, the number of pedestrian fatalities in road traffic accidents across the United States reached 7,380 in 2024, with over 60.0% of these fatalities caused by transport service vehicles.

According to the latest China Statistical Yearbook of 2024 compiled by National Bureau of Statistics of China, there were over 254 thousand cases of road traffic accidents in China, with over 60 thousand cases of fatality in 2023.

Operational efficiency is another concern for transport service fleet managers. Due to the absence of systematic management such as route planning, transport service vehicles are operated in a deadhead state for a long term, causing additional energy costs and labor costs. According to the American Transportation Research Institute, an authoritative non-profit research organization in the U.S., the deadhead rate of the American trucking industry reached 16.7% in 2024, causing estimated operating cost losses of over USD700 billion.

AI has broad application prospects in the transport service vehicle market. AI technology has made certain progress in areas like autonomous driving and smart cockpits. AI-powered autonomous driving technology is gradually evolving in the transport service vehicle sector, especially in logistics where its advantages are more evident. Intelligent driving is defined as a continuum from Level 1 to Level 5. Level 1 to Level 2 are classified as Advanced driver assistance system (ADAS), where the driver remains responsible for monitoring and control. ADAS can achieve functions such as safety warnings, road monitoring, and automatic braking, thereby enhancing safety.

OVERVIEW OF GLOBAL VISION-BASED AI SOLUTION MARKET IN TRANSPORT SERVICE VEHICLE

Introduction of Vision-Based AI Solution in Transport Service Vehicle

In the application of empowering the information management of transport service vehicles, AI technology can enhance operational efficiency and reduce the risk of accidents. Building large models for transport service vehicles based on extensive operational and vehicle data has become a major trend for future development.

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In the application of transport vehicle safety, the integration of AI technology, combined with the addition of visual sensors such as cameras, enables advanced driver assistance features like Automatic Emergency Braking (AEB) and Driver Monitoring Systems (DMS). This not only improves vehicle safety during operation but also boosts fleet management efficiency, helping customers reduce traffic accidents and cargo losses.

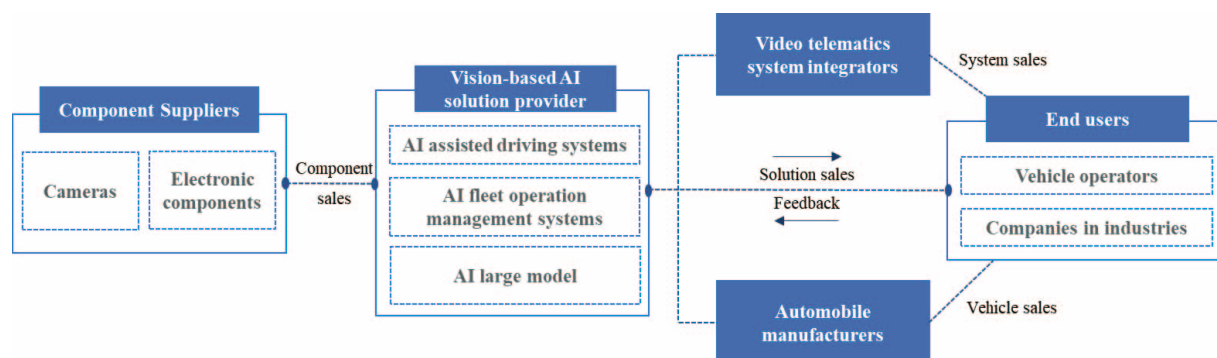
AI technology is progressively being applied to key aspects of information management and vehicle safety, including vehicle data analysis, driving behavior recognition, and optimization of operational decision-making. Vision-based AI solution in transport service vehicle provides AI assisted driving systems and AI fleet operation management systems for both drivers and fleet operators, addressing the driving safety and operating efficiency for transport service vehicles.

Vehicle Types	AI Technology Applications			
	AI-empowered Vehicle Information and Safety Management		AI Large Model Applications	
	Value Contributions	Main Functions	Value Contributions	Main Functions
Logistic Vehicle.	- Leveraging advanced AI technologies such as computer vision and deep learning, combined with high-definition display technology, to offer transportation services with data analysis, processing, and real-time optimization. - Conducting intelligent analysis of the operational data collected by in- vehicle terminals, which enables functions like fatigue driving detection, route optimization and predictive maintenance alerts. This significantly enhances the safety and operational efficiency of transport service vehicles.	AI assisted driving systems—For Drivers - ADAS - DMS - AEBS - BSD AI fleet operation management systems — For Fleet Operators - Freight loading monitoring	By integrating AI large models specific to the transport service vehicle sector, it is possible to further consolidate multi-source data and enhance intelligent decision-making and scheduling capabilities. This ultimately achieves a full- stack intelligent upgrade from individual vehicle management to fleet operations.	- Driver evaluation - Fleet dispatch - Logistic efficiency

INDUSTRY OVERVIEW

Vehicle Types	AI Technology Applications			
	AI-empowered Vehicle Information and Safety Management		AI Large Model Applications	
	Value Contributions	Main Functions	Value Contributions	Main Functions
Public Transportation Vehicle	Addressing the safety concerns of buses by integrating in-vehicle driver status monitoring with external perception for early warning and braking function. Reducing the accident rate in the taxi industry through AI-driven driver behavior modeling and risk intervention measures for taxi drivers.	AI assisted driving systems—For Drivers • ADAS • DMS • AEBS • BSD AI fleet operation management systems — For Fleet Operators • Intelligent Bus Central Processing Unit (IBCU) • Passenger flow detection	Integrating multi-dimensional information such as vehicle operation data, driver behavior characteristics, and environmental perception data, and utilizing deep learning and reasoning algorithms to achieve real-time identification, prediction and early warning, as well as intelligent prevention of traffic risks.	• Driver evaluation • Fleet dispatch

Value Chain of Vision-based AI Solution Market in Transport Service Vehicle



Source: Frost & Sullivan Report

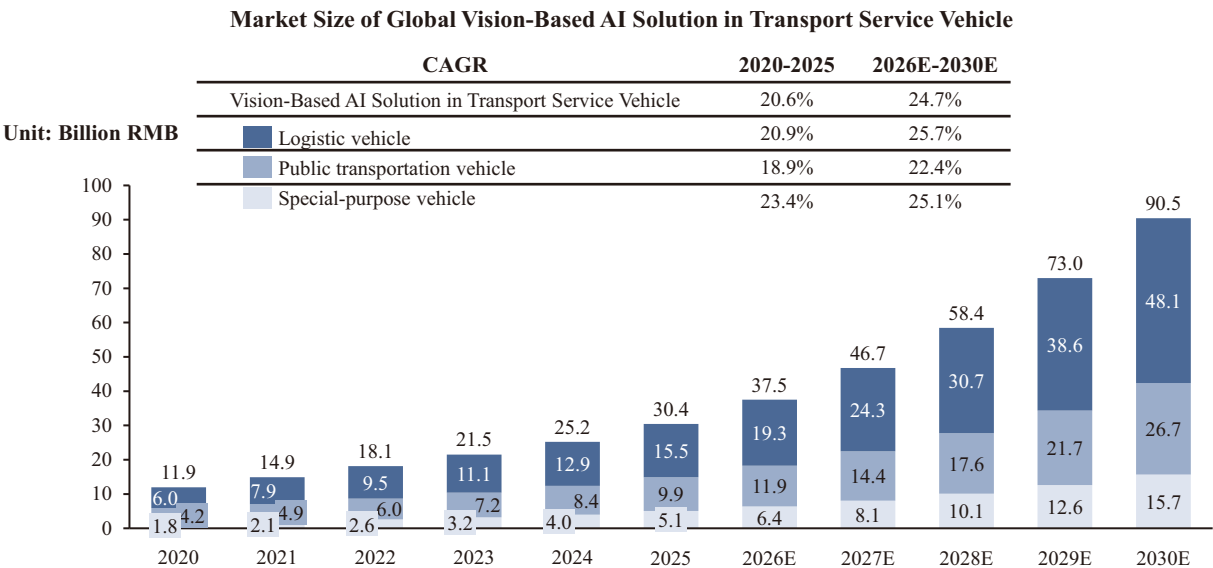
INDUSTRY OVERVIEW

The flowchart above illustrates the respective roles of key stakeholders along the vision-based AI solution market value chain for transport service vehicles.

Vision-based AI solution providers: develop and provide vision-based AI solution in transport service vehicles for video telematic system integrators, automobile manufacturers and end users.

Market Size of Global Vision-Based AI Solution in Transport Service Vehicle

In recent years, vision-based AI solution market in transport service vehicle grew in a considerable speed, with a CAGR of 20.6% from 2020 to 2025, while the CAGRs for logistics vehicles, public transportation vehicles and special-purpose vehicles are 20.9%, 18.9% and 23.4%, respectively. In 2025, the market size of vision-based AI solution in transport service vehicle achieved RMB30.4 billion, while the market size of vision-based AI solution in logistics vehicles, public transportation vehicles and special-purpose vehicles are RMB15.5 billion, RMB9.9 billion and RMB5.1 billion, respectively. In the foreseeable future, with advancing AI technology and accelerating AI applications in transport service vehicle, the market is projected to continue to expand, with an estimated CAGR of 24.7% from 2026 to 2030, while the CAGRs for logistics vehicles, public transportation vehicles and special-purpose vehicles are 25.7%, 22.4% and 25.1%, respectively.



Source: China Association of Automobile Manufacturers, Frost & Sullivan report

(1) Not including the market size of AI large model applications

INDUSTRY OVERVIEW

Competitive landscape of Global Vision-Based AI Solution Market in Transport Service Vehicle

According to Frost & Sullivan, global vision-based AI solution market in transport service vehicle reached RMB30.4 billion in 2025, with the top five players accounting for 45.6% of the market. The following table presents the ranking of global vision-based AI solution market in transport service vehicle, as measured by revenue in 2025:

Ranking	Company	Country	Market Share, 2025
1	Company A	USA	19.5%
2	Company B	USA	9.0%
3	Company C	USA	7.6%
4	The Company	China	7.2%
5	Company D	USA	2.3%

Source: Annual Reports of Related Companies, Frost & Sullivan report

Notes:

- (1) The ranking is based on global revenue from vision-based AI solution in transport service vehicle in 2025.
- (2) The revenue data of Company A to D is based on estimation calculated by unit sales and other available public information, cross-checked with industry participants and experts on best effort, thus may be different from the auditing data from the above players.
- (3) Available public information includes financial reports of listed companies and publicly available industry reports, etc.
- (4) Company A is a cloud technology company specializing in providing connected operations cloud services for industries including construction, transportation and public services, founded in 2015 and headquartered in San Francisco, USA and listed on the New York Security Exchange.
- (5) Company B is a video telematics company specializing in providing vision-based AI solutions and cloud platform for transport service vehicle, founded in 1998 and headquartered in San Diego, USA.
- (6) Company C is an intelligent safety platform company specializing in providing integrated solutions with hardware, AI models and cloud platform for commercial fleet management, founded in 2007 and headquartered in Missouri, USA.
- (7) Company D is an AI-based fleet safety management company specializing in providing vision-based AI solutions and data services for commercial fleet, founded in 2015 and headquartered in San Diego, USA.

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According to Frost & Sullivan, global vision-based AI solution market in logistics vehicle reached RMB15.5 billion in 2025, with the top five players accounting for 62.9% of the market. The company ranked as the third place with the market share of 7.0%, as measured by revenue in 2025.

Ranking	Company	Country	Market Share, 2025
1	Company A	USA	30.2%
2	Company B	USA	17.6%
3	The Company	China	7.0%
4	Company D	USA	4.6%
5	Company G	USA	3.5%

Source: Frost & Sullivan report

Notes:

- (1) The ranking is based on global revenue from vision-based AI solution in logistics vehicle in 2024.
- (2) Company G is a company specializing in providing AI-based integrated solutions and platform for fleet management, founded in 2015 and headquartered in San Francisco, USA.

According to Frost & Sullivan, global vision-based AI solution market in public transportation vehicle reached RMB9.9 billion in 2025, with the top five players accounting for 45.5% of the market. The company ranked as the second place with the market share of 10.3%, as measured by revenue in 2025.

Special-purpose vehicles cover a wide range of application scenarios comprising mining, medical emergency, engineering and construction, etc. Different application scenarios impose strict demands on the specialization and adaptability of vision-based AI solution. Correspondingly, the vision-based AI solution market in special-purpose vehicle is characterized as relatively fragmented.

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Entry Barriers of Vision-Based AI Solution Market in Transport Service Vehicle

Technical capabilities of AI model development and system integration

In the field of vision-based AI solutions in transport service vehicle, AI models development and system integration have formed significant technical barriers for new entrants. Widely used in diverse scenarios, AI models are required to have high adaptiveness to satisfy the operational demands in various vertical scenarios, while a large scale of scenario data is demanded.

Comprehensive globalized sales network

Vision-based AI solutions in transport service vehicle provide a comprehensive metrics of products and services for differentiated customers’ demands, which requires a globalized sales network to explore and respond to the demands of downstream customers, and efficiently customize for specific customers’ operating areas and special scenarios. The globalized sales network requires costs of time and funding, which can’t be achieved in a short period for new entrants.

Trends and Drivers of Vision-Based AI Solution Market in Transport Service Vehicle

Favorable Policies

The safety problems of transport service vehicle are a consistent concern of governments and official authorities in worldwide. A series of favorable policies have been published in recent years, fostering the growth in demand for vision-based ai solution.

In China, the Automotive Technology & Research Center, which is under the jurisdiction of the State Council of China, officially implemented the China Commercial Vehicle Special Evaluation Regulation (Version 1.0) in January, 2025. This regulation integrates BSD, AEBS, and DMS into the safety evaluation criteria for transport service vehicles. Through a market-oriented evaluation mechanism, it guides enterprises to enhance the performance of these technologies and increase their penetration rate.

In Europe, European Union published the General Safety Regulation (GSR) that serves as a comprehensive framework mandating a wide range of vehicle safety technologies. This regulation requires all newly registered vehicles in the EU to include specified ADAS features from July 7, 2024.

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Enhanced driving safety

According to the United States Department of Transportation, there are over 150 thousand logistics vehicle accidents in 2024, with a fatality rate of approximately 3.0%, indicating the significance to improve the driving safety of transport service vehicles. Vision-based AI solutions apply DMS in the continuously monitoring of the driver’s facial features and eye status for the detection and warning of potential driving risks. ADAS can provide expansion of the driver’s perception boundaries and reduces the probability of traffic accidents.

Elevated operational efficiency

According to the American Transportation Research Institute, the deadhead rate of the trucking industry reached 16.7% in 2024, causing estimated operating cost losses of over USD700 billion. With vision-based AI solutions, managers can accurately evaluate the operational efficiency, optimize transportation plans, and comprehensively improve utilization and efficiency.

Challenges of Vision-Based AI Solution Market in Transport Service Vehicle

Large logistics fleets often need large-scale deployment of vision-based AI systems. Customizing solutions for different vehicle types and routes can significantly increase both cost and system complexity. Developing adaptable models that can quickly adjust to various tasks, and implementing modular systems for easy customization across different applications, can effectively improve scalability and flexibility.

The visual recognition accuracy may decrease in urban traffic environments with heavy congestion, or in scenes with poor lighting (such as at night, in rainy weather, or in tunnel). By applying enhanced image capture, preprocessing, and advanced filtering techniques, the input quality can be improved, thereby increasing the accuracy and reliability of computer vision systems.

Overview of AI Large Model Application Market in Transport Service Vehicle

The AI large model application in the transport service vehicle primarily focuses on the performance improvement in driving safety, operational efficiency, and intelligence.

AI large model application market in transport service vehicle is in the process of rapid development, with a CAGR of 84.7% from 2020 to 2024. In 2025, the market size of AI large model application in transport service vehicle achieved RMB2.7 billion. Looking forward, the market is projected to maintain a high growth rate, with an estimated CAGR of 39.1% from 2026 to 2030.

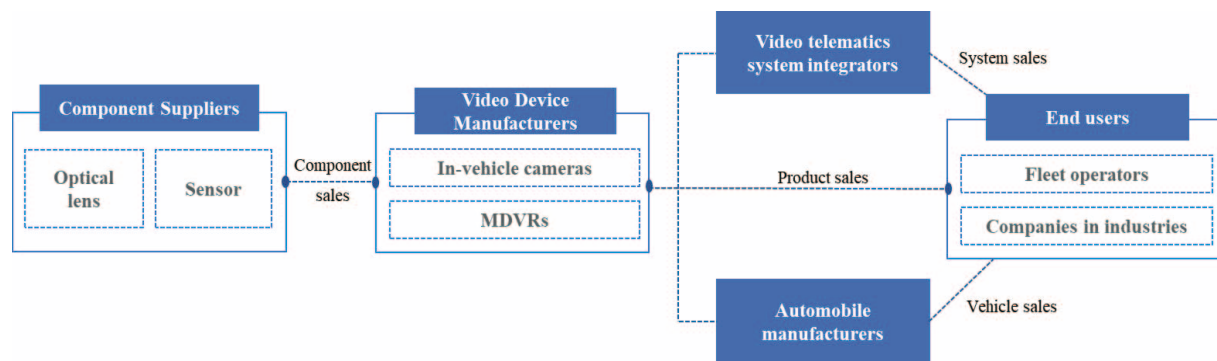
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OVERVIEW OF GLOBAL VIDEO DEVICE MARKET IN TRANSPORT SERVICE VEHICLE

Definition of Video Device in Transport Service Vehicle

The video device market in transport service vehicle primarily refers to the deployment of in-vehicle cameras and supporting hardware systems without AI functions, to enhance driving safety and fleet operation management through video collection and storage. These systems can operate independently or serve as an extension of traditional fleet telematics. In logistics, public transportation and special-purpose transport, they are widely used to meet regulatory requirements, improve safety and efficiency, and support driver behavior management through monitoring, analysis and feedback mechanisms.

Value Chain of Video Devices Market in Transport Service Vehicle



Source: Frost & Sullivan Report

The flowchart above illustrates the respective roles of key stakeholders along the video device value chain for transport service vehicles.

Video device manufacturers design, produce and sell vehicle-grade video devices, including cabin cameras, AHD cameras, mobile digital video recorders (MDVRs) and other supporting hardware systems for video telematics system integrators, automobile manufacturers and end users.

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Market Size of Global Video Device in Transport Service Vehicle

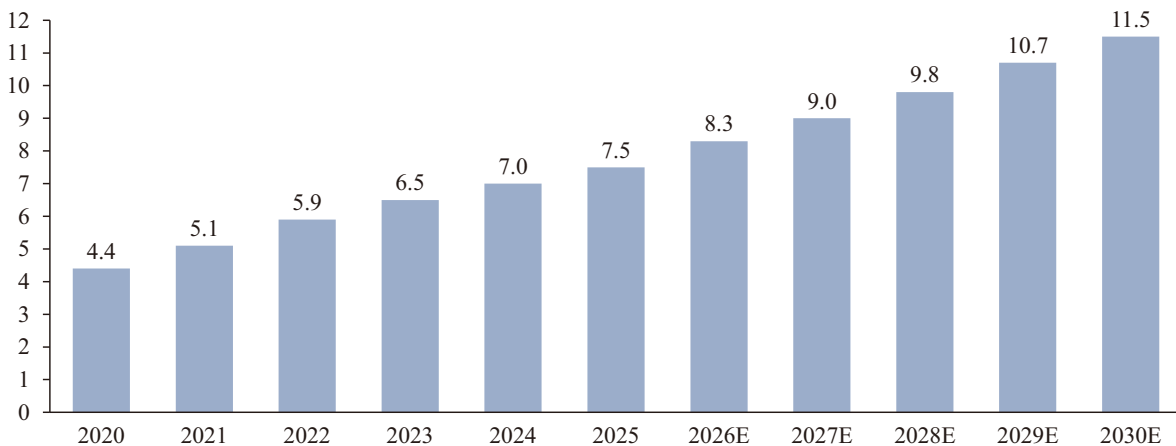
The global video device market in transport service vehicles is expected to grow steadily, driven by rising safety requirements, digitalized fleet operations and advances in hardware and intelligent processing technologies. Increasing regulatory emphasis on video-based monitoring, fleet operators’ need to reduce safety-related costs, and improvements in imaging, sensing and edge-computing capabilities all enhance the functional value and affordability of video devices.

According to Frost & Sullivan, global video device market in transport service vehicle grew from RMB4.4 billion in 2020 to RMB7.5 billion in 2025, representing a CAGR of 11.3%, and is expected to reach RMB11.5 billion in 2030, representing a CAGR of 8.5% from 2026 to 2030.

Market Size of Global Video Device in Transport Service Vehicle

	CAGR	2020-2025	2026E-2030E
Video Device in Transport Service Vehicle		11.3%	8.5%

Unit: Billion RMB



Source: Frost & Sullivan Report

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Competitive Landscape of Global Video Device Market in Transport Service Vehicle

According to Frost & Sullivan, global video device market size in transport service vehicle reached RMB7.5 billion in 2025, with the top five players accounting for 22.1% of the market. The company ranked as the first place with the market share of 5.5%, as measured by revenue in 2025.

Ranking	Company	Country	Market Share, 2025
1	The Company	China	5.5%
2	Company C	USA	5.2%
3	Company E	China	4.9%
4	Company I	USA	3.5%
5	Company J	USA	3.1%

Source: Frost & Sullivan Report

Notes:

- (1) The ranking is based on global revenue from video device in transport service vehicle in 2025.
- (2) The revenue data of Company C to J is based on estimation calculated by unit sales and other available public information, cross-checked with industry participants and experts on best effort, thus may be different from the auditing data from the above players.
- (3) Available public information includes financial reports of listed companies and publicly available industry reports, etc.
- (4) Company E is an AIoT (Artificial Intelligence of Things) company specializing in providing scenario-based and intelligent digital solutions, founded in 2001 and headquartered in Zhejiang, China, and listed on the Shenzhen Stock Exchange.
- (5) Company I is a transit technology company specializing in providing technology solutions that increase intelligence, safety, and efficiency for public transit operations, founded in 1928 and headquartered in Texas, USA.
- (6) Company J is a mobile video surveillance company specializing in providing in-vehicle mobile surveillance for the student transit, mass transit, fleet/driver behavior with AI, locomotive and waste management industries, founded in 1999 and headquartered in Alabama, USA.

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Challenges of Video Device Market in Transport Service Vehicle

Durability performance challenge

The video devices must operate reliably under harsh transport service-vehicle conditions, including extreme temperatures, humidity, dust, vibration and electromagnetic interference. Meeting long-term durability expectations raises requirements for optical modules, sensors, enclosures and other subsystems, increasing the R&D, manufacturing and testing workload for hardware suppliers.

Device iteration challenge

Video device hardware is subject to rapid upgrades in core components, including continuous improvements in resolution, low-light performance, dynamic range and power efficiency. This fast evolution necessitates frequent platform updates, compatibility with new sensor and processor generations and smooth product transitions. Without timely adaptation, hardware risks becoming technologically outdated, raising development and operational burdens for market participants.

Entry Barriers of Video Device Market in Transport Service Vehicle

Technology and Product Certification Barriers

Video device in transport service vehicle must meet stringent requirements in high-definition imaging, night vision, wide-angle coverage, and anti-vibration, while adapting to harsh transport service vehicle conditions such as dust, rain, fog, and glare. Meanwhile, video device in transport service vehicle must pass stringent automotive-grade certifications covering durability, electro-magnetic compatibility (“EMC”), and electrical safety, while also complying with data security and privacy regulations.

Customer Preference and Partnership Barriers

Key customers such as large fleets, logistics enterprises, and automobile manufacturers have long procurement cycles, strict certification processes, and stable partnerships. They prefer established suppliers with deep system integration and extensive distribution and service networks, creating strong entry barriers for newcomers.

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Trends and Drivers of Video Device Market in Transport Service Vehicle

Vehicle Safety and Operational Monitoring Policy

Governments are introducing mandatory regulations and supportive measures to accelerate the adoption and upgrade of video device in transport service vehicle.

In China, regulations require hazardous goods transport vehicles to install fatigue and distraction monitoring systems. The revised Regulation on the Dynamic Supervision of Road Transport Vehicles in 2022 further reinforced video monitoring and data collection requirements. In the U.S., the Federal Motor Carrier Safety Administration (FMCSA) has prioritized in-vehicle video and driver monitoring systems, advancing adoption through studies, guidelines and exemptions.

Shift from Passive Monitoring to Active Warning

Video device in transport service vehicle is evolving from post-incident evidence collection to real-time risk detection and intervention, such as overtaking alerts, emergency braking warnings, distance reminders, and fatigue alerts. Integrated with ADAS, the system enables collision avoidance, lane departure warnings, and pedestrian detection, significantly enhancing safety and accident prevention. The transition from passive recording to active warning enabled risk detection and driver-monitoring functions, that enhances safety outcomes and expands the functional value of video devices. This shift increases adoption in both newly deployed and in-service commercial vehicles, supporting market demand.

HISTORICAL PRICE TRENDS OF RAW MATERIAL

The raw materials and parts of the Company’s main products and solutions include electronic components, including PCBs, PCBA and other components. The Producer Price Index (“PPI”) for the computer, communications and other electronic components and equipment manufacturing industry is the composite price index including the electronic components and equipment as above. It reflects the price trend of the raw materials and parts of the Company.

From 2020 to 2022, driven by factors such as the growth in demand from downstream sectors and technological iteration and upgrading, the PPI of this industry rose from 98.5 to 100.7, and the prices of raw materials showed an upward trend. After 2022, with the gradual expansion of industry capacity and intensified market competition, the PPI fell to 97.6 in 2024, and the prices of raw materials declined accordingly. In the long run, although the continuous innovation of downstream technologies will stimulate new demand for raw materials, the increasingly improved global capacity layout and sufficient market competition will drive the prices of raw materials to stabilize.

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LAWS AND REGULATIONS RELATED TO OUR BUSINESS IN THE PRC

LAWS AND REGULATIONS ON FOREIGN INVESTMENT, OVERSEAS INVESTMENT AND FOREIGN EXCHANGE SUPERVISION

Foreign Investment

The Company Law of the PRC (《中華人民共和國公司法》) (“**Company Law**”), last amended by the Standing Committee of the National People’s Congress of the PRC (“**SCNPC**”) on December 29, 2023 and came into effect on July 1, 2024, provides that companies established in China may take the form of limited liability company or joint stock company with limited liability. The Company Law also applies to foreign-invested companies.

According to the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) promulgated by the National People’s Congress of the PRC (“**NPC**”) on March 15, 2019 and the Implementing Rules of the Foreign Investment Law of the PRC (《中華人民共和國外商投資法實施條例》) promulgated by the State Council on December 26, 2019, all of which came into effect on January 1, 2020, the State shall implement the management systems of pre-establishment national treatment and negative list for foreign investment. Foreign investors shall not invest in any field forbidden by the negative list for access of foreign investment; for any field restricted by the negative list, foreign investors shall conform to the investment conditions as required; fields not included in the negative list shall be managed under the principle that domestic investment and foreign investment shall be treated uniformly. Meanwhile, the competent government departments shall, according to the requirements of national economy and social development, formulate a catalogue of industries encouraging foreign investment, stipulating the specific industries, fields and areas in which foreign investors are encouraged and guided to invest.

The current industry entry clearance requirements governing investment activities in the PRC conducted by foreign investors are set out in two catalogues, namely the Special Management Measures for the Entry of Foreign Investment (Negative List) (2024 version) (《外商投資准入特別管理措施(負面清單)(2024年版)》), which was jointly promulgated by the NDRC and the MOFCOM on September 6, 2024 and came into effect on November 1, 2024, and the Encouraged Industry Catalogue for Foreign Investment (2025 version) (《鼓勵外商投資產業目錄(2025年版)》), which was jointly promulgated by the National Development and Reform Commission of the PRC (“**NDRC**”) and the Ministry of Commerce of the PRC (“**MOFCOM**”) on December 15, 2025 and came into effect on February 1, 2026. These two catalogues further classified businesses into three categories with regard to foreign investment: “encouraged,” “restricted” and “prohibited.” Industries not listed in these three categories are generally deemed as falling into the fourth category, “Permitted,” unless specifically restricted by other PRC laws and regulations.

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Pursuant to the Measures for the Security Review of Foreign Investment (《外商投資安全審查辦法》) promulgated by the NDRC and the MOFCOM on December 19, 2020 and came into effect on January 18, 2021, any foreign investment that has or possibly has an impact on state security shall be subject to security review in accordance with the provisions hereof. A foreign investor or a party concerned in China shall take the initiative to make a declaration to the working mechanism office prior to making the investment in any important infrastructure, important transportation services and other important fields that concern state security while obtaining the actual control over the enterprises invested in.

OVERSEAS INVESTMENT

Pursuant to the Administrative Measures for Outbound Investment (《境外投資管理辦法》) promulgated by the MOFCOM on September 6, 2014 and implemented on October 6, 2014, the MOFCOM and provincial competent commerce authorities shall carry out administration either by record-filing or approval, depending on different circumstances of outbound investment by enterprises. Outbound investment by enterprises that involves sensitive countries and regions or sensitive industries shall be subject to administration by approval. Outbound investment by enterprises that falls in any other circumstances shall be subject to administration by record-filing.

Pursuant to the Administrative Measures for Outbound Investment of Enterprises (《企業境外投資管理辦法》) promulgated by the NDRC on December 26, 2017 and implemented on March 1, 2018, a domestic enterprise, or the investor, making an outbound investment shall obtain approval or conduct record-filing for outbound investment projects, or the projects, report relevant information, and cooperate with the supervision and inspection. Sensitive projects carried out by investors directly or through overseas enterprises controlled by them shall be subject to approval, specifically, including projects involving sensitive countries and regions and sensitive industries; non-sensitive projects directly carried out by investors, namely, non-sensitive projects involving investors' direct contribution of assets or rights and interests or provision of financing or guarantee shall be subject to record-filing.

FOREIGN EXCHANGE REGULATION

Pursuant to the Administrative Regulations on Foreign Exchange of the PRC (《中華人民共和國外匯管理條例》) announced by the State Council on August 5, 2008 and effective on the same day, transactions involving goods, services, income and current transfers in the balance of payments are regarded as current accounts, under which the foreign exchange payments shall, pursuant to the administrative provisions of the foreign exchange control department of the State Council on payments of foreign currencies and purchase of foreign currencies, be made using self-owned foreign currency or foreign currency purchased from financial institutions engaging in conversion and sale of foreign currencies by presenting the valid document; domestic entities and

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domestic individuals making overseas direct investments or engaging in issuance and trading of overseas securities and derivatives shall process registration formalities pursuant to the provisions of the foreign exchange control department of the State Council.

According to the Notice of the State Administration of Foreign Exchange on Issues concerning the Foreign Exchange Administration of Overseas Listing (《國家外匯管理局關於境外上市外匯管理有關問題的通知》) issued by the State Administration of Foreign Exchange of the PRC (“SAFE”) on December 26, 2014 and effective on the same day, a domestic company shall, within 15 business days from the date of the end of its overseas listing and issuance, register the overseas listing with the SAFE’s local branch at the place of its incorporation. The proceeds raised by the domestic companies through overseas listing may be remitted to the domestic account or deposited in an overseas account, provided that the use of the proceeds shall be consistent with the content of the document and other public disclosure documents.

On February 13, 2015, the SAFE issued the Notice of the SAFE on Further Simplifying and Improving Policies for the Foreign Exchange Administration of Direct Investment (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》), which was partially abolished on December 30, 2019. It stipulates that banks shall directly examine and handle foreign exchange registration under overseas direct investment, and the SAFE and its branches shall implement indirect supervision over foreign exchange registration and examination of overseas direct investment through banks.

According to the Notice on Optimising Administration of Foreign Exchange to Support the Development of Foreign-related Business (《國家外匯管理局關於優化外匯管理支持涉外業務發展的通知》) promulgated by the SAFE and became effective on April 10, 2020, eligible enterprises are allowed to make domestic payments by using their capital, foreign credits and the income under capital accounts of overseas listing, without providing materials to the bank in advance for authenticity verification on an item-by-item basis, provided that their utilized capital shall be authentic and in line with provisions, and conform to the prevailing administrative regulations related to the use of income under capital accounts. The concerned bank shall manage and control the relevant business risks under the principle of prudent business development and conduct spot checks afterwards in accordance with the relevant requirements. Local foreign exchange authorities shall strengthen monitoring and analysis and interim and ex-post supervision.

Relevant Industrial Policies and Regulatory Provisions

Since 2014, the Chinese government has promulgated several regulations and policies regarding the safety of commercial vehicles, including the Administrative Measures for the Dynamic Supervision of Road Transport Vehicles (《道路運輸車輛動態監督管理辦法》) jointly formulated by the Ministry of Transport, the Ministry of Public Security and the State

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Administration of Work Safety in 2014 ; the Administrative Provisions on Urban Public Bus and Tram Passenger Transport (《城市公共汽車和電車客運管理規定》) promulgated by the Ministry of Transport on 7 March 2017 and implemented on 1 May 2017; the Safety Specifications for Operating Passenger Vehicles (《營運客車安全技術條件》) promulgated by the Ministry of Transport in 2016 and last revised on April 14, 2025, which was implemented on January 14, 2026; the Notice of the General Office of the Ministry of Transport on Promoting the Application of Intelligent Video Monitoring and Alarm Technology (《交通運輸部辦公廳關於推廣應用智能視頻監控報警技術的通知》) promulgated by the General Office of the Ministry of Transport on August 22, 2018; the Special Action Plan of Rectification of Safety Monitoring and Protection Devices of Operating Passenger Vehicles (《營運客運汽車安全監控及防護裝置整治專項行動方案》) promulgated by the Ministry of Transport in November 2018; and the Outline of the Construction of China’s National Transportation Power (《交通強國建設綱要》) promulgated by the CPC Central Committee and the State Council on September 19, 2019; and the Planning Outline of Digital Transportation (《數字交通發展規劃綱要》) promulgated by the Ministry of Transport on July 25, 2019. Such regulations and policies support the development of artificial intelligence and other technologies in the transportation industry, and promote the technological advancement of intelligent device installations in transport vehicles.

LAWS AND REGULATIONS ON PRODUCT QUALITY

Pursuant to the Product Quality Law of the PRC (《中華人民共和國產品質量法》), which was last amended by the SCNPC on December 29, 2018 and came into effect on the same day, the market supervision and administration department under the State Council is in charge of the national supervision of product quality, a manufacturer is prohibited from producing or selling products that do not meet applicable standards and requirements for safeguarding human health and ensuring human and property safety. Products must be free from unreasonable dangers threatening human and property safety. Where a defective product causes physical injury to a person or property damage, the aggrieved party may make a claim for compensation from the producer or the seller of the product. Producers and sellers of non-compliant products may be ordered to cease the production or sale of the products and could be subject to confiscation of the products and/or fines; earnings from sales in contravention of such standards or requirements, if any, may also be confiscated, and in severe cases, an offender’s business license may be revoked.

LAWS AND REGULATIONS ON IMPORT AND EXPORT OF GOODS

According to the Customs Law of the PRC (《中華人民共和國海關法》) last amended by the SCNPC on April 29, 2021 and came into effect on the same day, the Customs is a governmental organization responsible for supervision and control over all arrivals in and departures from the Customs territory, which is authorized to supervise the transportation vehicles, goods, luggage, postal articles and other articles entering and leaving the country, collects customs duties and other

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taxes and fees, prevents and combats smuggling, compiles customs statistics and handles other customs operations. Customs declaration entities refer to the consignees and consignors of imported or exported goods and customs declaration enterprises recorded with the Customs. The consignee or the consignor of imported or exported goods may complete the declaration formalities either personally or through an agent.

According to the Provisions on the Administration of Recordation of Customs Declaration Entities of the PRC (《中華人民共和國海關報關單位備案管理規定》) promulgated by the General Administration of Customs on November 19, 2021 and came into effect on January 1, 2022, customs declaration entities refer to consignees or consignors of imports and exports and customs declaration enterprises which have filed record with the Customs pursuant to these Provisions. Consignees or consignors of imports and exports and customs declaration enterprises applying for filing shall obtain market entity qualification and in the case of consignees or consignors of imports and exports applying for filing, they shall also complete filing formalities for foreign trade business operators.

According to the Notice on Matters Concerning the Recordation of the Consignees and Consignors of Imported and Exported Goods (《關於進出口貨物收發貨人備案有關事宜的通知》) issued by the Department of Enterprise Management and Audit-Based Control of the General Administration of Customs on January 3, 2023 and came into effect on the same day, a consignee or consignor of imported or exported goods who applies for filing shall be qualified as a market entity and is not required to be filed as a foreign trade business operator.

Regulations on Cyber Security, Data Security and Personal Information Protection

In recent years, PRC government authorities have enacted laws and regulations on internet use to protect personal information from any unauthorized disclosure. The Decisions on Protection of Internet Security enacted by the SCNPC (《全國人民代表大會常務委員會關於維護互聯網安全的決定》) in 2000, as amended on August 27, 2009, provides that, among other things, the following activities conducted through the internet, if constituted a crime according to PRC laws, are subject to criminal punishment: (i) intrusion into a strategically significant computer or system; (ii) intentionally inventing and disseminating destructive programs, such as computer viruses, to attack the computer system and the communications network, thereby damaging the computer system and the communications networks; (iii) violating national regulations, suspending the computer networks or the communication services without authorization, causing the computer network or communication system to fail to operate normally; (iv) leaking state secrets; (v) spreading false commercial information; or (vi) infringing intellectual property rights through internet.

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On July 1, 2015, the SCNPC issued the National Security Law of the PRC (《中華人民共和國國家安全法》), which came into effect on the same day, pursuant to which the state shall safeguard the sovereignty, security and cybersecurity development interests of the state, and that the state shall establish a national security review and supervision system to review, among other things, foreign investment, key technologies, internet and information technology products and services, and other important activities that are likely to impact the national security of the PRC.

On May 28, 2020, the National People’s Congress adopted the PRC Civil Code (《中華人民共和國民法典》) (the “**Civil Code**”), which came into effect on January 1, 2021. Pursuant to the Civil Code, the personal information of a natural person shall be protected by the law. Any organization or individual shall legally obtain such personal information of others when necessary and ensure the safety of such information, and shall not illegally collect, store, use, process or transmit personal information of others, or illegally provide or disclose personal information of others. Personal information of natural persons refers to all kinds of information recorded by electronic or otherwise that can be used to independently identify or be combined with other information to identify the natural persons’ names, date of birth, ID numbers, biometric information, addresses, telephone numbers, e-mail addresses, health information and whereabouts. The Civil Code revised the internet tort liability and further elaborated on “safe harbour” rule with respect to an internet service provider from both the aspects of notice and counter notice, including (i) upon receiving notice from the right holder that any network users infringe on his/her civil rights, promptly adopting necessary protective measures such as deletion, screening or disconnection of hyperlinks and referring right holders’ notice to disputed internet user; and (ii) upon receiving counter-notice from the disputed internet user, referring such counter-notice to the claiming right holder and informing him/her to take other corresponding measures such as filing complaint with competent authorities or suit with courts. The Civil Code also provides that where the internet service provider knew or should have known the infringing acts of the network user but took no necessary measures, it shall be jointly and severally liable with such internet user.

On November 7, 2016, the SCNPC promulgated the Cybersecurity Law of the PRC (《中華人民共和國網絡安全法》) (“**Cybersecurity Law**”) and become effective as of June 1, 2017, which applies to the construction, operation, maintenance and use of networks as well as the supervision and administration of cybersecurity in the PRC. According to the Cybersecurity Law, network operators shall comply with laws and regulations and fulfill their obligations to safeguard security of the network when conducting business and providing services. Those who provide services through networks shall take technical measures and other necessary measures pursuant to the mandatory requirements of laws, regulations and national standards to safeguard the safe and stable operation of the networks, respond to network security incidents effectively, prevent illegal and criminal activities, and maintain the integrity, confidentiality and usability of network data,

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and the network operator shall not collect the personal information irrelevant to the services it provides or collect or use the personal information in violation of the provisions of laws or agreements between both parties.

On June 10, 2021, the SCNPC promulgated the Data Security Law of PRC (《中華人民共和國數據安全法》) (“**Data Security Law**”) which became effective on September 1, 2021. The Data Security Law mainly sets forth specific provisions regarding establishing basic systems for data security management, including hierarchical data classification management system, risk assessment system, monitoring and early warning system, and emergency disposal system.

In August 2021, the SCNPC promulgated the Personal Information Protection Law Of The People’s Republic Of China (《個人信息保護法》) (“**The Personal Information Protection Law**”) which took effect in November 2021. The Personal Information Protection Law requires, among others, that (i) the processing of personal information should have a clear and reasonable purpose which should be directly related to the processing purpose, using a method that has the least impact on personal rights and interests, and (ii) the collection of personal information should be limited to the minimum scope necessary to achieve the processing purpose to avoid the excessive collection of personal information.

Different types of personal information and personal information processing will be subject to various rules on consent, transfer, and security. Entities handling personal information shall bear responsibility for their personal information handling activities, and adopt necessary measures to safeguard the security of the personal information they handle. Otherwise, personal information processors could be subject to liability for their processing activities, including rectification, or suspension or termination of their provision of their services as well as confiscation of illegal income, fines or other penalties. As the Data Security Law, the Personal Information Protection Law and relevant rules and regulations are constantly evolving and may be amended from time to time, we may be required to make further adjustments to our business practices to comply with these laws, rules and regulations.

In the meantime, the PRC regulatory authorities have also enhanced the supervision and regulation on cross-border data transfer. On July 7, 2022, the CAC promulgated the Measures for the Security Assessment of Cross-border Data Transmission (《數據出境安全評估辦法》), which came into effect on September 1, 2022 and regulate the security assessment on the cross-border data transfer by data processor of important data and personal information collected and generated during operations within the PRC. According to the official interpretation by the official of the CAC, cross-border data transfer activities subject to these measures include (1) the transmission and storage overseas by data processors of the data generated during PRC domestic operations, and (2) the access to or use of the data collected and generated by data processors and stored in the PRC by overseas institutions, organizations or individuals. On March 22, 2024, the CAC issued the

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Regulations on Promoting and Standardizing Cross-Border Data Transfer (《促進和規範數據跨境流動規定》) (“**the Regulations**”). According to the Regulations, data processors are subject to security assessments conducted by the CAC prior to any cross-border transfers of important data and personal information, if falling under any of the following circumstances: (i) where the critical information infrastructure operator intends to provide important data or personal information overseas; (ii) where the data processor other than critical information infrastructure operators intends to provide important data overseas; (iii) where the data processor other than critical information infrastructure operators, who has provided personal information (excluding sensitive personal information) of at least one million individuals or sensitive personal information of at least 10,000 individuals to overseas recipients accumulatively since January 1 of any given calendar year, intends to provide personal information overseas; and (iv) other circumstances where the security assessment of cross-border data transfer is required as prescribed by the CAC. In case of any inconsistency between the Regulations and other regulations such as the Measures for the Security Assessment of Cross-border Data Transmission (《數據出境安全評估辦法》) issued on July 7, 2022 and the Provisions on the Prescribed Agreement on Cross-border Data Transfer (《個人信息出境標準合同辦法》) issued on February 22, 2023, the Regulations shall prevail.

Another example is that, on February 22, 2023, the Provisions on the Prescribed Agreement on Cross-border Data Transfer (《個人信息出境標準合同辦法》) (the “**Provisions on Prescribed Agreement**”) were promulgated by the CAC, which took effect on June 1, 2023. The Provisions on Prescribed Agreement attach the prescribed template for cross-border data transfer agreement that could be used to satisfy one of the conditions for cross-border transfer of personal information under Article 38 of the Personal Information Protection Law.

On April 13, 2020, the CAC, the NDRC, the MIIT, and several other governmental authorities jointly issued the Measures for Cybersecurity Review (《網絡安全審查辦法》) (the “**Cybersecurity Review Measures**”), which came into effect on June 1, 2020. According to the Cybersecurity Review Measures, the purchase of cyber products and services mainly including core network equipment, high-performance computers and servers, mass storage devices, large databases and application software, network security equipment, cloud computing services, and other products and services that have an important impact on the security of critical information infrastructure which affects or may affect national security is subject to cybersecurity review by the Cybersecurity Review Office. On December 28, 2021, the CAC, together with certain other PRC governmental authorities, promulgated the Revised Cybersecurity Review Measures which replaced the then-effective version and took effect on February 15, 2022. According to the Revised Cybersecurity Review Measures, operators of critical information infrastructure who purchase network products and services and network platform operators who carry out data processing activities that affect or may affect national security shall be subject to cybersecurity review. In addition, network platform operators with personal information of over one million users must

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apply for a cybersecurity review before listing abroad. Relevant competent governmental authorities may also initiate cybersecurity review if they determine certain network products, services or data processing activities affect or may affect national security. Article 10 of the Revised Cybersecurity Review Measures also sets out certain general factors that are the focus in assessing the national security risk in a cybersecurity review, including (i) the risks of critical information infrastructure being illegally controlled by any individual or organization or subject to interference or destruction; (ii) the harm caused by the disruption of the supply of the product or service to the continuity of critical information infrastructure business; (iii) the security, openness, transparency and diversity of sources of the product or service, the reliability of supply channels, and risks of supply disruption due to political, diplomatic, trade and other factors; (iv) compliance with PRC laws, administrative regulations and department rules by the provider of the product or service; (v) the risk of core data, important data or a large amount of personal information being stolen, leaked, damaged, illegally used, or illegally transmitted overseas; (vi) the risk that critical information infrastructure, core data, important data or a large amount of personal information for a listing being affected, controlled, and maliciously used by foreign governments, as well as network information security risks; and (vii) other factors that may endanger the security of critical information infrastructure, cybersecurity and data security.

Furthermore, on September 24, 2024, the State Council released the Network Data Regulation (《網絡數據安全管理條例》), which shall come into force on January 1, 2025. The Network Data Regulation is not only the first at the administrative regulation level specifically for network data security, but it also serves as a comprehensive implementing regulation for the compliance requirements set out by the Cybersecurity Law, Data Security Law, and Personal Information Protection Law. The Network Data Regulation introduces several key obligations, including requiring network data handlers to specify the purpose and method of personal information processing, as well as the types of personal information involved, before any personal information is handled. It also clarifies definitions for important data, outlines the obligations of those handling important data, establishes broader contractual requirements for data sharing between data handlers, and introduces a new exemption for regulatory obligations regarding cross-border data transfers.

LAWS AND REGULATIONS ON INTELLECTUAL PROPERTY

The PRC has adopted comprehensive legislation governing intellectual property rights, including copyrights, patents, trademarks and domain names.

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Copyright

According to the Copyright Law of the PRC (《中華人民共和國著作權法》) last amended by the SCNPC on November 11, 2020 and came into effect on June 1, 2021, works of Chinese citizens, legal persons or unincorporated organizations, i.e. intellectual achievements in the field of literature, art and science that are original and can be expressed in a certain form, whether published or not, are entitled to copyright in accordance with the law. Copyright includes a series of personal and property rights such as the right of publication, the right of authorship, the right of modification, the right to protect the integrity of the work and the right of reproduction.

According to the Measures for the Computer Software Copyright Registration (《計算機軟件著作權登記辦法》) promulgated by the National Copyright Administration on February 20, 2002, and the Regulations on the Computer Software Protection (《計算機軟件保護條例》) amended by the State Council on January 30, 2013 and came into effect on March 1, 2013, the National Copyright Administration shall be the competent governmental authority for the nationwide administration of software copyright registration and the China Copyright Protection Center is designated as the software registration authority which shall grant registration certificates to the computer software copyright applicants.

Patent

According to the Patent Law of the PRC (《中華人民共和國專利法》) last amended by the SCNPC on October 17, 2020 and came into effect on June 1, 2021, and the Implementation Regulations for the Patent Law of the PRC (《中華人民共和國專利法實施細則》) last amended by the State Council on December 11, 2023 and came into effect on January 20, 2024, patents are divided into 3 categories, i.e. invention patents, utility model patents and design patents. The validity period of patents for inventions is 20 years, while the validity period of patents for utility models is 10 years, and the validity period of patents for designs is 15 years, all starting from the date of application.

Trademark

According to the Trademark Law of the PRC (《中華人民共和國商標法》) last amended by the SCNPC on April 23, 2019 and came into effect on November 1, 2019, and the Implementation Rules of the Trademark Law of the PRC (《中華人民共和國商標法實施條例》) last amended by the State Council on April 29, 2014 and came into effect on May 1, 2014, the trademarks registered with the Trademark Office of China National Intellectual Property Administration are registered trademarks, including commodity trademarks, service trademarks, collective marks and certificate marks. The registration of a trademark shall be valid for ten years from the date of approval. If there is a continued need for the use of the trademark, a renewal shall be made in

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accordance with requirements within 12 months before the expiry of the trademark registration. Each renewal of registration of a trademark shall be valid for ten years from the date after the expiry of the previous trademark registration.

Domain Names

According to the Administrative Measures on the Internet Domain Names (《互聯網域名管理辦法》) issued by the MIIT on August 24, 2017 and came into effect on November 1, 2017, domain name registrations are handled through domain name service agencies established according to the relevant regulations, and the applicants become domain name holders upon successful registration.

ENVIRONMENTAL REGULATIONS

Environmental Protection Law

According to the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》) (“**The Environmental Protection Law**”) amended by the SCNPC on April 24, 2014 and implemented on January 1, 2015. The Environmental Protection Law was established to protect and improve both the living and the ecological environment, prevent and control pollution and other public hazards, and safeguard people’s health. According to the provisions of the Environmental Protection Law, in addition to other applicable laws and regulations of the PRC, the Ministry of Environmental Protection and its local counterparts are responsible for administering and supervising environmental protection matters. Pursuant to the Environmental Protection Law, construction projects that have environmental impact shall be subject to an environmental impact assessment. Installations for the prevention and control of pollution in construction projects must be designed, built and commissioned together with the principal construction plan of the project. Such installations shall not be dismantled or left idle without authorization from the competent government agencies.

Consequences of violations of the Environmental Protection Law include warnings, fines, rectification within a time limit, forced shutdown, or criminal punishment on Environment Impact Assessment.

Laws on Environment Impact Assessment

Pursuant to the Law of the People’s Republic of China on Environment Impact Assessment (《中華人民共和國環境影響評價法》) issued on October 28, 2002 and most recently amended on December 29, 2018, the State Council implemented an environmental impact assessment, or EIA, to classify construction projects according to the impact of the construction projects on the environment. Constructing entities shall prepare an environmental impact report, or an EIR, or an

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environmental impact statement, or an EIS, or fill out the EIR Form according to the following rules: (i) for projects with potentially serious environmental impacts, an EIR shall be prepared to provide a comprehensive assessment of their environmental impacts; (ii) for projects with potentially mild environmental impacts, an EIS shall be prepared to provide an analysis or specialized assessment of the environmental impacts; and (iii) for projects with very small environmental impacts, an EIS is not required but an EIR form shall be completed.

REGULATIONS RELATED TO LEASING PROPERTIES

Pursuant to the Administration of Urban Real Estate Law of the PRC (《中華人民共和國城市房地產管理法》), which was promulgated by the SCNPC on July 5, 1994 and most recently amended on August 26, 2019 and came into effect on January 1, 2020, a written lease contract shall be entered into between the lessor and the lessee for leasing a property. The contract shall include the terms and conditions such as the term, purpose and price of leasing and liability for maintenance and repair, as well as other rights and obligations of both parties. The contract shall be filed for registration and record with the real estate administration department.

The Administrative Measures for Commercial House Leasing (《商品房屋租賃管理辦法》) were promulgated by the Ministry of Housing and Urban-Rural Development on December 1, 2010, and became effective on February 1, 2011. These measures set out specific rules for commercial house leasing. Houses may not be leased in any of the following circumstances: (i) the house is an illegal structure; (ii) the house fails to meet mandatory engineering construction standards with respect to safety and disaster prevention; (iii) the house usage is changed in violation of applicable regulations; and (iv) other circumstances prohibited by laws and regulations. The lessor and the lessee shall register and file with the local competent authority within thirty days after entering into the lease contract. Noncompliance with such registration and filing requirements shall be subject to fines from RMB1,000 to RMB10,000 provided that they fail to rectify within required time limits.

The lease contract shall also comply with the provisions of the Civil Code. Pursuant to the Civil Code, the contents of a lease contract generally include terms such as the name, quantity and purpose of the leased property, lease term, rent as well as time limit and method for its payment, and maintenance of the leased property. The owner of immovable or movable property is entitled to possession, use, earnings, and disposal of such property in accordance with the laws. Subject to the consent of the lessor, the lessee may sublease the leased premises to a third party. Where a lessee subleases the premises, the lease contract between the lessee and the lessor remains valid. The lessor is entitled to terminate the lease if the lessee subleases the premises without the consent of the lessor. In addition, if the ownership of the leased premises changes during the lessee's possession in accordance with the terms of the lease contract, the validity of the lease contract shall not be affected.

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LAWS AND REGULATIONS ON LABOR, SOCIAL INSURANCE AND HOUSING PROVIDENT FUND

Labor Law and Labor Contracts Law

According to the Labor Law of the PRC (《中華人民共和國勞動法》) last amended by the SCNPC on December 29, 2018 and came into effect on the same day, the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》) last amended by the SCNPC on December 28, 2012 and came into effect on July 1, 2013, and the Implementing Regulations of the Labor Contracts Law of the PRC (《中華人民共和國勞動合同法實施條例》) promulgated by the State Council on September 18, 2008 and came into effect on the same day, labor contracts must be executed in writing if labor relationships are to be established between employers and employees. Employers are prohibited from forcing employees to work above certain time limits and employers must pay employees for overtime work in accordance with national regulations. In addition, employee wages must not be lower than local standards on minimum wages and must be paid to employees in a timely manner.

Social Insurance and Housing Provident Fund

According to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》) last amended by the SCNPC and came into effect on December 29, 2018, the Regulation on the Administration of Housing Provident Fund (《住房公積金管理條例》) last amended by the State Council and came into effect on March 24, 2019 and other relevant laws and regulations, employers in China are required to provide employees with welfare schemes covering basic pension insurance, basic medical insurance, unemployment insurance, maternity insurance, work-related injury insurance and housing provident fund.

On September 1, 2025, the Interpretation (II) of the Supreme People’s Court on Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》) came into effect. According to this interpretation, among others, where the employer and the employee agree, or the employee promises the employer, that there is no need to make social insurance contributions, the people’s court shall determine that such agreement or promise is invalid. Where the employer fails to make social insurance contributions in accordance with the law, and the employee requests to terminate the labor contract and claim economic compensation in accordance with item (3) of Article 38 of the Labor Contract Law, the people’s court shall uphold such claim.

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As our Group has not encountered any of the circumstances outlined in the preceding paragraph, the Interpretation (II) of the Supreme People’s Court on Issues Concerning the Application of Law in the Trial of Labor Dispute Cases will not impact our Group’s compliance with social insurance contribution requirements under PRC laws and regulations.

In addition, any employer that fails to make contributions to above-mentioned social insurance and housing provident fund as required may be ordered to pay the required contributions within a prescribed time limit. If the employer still fails to make the relevant contributions within the prescribed time, a fine may be imposed, and for the overdue contribution, the people’s court may enforce collection.

LAWS AND REGULATIONS RELATING TO TAXATION

Enterprise income tax

According to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) (“**the EIT Law**”), as last revised on December 29, 2018 and implemented on the same day, and the Regulations on the Implementation 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》) (“**the EIT Law Implementation Regulations**”), as last revised on December 6, 2024 and implemented on January 20, 2025, enterprises and other organizations with PRC-sourced income shall pay enterprise income tax. Under the EIT Law, enterprises are categorized into resident and non-resident enterprises. Resident enterprises, which are established in China, or which are established under the law of a foreign country (region) but have de facto management body inside China, are subject to the uniform 25.0% enterprise income tax rate for their global income. It is also provided that the enterprise income tax shall be levied at the reduced rate of 20.0% for qualified “small meagre-profit enterprises” and the enterprise income tax shall be levied at the reduced rate of 15.0% for “high and new technology enterprises” in key industries supported by the PRC government. In certain circumstances, the enterprise income tax may be exempted or reduced, or preferential enterprise income tax may be granted.

According to the Announcement on Implementation of Income Tax Incentives for Micro and Small Enterprises and Individually-owned Businesses (《關於實施小微企業和個體工商戶所得稅優惠政策的公告》) and the Announcement of the State Taxation Administration on Matters Concerning the Implementation of Preferential Income Tax Policies Supporting the Development of Small Low-Profit Enterprises and Individual Industrial and Commercial Households (《國家稅務總局關於落實支持小型微利企業和個體工商戶發展所得稅優惠政策有關事項的公告》), during the period from January 1, 2021 to December 31, 2022, the annual taxable income of a small low-profit enterprise that is not more than RMB1 million is subject to the preferential income tax rate of 20% followed by an 87.5% exemption. According to the Notice of the MOF and the SAT on the Income Tax Incentives to Small and Micro Enterprises and Individually-owned Businesses

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(《財政部、國家稅務總局關於小微企業和個體工商戶所得稅優惠政策的公告》) and the Notice of the MOF and the SAT on the Relevant Tax and Fee Policies for Further Supporting the Development of Micro and Small Enterprises and Individual Industrial and Commercial Households (《財政部、稅務總局關於進一步支持小微企業和個體工商戶發展有關稅費政策的公告》), which shall be in force from January 1, 2023 to December 31, 2027, for the annual taxable income of a small and low-profit enterprise, the portion not exceeding RMB1 million is subject to the preferential income tax rate of 20% followed by a 75% exemption.

Pursuant to the Measures for the Administration of the Accreditation of High-Tech Enterprises (Revised in 2016) (《高新技術企業認定管理辦法(2016修訂)》), which was promulgated by the Ministry of Science and Technology, Ministry of Finance and the SAT on January 29, 2016 and came into effect from January 1, 2016, high and new technology enterprises, which are accredited pursuant to these measures, may apply for entitlement to the tax preferential policies pursuant to the relevant provisions of the EIT Law and EIT Law Implementation Regulations. According to EIT Law and EIT Law Implementation Regulations, the income tax for high and new technology enterprises the industry of which is supported by the State will be at a reduced tax rate of 15%.

Value-added Tax

According to the Interim Regulations on Value-added Tax of the PRC (《中華人民共和國增值稅暫行條例》) promulgated by the State Council on 13 December 1993 and most recently amended on November 19, 2017, and the Implementation Rules for the Interim Regulations on Value-added Tax of the PRC (《中華人民共和國增值稅暫行條例實施細則》) promulgated by the MOF on December 18, 2008, and most recently amended on October 28, 2011 which became effective on November 1, 2011, all entities selling goods, providing services or importing goods within the PRC shall pay value-added tax (“VAT”). For general VAT taxpayers engaging in sale of goods, services, lease of tangible and movable goods or importation of goods other than those specifically listed in the aforesaid rules and regulations, the VAT rate is 17%, which was adjusted to 13% according to the Announcement on Policies for Deepening the Value-added Tax Reform (《關於深化增值稅改革有關政策的公告》) promulgated jointly by the MOF, the STA and the General Administration of Customs on March 20, 2019. For general VAT taxpayers engaging in, among others, the sale of transportation services, postal services, basic telecommunications services, construction services, the lease and sale of real properties, and the transfer of land use rights, the VAT rate is 11%. For general VAT taxpayers engaging in the sale of services and intangible assets, the VAT tax rate is 6%.

The SCNPC promulgated The Value-added Tax Law of the PRC (《中華人民共和國增值稅法》) (“**The Value-added Tax Law**”) on December 25, 2024, which took effect on January 1, 2026. According to the Value-added Tax Law, the VAT rate for general VAT taxpayers engaging in sale of

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goods, services, lease of tangible and movable goods or importation of goods was adjusted to 13%, the VAT rate for general VAT taxpayers engaging in, among others, the sale of transportation services, postal services, basic telecommunications services, construction services, the lease and sale of real properties, and the transfer of land use rights was adjusted to 9%.

REGULATIONS ON OVERSEAS SECURITIES OFFERING AND LISTING BY DOMESTIC COMPANIES

The Securities Law of the PRC (《中華人民共和國證券法》) (“**The Securities Law**”), which was last revised by the SCNPC on December 28, 2019 and took effect on March 1, 2020, has comprehensively regulated the activities of the securities market in China, including the issuance and trading of securities, the acquisition of listed companies, stock exchanges, securities companies, and the responsibilities of securities regulatory agencies. The Securities Law further stipulates that enterprises in China that directly or indirectly issue securities overseas or list securities overseas shall comply with the relevant provisions of the State Council. The specific measures for subscribing and trading shares of companies in China in foreign currency shall be separately prescribed by the State Council. The CSRC is a securities regulatory agency established by the State Council, responsible for supervising and managing the securities market in accordance with the law, maintaining market order, and ensuring the legal operation of the market. At present, the issuance and trading of H shares are mainly regulated by regulations and rules promulgated by the State Council and the CSRC.

According to The Interim Measures for the Administration of Overseas Securities Offering and Listing by Domestic Enterprises (《境內企業境外發行證券和上市管理試行辦法》) by the CSRC on February 17, 2023 and effective from March 31, 2023, where a domestic company issuer procures an overseas initial public offering or listing, it shall file with the CSRC within three business days after submitting application documents for overseas securities offering and listing.

According to the Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) jointly issued by the CSRC and other departments on February 24, 2023 and effective on March 31, 2023, in the overseas offering and listing activities of domestic companies, domestic companies, and securities companies and securities service institutions that provide corresponding services shall strictly comply with the applicable laws and regulations of the PRC and satisfy the requirements of these Provisions, enhance the legal awareness of safeguarding state secrets and strengthening archives administration, establish and improve the confidentiality and archives work system, and take necessary measures to fulfill the confidentiality and archives administration obligations, and shall not divulge state secrets or work secrets of state organs, or harm the interests of the state or the public. A domestic company that, either directly or through its overseas listed entity, provides or publicly discloses to relevant

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securities companies, securities service institutions, overseas regulators, and other entities and individuals, any documents and materials that involve state secrets or work secrets of state organs, shall obtain approval from the competent department with the power of examination and approval according to the law, and report to the administrative department of confidentiality at the same level for filing.

LAWS AND REGULATIONS RELATED TO OUR OPERATIONS IN THE U.S.

Relevant U.S. regulations governing driver monitoring and child-safety technologies include the *SAFE Act of 2021*, which requires NHTSA to evaluate driver-monitoring systems capable of detecting distraction, fatigue, or driver incapacitation, and the *Hot Cars Act of 2021*, which mandates in-vehicle systems capable of detecting children left in the rear seats using heat or motion sensors and issuing alerts before the driver exits the vehicle. The *Driver Privacy Act of 2015* establishes that event data recorder (EDR) data belongs to the vehicle owner and may only be accessed with explicit owner consent or a court order. In addition, vehicle safety technology requirements are specified under 49 CFR 571.102 for driver-monitoring systems and 49 CFR 571.126 for braking systems capable of monitoring driver behavior and activating emergency braking when necessary.

LAWS AND REGULATIONS RELATED TO OUR OPERATIONS IN EUROPE

United Kingdom

Under the *National Security and Investment Act 2021*, the U.K. operates a mandatory national-security review regime without a minimum transaction threshold. Investments, acquisitions or arrangements that grant influence over strategic decision-making, or the use or control of sensitive assets, may trigger review. If the Company (or its subsidiaries) undertakes acquisitions, establishes key technology operations, or conducts data-processing activities in the U.K., the transaction may become subject to national-security approval.

Italy

Italy’s “Golden Power” regime applies to strategic sectors including defense, energy, communications, critical infrastructure and critical technologies. Non-EU investors acquiring control, or acquiring 10% or more of voting rights in a strategic-sector company with an investment exceeding EUR 1 million, must submit a filing. In defense and national-security sectors, filings are required at 3%, 5%, 10%, 15% and subsequent thresholds. Since August 2023, intra-group transactions by non-EU investors in strategic sectors also require review. If the Group invests in Italian companies involved in communications technologies, data storage or other strategic fields, the transaction would be subject to Golden Power scrutiny.

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Spain

Spain’s foreign investment review regime, based on Law 19/2003 and Royal Decree 571/2023, requires mandatory notification for non-EU investors acquiring $\geq 10\%$ equity or control in companies operating in critical infrastructure, critical technologies, essential raw materials, sensitive information access or media sectors. Filings are also mandatory if the investor is directly or indirectly controlled by a third-country government. Any investment by the Group into Spanish businesses involved in relevant technology or infrastructure would therefore require prior regulatory approval.

Sweden

Sweden’s regulatory requirements are closely aligned with its “Vision Zero” national traffic-safety strategy. Regulations mandate strict safety requirements such as automatic headlamp activation and mandatory winter anti-skid tires, alongside stringent standards for vehicle safety functions, driver-assistance systems and road-monitoring technologies. If the Group deploys in-vehicle monitoring or auxiliary-safety systems in Sweden, its products must comply with Sweden’s comprehensive vehicle-safety and traffic-management standards.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

OVERVIEW

Our history can be traced back to September 2002, when our Company was founded as a limited liability company under the laws of PRC by Mr. Zhao Zhijian and Mr. Wang Xidian with the name of Shenzhen Streamax Video Technology Co., Ltd. (深圳市銳明視訊技術有限公司). For the biographical details of Mr. Zhao Zhijian and Mr. Wang Xidian, see “Directors and Senior Management.”

In May 2015, our Company was converted into a joint stock company with limited liability. Since December 2019, our A Shares have been listed on the Shenzhen Stock Exchange with the stock code of 002970. For details, see “— Major Shareholding Changes of Our Company” below.

BUSINESS DEVELOPMENT MILESTONES

The following is a summary of our Group’s key corporate and business development milestones:

Year	Event
2002	Our Company was founded in Shenzhen, Guangdong Province.
2006	- According to Frost & Sullivan, we were one of the first video device suppliers from China to expand into the US school bus market. Such expansion marked the starting point of our approximately two decades of global business expansion. - We undertook a project for the procurement and installation of in-vehicle multimedia video recording, playback and intelligent bus equipment, which was the first government-funded in-vehicle system development project in China according to Frost & Sullivan.
2014	We cooperated with Huazhong University of Science and Technology (華科技大學) and commenced the research and development of intelligent in-vehicle image recognition systems.
2018	We launched DMS and ADAS products based on neural network AI technologies and commenced the sales of AI edge products.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Year	Event
2019	- We were listed on the Shenzhen Stock Exchange (stock code: 002970). - According to Frost & Sullivan, we ranked the first in the world in terms of the market share of global video device in transport service vehicle.
2021	We were accredited as a Specialized and Sophisticated “Little Giant” Enterprise (專精特新“小巨人”企業) by the Ministry of Industry and Information Technology.
2023	- We were recognized as a national Manufacturing Single-Product Champion Demonstration Enterprise (製造業單項冠軍示範企業) by the Ministry of Industry and Information Technology. - Our first overseas production facility in Vietnam commenced operation. - Our pre-installation solutions obtained EU standard certification, supporting leading domestic commercial vehicle enterprises to enter the European market.
2024	We launched our cloud-based AI large model system, SafeGPT, to explore commercialization of AI large model technologies.
2025	We established our global headquarter and accounting center in Singapore.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

OUR MAJOR SUBSIDIARIES

The following table sets forth the detailed information of the major subsidiaries of our Company that made a material contribution to our results of operations during the Track Record Period:

Name of subsidiary	Place of establishment	Date of establishment	Equity interest attributable to our Group	Principal business activities
Shenzhen Chenrui	PRC	May 28, 2013	100%	Development and sales of software
Chongqing Streamax	PRC	April 8, 2009	100%	Development and sales of software
Beijing Bafang	PRC	May 10, 2017	60% ⁽¹⁾	Development and sales of software and hardware
Sichuan Streamax Zhitong	PRC	April 10, 2019	100%	Development and sales of software and hardware
Dongguan Streamax Electronics	PRC	March 2, 2021	100%	Manufacturing of products
Shenzhen Streamax Trading	PRC	July 11, 2024	100%	Trading of products ⁽²⁾
Dongguan Streamax Intelligent	PRC	October 23, 2018	100%	Asset holding
Hong Kong Streamax	Hong Kong	May 31, 2013	100%	Trading of products ⁽²⁾
Streamax America	US	January 24, 2017	100%	Trading of products ⁽²⁾
Streamax Singapore	Singapore	July 3, 2023	100%	Trading of products ⁽²⁾
Streamax Middle East	UAE	August 3, 2023	70% ⁽¹⁾	Trading of products ⁽²⁾
Streamax Vietnam	Vietnam	December 1, 2022	100%	Manufacturing of products

Notes:

- (1) For the information of the minority shareholders of Beijing Bafang and Streamax Middle East, please see “—Corporate Structure Immediately Before the [REDACTED].”
- (2) Primarily including the trading of AI solutions and video devices, which directly supports our Group’s principal business operations.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Please refer to “— Corporate Structure” in this section and Note 1 of the Accountants’ Report set out in Appendix I to this document for information on our other subsidiaries. For changes in the registered capital of our subsidiaries, see “Statutory and General Information—A. Further Information about Our Group—3. Changes in the Share Capital of Our Subsidiaries” in Appendix VI to this document.

MAJOR SHAREHOLDING CHANGES IN OUR COMPANY

1. Early Development and Conversion into a Joint Stock Company

Our Company, then known as Shenzhen Streamax Video Technology Co., Ltd. (深圳市銳明視訊技術有限公司), was incorporated on September 3, 2002 and later changed its name to Streamax Technology Co., Ltd. (深圳市銳明技術股份有限公司) in May 2015. Between 2003 and 2011, our Company underwent several rounds of capital increases and transfers, upon completion of which our registered capital increased to RMB17,000,000.

On May 26, 2015, our Company was converted from a limited liability company to a joint stock limited company, with a registered capital of RMB60,000,000 converted into 60,000,000 Shares which were subscribed to by all of the then Shareholders in proportion to their respective equity interests in our Company. The shareholding structure of our Company immediately following our conversion into a joint stock company was as follows:

Shareholder	Number of Shares	Percentage shareholding
Mr. Zhao Zhijian	20,229,600	33.72%
Mr. Wang Xidian	15,005,400	25.01%
Charter Trinity Investments Limited (“ Charter Investments ”) ⁽¹⁾	14,700,000	24.50%
Mr. Jiang Mingjun ⁽²⁾	2,025,000	3.38%
Mr. Liu Wentao ⁽³⁾	1,620,000	2.70%
Mr. Jiang Wenjun ⁽⁴⁾	1,620,000	2.70%
Zhuorui Investment Management Co., Ltd (深圳市卓瑞投資 管理有限公司) (“ Zhuorui Investment Management ”) ⁽⁵⁾	3,840,000	6.40%
Shenzhen Yongrui Investment Management Co., Ltd (深圳永 瑞投資管理有限公司) (“ Yongrui Investment Management ”) ⁽⁵⁾	960,000	1.60%
Total	60,000,000	100.00%

Notes:

- (1) Charter Investments was established in Hong Kong on May 29, 2007, principally engaged in import and export trade. As of the Latest Practicable Date, Charter Investments was wholly owned by Smart Wing Investments Limited which was in turn held by Chan Hon Po and Tam Man Chi as to 50% and 50%. Each of Chan Hon Po and Tam Man Chi was an Independent Third Party.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

- (2) Jiang Mingjun was the then chairman of the supervisory board of our Company and was an Independent Third Party as of the Latest Practicable Date.
- (3) Liu Wentao was a then director and deputy general manager of our Company and was an Independent Third Party as of the Latest Practicable Date.
- (4) Jiang Wenjun was a then employee of our Company and was an Independent Third Party as of the Latest Practicable Date.
- (5) Zhuorui Investment Management, a limited liability company established in the PRC on November 21, 2011 and Yongrui Investment Management, a limited liability company established in the PRC on November 21, 2011, were the then share incentive platforms of our Company at the time.

2. Listing on the Shenzhen Stock Exchange

In order to implement our Company’s development strategies, obtain direct access to the mature capital market, enhance our marketing capabilities and optimize our capital structure, on March 26, 2018, our then Shareholders resolved to apply for the listing of and permission to deal in the shares of our Company on the Shenzhen Stock Exchange. Since December 17, 2019, our A Shares have been listed on the Shenzhen Stock Exchange under the stock code 002970 (the “**A Share Listing**”). In connection with our A Share listing, we issued an aggregate of 21,600,000 A Shares, accounting for approximately 25% of our then enlarged share capital, raised net proceeds of approximately RMB752.61 million. The shareholding structure of our Company immediately following the completion of our A Share listing was as follows:

Shareholder	Number of Shares	Percentage shareholding
Mr. Zhao Zhijian	22,829,600	26.42%
Mr. Wang Xidian	16,705,400	19.33%
Charter Investments	14,700,000	17.01%
Zhuorui Investment Management	3,840,000	4.44%
Mr. Jiang Mingjun	2,025,000	2.34%
Mr. Liu Wentao	1,620,000	1.88%
Mr. Jiang Wenjun	1,320,000	1.53%
Yongrui Investment Management	960,000	1.11%
Yili Meixu Chaohua Information Consulting Partnership (Limited Partnership) (伊犁美旭超華信息諮詢合夥企業(有限合夥)) (“ Meixu Chaohua ”) ⁽¹⁾	600,000	0.69%
Yili Ruitang Information Services Partnership (Limited Partnership) (伊犁銳趟信息服務合夥企業(有限合夥)) (“ Ruitang Information ”) ⁽²⁾	200,000	0.23%
Other Public Shareholders	21,600,000	25.00%
Total	86,400,000	100.00%

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Notes:

- (1) Meixu Chaozhua is a limited partnership established in the PRC on August 25, 2017, and at the time of A Share Listing, Liu Jiamei, its general partner, was a substantial shareholder and a director of Shanghai Jirui Intelligent Technology Co., Ltd. (上海積銳智能科技有限公司), a then subsidiary of our Group. As of the Latest Practicable Date, Liu Jiamei was an Independent Third Party.
- (2) Ruitang Information is a limited partnership established in the PRC on August 25, 2017, and at the time of A Share Listing, Fang Changlun, its general partner, was a substantial shareholder and a director of Nanjing Yunji Tang Information Technology Co., Ltd. (南京雲計趨信息技術有限公司), a then subsidiary of our Group. As of the Latest Practicable Date, Fang Changlun was an Independent Third Party.

3. Capitalization of Capital Reserve in 2020

Pursuant to a resolution adopted at our general meeting held on May 11, 2020, our capital reserve was converted into paid-in capital on the basis of 10 new Shares for every 10 Shares. Consequently, our Company issued 86,400,000 new A Shares. Immediately upon completion, our registered capital was increased to RMB172,800,000, and the number of total issued Shares was increased to 172,800,000 in June 2020.

EMPLOYEE INCENTIVE PLANS

On June 13, 2022, May 14, 2024 and March 24, 2025, our Company adopted the 2022 Share Option Incentive Plan, 2024 Share Option Incentive Plan, 2025 Share Option Incentive Plan and Employee Shareholding Plan (Phase III) (collectively, the “**Employee Incentive Plans**”), respectively, in order to motivate, attract and encourage certain officers, managers, employees, directors and other eligible persons. The principal terms of the Employee Incentive Plans and the details of grants thereunder are set out in the section headed “Appendix VI—Statutory and General Information—D. Employee Incentive Plans.”

MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

Disposal of Ruiming Sciences

Shenzhen Ruiming Sciences Technology Co., Ltd. (深圳市銳明科技有限公司) (“**Ruiming Sciences**”) is a company incorporated in the PRC on December 4, 2013 and principally engaged in electronic manufacturing services, which mainly involve printed circuit board surface-mount processing. Prior to the disposal of Ruiming Sciences (the “**Disposal**”), it was held by our Company as to 66.67% and by Tang Shanliang (唐善良) as to 33.33%, and was a subsidiary of our Group. To optimize our resource allocation and focus on the development of our core business operations, on December 19, 2024, our Company, entered into an equity transfer agreement with Guangzhou Guangjiao Digital Technology Information Co., Ltd. (廣州廣交數科信息產業有限公司) (“**Guangzhou Guangjiao**”), Dongguan Ruiying Investment Partnership (Limited Partnership) (東莞市銳盈投資合夥企業(有限合夥)) (“**Dongguan Ruiying**”) and Tang Shanliang. Each of

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Guangzhou Guangjiao, Dongguan Ruiying and Tang Shanliang was an Independent Third Party. Pursuant to the equity transfer agreement, our Company agreed to dispose of 42% and 5.67% of the equity interest in Ruiming Sciences to Guangzhou Guangjiao and Dongguan Ruiyin, at considerations of RMB27,300,000 and RMB3,685,500, respectively. The considerations were determined after arm’s length negotiations with reference to the agreed valuation based on the long-term investment strategies, financial performance and prospects of Ruiming Sciences, and the industry trends. As of the Latest Practicable Date, save for the last installment of the considerations of RMB1,685,500 to be paid by Dongguan Ruiying within one year from the completion of industrial and commercial registration of the Disposal completed on February 14, 2025, all other installments of the considerations had been fully settled.

Upon completion of the Disposal, our Company held 19% equity interest in Ruiming Sciences and Ruiming Sciences ceased to be our subsidiary. The financial results of Ruiming Sciences ceased to be consolidated into those of our Group commencing from January 1, 2025. Please see Note 4 to the Accountants’ Report in Appendix I to this document for the financial information relating to the Disposal.

To the best knowledge of our Directors, Ruiming Sciences was not subject to any material litigation or investigation by regulatory authorities during the Track Record Period and prior to the Disposal. In consideration that the principal business of Ruiming Sciences deviated from our core business, and the Disposal would enable us to reduce our resources devoted to managing such ancillary business, our Directors are of the view that the Disposal did not have any material adverse impact on our Group’s financial performance, financial position and cash flows.

As advised by our PRC Legal Advisor, the registration of industrial and commercial changes in respect of the disposal of equity interests of Ruiming Sciences had been properly and legally completed and settled in compliance with applicable laws and regulations in the PRC.

OUR A SHARE LISTING AND REASONS FOR THE H SHARE [REDACTED]

Since December 2019, our A Shares have been listed on the Shenzhen Stock Exchange with the stock code of 002970. As of the Latest Practicable Date, our Directors confirmed that we had no instances of non-compliance with the rules of the Shenzhen Stock Exchange and other applicable PRC securities laws and regulations in any material respects during the Track Record Period and, to the best knowledge of our Directors having made all reasonable enquiries, there was no material matter that should be brought to the [REDACTED] attention in relation to our compliance record on the Shenzhen Stock Exchange. Our PRC Legal Advisor is of the view that the confirmation of our Directors above with regard to our compliance record is accurate and reasonable. Nothing has come to the Sole Sponsor’s attention that would reasonably cause it to disagree with the Directors’ view.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

We seek to [REDACTED] our H Shares on the [REDACTED] to raise additional capital for business growth and expansion, diversify our fundraising channels, reinforce our industry standing, enhance global brand awareness and competitiveness and optimize our capital structure and shareholder composition to support sustainable development and governance. See “Business—Our Strategies” and “Future Plans and Use of [REDACTED]” in this document for more details.

PUBLIC FLOAT

So far as our Directors are aware, all [REDACTED] H Shares to be [REDACTED] pursuant to the [REDACTED], representing approximately [REDACTED]% of our total issued share capital immediately upon [REDACTED] (assuming the [REDACTED] is not exercised and no additional Shares are issued pursuant to the Share Option Incentive Plans and excluding the treasury shares), will be counted towards the public float for the purpose of Rule 19A.13A of the Listing Rules at the time of the [REDACTED]. Accordingly, at the time of [REDACTED], we will maintain a sufficient public float as required under Rule 19A.13A(2) of the Listing Rules where at least 10% of our Company’s total number of issued shares (excluding treasury shares) will be held by the public.

FREE FLOAT

Under Rule 19A.13C of the Listing Rules, a PRC issuer with other listed shares at the time of listing must ensure that the portion of H shares for which listing is sought that are held by the public and that are not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise) at the time of listing (a) represent at least 5% of the total number of issued shares in the class to which H shares belong at the time of listing (excluding treasury shares), with an expected market value at the time of listing of not less than HK\$50,000,000, or (b) have an expected market capitalization of not less than HK\$600,000,000.

Based on an [REDACTED] of HK\$[REDACTED] per H Share, being the low-end of the indicative [REDACTED], our Company will satisfy the free float requirement under Rule 19A.13C of the Listing Rules.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

CAPITALIZATION OF OUR COMPANY

The table below is a summary of the capitalization of our Company as of the Latest Practicable Date and immediately upon completion of the [REDACTED] (assuming that the [REDACTED] is not exercised and no additional Shares are issued pursuant to the Share Option Incentive Plans):

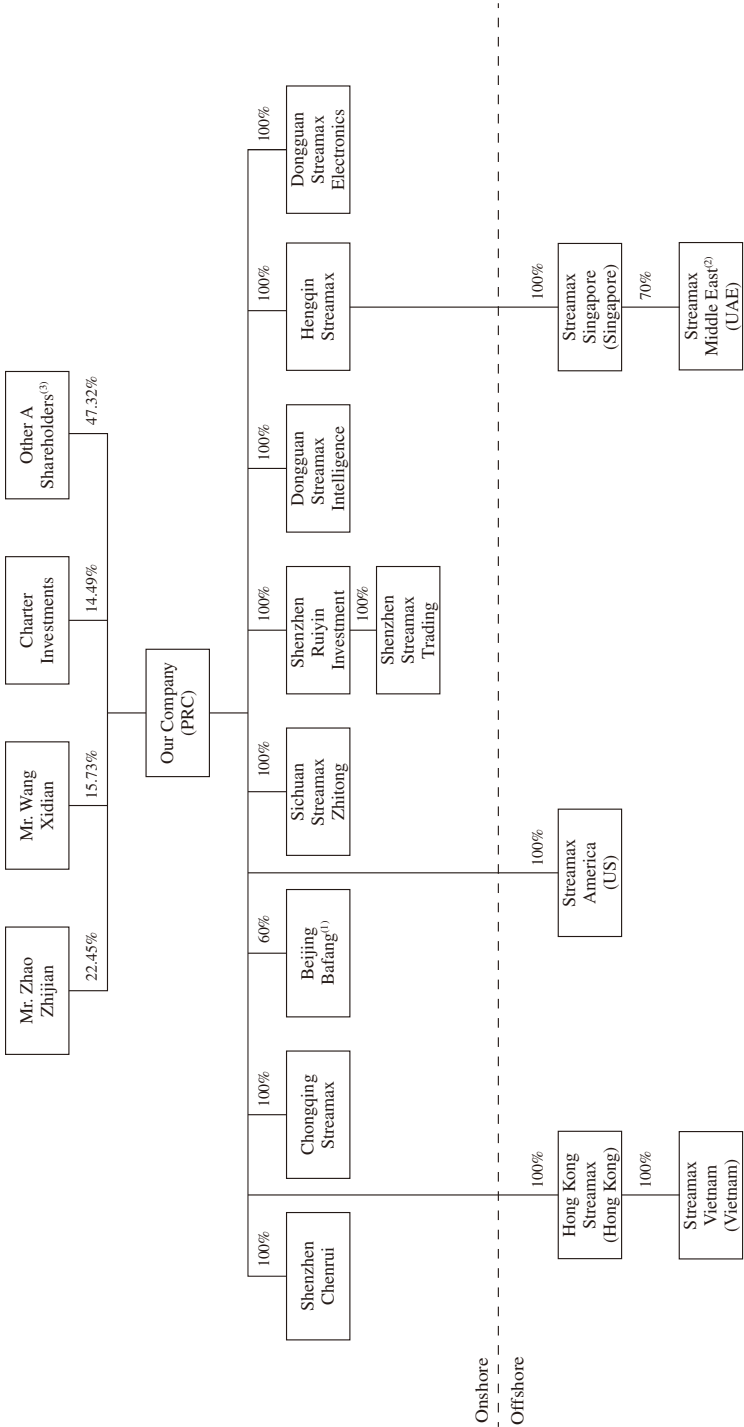
Shareholder	As of the Latest Practicable Date		Immediately upon completion of the [REDACTED] (assuming that the [REDACTED] is not exercised and no additional Shares are issued pursuant to the Share Option Incentive Plans)		
	Number of A Shares	Approximate percentage of shareholding in the total share capital of our Company	Number of A Shares	Approximate percentage of Shareholding in A Shares	Approximate percentage of shareholding in the total share capital of our Company
Mr. Zhao Zhijian	40,872,108	22.45%	40,872,108	22.45%	[REDACTED]%
Mr. Wang Xidian	28,632,539	15.73%	28,632,539	15.73%	[REDACTED]%
Charter Investments	26,376,714	14.49%	26,376,714	14.49%	[REDACTED]%
Other A Shareholders	86,141,199	47.32%	86,141,199	47.32%	[REDACTED]%
H Shareholders	—	—	[REDACTED]	—	[REDACTED]%
Total	182,022,560	100%	[REDACTED]	100%	100%

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CORPORATE STRUCTURE

Corporate Structure Immediately Before the [REDACTED]

The following chart sets forth the simplified shareholding and corporate structure of our Group immediately before the [REDACTED].



Notes:

- (1) As of the Latest Practicable Date, Beijing Bafang was owned as to 60.00% by our Company, 23.20% by Mr. Hu Junyong, 5.60% by Mr. Lin Qihuan, 5.60% by Mr. Dong Zhengli and 5.60% by Mr. Cui Jie, respectively. As of the Latest Practicable Date, Mr. Hu Junyong served as an executive director and manager of Beijing Bafang, and each of Mr. Lin Qihuan, Mr. Dong Zhengli and Mr. Cui Jie was an Independent Third Party.

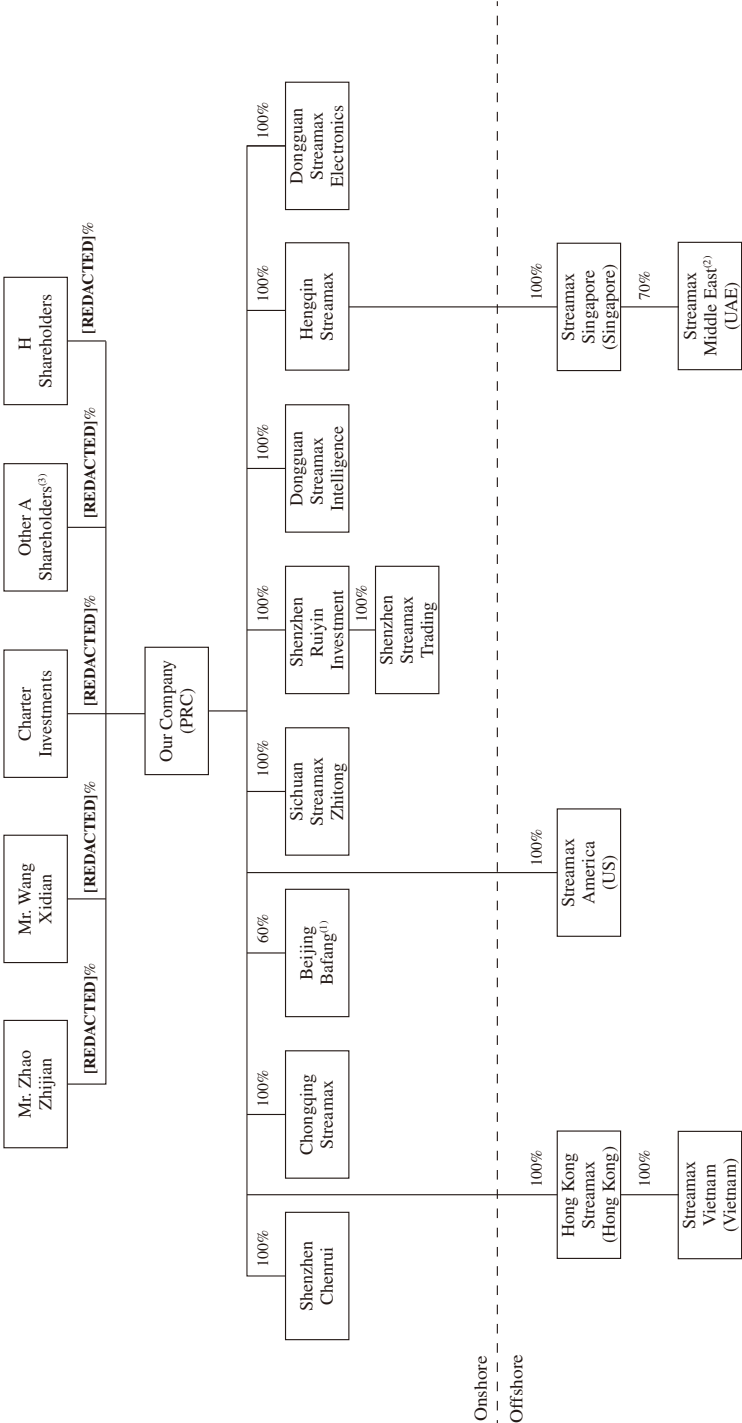
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- (2) As of the Latest Practicable Date, Streamax Middle East was owned as to 70% by Streamax Singapore and 30% by Samer Hassan Alish, the manager of Streamax Middle East, respectively.
- (3) To the best knowledge of our Company, none of such A Shareholders held more than 5% interests in our Company as of the Latest Practicable Date.
- * As of the Latest Practicable Date, our other subsidiaries consist of nine subsidiaries established in various jurisdictions, including eight wholly-owned subsidiaries and Shenzhen Mintai An Intelligent Technology Co., Ltd. (深圳民太安智能科技有限公司), which as of the Latest Practicable Date was owned as to approximately 59.04% directly by our Company and as to approximately 19.23%, 5.77%, 5.77%, 5.77%, 5.58% and 4.62% by Mintai An Safety Technology Co., Ltd. (民太安安全科技股份有限公司), Mr. Chen Liang, Shenzhen Furuian Technology Partnership (Limited Partnership) (深圳福睿安科技合夥企業(有限合夥)), Shenzhen Qiyuan Investment Partnership Enterprise (Limited Partnership) (深圳啓遠投資合夥企業(有限合夥)) and Shenzhen Bairong Investment Partnership (Limited Partnership) (深圳百榮投資合夥企業(有限合夥)), respectively. Save as Mintai An Safety Technology Co., Ltd. being a connected person at the subsidiary level of the Company, each of the other shareholders of Shenzhen Mintai An Intelligent Technology Co., Ltd., to the best knowledge of our Company, was an Independent Third Party as of the Latest Practicable Date.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Corporate Structure Immediately After the [REDACTED]

The following chart sets forth the simplified shareholding and corporate structure of our Group immediately following the completion of the [REDACTED], assuming the [REDACTED] is not exercised and no additional Shares are issued pursuant to the Share Option Incentive Plans.



Note:

(1) and (3) see “— Corporate Structure Immediately Before the [REDACTED]” in this section.

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OVERVIEW

Who We Are

We are a leading global provider of AI solutions for transport service vehicles. Our efforts focus on providing two primary values: enhancing safety and optimizing efficiency. Our solutions and products primarily include:

- **AI solutions.** Our AI solutions utilize vision-based AI technologies to enable perception, analysis and decision-making capabilities, enhancing driving safety and optimizing fleet operation efficiency.
- **Video devices.** Our video devices leverage cameras and other integrated devices to collect, record and transmit driving data.

The below table sets out the details of our AI solutions and video devices:

Solutions and products	Key functions	Primary objectives
AI solutions		
AI assisted driving systems . .	• Advanced driver assistance system (ADAS) • Driver monitoring system (DMS) • Automated emergency braking system (AEBS) • Blind spot detection system (BSD)	Safety
AI fleet operation management systems	• Intelligent Bus Central Processing Unit (IBCU) • Passenger flow detection • Freight loading monitoring	Efficiency
AI large model system.	• Fleet dispatch • Driver evaluation • Logistics efficiency	Safety and efficiency
Video devices	• Collecting and recording visual data	Safety and efficiency

Our solutions and products are used in three major application scenarios:

- Logistics vehicles:** primarily including trucks.
- Public transportation vehicles:** primarily including school buses, transit buses and taxis.

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- (iii) ***Special purpose vehicles:*** primarily including mining vehicles, engineering cranes, sanitation vehicles and forklifts.

The following are our business highlights:

Market Position	No. 4 globally Provider of vision-based AI solutions for transport service vehicles ⁽¹⁾	No. 3 globally Logistics vehicle application scenario market share ⁽²⁾	No. 2 globally Public transportation vehicle application scenario market share ⁽³⁾	No. 1 globally Provider of video devices for transport service vehicles ⁽⁴⁾
Business Performance	Over 100 Numbers of countries and regions ⁽⁵⁾	61.6% Revenue proportion of overseas markets ⁽⁶⁾	5.0 million Approximately sets of AI solutions sold ⁽⁷⁾	Over 750,000 Approximate number of vehicles served by AI large model systems ⁽⁸⁾
Financial Performance	28.3% Revenue CAGR (2023 to 2025) ⁽⁹⁾	19.7% Return on equity in 2025 ⁽¹⁰⁾	44.2% Gross profit margin in 2025	14.9% Net profit margin in 2025

Notes:

- (1) Based on our market share of 7.2% in the global vision-based AI solution for transport service vehicle market, in terms of our revenue from continuing operations in 2025, according to Frost & Sullivan.
- (2) Based on our market share of 7.0% in the logistics vehicle application scenario of the global vision-based AI solution for transport service vehicle market, in terms of our revenue from continuing operations in 2025, according to Frost & Sullivan.
- (3) Based on our market share of 10.3% in the public transportation vehicle application scenario of the global vision-based AI solution for transport service vehicle market, in terms of our revenue from continuing operations in 2025, according to Frost & Sullivan.
- (4) Based on our market share of 5.5% in the global video devices for transport service vehicle market, in terms of our revenue from continuing operations in 2025, according to Frost & Sullivan.
- (5) Where our solutions and products were sold into during the Track Record Period.
- (6) For the year ended December 31, 2025.
- (7) As of Latest Practicable Date.
- (8) Referring to the number of vehicles served by our AI large model systems, for which we had entered into contracts with our customers as of the Latest Practicable Date.
- (9) Calculated with our revenue from continuing operation from 2023 to 2025.
- (10) Calculated by dividing our profit from continuing operations in 2025 by the average balance of total equity at the beginning and the end of 2025 multiplied by 100%.

Our market position is primarily supported by the following two key advantages:

- ***Transforming industry understandings into AI solutions.*** AI technology is our core competitive advantage. With over 20 years of experience in the transport service vehicle industry, we possess a deep understanding of the pain points and diverse application scenarios within the industry, enabling us to accurately address customer needs. We transform these understandings into AI-based solutions and products. We have more than 80 intelligent algorithms, covering areas such as advanced driver assistance, emergency

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braking, driver monitoring and blind spot detection. Furthermore, we have developed a series of proprietary algorithms for vision-based AI solutions. These algorithms, trained with extensive data, achieve high precision even within the computational constraints of embedded chips.

- ***Global presence.*** We have been engaged in overseas markets for nearly 20 years. During the Track Record Period, our solutions and products were sold in over 100 countries and regions. We have established eleven subsidiaries in overseas countries and regions, including the U.S., Singapore, the United Arab Emirates and Vietnam. Additionally, we operate factories in China and Vietnam, and our global headquarters and accounting center in Singapore, to support our worldwide customer network. Through our global presence and extensive customer network, we have gained deep understanding of cross-regional industry pain points, enabling us to tailor our solutions and products to meet the unique needs of users in different regions.

Market Opportunities

AI technology has been adopted across various industries, more quickly and has continued to expand into specialized models and edge-side scenarios in vertical fields, thereby facilitating the intelligent upgrades of the industry and enhancing real-time response capabilities. In terms of transport service vehicles, AI technology is gradually being applied to key areas such as data analysis, driving behavior recognition and operational decision optimization. The global market of vision-based AI solutions for transport service vehicles has tremendous growth potential. The below table sets forth the expected growth of the global market of vision-based AI solutions for transport service vehicles and its major application scenarios, according to Frost & Sullivan:

Industries	Market size in 2025	Market size in 2030	CAGR from 2026 to 2030
	(RMB in billions)	(RMB in billions)	
Vision-based AI solutions for transport service vehicles	30.4	90.5	24.7%
— Logistics vehicle application scenario . .	15.5	48.1	25.7%
— Public transportation vehicle application scenario	9.9	26.7	22.4%

Compared to passenger vehicles, transport service vehicles operate in significantly more complex environments and face greater safety challenges. The Vision Zero initiative, advocating for “zero accidents,” has become a key global priority in transportation safety. Additionally, transport service vehicles are primarily utilized for business operations, creating a more pressing need for resource optimization, cost reduction, and efficiency improvements. However, the

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transport service vehicle industry has long relied on fragmented, non-integrated manual processes and traditional information systems. The lack of unified, interconnected digital tools makes it difficult for fleet managers to monitor operations in real time, posing challenges in simultaneously ensuring safety and improving operational efficiency.

Our Solutions and Products

During the Track Record Period, we generated revenue primarily from (i) AI assisted driving system, (ii) AI fleet operation management system, and (iii) video devices. The following diagram illustrates these solutions and products:



Please find below the major components of our AI assisted driving systems and AI fleet operation management systems:

- **Hardware:** Dashcam, camera, MDVR, and/or accessories for collecting and recording data inside and around the vehicle.
- **Software:**
 - o Systems and applications for processing data collected from hardware in a centralized manner and providing user interface.
 - o Firmware for controlling hardware and executing functions in real time.
- **AI algorithms:** filtering and providing recommendations based on the collected and processed data.

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The specific number and combination of these components may vary, depending on our customers’ needs.

Please see below the major components of our AI solutions and video devices:

Solutions and products	Major hardware	Major software	Major AI algorithms
AI solutions			
AI assisted driving system	• Dashcam • Advance driving assistance system (“ADAS”) • Professional driver monitoring system (“DMS”) • 360° system AVM • Digital mirror • Blind spot detection (“BSD”) • BSD unit • Automated emergency braking system (“AEBS”) radar	• Software of smart all-in-one machines for logistics vehicles • Firmware of terminal display all-in-one machine for taxis	• ADAS algorithm • DSM algorithm • BSD algorithm • AEBS algorithm • Cockpit safety algorithm • Pedestrian crossing algorithm
AI fleet operation management system.	• Cargo security • Fleet management system (“FMS”) tracker • Passenger counter with OD analysis • Taxi meter • V2V communication module • Thermal imaging camera • Mining intelligent host • Forward collision avoidance radar	• In-vehicle firmware for transit buses • Firmware of smart large hard drive video on terminal equipment for school buses	• License plate recognition algorithm • Passenger flow recognition algorithm • Cargo volume measurement algorithm • Anti-forgetting recognition algorithm
AI large model system	• N/A	• SafeGPT software platform • FT Cloud • PT Cloud • SBS Cloud • MS Cloud	• SafeGPT algorithm • FT Cloud algorithm • PT Cloud algorithm • SBS Cloud algorithm • MS Cloud algorithm
Video devices	• Cabin camera • Single/quad screen • Analog high definition (“AHD”) camera • CCTV camera	• Software for video footage transmission	• N/A

Our AI assisted driving system and AI fleet operation management system may operate independently without connecting to any cloud platform. Our customers may also choose to connect the two systems to a cloud platform. When connecting, most of the customers connected to their own cloud platform, while small-scale customers may choose to connect to our cloud platform. Our AI large model system requires connectivity to our cloud platform. In June 2024, we began generating revenue from our AI large model systems. Our AI large model systems are primarily delivered in the form of software through our cloud platform.

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The following is an example of our AI large model system management interface. This interface displays three sub-systems of our AI large model systems, namely (i) driver evaluation engine, (ii) risk identification engine and (iii) accident evaluation engine:



In addition to the above solutions and products, we are developing advanced intelligent driving solutions, particularly the XBus solutions. Such solutions are designed for the deployment of intelligent driving in the transit bus application scenario.

Our Business Model

Regarding the AI solutions for transport service vehicle industry, our key upstream and downstream stakeholders primarily include, (i) our suppliers, mainly including raw material suppliers; (ii) our customers, mainly including (a) video telematics system integrators, and (b) automobile manufacturers; and (iii) our end users, mainly including (a) vehicle operators such as logistics companies, transit bus companies, school bus companies and taxi companies; and (b) leading companies in industries such as energy and consumer goods.

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We support our customers through our customized products and solutions, enabling them to better serve end users. Specifically, we can either (i) design software based on the diverse needs of our customers, or (ii) provide an open platform of our software allowing customers to customize the software themselves. Moreover, through direct interaction with end users, we have accumulated extensive insights into their needs. We leverage these insights to design our solutions and receive direct feedback from end users. As a result, the value of our solutions is better aligned with the needs of end users.

The Development Path Centered on Safety and Efficiency

Safety. Our solutions provide end-to-end closed-loop management. For example:

- o *Logistics vehicles.* We have developed an integrated telematics solution combining “smart hardware + AI algorithms + cloud platform with large models” to enable closed-loop management of the entire transportation safety process from risk warning to continuous improvement. Specifically,
 - Before transportation: Our solutions conduct personnel qualifications check through driver identity verification and compliance checks.
 - During transportation: Our ADAS provides real-time monitoring and alerts for lane departure, tailgating and other dangerous driving behaviors, and also monitors and uploads data regarding traffic accidents. In addition, our DMS monitors driver behavior in real-time and detects dangerous driving actions and alerts drivers to prevent accidents.
 - After transportation: Our AI large model system identifies traffic accidents and promptly notifies the fleet operators who can swiftly respond to the accidents and reduce the cost of the accidents. Furthermore, our large model systems can analyze traffic accident liability based on video recordings and provide personalized driver training programs.
- o *Public transportation vehicles—school buses.* Our AVM addresses the risk of children being run over in the blind spot at the front of school buses. In addition, to prevent the risk of students being left behind inside the bus, utilizing an alert system, our AI fleet operation management system has developed a “Proactive Reminder + Intelligent Detection + Full-Time Awareness” triple protection mechanism. The alert, if any, is instantly pushed to station management personnel, enabling remote audio-video confirmation and rapid response, forming a closed-loop resolution process.
- o *Public transportation vehicles—taxis.* Our AEBS leverages visual AI technologies and data analytics technologies to achieve real-time risk data collection and in-depth analysis. This enables us to provide drivers with personalized safety risk assessments and promptly activate the braking system to prevent accidents.

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Efficiency. Our solutions and products enhance fleet operation efficiency in various application scenarios. For example:

- o *Logistics vehicles.* FT Cloud, our fleet operation cloud platform, integrates vehicle data, driver behavior, and environmental perception data for real-time analysis, enabling precise risk prediction to address challenges such as low operational efficiency and delayed risk identification often faced by fleet managers. As of the Latest Practicable Date, FT Cloud has served over 460 thousand vehicles and has received positive feedback from customers and users in regions such as China, Latin America, South Africa, and Mexico. In addition, utilizing the function of the freight monitoring system, we provide real-time tracking and uploading of cargo location and load rates within containers, improving resource utilization efficiency.
- o *Public transportation vehicles—transit buses.* Our IBCU provides an on-device AI model for buses. Unlike traditional bus setups, where multiple devices are deployed onboard to meet diverse requirements such as scheduling, public safety, traffic safety, information dissemination, and driver-passenger management, our IBCU integrates these functions into a single system, optimizing resource utilization. In addition, utilizing the function of fleet dispatch, our AI fleet operation management system enhances the punctuality of transit buses. According to the feedback from our end users, the average punctuality rate of transit buses reached 97.0% after applying our AI fleet operation management system.

OUR COMPETITIVE STRENGTHS

Leading global provider of AI solutions for transport service vehicles

Our solutions and products are used in three major application scenarios: (i) logistics vehicles, (ii) public transportation vehicles and (iii) special purpose vehicles. According to Frost & Sullivan, in terms of our revenue from continuing operations in 2025:

- We are the world’s fourth largest provider of vision-based AI solutions for transport service vehicles, with a market share of 7.2%. In the global market of vision-based AI solutions for transport service vehicles, we hold leading positions in market share rankings in multiple downstream application scenarios. In particular, for logistics vehicles, we ranked the third globally for logistics vehicles with a market share of 7.0%. For public transportation vehicles, we ranked the second globally for public transportation vehicles with a market share of 10.3%.
- We are the world’s largest provider of video devices for transport service vehicles, with a market share of 5.5%.

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We have participated in the formulation of 30 industry standards in China, including (i) the technical standards for intelligent in-vehicle terminals in transport service vehicles, (ii) the technical requirements for intelligent monitoring and control systems on road transport vehicles and (iii) the technical requirements for intelligent in-vehicle terminals for urban transit buses.

We have also participated in numerous large-scale projects both domestically and internationally, which include: (i) A logistics vehicle project with a globally renowned beverage company, where we provided driving safety and blind-spot safety alert solutions; a logistics vehicle project with a globally renowned express delivery company, where we provided tailored safety solutions for trunk-line and regional distribution vehicles; and a safety monitoring project with a globally renowned energy company, where we provided driver safety and monitoring solutions for transportation process; (ii) Taxi projects in Shenzhen, Guangzhou, Hong Kong and the United Arab Emirates, where we provided solutions for safety management, operational regulation and fare metering systems; (iii) Transit bus projects in Beijing, Tianjin, Guangzhou, Singapore, Mexico, Serbia, Colombia and Czech Republic, where we provided solutions for intelligent dispatch, video monitoring, active safety management and blind-spot detection; and (iv) School bus projects in the U.S., the United Arab Emirates and Saudi Arabia, where we provided specialized AI capture solutions for vehicle violations detection.

Efficient three-tiered pyramid R&D structure

Based on over 20 years of accumulated experience, we have developed a three-tiered pyramid R&D structure as our research and development mechanism. Specifically, (i) our foundation tier R&D focuses on foundational technologies that can be applied to solutions offered to different industries and customers, (ii) our industry tier R&D focuses on functionalities addressing common needs across specific industries and (iii) our customization tier R&D focuses on functionalities addressing specific end users’ needs and enables us to provide bespoke solutions.

Our three-tiered pyramid R&D structure has the following advantages:

Enhancing R&D efficiency. Approximately 80.0% of our foundation tier can be reused across different R&D projects. The reuse rate is calculated by analyzing the reuse rate of the code of our major application scenarios across different R&D projects on the foundation tier during the Track Record Period. Such high reuse rate was primarily due to (i) our accumulation of R&D experience in the foundation tier, which has formed a solid foundation of the R&D projects across different application scenarios; (ii) the establishment of the three-tiered pyramid R&D structure which has enhanced the efficiency of the allocation of our R&D resources; and (iii) Our regular integration of generic codes that are widely used in various application scenarios into the

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foundation tier. The high reuse rate enables us to allocate more resources to our R&D cost and significantly accelerates project delivery timelines. Our R&D cost as a percentage of our total revenue decreased from 16.4% in 2023 to 14.2% in 2024 and further decreased to 11.5% in 2025.

Improving R&D achievements. The high reuse rate of the foundation tier allows us to allocate more resources to the industry tier and customization tier. This helps us to achieve (i) generation and iteration of new technologies and (ii) deep integration of our solutions and products with application scenarios and customer needs.

Strengthening customer relationships. Based on customer needs, we can provide our customers an open platform of our software. Our customers can develop on top of our platform without sharing their design codes with us. This facilitates seamless collaboration, safeguards customers’ trade secrets, and reinforces their long-term engagement with us.

AI solutions aligned with needs of diverse application scenarios

AI technology is our core competitive technological advantage. We have over 80 intelligent algorithms, covering areas such as ADAS, AEBS, DMS and BSD. We have also developed a series of proprietary visual algorithms. Through data training and careful tuning, these algorithms can achieve high-precision results within the limited computing power of embedded chips. We have achieved the commercial application of AI large models. The AI large model for scene recognition extracts key information from videos, classifies and organizes all alerts according to a predefined structure, and generates detailed labels and metadata.

We deliver value to various transport service vehicle application scenarios. Specifically:

Logistics vehicles: Our logistics vehicle solutions focus on safety management, operational efficiency, and cost control, addressing key driving scenarios including vehicle startup, turning, narrow lane navigation, and reversing. Through technical means such as AI video remote monitoring, intelligent blind spot detection, and intelligent cargo management, a closed-loop system for safety and efficiency management.

Public transportation vehicle: In the application scenarios of public transportation vehicles, we cover school buses, transit buses and taxis.

- o ***School buses.*** To address the safety risks in school bus operations, we leverage our expertise in scenario-based adaptation and engineering implementation within the field of AI technology. For example, our AI capture system automatically activates the high-definition AI camera to monitor the surrounding roads in real time when the school bus picks up or drops off students. In addition, our AVM blind spot protection system

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addresses the risk of children being run over due to blind spots at the front of the school bus. The system rapidly activates a 360° panoramic view after ignition, covering the most critical starting phase. Our active safety driving system integrates both ADAS and DMS capabilities with our AI large model system to create driver behavior profiles to enable proactive prevention.

- o *Transit buses.* Our solutions for public transportation vehicles are built around three key phases: (i) pre-warning, (ii) real-time intervention and (iii) management enhancement, forming a comprehensive safety prevention and control system that covers the vehicles, drivers and external environment. For example, in emergency situations, the collision mitigation control system (“CMCS”) can intervene in advance to minimize the impact of external collisions while enhancing the passenger experience.
- o *Taxis.* Our AEBS leverages taxi drivers’ driving behavior data and utilizes radar technology to mitigate driving risks, enabling precise control of the vehicle braking system to prevent accidents. Furthermore, AI large model systems engine effectively identifies high-risk drivers for early intervention, ultimately generating a risk profile ranking for drivers. This profiling model provides precise data-driven references for offline management.

Special purpose vehicles: Our solutions and products cover various application scenarios for specialty vehicles, including mining vehicles, engineering cranes, sanitation vehicles, and forklifts. Using mining application scenarios as an example, if a safety accident occurs, mining companies will incur extremely high costs due to potential loss of life, resulting in significant compensation and legal liabilities. Our mine management solutions are designed to handle the demanding conditions and unique challenges of mining environments, enhancing both safety and operational efficiency.

Global deployment with broad coverage

We have established a global presence. During the Track Record Period, our solutions and products were sold to over 100 countries and regions. For the year ended December 31, 2025, 61.6% of our revenue was generated from overseas markets. We have established a global customer network. During the Track Record Period, our customers primarily included video telematics system integrators and automobile manufacturers. These customers typically have high requirements for supplier qualifications, product quality, delivery capabilities and after-sales service. Leveraging our technical leadership and first-mover advantage in the market, we have effectively met customers’ needs and established long-term, stable relationships with our customers.

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Furthermore, we design our solutions and products based on our insights into the needs of our end users and receive direct feedback from the end users. Our end users include large enterprises across various application scenarios. Specifically:

Logistics vehicles: Our end users span across various industries primarily including logistics, energy and consumer. These end users include (i) one of the world’s three largest logistics service companies, (ii) one of the world’s ten largest energy companies and (iii) one of the world’s five largest consumer goods companies, in terms of revenue in 2025, according to Frost & Sullivan.

Public transportation vehicles: According to Frost & Sullivan, we were one of the first video device suppliers from China to expand into the U.S. school bus market, and we are one of the major providers of AI solutions and video devices for school buses in the U.S.. We carry out school bus projects with local school bus companies in the United States, the United Arab Emirates and Saudi Arabia. As of December 31, 2025, our solutions and products for the transit bus application scenario had been used in approximately 200 cities in China and approximately 52 countries in the Asia-Pacific, Europe, Americas and Middle East. As of December 31, 2025, our solutions and products for the taxi application scenario had been used in approximately 175 cities in China and over ten countries across the Asia-Pacific and Middle East. During the Track Record Period, we provided AI fleet operation management systems to serve over 330 thousand taxis worldwide.

Specialty vehicles: Our end users primarily include large global mining companies. One of our end users ranked among the five largest mining companies, in terms of market capitalization as of December 31, 2024, according to Frost & Sullivan.

In addition, we have established subsidiaries in the U.S., Singapore, the United Arab Emirates, Vietnam and other locations, covering global markets. We have set up production bases in China and Vietnam to serve our global customer network. We have established global headquarters and accounting center in Singapore. Our Vietnam factory was established in 2023. The second phase of our Vietnam factory is expected to be operational within 2026.

Visionary management team and strong talent pool

- ***A visionary and industry-experienced management team.*** Our management team possesses extensive industry expertise. Our founders, Mr. Zhao Zhijian and Mr. Wang Xidian, possess profound insights into industry trends. Mr. Zhao Zhijian has over 20 years of experience in the transport service vehicle solution industry and has received awards such as the Shenzhen Industrial Grand Prize (深圳工業大獎). Mr. Wang Xidian has decades of experience in the technology applications including digital videos and vision-based AI.

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- ***A robust talent pool ensures long-term sustainable growth.*** Our workforce is primarily composed of R&D talent providing a solid foundation for technological innovation and product development. We prioritize attracting top industry talent and have established a comprehensive talent development system aiming at supporting our long-term stable growth.

OUR STRATEGIES

Continue to develop advanced intelligent driving solution business and AI large model system business

Advanced intelligent driving solution business: We plan to increase our investment in the technological upgrade and commercialization of advanced intelligent driving solution business for transport service vehicles. We intend to increase investment in R&D for advanced intelligent driving technologies. Specifically, we plan to further develop advanced intelligent driving based on vision-language-action model (“VLA”) to enhance the safety of driving experience. We are currently focusing on the development and commercialization of the XBus solution for transit buses. Meanwhile, we are also exploring market opportunities in other application scenarios, including logistics vehicles, school buses, taxis and special purpose vehicles. We plan to strengthen cooperation with video telematics system integrators and automobile manufacturers in the advanced intelligent driving field. By actively engaging with end users and customers to gather feedback, we aim to optimize the performance of our solutions and expand our customer and end user base.

AI large model system business: We will focus on the technological upgrade and commercialization of AI large model systems to meet the diverse needs of various application scenarios. Specifically, we plan to enhance our capabilities for data analysis, and recruit more talents specialized in AI large model. The development of the AI large model system business will (i) further expand our business scale and consolidate our industry position, and (ii) synergize with our on-device hardware products to holistically empower our AI solutions. Specifically, we plan to develop on-vehicle large model intelligent hardware and cloud-based large model software.

Strengthen our global sales network to deepen global presence

Enhance value marketing. We plan to further deepen our relationship with end users, understand their needs, and continue to serve as the technology experts closest to end users, thereby increasing the competitiveness of our solutions and products in the market.

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Strengthen sales networks. We plan to further enhance the recruitment of local teams for sales, marketing and customer service, as well as the development of a global sales network. We will expand our overseas market business and increase our global market share by leveraging a global sales network, continuous product innovation and developing customized products for global customers.

Strengthen our global supply chains and enhance intelligent manufacturing

Global supply chain system development: We plan to further diversify our sources of raw materials and promote the global supply of raw materials. In addition, we plan to further increase our production capacity, including establishing more production bases overseas, to meet growing customer demand.

Smart manufacturing: We plan to comprehensively advance the intelligentization of our production processes. For example, we plan to enhance the smart manufacturing level in our manufacturing facilities in Vietnam. By optimizing key stages such as assembly, testing, and software installation, and introducing automated equipment, intelligent testing systems, and cloud-based deployment technologies, we aim to enhance production efficiency, assembly precision, and product quality.

OUR SOLUTIONS AND PRODUCTS

Overview

The following table sets forth a breakdown of our revenue from continuing operations by product and solution, in absolute amounts and as percentages of the total revenue, for the periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Continuing operations						
AI solutions	1,166,651	77.6	1,606,573	80.4	2,015,494	81.4
AI assisted driving systems	1,099,610	73.1	1,422,593	71.2	1,823,613	73.6
AI fleet operation management systems . .	67,041	4.5	175,918	8.8	170,791	6.9
AI large model systems	—	—	8,062	0.4	21,090	0.9
Video devices	320,609	21.3	367,425	18.4	413,663	16.7
Others ⁽¹⁾	17,991	1.1	23,733	1.2	47,771	1.9
Total	1,505,251	100.0	1,997,731	100.0	2,476,928	100.0

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Note:

- (1) Primarily include (i) sales of electronic components such as optoelectronic devices, (ii) sales of AI computing infrastructure products such as uninterruptible power supply products and high voltage direct current power products, (iii) manufacturing services for products such as uninterruptible power supply products and (iv) technical services such as platform operations.

During the Track Record Period, we cross-sold our solutions and products to our customers. Revenue from continuing operations from customers who purchased more than one of our solutions or products concurrently accounted for approximately 88.7% of our total revenue from continuing operations during the Track Record Period.

The following table sets forth a breakdown of our revenue from continuing operations by application scenario in absolute amounts and as percentages of the total revenue for the periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Continuing operations						
Logistics vehicles ⁽¹⁾	695,502	46.2	906,156	45.3	1,117,016	45.1
Public transportation vehicles.	705,813	46.9	972,225	48.7	1,227,671	49.6
— School buses	161,075	10.7	303,165	15.1	278,778	11.3
— Transit buses	344,089	22.8	431,846	21.6	673,905	27.2
— Taxis	200,649	13.3	237,212	11.8	274,988	11.1
Special purpose vehicles ⁽²⁾	85,945	5.8	95,617	4.8	84,470	3.4
Others ⁽³⁾	17,991	1.1	23,733	1.2	47,771	1.9
Total.	1,505,251	100.0	1,997,731	100.0	2,476,928	100.0

Notes:

- (1) Primarily include trucks.
- (2) Primarily include mining vehicles, engineering cranes, sanitation vehicles and forklifts.
- (3) Primarily include (i) sales of electronic components such as optoelectronic devices, (ii) sales of AI computing infrastructure products such as uninterruptible power supply products and high voltage direct current power products, (iii) manufacturing services for products such as uninterruptible power supply products and (iv) technical services such as platform operations.

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AI Solutions

Our AI assisted driving systems, AI fleet operation management system and AI large model system provide distinct functionalities that supplement each other without overlapping. Specifically:

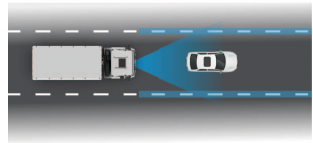
AI assisted driving systems. Our AI assisted driving systems focus on enhancing driving safety of individual vehicles. The systems are designed to detect and alert risky driving behaviors, and can activate braking system when detecting collision risks. For example, the systems can capture facial expression, eye movement, head pose and other physiological indicators to assess fatigue, distraction and abnormal behavior and provide instantaneous alerts to drivers in-vehicles. The systems can perform on-device computing with the data collected.

AI fleet operation management systems. Our AI fleet operation management systems focus on enhancing operational efficiency of fleet management. The systems are designed to collect operational data of the fleet, mainly including (i) vehicle data, such as vehicle location and routes, and cargo load; and (ii) passenger flow data, such as passenger count and boarding count. The systems collect such data and provide fleet operators with information about fleet operation, and thereby help enhance the efficiency of the fleet. The systems can perform on-device computing with the data collected.

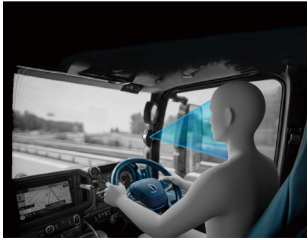
AI large model systems. Our AI large model systems focus on providing longitudinal and comparative analysis for fleet operators to evaluate and improve both driving safety and fleet operational efficiency. Compared to AI assisted driving systems and AI fleet operation management systems which perform on-device computing with the data collected and provide real-time monitoring, alerts or notifications, our AI large model performs cloud computing with the data collected, and provide continuous assessments for fleet management.

AI Assisted Driving Systems

The following table sets forth a summary of the key functions of our AI assisted driving systems.

Function	Description	Illustrations
Advanced driving assistance system (“ADAS”)	- Monitors and alerts lane departure, tailgating, and other dangerous driving behaviors in real time - Monitors and uploads data on traffic accidents	

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Function	Description	Illustrations
Driver monitoring system (“DMS”) ⁽¹⁾ .	- Monitors driver behavior in real time - Detects dangerous driving actions such as fatigue, distraction, using a phone while driving, smoking, and not wearing a seatbelt. - Alerts drivers to prevent accidents - Uploads incidents and reports to management	
Automated emergency braking system (“AEBS”)	- Detects collision risks - Activates braking system to prevent accidents	
Around view monitoring (“AVM”)	- Provides 360° panoramic view of the vehicle within seconds of ignition - Detects, alerts and monitors pedestrian movement in blind spots	
Blind spot detection (“BSD”)	- Predicts pedestrian movement - Detects curbside - Enhances visibility at night with black light	
Collision mitigation control system (“CMCS”) ⁽²⁾	- Integrates data from bus controllers with information from various sensors, such as cameras and millimeter-wave radar - Calculates probabilities of collision - Warns and activates braking system to prevent accidents	

Notes:

- (1) The DMS function can capture facial expressions, eye movement, head pose and other physiological indicators to assess fatigue, distraction and abnormal behavior and provides instantaneous alerts to drivers in-vehicle. This solution’s functional boundary is confined to the single vehicle, single driver real-time safety domain.

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- (2) CMCS differs from AEBS as CMCS is tailored to meet the requirements of the transit bus application scenario based on the core function of AEBS. In addition to the core functions of AEBS, CMCS incorporates transit bus-specific functionalities, including start-stop prevention and blind spot collision avoidance. Moreover, CMCS is designed to prioritize the stability and safety of standing passengers within the transit bus.

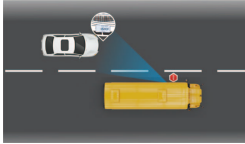
Our AI assisted driving systems provide the following features and benefits to our customers.

- ***Safety.*** Our AI assisted driving systems provide active safety functions such as AEBS and DMS to improve driver, passenger and pedestrian safety. With these functions, AI assisted driving systems can monitor the stress and fatigue level of drivers, provide pre-impact warnings and interventions to prevent traffic violations or dangerous driving activities that may lead to injuries to drivers or pedestrians and damages to properties before the collision takes place.
- ***Visibility.*** Our AI assisted driving systems feature AVM and BSD that provide high-resolution, real-time video imagery to the front, side, and rear space of the vehicle. Mounted with black light and infrared imaging technologies, AI assisted driving systems improve drivers’ awareness of their surroundings even under severe weather conditions.
- ***Precision.*** We leverage the data collected by devices and our AI model to perceive surroundings, traffic conditions and drivers’ behavioral patterns to reduce false alarms of collisions. Through enhanced precision in warnings and interventions, our AI assisted driving systems reduce distraction to drivers and enhance their safety and driving experience.

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AI Fleet Operation Management Systems

The following table sets forth a summary of our AI fleet operation management systems.

Functions	Description	Illustrations
AI capture systems for school bus . . .	- Automatically activates high-resolution camera and captures unlawful overtake - Uploads information related to unlawful overtake	
Fleet dispatch for public transportation ⁽¹⁾	- Collects and uploads vehicle location and status in real time - Communicates instructions on dispatch and route change	
Passenger flow detection for public transportation	Collects and uploads passenger count boarding and leaving the vehicle	
Unattended student alert system for school bus	Detects and warns any student left unattended in the vehicle	
On-boarding and off-boarding system for school bus	- Records the time and location of a student boarding a school bus - Uploads the location of a school bus and on-board status of a student on the school bus	

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Functions	Description	Illustrations
Freight loading monitoring for logistics vehicles	- Monitors and uploads the location of cargo and the cargo load in a container in real time - Records and monitors the loading and off-loading of cargo in a container	

Note:

- (1) Specifically, our AI fleet operation management system aggregates real-time location, route and operational data such as passenger flow and boarding records. This solution’s functional boundary is positioned at the fleet operations layer, focusing on multi-vehicle coordination rather than deep predictive analytics.

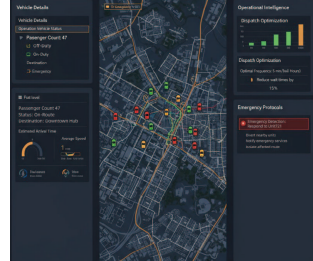
Our AI fleet operation management systems provide the following features.

- ***Dispatch management.*** Our AI fleet operation management systems collect data including location, routes, and other information related to operations of transport service vehicles to enhance fleet management process. For example, in public transportation application scenarios, our AI fleet operation management systems provide customers with real-time passenger count on-board and off-board as well as real-time location of the bus such that customers can monitor its fleet operations and manage fleet dispatch efficiently.
- ***Efficiency management.*** Our AI fleet operation management systems collect and process data such as energy consumption, engine diagnostics and cargo load to enhance energy management process. For example, in the logistics vehicle application scenario, our AI fleet operation management systems identify unused cargo space and detects abnormal containment condition such as high temperature and unlocked containment to reduce emission, load loss and insurance costs.
- ***Risk management.*** Our AI fleet operation management systems enable our customers to collect and centralize operational data from disparate sources, facilitate reporting and auditing, and deploy alerts to prevent compliance violations. For example, our AI fleet operation management systems leverage radar detectors mounted on school buses and their visual algorithms to alert bus drivers of unattended children in a school bus to reduce the risk of violations and potential compliance costs incurred by our customers.

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AI Large Model Systems

The following table sets forth a summary of the key functions of our AI large model systems.

Functions	Description	Illustrations of Interface
Fleet dispatch ⁽¹⁾	- Analyzes location, passenger count, and status of vehicles in real time - Advises on optimal dispatch frequencies and emergency response protocols⁽²⁾	
Driver evaluation ⁽³⁾	- Analyzes driver behaviors and status - Recommends personalized training programs based on driver behaviors	
Logistics efficiency	Recommends optimal routes and matches trucks with optimal pick-up and drop-off locations	

Notes:

- (1) The fleet dispatch aggregates and analyses the reported data from individual vehicles to derive the capacity of individual vehicles and to flag vehicles operating at high occupancy levels. Upon verification, fleet operators may, taking into account vehicle location information, allocate additional vehicles or adjust subsequent schedules to optimize service capacity.
- (2) For example, through modeling of driver behavior, the system evaluates driver habits and underlying influencing factors, to provide targeted coaching recommendations and enabling systematic improvement of driver performance. This solution’s functional boundary lies at the strategic decision-making layer, enabling management optimization and long-term safety governance.
- (3) The driver evaluation function provides an overview of the driver profile. The profile presents the driver’s current safety score, with 100 representing the maximum score and lower scores indicating higher levels of risk. The profile also provides a radar chart also indicates driver’s performance across four dimensions, including alertness, compliance, attention and stability. Additionally, the profile identifies the driver’s notable risk-related driving patterns such as speeding, tailgating and reckless line changes. Based on these insights, fleet operators can provide targeted training to address the specific behaviors identified.

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Our AI large model systems have the following features.

- **Safety.** Our AI large model systems enable our customers to collect and centralize operational data from disparate sources, facilitate reporting and auditing, and deploy alerts to prevent compliance violations. For example, our AI large model systems record, monitor and analyze risky driving patterns of drivers to provide a fleet-wide view of risk factors and behavioral trends. Based on such analysis, our customers can create employee reward programs, monitor changes to fleet performance and select drivers for driver coaching programs to reduce the risk exposure and compliance costs.
- **Efficiency.** Our AI large model systems process real-time data including the location, routes, and road conditions to increase fleet utilization. In public transportation application scenarios, our AI large model systems propose more efficient routes and advise fleet dispatch adjustments based on real-time information of passenger flows to increase fleet utilization rate and avoid fleet idling.
- **Sustainability.** Our AI large model systems analyze data such as energy consumption, engine diagnostics and containment load to reduce the need for multiple shipments and fuel and electricity cost for our clients. In the logistics vehicle application scenario, for example, our AI large model systems match cargo vehicles with closer shipment destinations, alert preventative maintenance and reduce the energy and fuel cost for our customers.

We provide our AI large model systems on two bases, including (i) subscription and (ii) buy-out. In 2024 and 2025, our revenue generated from our AI large model systems amount to RMB29.1 million in total, of which RMB25.7 million, or 88.2%, was generated from subscription-based arrangements and RMB3.4 million, or 11.8%, was from buy-out arrangements. The following table sets forth the number of active subscribing vehicles, renewal rates and average revenue per vehicle of FT Cloud, the revenue from which represented approximately 80.8% of the total revenue from our AI large model systems during the Track Record Period.

	Year ended December 31,	
	2024	2025
Active subscribing vehicles (<i>unit</i>)	44,271	91,618
Average monthly renewal rates	100.0%	100.0%
Average monthly revenue per vehicle (<i>RMB</i>).	16.4	15.0

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Video Devices

Our video devices collect and transmit data to enhance the safety of our customers’ fleet operation. These video devices are not embedded with our proprietary AI algorithms or other advanced features. Customers purchase our video devices as standalone products when they only require basic recording functions, without the need for AI technologies aimed at enhancing safety or operational efficiency. In particular, customers in emerging markets mainly use video devices for vehicles to capture footage of driving and accidents.

The hardware components of our video devices can be directly integrated with our customers’ systems without modifications. Our hardware ensures stable and high-resolution retention of video footage even during power outage and device malfunctions.

Our proprietary software mounted on our video devices supports stable and high-resolution transmission of video footage under weak network conditions and network fluctuations. The software enables rapid and encrypted video export to support rapid emergency response.

Compared with other major video device providers, our video devices have the following competitive edges:

Performance and features. Our video devices excel in the following major aspects of video devices. In terms of temperature, our video devices can work in extreme temperature conditions generally ranging from as low as -40°C to as high as 70°C. According to Frost & Sullivan, the range of compatible temperature of our video devices is generally wider than that of other major video providers. In terms of optics, our video devices are equipped with advanced optical features, primarily including (i) wide dynamic range adaptation, (ii) rapid adjustment to changes in light and shadow, (iii) reduced glass reflection and (iv) minimized image trailing. In terms of shock absorption, the shockproof and impact-resistant structures of our video devices address the complex vibration and impact environments of commercial vehicles. These designs ensure the durable and stable operation of our equipment under challenging mechanical stress conditions. According to Frost & Sullivan, the impact resistance of our video devices is highly above the industry standard. In terms of power failure protection, based on our granted patent regarding power failure protection circuits, our video devices provide safeguard for driver records. In the event of external power disruption, the protection circuit ensures the real-time, complete, and secure storage of data, thereby maintaining the integrity and reliability of the driving recorder’s information. In terms of communication, our video devices support network adaptability across 2G to 5G networks. Our adaptive bitrate streaming technology adjusts frame rates and bitrates based on real-time network quality detection. This effectively resolves issues such as screen tearing, artifacts, and playback interruptions, delivering an enhanced video experience even in weak network environments.

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R&D capabilities. Our R&D capabilities provide foundation for our video devices. We are granted multiple patents for our video devices. These patents cover aspects such as hard disk heating, recording storage methods, WIFI circuits and debugging methods and power failure protection, among others.

Manufacturing optimization. Our design core components of video devices with a modular approach. This approach (i) enhances universality and reliability across the products and (ii) streamline manufacturing process. In addition, with standardized interfaces, modules can be independently upgraded without impacting other parts of the product, significantly accelerating new product development.

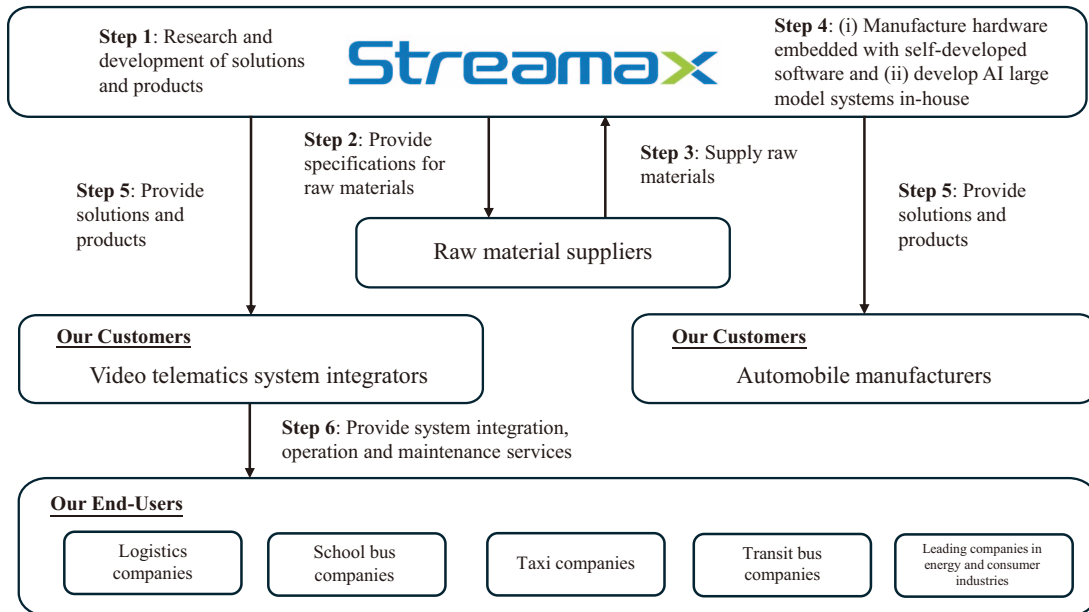
AI computing infrastructure products

Leveraging our established high quality overseas production capabilities, we started to develop our AI computing infrastructure products business. This business line focuses on power supply and related ancillary products for AI computing network data centers comprising two principal product categories: (i) high voltage direct current power products and (ii) uninterruptible power supply products. Our uninterruptible power supply products provide immediate backup power to maintain uninterrupted operation of AI computing infrastructure, while high voltage direct current power products enable efficient long-distance transmission of large amounts of electricity.

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OUR BUSINESS MODEL

The following diagram sets forth the major steps in our business operation.



The key steps of our business models are:

Step 1: Research and development. Our research and development team designs the structure, hardware, software and AI algorithm of our solutions and products. See “—Research and Development—R&D Management and Process” for details.

Step 2: Specification. We provide the specifications of our raw materials to our raw material suppliers.

Step 3: Procurement. We source the raw materials of our solutions and products from raw material suppliers. These raw materials primarily include integrated circuits, modules, and cameras.

Step 4: Manufacturing. We (i) manufacture the hardware embedded with software and (ii) develop AI large model systems based on our customers’ needs.

Step 5: Sales of solutions and products. We provide our solutions and products to our customers. The customers for each of our AI solutions and video devices mainly include (i) video telematics integrators and (ii) automobile manufacturers.

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Step 6: Provision of services. The video telematics system integrators, our customers, incorporate our solutions and products into their systems, and further provide operation and maintenance to end users. Our end users are companies operating fleet, mainly including (i) logistics companies, (ii) school bus companies, (iii) taxi companies, (iv) transit bus companies and (iv) leading companies in energy and consumer industries. We do not consider drivers as our end users, primarily because our AI solutions and video devices are designed to serve the fleet operators. For example, our AI assisted driving systems are typically installed by the fleet operators on the vehicles. The fleet operators use the AI assisted driving systems to monitor the driver behavior in real time and provide alerts.

We typically do not have direct business relationship with our end users primarily because the end users typically purchase an integrated solution from the video telematics system integrators, who consolidate our solutions and products into their own system. The end users purchase the integrated solution mainly for safety and efficiency purpose as video telematics system integrators provide localized and customized operation and maintenance services, which is in line with the industry practice, according to Frost & Sullivan. Our end users may share their feedback directly with us based on which we improve our solutions and products.

OUR CORE TECHNOLOGIES

Vision-Based AI Technology

Our proprietary vision-based AI technology plays an essential role in the functionality of our AI solutions through the perception and interpretation of the surroundings of a vehicle. Our vision-based AI technology leverages computer vision and deep learning to process and interpret visual data captured by in-vehicle cameras and sensors. Our vision-based AI technology is based on optimized lightweight algorithm. Different from traditional AI solutions that require hardware with higher computing power, the lightweight algorithm in our vision-based AI technology enables accurate perception of the environment and decision-making capabilities using hardware with limited computing power.

Our vision-based AI technology functions through the following steps:

Collection. The cameras and sensors (such as radar or LiDAR) continuously collect images and video of the driving environment, including vehicles, pedestrians, road markings, signs, and obstacles.

Perception. Our advanced computer vision algorithms, trained on large datasets, analyze this raw image data to detect and classify objects, estimate distances, track motion, and interpret driver behaviors or road conditions.

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Decision. Our system evaluates the processed information, predicts potential risks (such as collision trajectories or lane departures), and determines appropriate responses.

Execution. Based on these decisions, our AI solutions execute support actions such as issuing visual or audio alerts to the driver or, in active safety systems like AEBS, automatically applying braking to avoid or mitigate accidents.

Some of our key proprietary algorithms that leverage our vision-based AI technology include:

ADAS distance and speed detection. Our ADAS distance and speed detection algorithm adopts a human-like visualization process. Unlike prevailing detection mechanisms and algorithms that rely on data inputs from multiple sources and locations, our algorithm captures the width, height, relative location, and angle of an object simultaneously and calculates the relative distance and speed of the object in-real time.

In-cabin multi-Task integration. By tracking driver and passenger status such as their presence, head movement and mouth movement, in-cabin multi-task integration algorithm monitors fatigue, distraction, and other signs in real time. This algorithm processes different types of information simultaneously to maximize performance and minimize latency.

DMS fatigue detection. Our DMS fatigue detection algorithm employs an end-to-end deep learning model that extracts comprehensive spatiotemporal features, such as posture, micro-expressions, and movements, from raw video imagery. In contrast to traditional rule-based approaches, this algorithm adopts a holistic approach of all elements in the video akin to human perception and reduces false alarms and demonstrates robust reliability under various driving conditions.

Visual construction. Our visual construction algorithm reconstructs three-dimensional space based on two-dimensional images captured by a monocular camera instead of a system of radar detectors to calculate unused volumes in containers. This algorithm provides real-time on-device calculations in a cost-efficient and easy-to-install manner.

AI Large Model Technology

SafeGPT, our scalable proprietary software system, lays the foundation for AI large model systems. We developed SafeGPT based on our industry experience, customer feedback, as well as our understanding of software development, algorithms, processing architecture and our library of large models to deliver high-performance and cost-efficient results. Unlike traditional software that

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relies on hard-coded standards based on uniform traffic condition, SafeGPT provides personalized and versatile responses based on diverse driver profile and traffic environment leveraging its three core engines, risk-identification engine, driver-evaluation engine, and accident-evaluation engine.

Risk-identification engine. Risk-identification engine combines weather, traffic, and driver condition to provide accurate alerts. For instance, after detecting lower visibility in rainy and foggy weather and driver fatigue, SafeGPT may lower the threshold for alerts as compared to the threshold under sunny weather with higher visibility to provide proactive and accurate warnings.

Driver-evaluation engine. Driver-evaluation engine analyzes driver data to identify more than 63 driving behaviors and risky behavioral patterns such as distracted driving, tailgating and speeding. Its algorithms identify drivers in need of further coaching and provide a fleet-wide view of potential driving risk and trends.

Accident-evaluation engine. Accident-evaluation engine automatically identifies and notifies the driver or fleet manager of traffic accidents such that our customers can timely intervene and provide the necessary resources to their drivers. The Accident-evaluation engine also provides analysis on liabilities in traffic accidents based on video evidence to defend our customers and their drivers against fraudulent damage claims and insurance claims.

During the Track Record Period, SafeGPT improved the overall roadway safety of our customers and achieved distinguishable results. For instance, after using our SafeGPT-based solutions and products, one of our customers in Mexico achieved a traffic accident rate as low as 1.12 every million kilometers. One of our customers, a public transportation company in Shenzhen achieved a traffic violation rate as low as 0.06 every hundred vehicles in 2024.

Hardware and Software Co-Optimization

The co-optimization of our devices and software is critical to the quality of our solutions and products. Some of our key hardware technologies include:

Noise reduction. Our noise reduction technology processes audio signals to estimate and remove noise, thereby suppressing various types of in-vehicle noise and enhancing speech clarity and overall sound quality.

High-precision positioning. Our high-precision positioning technology supports single-frequency and multi-frequency positioning and various international positioning systems to ensure accurate positioning on a global scale. In addition, through advanced algorithms, it enables precise location tracking across diverse scenarios such as standard roads, elevated highways, and tunnels.

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Automatic light adjustment. Our automatic light adjustment swiftly adapts to various environment with different lighting, from bright daylight outdoor to dim light indoor. Such algorithm allows our customers to receive stable and high-resolution imaging signals even under rapid changes of lighting, such as entering and exiting a tunnel in a vehicle.

Adaptive bitrate streaming. Our adaptive bitrate streaming technology provides real-time video transmission adjustment designed for mobile network environments. By detecting network conditions, it dynamically adjusts frame rate and bit rate to improve video playback under poor network conditions.

360 AVM. Our 360 AVM technology provides panoramic surveillance imaging through multiple ultra-wide-angle fisheye cameras. It automatically corrects and stitches images from the cameras and generates a 360° panoramic view around the vehicle.

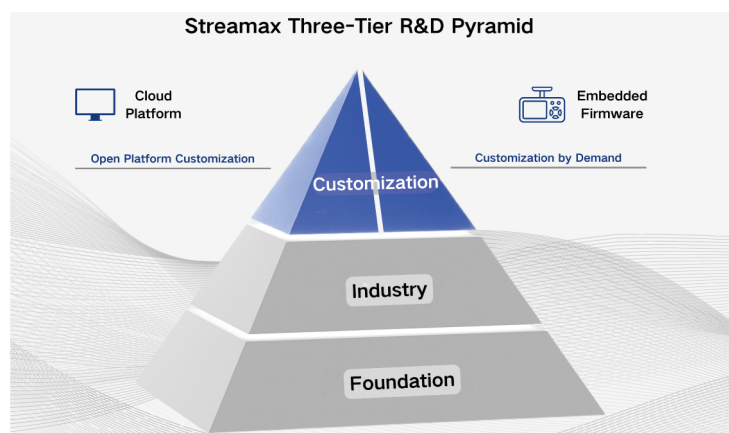
Stable power supply. The in-vehicle electronic system is complex and often subject to frequent voltage fluctuations and significant electrical interference. Our power design incorporates features including wider voltage range, surge protection, reverse-polarity protection, short-circuit protection and backflow prevention to ensure stable supply of electricity.

RESEARCH AND DEVELOPMENT

Research and development is the backbone of our business operation. We are committed to develop new technologies, design new products and upgrade existing product offerings to reinforce our leading market position.

Our Three-tiered Pyramid R&D Structure

The following diagram illustrates our three-tiered pyramid R&D structure.



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We have implemented a three-tiered pyramid R&D structure to maximize our R&D efficiency.

Foundation tier. Our foundation tier R&D focuses on foundational technologies that can be applied to solutions offered to different industries and customers. These foundational technologies primarily include audiovisual coding and decoding technology, high-precision positioning technology, adaptive high-definition imaging technology and differential upgrade technology, which play a key role in the communication mechanisms, including connections, location services, memory, multimedia and network protocols.

Industry tier. Our industry tier R&D focuses on functionalities addressing common needs across specific industries. For example, in the public transportation industry, our industry specific R&D focuses on industry-specific functions tailored to the needs of various downstream application industries, such as (i) bus station announcements, (ii) bus dispatch and scheduling, (iii) passenger count technology, (iv) bus lane violation, and (v) blind spot detection.

Customization tier. Our customization tier R&D focuses on functionalities addressing specific end users’ needs and enable us to provide bespoke solutions. These functionalities primarily include pre-duty alcohol detection, driver heart rate sensor, and speeding alerts. We provide two types of customization tier R&D, (i) open platform customization and (ii) customization by demand. Our open platform customization provides open platform customization that delivers a cloud platform with infrastructure, operating system and development tools for our customers and end users. We also provide customization by demand that delivers embedded firmware with hardware to boot, function and interact with the hardware components.

We offer our solutions and products on a standardized basis with customizable features. We offer customization on the functions of our solutions and products on the software and hardware level.

Software Customization. Where a customer’s proprietary peripherals adopt non-standard protocols that are not directly compatible with our standard software, we provide software customization services to enable seamless system integration. For solutions and products requiring interconnection with the customer’s existing devices or third-party devices, we develop customized features that support private-protocol communication, thereby enabling data exchange and system integration.

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We also offer tailored functions to accommodate local regulatory requirements, such as region-specific speed-limit thresholds, enterprise operational needs, and customized data and reporting formats. For example, while location reporting, video preview and evidence uploads are standardized features, certain speeding rules and reporting thresholds are customized features that may vary regionally.

In addition, we offer a standard suite of fatigue-detection algorithms and support region-specific needs from our customers, such as customers in certain regions require detections on the frequency at which drivers close their eyes while driving for fatigue alerts in transport service vehicles.

Hardware Customization. In addition to our branded solutions and products, we also provide customization services for customers seeking differentiated market offerings. Based on our standard product lines, we offer a wide range of hardware customization options, including color and shell modifications, customized indicators and customized pigtail cable interfaces.

For example, we provide AI assisted driving solutions to one of our customers in the logistics industry in Latin America. The customer utilized the open platform customization to integrate our solutions into their respective solutions, and built a real-time vehicle-status reporting solution. Based on our open platform and its comprehensive software development kit (“**SDK**”) and application programming interfaces (“**APIs**”), the customer developed a series of customized in-vehicle functions tailored to its operational needs. For example, based on our protocol, the customer developed customized platform-network communication capabilities that allow CAN data parsed on the device to be directly transmitted to its own servers. Leveraging the controller area network (“**CAN**”) data and APIs, the customer implemented model-specific CAN feature development—automatically identifying vehicle models and enabling differentiated functions such as CAN data parsing, speed display and alert generation. Through the serial-port peripheral APIs, the customer developed driver card reading functions, and using the Wi-Fi customization interfaces, it created tailored Wi-Fi features including dynamic SSID and password configuration for different operating scenarios.

Key R&D focus

Our research spans across vision-based AI technology and large models, enabling innovation in application scenarios, including logistics vehicles, public transportation vehicles and special purpose vehicles. During the Track Record Period and up to the Latest Practicable Date, we actively engaged in multiple R&D projects centered on the development of advanced intelligent driving and AI large models that provide cost-effective and integrated solutions and products to meet the diverse needs of our customers, such as complete and integrated AVM alert systems, adaptive intelligent rear mirror, and CMCS.

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Please see below a summary of our key completed and ongoing R&D projects:

Project topics	Main focuses and application scenarios
Bus driving safety assistance system with a focus on CMCS- and human-factor	• <i>Sensor fusion perception</i>: Researching multi-sensor fusion technology for mixed pedestrian-vehicle traffic in low-speed bus environments, integrating ultrasonic radar, millimeter-wave radar, vision, and IMU sensors to achieve multi-dimensional object classification and attribute perception. • <i>Brake control decision-making</i>: Developing dynamic braking control strategies based on external risk perception, vehicle motion states, and standing passenger safety risk assessments. • <i>Large model development</i>: Building models for the transit bus application scenario, covering (i) risk perception, (ii) driver management and (iii) emergency response. These models include (i) a model focusing on integrating internal/external perception with driver actions for risk detection, (ii) a model focusing on identifying unsafe driving behaviors and habits and (iii) a model focusing on detecting accidents and coordinating rescue efforts.
360° surround view warning system . .	• <i>AVM stitching algorithm</i>: Developing algorithms for stitching 2D bird’s-eye views and 3D rendered images from four camera inputs, ensuring no image loss in the video fusion zones. • <i>Distortion correction</i>: Correcting distortion in raw images captured by fisheye cameras to restore realistic visuals. • <i>Brightness balancing</i>: Dynamically comparing and adjusting image parameters captured by different cameras under varying lighting conditions to achieve uniform brightness across all four camera views, avoiding noticeable transitions. • <i>BSD algorithm</i>: Utilizing machine vision algorithms to recognize and compare pedestrian features.

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Project topics	Main focuses and application scenarios
All-weather intelligent electronic rearview mirror system	• <i>Field of view optimization</i>: Enhancing vehicle visibility by using external cameras to provide a wider field of view than traditional optical rearview mirrors, reducing blind spots. • <i>Environmental adaptability</i>: Improving image clarity and visibility under adverse weather conditions such as nighttime, rain and snow by enhancing brightness and contrast, and reducing glare from high beams. • <i>Intelligent integration</i>: Incorporating AI-based features such as blind spot detection and obstacle alerts to improve vehicle safety and autonomous driving performance.
Logistics vehicle security and transport efficiency	• <i>Video processing and transmission</i>: Implementing adaptive network transmission, high-definition video technology, and black-light technology. • <i>Intelligent Analysis</i>: Utilizing data-driven deep learning to reconstruct 3D cargo compartments and calculate real-time load rates. • <i>Energy supply and management</i>: Developing battery management and power-switching technologies. • <i>Multi-device connectivity</i>: Building a monitoring ecosystem by integrating multiple sensors to expand application scenarios within cargo compartments.

R&D Management and Process

During the Track Record Period, our R&D department generally designed the (i) hardware, (ii) software and (iii) AI algorithm incorporated in our solutions and products. For hardware, we conducted the design and provide specifications to our raw material suppliers, who provided hardware according to our specifications. We have established a comprehensive process to control and oversight of our R&D activities. The R&D process of our solutions and products encompasses the following stages:

Project concept and planning. We assess market conditions and refine market needs and requirements into technical specifications for R&D projects. We then conduct a technical feasibility analysis, prepare a project initiation report. Upon approval by our internal evaluation committee, we will finalize the R&D plan, including product specifications and key technology frameworks.

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Project requirement and specification design. Following project initiation, our R&D team refines the project requirements, technical specifications, functional features, performance targets based on applicable industry and regulatory standards and ensures that the project aligns with market and customer needs.

Development. The development process for our solutions focuses on the understanding for specific application scenarios and design and development for (i) hardware, (ii) software and algorithm (iii) structural and manufacturability and (iv) system testing.

Validation. Once the design and development process is completed, our R&D team will cooperate with our production team to conduct internal and external testing for performance to ensure that the solution or product samples meet industry standards and are ready for scalable manufacturing.

Throughout the entire product development process, we foster strong partnership with our customers. When a customer identifies new market opportunities or needs, they collaborate with our team to define the product’s specifications and intended performance. This partnership then extends from the R&D phase to product verification and mass production. Such close-knit collaboration ensures that our product development aligns seamlessly with the customers’ needs, facilitating swift product upgrades and iterations to meet the customers’ requirements. After the completion of product development, we continually upgrade our products and refine our designs based on customer feedback during product development and after product launch.

Our R&D Team

We believe our strong research and development capabilities are a core competitive strength and have led to our leading position in the industry. As of December 31, 2025, we had 690 R&D employees, approximately 72.0% of whom were software engineers. As of the Latest Practicable Date, we had three R&D centers located in Shenzhen, Chongqing, and Chengdu, China. Shenzhen center focuses on the R&D of vision-based AI technology, on-device software, hardware, as well as the R&D of AI large model systems. Chongqing center focuses on the R&D of vision-based AI technology, and our cloud and on-device software. Chengdu center focuses on the R&D of vision-based AI technology and cloud software. In 2023, 2024 and 2025, our research and development cost was RMB246.4 million, RMB283.7 million and RMB285.8 million, respectively, representing 16.4%, 14.2% and 11.5% of our total revenue for the respective periods.

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INTELLECTUAL PROPERTY

As of December 31, 2025, we had 539 granted patents in China and overseas, including 142 invention related patents. As of December 31, 2025, we had 288 copyrights and 101 registered trademarks in China and overseas. We acquired patents through self-development. In addition, as of the Latest Practicable Date, we co-owned four patents with third parties, all of whom are our customers in China. These co-owned patents arose from joint R&D activities with customers are mainly related to specific functions of our AI assisted driving systems. Due to the leading role we assumed in the relevant joint R&D activities, we entered into an agreement with each of these customers before the application of the relevant patents, which provided that the relevant customer is entitled to only the authorship rights to the patent, while we are exclusively entitled to other major rights to the patent, including implementation rights, licensing rights and transfer rights. These co-owned patents are not essential to our technologies and business operation. Considering the supplemental nature of such patents, none of such patents may cause a material adverse impact on our operations if there appears any disputes between the co-owner and us. As of the Latest Practicable Date, we did not experience any threatened or pending disputes relating to infringement of intellectual property rights which would have a material adverse effect on our business.

PRODUCTION

Our Production Bases

We have two production bases located in (i) Guangdong, China, and (ii) Vietnam, respectively. The table below sets forth details of our production bases as of the Latest Practicable Date:

Production Base	Location	Total GFA	Primary Solutions and Products	Year of Commencement of Production
China Base	Guangdong, China	Approximately 25,000 sq.m.	AI solutions and video devices	2021
Vietnam Base	Vietnam	Phase I: approximately 8,400 sq.m. Phase II (pending commencement of production): approximately 17,000 sq.m.	AI solutions and video devices	2023 2025

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Production Capabilities

The following table sets forth our production capacity, production volume and utilization rate by manufacturing facility for the periods indicated. Our effective production capacity and production volume are measured in terms of the number of MDVRs and cameras manufactured.

	Year ended December 31,		
	2023	2024	2025
China Base			
Effective production capacity (thousand) ⁽¹⁾	1,584.0	1,887.6	2,217.6
Production volume (thousand)	1,347.7	1,629.5	2,188.9
Utilization rate (%) ⁽²⁾	85.1	86.3	98.7
Vietnam Base			
Effective production capacity (thousand) ⁽¹⁾	79.2	277.2	623.0
Production volume (thousand)	8.0	188.7	469.2
Utilization rate (%) ⁽²⁾	10.1	68.1	75.3

Notes:

- (1) Effective production capacity is calculated based on the total production rate of our launched production lines operating 10 hours a day for 22 days a month. Calculation of effective production capacity includes the designed production capacity of newly launched production lines that (i) are undergoing a production ramp-up period or (ii) are under validation and sampling procedure. In addition if a production line commences operation in the middle of a year, the days in the year equal to the actual days from production commencement to the last day of such year to calculate effective production capacity is used instead.
- (2) Utilization rate is calculated by dividing production volume by production capacity for the same period.

China Base

The utilization rate at China Base remained relatively stable at 85.1% in 2023 and 86.3% in 2024. The utilization rate at China Base increased from 86.3% in 2024 to 98.7% in 2025, primarily because the increase in production volume outpaced the increase in production capacity from 2024 to 2025 as customer orders for our solutions and products increased. Our production volume at China Base increased by 34.3% from 1,629.5 thousand in 2024 to 2,188.9 thousand in 2025. Our production volume at China Base was relatively high in 2025 primarily in preparation for the increase in the market demand for our AI solutions. In particular, the sales volume of our AI solutions increased by 40.1% from 606.8 thousand sets in 2024 to 850.4 thousand sets in 2025.

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Vietnam Base

The utilization rate at Vietnam Base was 10.1% in 2023 primarily because our new product lines were under validation and sampling procedure in 2023 before they could produce any solution or product. The utilization rate at Vietnam Base increased from 10.1% in 2023 to 68.1% in 2024, and further increased to 75.3% in 2025, primarily because (i) our production volume at Vietnam Base was relatively low in 2023 and 2024 as the newly launched production lines were undergoing a production ramp-up period before reaching their effective production capacity; and (ii) our production volume at Vietnam Base was relatively high in 2025 primarily in preparation for the increase in the market demand for our AI solutions. In particular, the sales volume of our AI solutions increased by 40.1% from 606.8 thousand sets in 2024 to 850.4 thousand sets in 2025. We plan to further expand our Vietnam Base. By 2027, we estimate that the effective production capacity of Vietnam Base would increase by 100% from 623.0 thousand in 2025 to 1,246 thousand in 2027. We estimate that the expenditure to be incurred would be approximately RMB260,000 million.

Our Production Process

The following flowchart sets forth the typical manufacturing process of our products:

Steps	Production Process	Description
1	PCBA manufacturing and assembly . . .	Solders electronic components directly onto the surface of a Printed Circuit Board (PCB) via Surface-Mount Technology (SMT) and Dual In-Line Package (DIP)
2	PCBA testing.	Tests the function of the assembled PCB, or a PCB Assembly (PCBA)
3	Assembly.	Assembles hardware such as the PCBA, camera modules and shell
4	Software installation	Installs the necessary software onto the semi-finished product
5	Testing.	Tests the hardware and software of the finished product to different applications and environments
6	Packaging	Packages the tested finished product

Our key value-adds in the manufacturing process mainly include (i) hardware design and manufacturing and (ii) software installation. For hardware design and manufacturing, we perform the following measures to enhance the quality of hardware, among others:

Shockproof design: We can design shockproof and impact-resistant structure. Through road spectrum data collection, we replicate real-world road conditions, which helps ensure the durable and stable operation of the hardware in complex vehicle vibration environments.

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Automated self-review: Based on industry standards, we use software to automatically inspect PCBA designs. This helps prevent manufacturing defects in advance, reduces the number of trial production runs and improves both product quality and process consistency.

High-speed signal testing and optimization: We utilize our specialized equipment to help ensure the critical signals adhere to industrial standards. This enables the early identification of potential issues, ensuring system performance and reliability.

Automated manufacturing and testing system: Our automated manufacturing system helps ensure the consistency of all hardware during the manufacturing process. Our automated testing system examines the quality of each hardware, which helps ensure its quality.

Production Equipment

The following table sets forth some details of our major production equipment as of the Latest Practicable Date:

Equipment	Functions	Production steps involved
Automated SMT machine	Picks and places electronic components onto a PCB	PCBA manufacturing and assembly
Wave soldering machine	Automatically solders through-hole components onto a PCB	PCBA manufacturing and assembly
Stencil printer	Applies a precise amount of solder paste onto a PCB through a stencil	PCBA manufacturing and assembly
Automated optical inspection equipment	Inspects the PCBA for defects like misplaced components, poor solder joints, or scratches	PCBA testing
Environmental testing chambers	Simulates extreme conditions such as high and low temperatures, high humidity, and vibration to test the durability of the product	Testing

Production Management

We have implemented a comprehensive production planning management system to ensure efficient utilization of our manufacturing resources and to align production output with market demand and customer orders. Our production department formulates annual and monthly production plans based on sales orders, projected market demand, and current production capacity. These plans serve as the basis for assigning specific production tasks to our manufacturing facilities, taking into account equipment load distribution and available workforce. Through close collaboration between our procurement and sales departments, we aim to streamline production processes, optimize resource allocation, and minimize production disruptions, thereby maintaining operational efficiency and timely order fulfillment.

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OUR SUPPLIERS

Supplier Management

Our raw materials mainly include integrated circuits, modules and cameras. During the Track Record Period, our suppliers primarily consisted of raw material suppliers. We select and engage reputable suppliers with proven track records to ensure the quality of our products.

We generally enter into framework agreements with our suppliers, which set forth the general terms and conditions of purchase.

- *Specifications* We specify the type, quantity and price of raw materials in purchase orders, including unit price and total price.
- *Delivery term* Suppliers are typically responsible for the costs and risks associated with the delivery process. Our suppliers are typically responsible for delivering goods to us under standards and to destinations specified by us.
- *Credit term* We are typically required to make payments within 30 to 90 days upon invoice.
- *Product return and warranty* The supplier is responsible for the quality of raw materials which must meet our specifications and requirements. We are required to inspect the raw materials and notify the supplier of any defects. Our suppliers typically provide us with product warranty for up to three years.
- *Termination clauses* We are entitled to terminating the agreement when one of the following happens: (i) the quality of the suppliers’ products do not meet our requirement, or the suppliers lose its qualifications; (ii) the suppliers decline our purchase order without reasonable cause or perform its contractual obligations; and (iv) the suppliers offer unreasonable price or engage in other fraudulent acts.

Major Suppliers

In 2023, 2024 and 2025, purchases from our five largest suppliers amounted to RMB184.8 million, RMB285.7 million and RMB331.0 million, respectively, representing 28.8%, 28.6% and 25.2% of our total purchase from continuing operations, respectively. In addition, purchases from our largest supplier accounted for 11.6%, 10.9% and 8.2% of our total purchase from continuing operations in 2023, 2024 and 2025, respectively. Save for Supplier G, a wholly-owned subsidiary of Ruiming Science, in which we retained a 19% equity interest following its disposal, all of our five largest suppliers were independent third parties in each year during the Track Record Period. See “History, Development and Corporate Structure — Major Acquisitions, Disposals and Mergers — Disposal of Ruiming Sciences”.

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None of our Directors and their respective associates or our Shareholders who own more than 5% of our total issued Shares (excluding treasury shares) had any interest in our five largest suppliers in each year during the Track Record Period and up to the Latest Practicable Date. Additionally, we did not experience any material disputes with our suppliers during the Track Record Period and up to the Latest Practicable Date.

The following table sets forth the details of our five largest suppliers in each period during the Track Record Period.

Rank	Supplier	Purchase Amount	Percentage of total purchase	Type of product/services provided	Credit terms	Year of commencement of business relationship
		(RMB'000)	(%)			
<i>For the year ended December 31, 2023</i>						
1	Supplier A ⁽¹⁾	74,504	11.6	Cameras	Up to 90 days	2017
2	Supplier B ⁽²⁾	36,320	5.7	Electronic components	Up to 120 days	2017
3	Supplier C ⁽³⁾	31,497	4.9	Modules	Up to 90 days	2022
4	Supplier D ⁽⁴⁾	27,314	4.3	SD card and hard drives	Up to 30 days	2017
5	Supplier E ⁽⁵⁾	15,180	2.4	PCBAs and semiconductors	Up to 90 days	2017

Notes:

- (1) Supplier A is a public company established in Guangdong, listed on National Equities Exchange and Quotations, and primarily engaged in the R&D, manufacturing, and sales of video monitoring hardware.
- (2) Supplier B is a private company in Guangdong, primarily engaged in the sales of semiconductors and electronic components.
- (3) Supplier C is a private company established in Guangdong, primarily engaged in the manufacturing and sales of electronic components.
- (4) Supplier D is a private company established in Guangdong, primarily engaged in the R&D and sales of memory products and electronic components.
- (5) Supplier E is a public company listed on Shenzhen Stock Exchange, established in Guangdong, primarily engaged in the manufacturing and sales of modules.

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Rank	Supplier	Purchase Amount	Percentage of total purchase	Type of product/services provided	Credit terms	Year of commencement of business relationship
		(RMB'000)	(%)			
<i>For the year ended December 31, 2024</i>						
1	Supplier A	108,533	10.9	Cameras	Up to 90 days	2017
2	Supplier D	62,861	6.3	SD cards and hard drives	Up to 30 days	2017
3	Supplier B	46,038	4.6	Electronic component	Up to 120 days	2017
4	Supplier C	44,265	4.4	Modules	Up to 90 days	2022
5	Supplier F ⁽⁶⁾	23,973	2.4	Capacitors and chips	Up to 60 days	2020

Note:

- (6) Supplier F is a private company established in Taiwan, China, primarily engaged in the sales of display components and integrated circuits.

Rank	Supplier	Purchase Amount	Percentage of total purchase	Type of product/services provided	Credit terms	Year of commencement of business relationship
		(RMB'000)	(%)			
<i>For the year ended December 31, 2025</i>						
1.	Supplier A	107,906	8.2	Cameras	Up to 90 days	2017
2.	Supplier D	86,209	6.6	SD cards and hard drives	Up to 30 days	2017
3.	Supplier B	48,738	3.7	Electronic component	Up to 120 days	2017
4.	Supplier C	47,139	3.6	Modules	Up to 90 days	2022
5.	Supplier G ⁽⁷⁾	40,960	3.1	Electronic manufacturing services	Up to 30 days	2020

Note:

- (7) Supplier G is a wholly-owned subsidiary of Ruiming Science established in China, primarily engaged in the electronic manufacturing services, which mainly involve printed circuit board surface-mount processing.

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CUSTOMERS, SALES AND MARKETING

Sales to Our Customers

Our customers mainly comprise (i) video telematics system integrators and (ii) automobile manufacturers. The video telematics system integrators typically consolidate our solutions and products with their own software platforms with uniform standards to form complete, end-to-end solutions optimized for specific industry verticals and operational workflows. Customization by integrators is common and often essential to meet end users’ specific requirements. We typically do not compete with the integrators given that the integrators sell solutions and products to end users, while we typically sell solutions and products directly to integrators, but not sell directly to end users.

The major difference between our transaction with video telematics system integrators and that with automobile manufacturers lies in the following aspects:

- Solutions and products provided to automobile manufacturers are generally more standard given that they are integrated into the new vehicles in the vehicles’ manufacturing process and need to meet the relevant requirement of the automobile manufacturers. Solutions and products provided to video telematics system integrators are generally more diverse.
- Solutions and products provided to video telematics system integrators are subject to general quality standards and product return provisions commonly observed in the industry. Solutions and products provided to automobile manufacturers shall adhere to more stringent quality standards.

Most of our solutions and products are retrofitted into vehicles already in use and few of our products and solutions are integrated into new vehicles as part of the initial design. Our automobile manufacturers customers mostly procure from us directly.

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The following table sets forth a breakdown of our revenue from continuing operations by customer type, in absolute amounts and as percentages of the total revenue, for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Continuing operations						
AI solutions	1,166,651	77.6	1,606,573	80.4	2,015,494	81.4
Video telematics system integrators	1,051,018	69.8	1,454,169	72.8	1,726,626	69.7
Automobile manufacturers	56,324	3.7	114,852	5.7	221,995	9.0
Other customers ⁽¹⁾	59,309	4.1	37,552	1.9	66,873	2.7
Video devices	320,609	21.3	367,425	18.4	413,663	16.7
Video telematics system integrators	280,012	18.6	322,130	16.1	360,188	14.5
Automobile manufacturers	24,301	1.6	24,891	1.2	26,178	1.1
Other customers ⁽¹⁾	16,296	1.1	20,404	1.1	27,297	1.1
Others⁽²⁾	17,991	1.1	23,733	1.2	47,771	1.9
Total	1,505,251	100.0	1,997,731	100.0	2,476,928	100.0

Notes:

- (1) Primarily includes government associations and subordinate institutions.
- (2) Primarily include (i) sales of electronic components such as optoelectronic devices, (ii) sales of AI computing infrastructure products such as uninterruptible power supply products and high voltage direct current power products, (iii) manufacturing services for products such as uninterruptible power supply products and (iv) technical services such as platform operations.

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The following table sets forth the sales volume of our main solutions and products from continuing operations by customer type for the periods indicated:

	Year ended December 31,		
	2023	2024	2025
	'000	'000	'000
Continuing operations			
AI solutions (set)	544.3	606.8	850.4
Video telematics system integrators	490.6	548.3	777.3
Automobile manufacturers	27.6	42.2	59.8
Other customers ⁽¹⁾	26.1	16.3	13.3
Video devices (pc)	222.8	258.7	298.3
Video telematics system integrators	197.3	234.8	278.5
Automobile manufacturers	24.2	20.9	14.3
Other customers ⁽¹⁾	1.3	3.0	5.5

Note:

(1) Primarily includes government associations and subordinate institutions.

The following table sets forth the average selling price of our main solutions and products from continuing operations by customer type for the periods indicated:

	Year ended December 31,		
	2023	2024	2025
Continuing operations			
AI solutions (RMB per set)	2,143	2,648	2,370
Video telematics system integrators	2,142	2,652	2,221
Automobile manufacturers	2,041	2,722	3,712
Other customers ⁽¹⁾	2,272	2,304	5,028
Video devices (RMB per pc)	1,439	1,420	1,387
Video telematics system integrators	1,419	1,372	1,293
Automobile manufacturers	1,004	1,191	1,831
Other customers ⁽¹⁾	12,535	6,801	4,990

Note:

(1) Primarily includes government associations and subordinate institutions.

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The following table sets forth a breakdown of our gross profit and gross profit margin from continuing operations by customer type for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	<i>Gross profit</i>		<i>Gross profit</i>		<i>Gross profit</i>	
	<i>Gross profit</i>	<i>margin</i>	<i>Gross profit</i>	<i>margin</i>	<i>Gross profit</i>	<i>margin</i>
	<i>(RMB'000)</i>	<i>(%)</i>	<i>(RMB'000)</i>	<i>(%)</i>	<i>(RMB'000)</i>	<i>(%)</i>
Continuing operations						
AI solutions	541,151	46.4	792,349	49.3	926,610	46.0
Video telematics system integrators	508,226	48.4	737,916	50.7	802,641	46.5
Automobile manufacturers	16,778	29.8	46,184	40.2	101,486	45.7
Other customers ⁽¹⁾	16,147	27.2	8,249	22.0	22,483	33.6
Video devices	113,563	35.4	122,743	33.4	165,565	40.0
Video telematics system integrators	108,826	38.9	115,188	35.8	149,014	41.4
Automobile manufacturers	3,644	15.0	1,797	7.2	7,006	26.8
Other customers ⁽¹⁾	1,093	6.7	5,758	28.2	9,545	35.0
Others⁽²⁾	980	5.4	3,109	13.1	3,476	7.3
Total	655,694	43.6	918,201	46.0	1,095,651	44.2

Notes:

- (1) Primarily includes government associations and subordinate institutions.
- (2) Primarily include (i) sales of electronic components such as optoelectronic devices, (ii) sales of AI computing infrastructure products such as uninterruptible power supply products and high voltage direct current power products, (iii) manufacturing services for products such as uninterruptible power supply products and (iv) technical services such as platform operations.

The gross profit margin of our video telematics system integrators customers was generally higher than that of our automobile manufacturers customers in the same period, primarily because most of our video telematics system integrators customers are located overseas, while most of our automobile manufacturers customers are located domestically.

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The following table sets forth the movement in the number of our video telematics system integrators from continuing operations for the periods indicated:

	For the year ended December 31,		
	2023	2024	2025
Continuing operations			
As of the beginning of the period	1,538	1,621	1,618
Addition of new customers ⁽¹⁾	593	540	529
Termination of existing customers ⁽²⁾	510	543	477
Net increase/(decrease) of customers	83	(3)	52
As of the end of the period	1,621	1,618	1,670
Customer retention rate ⁽³⁾	66.8%	66.5%	70.5%

Notes:

- (1) New customers refer to customers who (i) had at least one transaction with us in the relevant period; and (ii) did not have any transaction with us in the immediately preceding calendar year.
- (2) Termination of existing customers refers to customers who (i) did not have any transaction with us in the relevant period; and (ii) had at least one transaction with us in the immediately preceding calendar year.
- (3) Customer retention rate is calculated based on numbers of customers as of the end of the period minus numbers of addition of new customers, divided by numbers of customers as of the beginning of the period *100%.

Among the 1,538 video telematics system integrator customers we have as of the beginning of 2023, 73.7% of them had at least one transaction with us during the Track Record Period.

The following table sets forth the movement in the number of our automobile manufacturers from continuing operations for the periods indicated:

	For the year ended December 31,		
	2023	2024	2025
Continuing operations			
As of the beginning of the period	31	31	47
Addition of new customers ⁽¹⁾	7	21	21
Termination of existing customers ⁽²⁾	7	5	6
Net increase of customers	—	16	15
As of the end of the period	31	47	62
Customer retention rate ⁽³⁾	77.4%	83.9%	87.2%

Notes:

- (1) New customers refer to customers who (i) had at least one transaction with us in the relevant period; and (ii) did not have any transaction with us in the immediately preceding calendar year.
- (2) Termination of existing customers refers to customers who (i) did not have any transaction with us in the relevant period; and (ii) had at least one transaction with us in the immediately preceding calendar year.

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- (3) Customer retention rate is calculated based on numbers of customers as of the end of the period minus numbers of addition of new customers, divided by numbers of customers as of the beginning of the period *100%.

Major Customers

In 2023, 2024 and 2025, revenue generated from our five largest customers amounted to RMB271.9 million, RMB341.9 million and RMB470.5 million, respectively, accounting for 18.1%, 17.1% and 19.0% of our total revenue from continuing operations in the same periods, respectively. Revenue from our largest customer in each period of the Track Record Period accounted for 5.0%, 4.2% and 5.3% of our total revenue, respectively. All of our five largest customers were independent third parties in each year during the Track Record Period.

The following table sets forth the details of our five largest customers in each year during the Track Record Period.

Rank	Customer	Sales amount (RMB'000)	Percentage of total revenue (%)	Type of product/ services purchased	Credit terms	Year of commencement of business relationship
<i>For the year ended December 31, 2023</i>						
1	Customer A ⁽¹⁾ . . .	75,256	5.0	AI assisted driving systems and video devices	N/A ⁽⁶⁾	2021
2	Customer B ⁽²⁾ . . .	59,736	4.0	AI assisted driving systems and video devices	90 days	2020
3	Customer C ⁽³⁾ . . .	54,706	3.6	AI fleet operation management systems, AI assisted driving systems and video devices	60 days	2016
4	Customer D ⁽⁴⁾ . . .	41,328	2.7	AI assisted driving systems and video devices	30 days	2019
5	Customer E ⁽⁵⁾ . . .	40,833	2.7	AI fleet operation management systems, AI assisted driving systems and video devices	90 days	2016

Notes:

- (1) Customer A is a private company established in the United Kingdom, primarily engaged in the sales of AI-powered camera systems and analytics for vehicle fleets
- (2) Customer B is a private company established in Brazil, primarily engaged in the sales of automotive security systems, and fleet tracking and telematics services.
- (3) Customer C is a private company established in the United States, primarily engaged in the design, manufacturing, and sales of in-vehicle video systems, accessories and services for public transportation, school busses and mass transit operators.
- (4) Customer D is a public company listed on NYSE, established in South Africa, primarily engaged in the sales of SaaS-based tracking, safety, compliance and efficiency services for vehicle fleets.
- (5) Customer E is a private company established in the United States, primarily engaged in sales of cloud-based video systems and storage solutions for vehicle fleets.
- (6) Customer A typically made payment upon our delivery of solutions and products.

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Rank	Customer	Sales amount (RMB'000)	Percentage of total revenue (%)	Type of product/ services purchased	Credit terms	Year of commencement of business relationship
<i>For the year ended December 31, 2024</i>						
1	Customer D	83,344	4.2	AI assisted driving systems and video devices	45 days	2019
2	Customer F ⁽⁷⁾ . . .	67,816	3.4	AI fleet operation management systems, AI assisted driving systems and video devices	30 days	2019
3	Customer G ⁽⁸⁾ . . .	66,503	3.3	AI assisted driving systems and video devices	60 days	2017
4	Customer B	63,407	3.2	AI assisted driving systems, AI large model systems and video devices	90 days	2020
5	Customer H ⁽⁹⁾ . . .	60,866	3.0	AI fleet operation management systems, AI assisted driving systems and video devices	90 days	2018

Notes:

- (7) Customer F is a private company established in the United States, primarily engaged in the development and sales of cloud solutions for field services and logistics.
- (8) Customer G is a private company established in Brazil, primarily engaged in the development, manufacturing and sales of electronic communication, telematics and positioning components and the development and sales of software.
- (9) Customer H is a private company established in the United States, primarily engaged in providing end-to-end manufacturing solutions, including the production of automotive wiring harnesses, electronic box components, and PCBA.

Rank	Customer	Sales amount (RMB'000)	Percentage of total revenue (%)	Type of product/ services purchased	Credit terms	Year of commencement of business relationship
<i>For the year ended December 31, 2025</i>						
1	Customer I ⁽¹⁰⁾	131,784	5.3	AI fleet operation management systems, AI assisted driving systems and video devices	60 days	2019
2	Customer J ⁽¹¹⁾	99,169	4.0	AI assisted driving systems	50% upon delivery, 45% upon inspection and acceptance, and 5% upon expiry of a 36-month warranty period	2025
3	Customer K ⁽¹²⁾	98,636	4.0	AI assisted driving systems and video devices	120 days	2024
4	Customer L ⁽¹³⁾	71,435	2.9	Video devices	105 days	2020

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Rank	Customer	Sales amount (RMB'000)	Percentage of total revenue (%)	Type of product/ services purchased	Credit terms	Year of commencement of business relationship
5	Customer A	69,434	2.8	AI fleet operation management systems, AI assisted driving systems and video devices	N/A ⁽⁶⁾	2021

Notes:

- (10) Customer I is a public company established in China, headquartered in Zhengzhou, primarily engaged in manufacturing and sales of buses serving various segments including public transportation, long-distance coach services, tourism, corporate and school transport, and other specialized travel markets.
- (11) Customer J is a private company established in China, primarily engaged in the application of navigation technology in intelligent transportation.
- (12) Customer K is a private company established in Brazil, primarily engaged in providing digital platform solutions for fleet management, enabling commercial vehicle fleets to develop, deploy and manage mobile devices and applications through an integrated platform.
- (13) Customer L is a private company established in Hong Kong, primarily engaged in procurement and trading of electronic components and structural parts, as well as import and export services.

To the best of our knowledge and as of the Latest Practicable Date, we were not aware of any information or arrangement that would lead to the termination of our relationships with any of our major customers. None of our Directors and their respective associates, or Shareholders who own 5% or more of the total issued Shares (excluding treasury shares) had any interest in any of our five largest customers in each year during the Track Record Period and up to the Latest Practicable Date.

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Sales and Marketing

We employ a multi-faceted sales approach to reach a broad customer base worldwide, utilizing offline networks. During the Track Record Period, we sold our solutions and products to over 100 countries and regions and over 200 cities worldwide. The following table sets forth a breakdown of our revenue by geographic region during the Track Record Period, based on the place of registration of counter-parties to our sales contracts, as requested by our customers:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Continuing operations						
Chinese Mainland ⁽¹⁾	596,999	39.7	679,911	34.0	950,037	38.4
Overseas	908,252	60.3	1,317,820	66.0	1,526,891	61.6
Americas ⁽²⁾	426,635	28.2	679,651	34.0	755,890	30.5
Europe ⁽³⁾	256,922	17.1	267,709	13.4	334,498	13.5
Asia Pacific (excluding Chinese Mainland) ⁽⁴⁾	90,154	6.0	147,539	7.4	246,007	9.9
Africa ⁽⁵⁾	84,057	5.6	127,583	6.4	111,695	4.5
Middle East ⁽⁶⁾	50,484	3.4	95,338	4.8	78,801	3.2
Total	1,505,251	100.0	1,997,731	100.0	2,476,928	100.0

Notes:

- (1) The major application scenarios in Chinese Mainland in terms of revenue during the Track Record Period are (i) transit buses, (ii) logistics vehicles and (iii) taxis.
- (2) Primarily include the U.S., Brazil, Canada, Mexico and Columbia. The major application scenarios in Americas in terms of revenue during the Track Record Period are (i) logistics vehicles and (ii) school buses
- (3) Primarily include the U.K., Sweden, Italy and Spain. The major application scenarios in Europe in terms of revenue during the Track Record Period are (i) logistics vehicles and (ii) transit buses.
- (4) Primarily include India, Australia, Vietnam, New Zealand and Singapore. The major application scenarios in Asia Pacific (excluding Chinese Mainland) in terms of revenue during the Track Record Period are (i) logistics vehicles, (ii) taxis and (iii) transit buses.
- (5) Primarily include South Africa. The major application scenario in Africa in terms of revenue during the Track Record Period is logistics vehicles.
- (6) Primarily include the UAE and Saudi Arabia. The major application scenarios in the Middle East in terms of revenue during the Track Record Period are (i) taxis, (ii) logistics vehicles and (iii) transit buses.

During the Track Record Period, we derived the majority of our revenue from overseas markets. For detailed analysis of our revenue by geographical region of our customers, see “Financial Information—Results of Operation—Continuing Operations—Revenue—Revenue by Geographical Region.”

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We have adopted the direct sales model. During the Track Record Period, we did not engage any distributors and sold all of our solutions and products directly to our customers in domestic and overseas markets. This approach allows us to establish close and direct connection with our customers to gain first-hand understanding of their needs and feedback.

We generally enter into framework direct sales agreements with our customers. These short-term sales agreements set out the pricing and product specifications including quantity, payment terms, and date and means of delivery. Salient terms of our framework agreements with direct sales partners are set out below:

- *Pricing*. We specify the price of each product and solution provided to customers in the sales agreement, including unit price and total price.
- *Specification*. We generally specify quantities and product specifications in the sales agreement.
- *Delivery term*. We bear the costs and risks in the delivery process. We are typically responsible for delivering goods to customers under standards and to destinations specified by customers.
- *Credit term*. We grant credit period to our customers according to their credit profile and historical performance. We typically grant credit terms of three months to eligible customers.
- *Product Warranty*. Depending on the product and solution provided to customers, we typically provide product warranty period of one to two years.
- *Termination* The sales agreement is generally terminated once each party has fulfilled its obligations.

Product return policy

We generally do not accept sales returns except for products defects for which we are responsible. In the event of product failure, we undertake necessary corrective actions including replacement, repair, and indemnification of purchaser’s losses.

During the Track Record Period, the total value of our product return was insignificant. During the Track Record Period and up to the Latest Practicable Date, we did not receive (i) any fines, product recall orders or other penalties from the relevant competent authorities regarding material product quality issues, (ii) any material product returns from our customers, or (iii) any material complaints from customers.

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Pricing

We price our solutions and products based on various factors, including: (i) the number and types of solutions and products provided, (ii) functionalities selected by our customers for software and models, (iii) provision of deployment and after-sales services, (iv) complexity of technology involved and (v) product competitiveness. We may also consider the competitive landscape in each industrial verticals, including the pricing strategies of competitors. We also adopted a tiered pricing strategy based on the procurement volume and the length of collaboration with specific customers, while factoring in our cost structure.

Marketing

Our sales team possesses extensive industry experience and in-depth understanding of our AI solutions. Our sales and marketing team closely monitors regional market information and trends, analyzes local demands and tailor our offerings accordingly, and seizes business opportunities on a regional basis and offers customized solutions that align with customers’ unique needs. As of December 31, 2025, our sales team consisted of 355 employees.

Our marketing department is responsible for enhancing our brand awareness and promoting our new and existing solutions and products. We employ a comprehensive marketing and branding strategy by utilizing various channels to reach potential customers, including offline and online marketing campaigns and events hosted by us, content marketing, partner marketing, social media, exhibits, industry associations and public relations.

We support our overseas sales activities through the following measures:

- We had established subsidiaries and representative offices in overseas regions, including (i) 11 subsidiaries in overseas countries and regions, including the U.S., Singapore, the United Arab Emirates and Vietnam, and (ii) five representative offices in Mexico, Brazil, Columbia, the U.K. and Thailand. Our subsidiaries and representative offices help us connect to and maintain close relationship with our customers by (i) promoting and selling solutions and products on-site, (ii) providing on-site after-sale technical services and (iii) receiving customer feedback.
- We conduct various overseas marketing activities, including holding (i) industrial exhibitions and summits from time to time; (ii) utilizing overseas social media for sales and marketing and receiving feedback; and (iii) presenting our solutions and products through our official website.

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Application Scenarios

The following table sets forth a breakdown of our revenue from continuing operations by application scenario, in absolute amounts and as percentages of the total revenue, for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Continuing operations						
AI solutions	1,166,651	77.6	1,606,573	80.4	2,015,494	81.4
Logistics vehicles	570,779 ⁽³⁾	37.9	781,869 ⁽³⁾	39.1	981,753 ⁽³⁾	39.7
Public transportation vehicles	549,935	36.5	770,523	38.5	966,813	39.0
School buses	140,076	9.3	274,462 ⁽⁴⁾	13.7	242,113	9.8
Transit buses	260,563	17.3	335,609	16.8	550,671 ⁽⁵⁾	22.2
Taxis	149,296	9.9	160,452	8.0	174,029	7.0
Special purpose vehicles ⁽¹⁾	45,937	3.2	54,181	2.8	66,928	2.7
Video devices	320,609	21.3	367,425	18.4	413,663	16.7
Logistics vehicles	124,722	8.3	124,287	6.2	135,263	5.4
Public transportation vehicles	155,878	10.3	201,700	10.0	260,858	10.6
School buses	20,999	1.4	28,703	1.4	36,665	1.5
Transit buses	83,526	5.5	96,237	4.8	123,234 ⁽⁶⁾	5.0
Taxis	51,353	3.4	76,760	3.8	100,959	4.1
Special purpose vehicles ⁽¹⁾	40,009	2.7	41,438	2.2	17,542	0.7
Others ⁽²⁾	17,991	1.1	23,733	1.2	47,771	1.9
Total	1,505,251	100.0	1,997,731	100.0	2,476,928	100

Notes:

- (1) Primarily include mining vehicles, engineering cranes, sanitation vehicles and forklifts.
- (2) Primarily include (i) sales of electronic components such as optoelectronic devices, (ii) sales of AI computing infrastructure products such as uninterruptible power supply products and high voltage direct current power products, (iii) manufacturing services for products such as uninterruptible power supply products and (iv) technical services such as platform operations.
- (3) The revenue of our AI solutions in the logistics vehicle application scenario increased by 37.0% from RMB570.8 million in 2023 to RMB781.9 million in 2024 and further increased by 25.6% to RMB981.8 million in 2025, primarily due to continuing increase in customer demand in our major geographical regions.
- (4) The revenue of our AI solutions in the school bus application scenario increased by 95.9% from RMB140.1 million in 2023 to RMB274.5 million in 2024, primarily due to (i) a 32.9% increase in sales volume from 42.8 thousand sets in 2023 to 56.9 thousand sets in 2024, as a result of an increase in customer demand in the U.S.; and (ii) a

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47.4% increase in average selling price from RMB3,273 per set in 2023 to RMB4,824 per set in 2024, as a result of an increase in the revenue proportion of the AI solutions that include AI capture systems and high-resolution AI camera, which had relatively high average selling price.

- (5) The revenue of our AI solutions in the transit bus application scenario increased by 64.1% from RMB335.6 million in 2024 to RMB550.7 million in 2025, primarily due to a 38.6% increase in sales volume from 86.7 thousand sets in 2024 to 120.2 thousand sets in 2025, as a result of an increase in customer demand due to the implementation of new standards for commercial vehicles in the European Union in July 2024.
- (6) The revenue of our video devices in the transit bus application scenario increased by 28.1% from RMB96.2 million in 2024 to RMB123.2 million in 2025, primarily due to a 28.2% increase in average selling price from RMB1,204 per pc in 2024 to RMB1,544 per pc in 2025, as our customers are placing increasing priority on safety and efficiency in their procurement decisions.

The following table sets forth a breakdown of the sales volume of our main solutions and products from continuing operations by application scenario for the periods indicated:

	Year ended December 31,		
	2023	2024	2025
	000	000	000
Continuing operations			
AI solutions (set)	544.3	606.8	850.4
Logistics vehicles	294.9	346.3	565.7
Public transportation vehicles	236.0	248.7	270.6
School buses	42.8	56.9	58.4
Transit buses	88.0	86.7	120.2
Taxis	105.2	105.1	92.0
Special purpose vehicles⁽¹⁾	13.4	11.8	14.1
Video devices (pc)	222.8	258.7	298.3
Logistics vehicles	83.3	96.9	118.4
Public transportation vehicles	105.3	145.2	164.9
School buses	16.7	29.0	37.8
Transit buses	69.8	79.9	79.8
Taxis	18.8	36.3	47.3
Special purpose vehicles⁽¹⁾	34.2	16.6	15.0

Note:

- (1) Primarily include mining vehicles, engineering cranes, sanitation vehicles and forklifts.

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The following table sets forth a breakdown of the average selling price of our main solutions and products from continuing operations by application scenario for the periods indicated:

	Year ended December 31,		
	2023	2024	2025
Continuing operations			
AI solutions (set)	2,143	2,648	2,370
Logistics vehicles	1,936	2,258	1,735
Public transportation vehicles	2,330	3,098	3,573
School buses	3,273	4,824	4,146
Transit buses	2,961	3,871	4,581
Taxis	1,419	1,527	1,892
Special purpose vehicles⁽¹⁾	3,428	4,592	4,747
Video devices (pc)	1,439	1,420	1,387
Logistics vehicles	1,497	1,283	1,143
Public transportation vehicles	1,480	1,389	1,582
School buses	1,257	990	970
Transit buses	1,197	1,204	1,544
Taxis	2,732	2,115	2,134
Special purpose vehicles⁽¹⁾	1,170	2,496	1,169

Note:

(1) Primarily include mining vehicles, engineering cranes, sanitation vehicles and forklifts.

RECENT REGULATIONS IN RELATION TO TARIFFS

Since February 2025, the U.S. proposed to impose multiple rounds of tariffs on a wide range of goods imported from multiple countries, including China, and China responded with retaliatory tariffs. Since February 2025, both countries raised reciprocal tariffs on each other’s imported goods to 125%. However, on May 12, 2025, both the U.S. and China modified these tariff measures: the U.S. removed the 125% tariff and temporarily reduced tariffs on Chinese goods to 10% by suspending a 24% duty for 90 days. The PRC government announced the same tariff adjustments, removing the 125% retaliatory tariff and cutting tariffs on U.S. goods from 34% to 10% for the same period.

In relation to our import activities from the U.S., we do not rely on any U.S.-originated technologies or raw materials for our operations. Further, in relation to our export activities to the U.S., during the Track Record Period, revenue generated from the U.S. accounted for 12.7%, 16.9% and 13.8% of our total revenue in 2023, 2024 and 2025, respectively. There has been no

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material sales decline for our U.S. sales since the implementation and revision of rounds of U.S. tariffs starting February 2025. We do not expect our sales to the U.S. to increase significantly and do not have plans to devote significant resources to expand our sales in the U.S..

Given our limited export and import activities in connection with the U.S. during the Track Record Period and up to the Latest Practicable Date and the latest agreement between the U.S. and China, our Directors believe, and the Sole Sponsor concurs, that the recent tariffs have had no material or immediate direct or indirect impact on our supply chain, production, operations and financial performance during the Track Record Period and up to the Latest Practicable Date. Furthermore, as we currently do not target or plan to shift our strategic focus to the U.S. market and the U.S. market is not expected to account for a significant portion of our revenue, our Directors are of the view, and the Sole Sponsor concurs, that the recent tariffs will not have any material adverse impact, directly or indirectly, on our operations and financial performance.

We will continue to monitor the regulatory landscape but consider our exposure to U.S. trade policy to be limited. For risks relating to the relevant tariffs on our Group’s business and financial performance, please refer to “Risk Factors—Changes in tariffs may adversely affect our international sales and our results of operations.”

BUSINESS ACTIVITIES IN RELATION TO THE U.S. OUTBOUND INVESTMENT SECURITY PROGRAM

On October 28, 2024, the Department of the Treasury issued the Provisions Pertaining to U.S. Investments in Certain National Security Technologies and Products in Countries of Concern (the “**Final Rule**”), which became effective on January 2, 2025. The Final Rule implements a regulatory framework for certain U.S. investments into China (including Hong Kong and Macau) in entities engaged in activities involving sensitive technologies critical to national securities in three sectors, namely, (i) semiconductors and microelectronics, (ii) quantum information technologies, and (iii) artificial intelligence systems with applications that pose national security risks, collectively defined as “Covered Foreign Persons”. The program would prohibit U.S. persons from undertaking certain transactions and require notification by U.S. persons on certain investments in Covered Foreign Persons.

We are engaged in the development of our artificial intelligence systems. Although our artificial intelligence system is not designed for any restricted end use, such as military end use, government intelligence or mass surveillance end use, or for the use of cybersecurity applications, digital forensic tools, penetration test tools, nor trained with a restricted quantity of computing power under the Final Rule (i.e., trained using a quantity of computing power greater than 10^{23} computational operations or more), as advised by our International Sanctions Legal Advisor, given that our products and solutions include AI systems is intended for the control of robotic systems, being developed for use in

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advanced driving assistance systems and automated emergency braking systems, we are likely to be deemed a Covered Foreign Person engaged in “Covered Activities” referred to in the definition of “Notifiable Transactions” as set out in 31 C.F.R. § 850.217(d)(2)(iv). As the OISP regulates U.S. person investment, determining whether any specific U.S. person’s [REDACTED] in us would be a “notifiable” or a “prohibited” transaction is the responsibility of the U.S. person. U.S. persons are advised to consult independent legal advice to conduct diligence to determine their obligations under the OISP regulations prior to making an [REDACTED] in us.

Following the completion of the [REDACTED], it is expected that U.S. persons will be able to invest in our Company based on the publicly [REDACTED] securities exception under the Final Rule, as long as the [REDACTED] made do not afford the U.S. persons rights that go beyond standard minority shareholder protections. Nonetheless, as acquisition of our equity interests by U.S. persons may constitute a notifiable transaction, this imposes an obligation on U.S. persons to make a notification of such acquisition to the U.S. Treasury pursuant to the Final Rule. Hence, the Final Rule may increase the compliance burden of U.S. [REDACTED] and may cause certain U.S. [REDACTED] to adopt a more cautious approach in their [REDACTED], which may negatively impact our ability to raise capital from U.S. [REDACTED].

BUSINESS ACTIVITIES IN RELATION TO ENTITIES AND REGIONS SUBJECT TO EXPORT CONTROLS AND INTERNATIONAL SANCTIONS

Business Activities in relation to Products subject to U.S. Export Controls

During the Track Record Period, we procured certain items subject to the EAR and classified as ECCN 5A991, 5D992.c and EAR99 (“**Procured Items**”). These Procured Items, other than those classified as EAR99, are controlled for anti-terrorism reasons, and are only subject to a license requirement for export, re-exports or transfers (in-country) to entities designated on the BIS’ Entity List, Denied Persons List or Unverified List (the “**BIS Lists Entities**”) and Crimea region, Cuba, Iran, Luhansk People’s Republic and Donetsk People’s Republic regions, North Korea and Syria, as well as Russia and Belarus (collectively, the “**AT Sanctioned Countries**”), or restricted under the U.S. Chip Export Restrictions if intended for use in Chinese Mainland, Hong Kong SAR, or Macau SAR for certain prohibited end-uses set forth in section 744.23 of the EAR. Those classified as EAR99 are generally low-technology consumer goods that do not require a license in most situations.

As advised by our International Sanctions Legal Advisors, given that during the Track Record Period, (i) we did not purchase any items subject to the EAR which require a license for us to procure; (ii) we did not supply any of the Procured Items to any of the AT Sanctioned Countries; (iii) we have not engaged in transactions that involve or benefit any “military end-users” or

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“military end-use”; (iv) our activities did not involve certain prohibited end-uses set forth in section 744.23 of the EAR, our procurements of such Procured Items during the Track Record Period did not represent a violation of the applicable U.S. export controls.

Business Activities in relation to Relevant Entities subject to International Sanctions and U.S. Export Controls

During the Track Record Period, we have sold our products to a customer listed on the Entity List (“**EL Customer**”). The EL Customer was designated by the BIS on the Entity List effective from March 28, 2025. Provision of items subject to the EAR without a licence from BIS to the Entity List Customer is prohibited. License application is subject to a presumption of denial. Given that our last transaction with the EL Customer was in 2023 (i.e. before the Entity List designation), our activities with the EL Customer were not subject to the export controls applicable to the EL Customer as an entity designated on the Entity List.

In addition, during the Track Record Period, we had transactions with a supplier designated on OFAC’s Non-SDN Chinese Military-Industrial Complex Companies List (“**CMIC Supplier**”). Given that the CMIC Supplier is a supplier of our Group, our Group’s activities with the CMIC Supplier did not involve the transfer of any times from the Group to the CMIC Supplier, and thus did not represent a violation of any of the applicable U.S. sanctions or export controls.

Business Activities in relation to Relevant Regions subject to International Sanctions

During the Track Record Period, we have sold our products to various non-sanctioned customers in the Relevant Regions. As advised by our International Sanctions Legal Advisors after performing the procedures they consider necessary, given that (i) our products are not U.S.-origin (in fact, they are all Chinese-origin), (ii) our products do not include more than the de minimis value of U.S.-origin content, including the Procured Items, and (iii) the Procured Items that are classified as ECCN 3A991 and 5D992.c are not used in products sold to Russia, our transactions with the Relevant Regions did not represent a violation of the applicable primary sanctions and did not represent Primary Sanctioned Activities as defined in Chapter 4.4 of the Guide for New Listing Applications issued by the Stock Exchange (“**Chapter 4.4 of the Guide**”).

The U.S. has also enacted secondary sanctions targeting non-U.S. persons who are engaged in certain defined activities and certain sectors in Russia, provide material support for such activities and sectors, or engaged in “significant” transactions with SDNs designed under Russia sanctions programs; business activities engaging in these defined activities and sector, providing material support for such activities and sectors, or engaging in “significant” transactions with such SDNs can be viewed as engaging in Secondary Sanctionable Activities as defined in Chapter 4.4 of the Guide. Among the Relevant Regions, the “transportation” sector of the Russian economy (together

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with four other sectors of the Russian economy: architecture, engineering, construction and manufacturing) was designated under Executive Order 14024 (“**EO 14024**”) on May 19, 2023, providing authority to OFAC to impose sanctions on any person found to “operate in” such designated sectors.

U.S. sanctions do not automatically apply to every company in such designated sectors in Russia, instead, OFAC has to exercise its discretionary authority to designate a particular person or entity for “operating in” such designated sectors for U.S. sanctions to apply. The definitions of the abovementioned sectors are broadly defined by OFAC: for example, in FAQ 1126, OFAC considers the term “transportation sector” for purposes of EO 14024 to include “activities such as the production, manufacturing, testing, financing, distribution or transport to, from, or involving the Russian Federation of any mode of transport or any goods, services, or technology for the movement or conveyance of persons or property and the loading, unloading, or storage incidental to the movement of such persons or property; and any related activities, including the provision or receipt of goods, services, or technology to, from, or involving the transportation sector of the Russian Federation economy”. Such a broad definition of the transportation sector may capture our Group’s activities with Russia, including the sales of vehicular components to Russia.

As advised by our International Sanctions Legal Advisors, given that (i) our Group’s products (i.e. commercial vehicles parts sold separately as spares) are not listed on the Russia Critical Items Determination issued pursuant to subsection 11(a)(ii) of EO 14024 nor the Common High Priority List issued by the BIS on February 23, 2024; (ii) our Group did not sell commercial vehicles parts subject to the EAR to Russia, nor engage in transactions, business or financial dealings that any directly or indirectly involve or benefit any Sanctioned Targets, “military end-users” or “military end-use” such as the national armed services (army, navy, marine, air force, or coast guard), the national guard and national police, government intelligence or reconnaissance organizations, intelligence or reconnaissance organization of the armed services, or national guard, or any person or entity whose actions or functions are intended to support military or military-intelligence end-uses (as defined in Part 744 of the EAR); (iii) to demonstrate the Group’s compliance efforts, the Group has ceased its sales to Russia to mitigate sanctions risk since 2025; and (iv) our Group has not engaged in other business activities targeted by extra-territorial provisions of sanctions laws or regulations in the Relevant Jurisdictions, the risk is relatively limited that our Group’s activities with the Relevant Regions would result in the imposition of sanctions on the Relevant Persons.

TRANSFER PRICING ARRANGEMENT

During the Track Record Period, we conducted our operations through subsidiaries in China and multiple overseas jurisdictions to expand our operation in the international markets. Our PRC subsidiaries are mainly responsible for product development, supply chain management,

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manufacturing, domestic sales and marketing, our Vietnam subsidiary is mainly responsible for manufacturing, while our other overseas subsidiaries primarily focus on sales and after-sales activities in the local markets. During the Track Record Period, our Group’s major intra-Group transactions were the tangible goods buy-sell transactions.

The Organization for Economic Cooperation and Development (the “**OECD**”), an international organization of international cooperation, promulgated the transfer pricing guidelines for multinational enterprises and tax administrations (the “**OECD Transfer Pricing Guidelines**”), which are generally followed by the relevant tax jurisdictions involved in the intra-Group transactions. According to the OECD Transfer Pricing Guidelines, the intra-Group transactions, should be on an arm’s length basis to avoid distorted taxable income in different jurisdictions.

We have engaged a professional tax consultant company in the PRC (the “**Transfer Pricing Advisor**”) to conduct transfer pricing review on our intra-Group transactions during the Track Record Period to enhance compliance with the relevant transfer pricing regulations and to conduct benchmarking studies on the intra-Group transactions during the Track Record Period in accordance with the OECD Transfer Pricing Guideline.

The Transfer Pricing Advisor selected transactional net margin method (“**TNMM**”) as the most appropriate transfer pricing method to assess whether the transfer pricing arrangements related to the intra-Group transactions were consistent with the arm’s length principle. TNMM compares the profit margin of the tested parties involved in the intra-Group transactions with the same of comparable independent parties. Based on a series of independent screening and comparison, the Transfer Pricing Advisor conducted independent analysis and believe that, during the Track Record Period, the weighted average profit levels of the intra-Group transactions were fair and fell within their respective profit range of arm’s length transactions, which complied with the principle of independent transactions. Therefore, we understand that the Transfer Pricing Advisor is of the view that our pricing arrangements have been in compliance with the applicable laws, regulations and guidelines, and the risk of incurring material transfer pricing income tax for the Track Record Period should be remote.

After consultation with our Transfer Pricing Advisor, our Directors are of the view that our intra-group transactions were in line with the arm’s length principle under both OECD Transfer Pricing Guidelines and the applicable local laws and regulations related to transfer pricing in the relevant jurisdictions in material respects, and (ii) the risk for our Group to conduct material transfer pricing adjustment and pay additional tax can be considered as remote. In addition, our Directors confirm that during the Track Record Period and up to the Latest Practicable Date, we had not been subject to nor been aware of any material outstanding enquiries, audit, investigation or challenge by any tax authorities in relation to our intra-group transactions and transfer pricing arrangements.

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We have been and will continue to closely monitor our transfer pricing arrangement including reviewing the reasonableness of the pricing policy of intra-Group transactions from time to time. However, similar to other matters relating to tax, we cannot assure that our transfer pricing arrangement will not be subject to review and possible challenge by any tax authorities in future.

LOGISTICS , WAREHOUSING AND INVENTORY MANAGEMENT

Warehousing

As of December 31, 2025, we owned one warehouse in Dongguan, China and leased one warehouse in Vietnam, with a total GFA of approximately 22,000 sq.m. Both of our warehouses store raw materials and finished products. We implement a series of measures and systems to ensure the security of raw materials and finished products, such as fire prevention systems and theft alarms. We have a dedicated team responsible for the management of our storage.

Logistics

To transport our products within our extensive sales network efficiently, we engage third-party logistics services providers to deliver our products. Our logistics service providers bear the risks associated with the delivery of products and are required to have necessary insurance coverage. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material disruption in the delivery of our products or suffered any material loss due to late delivery or mishandling of products by our logistics service providers.

Inventory Management

We place high importance on our inventory management, assigning dedicated personnels in our supply chain team to maintain routine inventory check and provide reports to our management team for review. Our inventories primarily consist of raw materials, work-in-progress, finished goods, and goods in transit. As of December 31, 2023, 2024 and 2025, our inventories and other contract costs amounted to RMB329.2 million, RMB349.4 million and RMB505.2 million, respectively.

To maintain our competitiveness, align our products with evolving market demand, and prevent inventory obsolescence, we have implemented measures to optimize our inventory levels. We proactively track market condition change and maintain safety stock to prepare for unexpected increases in demand or delay, shortage in supply. We routinely monitor our inventory and ensure that all goods in transit are effectively managed. In 2023, 2024 and 2025, our inventory turnover

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days were 118 days, 88 days and 113 days. Additionally, our suppliers are responsible for arranging the deliveries of raw materials to their designated places, which enables us to maintain a cost-effective supply chain.

QUALITY CONTROL

We strive to maintain quality across our products offerings. We have developed a robust and systematic quality control framework aligned with international standards to ensure consistent, high-quality production across all stages of manufacturing. Our quality control system spans supplier management, raw material inspection, production processes, product testing, and post-sale services. This holistic approach allows us to monitor, assess, and improve quality at every step, ensuring that we consistently meet both internal and customer specifications.

We had established a quality control system based on the ISO 9001 standard and the IATF 16949 standard, so as to ensure the stability and reliability of our product quality. We emphasize on quality by improving employees’ quality awareness and working skills through training programs. Through our after-sales service system, we promptly address the problems and difficulties encountered by customers and provide them with comprehensive and high-quality service. We conduct surveys on customer satisfaction and further enhance the quality of customer service based on the survey results. During the Track Record Period and up to the Latest Practicable Date, we did not receive any material complaints regarding our solutions and products. We are not aware of any claims arising from product defects or system malfunctions during the Track Record Period and up to the Latest Practicable Date.

INFORMATION SECURITY AND DATA PRIVACY

Our Information Security and Data Privacy Management

We consider the confidentiality, integrity, and availability of data as critical to our business operations. Data security and privacy protection have increasingly become a regulatory focus globally, with cybersecurity, data security, and personal information protection laws in Chinese Mainland evolving rapidly in recent years. Since our transactions are solely with enterprises, our business does not involve the collection or processing of personal information directly from individual customers. Nevertheless, we collect, store, and process business and transaction data in the course of our operations, which remain subject to evolving regulatory requirements and administrative scrutiny.

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We collect and store data at the following stages:

- ***R&D:*** We collect testing data generated by vehicles during the testing process of our R&D activities in Chinese Mainland. We store such data on our servers located in Chinese Mainland and use them to test our AI solutions, including training the AI algorithm embedded in the AI solutions. We generally retain such data for long period. As advised by our PRC Data Compliance Legal Advisor, the collection, store and use of such data complied with the PRC laws and regulations on data privacy and security during the Track Record Period and up to the Latest Practicable Date.
- ***After-sale operation:*** When our customers connect the AI solutions they purchased to our cloud platform, the customers will choose to store data on either their own servers or servers we rent from third parties. When our customers store data on their own servers, we neither collect, store nor have access to any data. When our customers store data on servers we rent from third parties, we store such data within the scope authorized by the customers and have no access to the data. Such servers are located in jurisdictions where our customers are. We do not transfer the data to other jurisdictions.
- ***Repair and maintenance:*** When our customers requested us to repair and maintain the AI solutions, we are authorized by the customers to collect, store and use limited account information for repair and maintenance purpose. We collect, store and use such data within the scope authorized by our customers. We generally retain such data during the repair and maintenance process, and remove the data once we complete the repair and maintenance.

During the Track Record Period and up to the Latest Practicable Date, we were not involved in any data transfer activities from overseas to the PRC, or vice versa. As advised by our PRC Data Compliance Legal Advisor, our business activities did not fall under the cross-boarder data transfer activities under the PRC relevant laws and regulations, given that the PRC laws and regulations on data privacy and security primarily regulate the cross-border transfer of personal information and important data. We believe our business activities did not fall under the cross-boarder data transfer activities under the relevant laws and regulations of other jurisdictions, given that any data we collected and stored were all stored in the country or region where the data were collected.

To ensure data integrity, confidentiality, and security and mitigate data security risks, we have developed a comprehensive information security management framework spanning multiple stages of our business operations to ensure the resilience and reliability of our information infrastructure.

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- ***Network Security.*** To safeguard our network infrastructure, we implement multi-layered security measures including firewalls, intrusion detection systems, and endpoint security protocols. Our network is designed with redundancy features to ensure continuous, secure information flow. We regularly conduct vulnerability assessments and penetration tests to proactively identify and mitigate potential threats, ensuring robust defense against external cyber risks.
- ***Data Protection and Privacy.*** We prioritize the protection of sensitive data through a comprehensive data management system that includes encryption, secure access control, and regular backups. Access to critical information is restricted based on roles, and only authorized personnel are permitted to handle or view sensitive data. Our systems are configured to comply with local and international data privacy laws, ensuring that all employee, customer, and supplier information is securely stored and processed.
- ***Security Audits and Continuous Monitoring.*** We continuously monitor our IT systems for vulnerabilities and potential threats. This includes regular security audits, real-time monitoring, and performance testing. Any identified weaknesses are promptly addressed through corrective actions, and we perform regular security drills to test our response capabilities. These efforts are aimed at enhancing our ability to quickly detect and respond to any cybersecurity incidents.
- ***Disaster Recovery and Business Continuity.*** We have developed and continuously update a disaster recovery plan to ensure quick recovery of essential IT systems in case of any disruption. Our IT infrastructure undergoes daily health checks, with backups tested regularly to ensure data integrity.
- ***Employee Awareness and Training.*** We conduct periodic training sessions to ensure that all employees are aware of their responsibilities regarding data security. Employees are also required to sign confidentiality agreements to protect intellectual property and sensitive company information. This training reinforces our commitment to secure data handling practices and mitigates the risk of internal security breaches.

Continuous Compliance with Data Laws and Regulations

On December 28, 2021, the Cyberspace Administration of China (the “CAC”) and several other PRC authorities jointly issued the Cybersecurity Review Measures (網絡安全審查辦法), which became effective on February 15, 2022. The Cybersecurity Review Measures provides that a critical information infrastructure operator purchasing network products and services, and platform operators carrying out data processing activities that affect or may affect national security, must apply for cybersecurity review. The Cybersecurity Review Measures also provide that a platform

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operator with more than one million users’ personal information aiming to list abroad must apply for cybersecurity review. According to the Regulations on the Administration of Network Data Security (網絡數據安全管理條例) promulgated by the State Council of the People’s Republic of China on September 24, 2024 and to be implemented on January 1, 2025, network data processors carrying out network data processing activities that affect or may affect national security shall conduct national security reviews in accordance with relevant state regulations.

Our Directors, after consulting with our data compliance advisor, are of the view that the Cybersecurity Review Measures, if implemented in current form, are not applicable to our Group and will not have material adverse impact on our business operations or the proposed [REDACTED], as our proposed [REDACTED] in Hong Kong is not considered “listing abroad” under the Cybersecurity Review Measures and the relevant PRC authorities are unlikely to identify us as a critical information infrastructure operator based on the following reasons:

- (i). as of the Latest Practicable Date, we had not received any notice or determination from relevant PRC authorities identifying us as a critical information infrastructure operator;
- (ii). our business does not and will not involve the operation of critical information infrastructure as defined under the Security Protection Regulations for Critical Information Infrastructure (關鍵信息基礎設施安全保護條例), which, in case of destruction, loss of function or leak of data, may result in serious damage to the national security, the national economy and the people’s livelihood and public interests;
- (iii). as of the Latest Practicable Date, we had not encountered any incident of data or personal information leakage, violation of data protection and privacy laws and regulations, or investigation or other legal proceeding that may materially and adversely affect our business operation: and
- (iv). we have installed a well-established system to prevent such data and personal information leakage.

We had not been subject to any litigation, arbitration or material administrative penalty in relation to data and privacy protection during the Track Record Period and up to the Latest Practicable Date. In addition, we have not been made aware of any instances where the current or potential laws and regulations in relation to privacy and personal data have materially and adversely affected our business or financial performance. We believe that, as a result of our strict internal control and compliance efforts, our business operations are in compliance with current data security laws and regulations in markets where we operate in all material aspects.

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During the Track Record Period and up to the Latest Practicable Date, we did not experience any breach of confidential information of users or any other user information related incidents which could cause a material adverse effect on our business, financial condition or results of operations. We remain committed to enhancing data security, strengthening compliance with evolving regulations, and investing in cybersecurity technologies to mitigate potential risks and maintain the highest standards of data protection.

INFORMATION TECHNOLOGY SYSTEM

Our information technology systems are integral to our operational efficiency, data security, and business continuity. We have developed a comprehensive IT infrastructure aligned with our organizational structure, business scope, and technological capabilities. To ensure reliability, security, and efficiency, we continuously refine IT management policies, standardize software and server management, and enforce strict access control measures. We conduct regular system updates, data backups, and cybersecurity checks to enhance system stability and prevent potential disruptions. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material IT system failure or downtime that had a material adverse effect on our business operations.

COMPETITION

The global vision-based AI solution industry in transport service vehicle is undergoing rapid development, supported by continuous advances in AI and hardware and software performance. The industry is characterized by a relatively high degree of market concentration, where the top five players collectively account for a substantial portion of global market. As solution and product functionality and customer expectations continue to evolve, players with strong R&D capabilities, robust supply chains, and customer engagement are better positioned to maintain their competitive edge. See “Industry Overview” for more details.

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EMPLOYEES

The following table sets forth a breakdown of our employees by function as of December 31, 2025:

Function	Number of Employees	Percentage of Total Employees
		(%)
Manufacturing	920	41.2
Research and development	690	30.9
Sales	355	15.9
Administrative	230	10.3
Finance	36	1.6
Total	2,231	100.0

We enter into standard employment agreements and confidentiality agreements with all full-time employees and sign noncompetition agreements with key management personnel and professionals. These agreements typically include confidentiality obligations effective during and after employment and noncompetition provisions effective during and up to two years after termination of employment. As required by laws and regulations in China, we participate in various government statutory employee benefit plans, including social insurance plans, namely pension, medical, unemployment, work-related injury and maternity insurance plans and housing provident funds. As of the Latest Practicable Date, we have complied with all statutory obligations for social insurance and housing provident funds under PRC laws and regulations in all material aspects and were not subject to any fines or administrative penalties imposed by any regulatory authorities due to non-compliance. We believe that we maintain good working relationships with our employees and we have not experienced any material labor disputes, strikes, protests or any difficulty in recruiting staff for our operations during the Track Record Period and up to the Latest Practicable Date.

INSURANCE

We maintain insurance policies to cover various aspects of our business, including export credit insurance, property equipment damage insurance, comprehensive property insurance, logistics insurance, and business interruption insurance to safeguard our business continuity. In line with general market practice, we do not maintain any insurance policies covering damages to our network or information technology systems. We regularly review our insurance policies to ensure compliance with statutory requirements. We believe that our existing insurance coverage is adequate for our operations and, according to Frost & Sullivan, our existing insurance coverage aligns with industry standards. During the Track Record Period and up to the Latest Practicable

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Date, we were not subject to any material claim of insurance. However, we may still be exposed to potential claims and liabilities exceeding our insurance coverage. For further details, see “Risk Factors—Risks Relating to Our Business and Industry—Our insurance coverage may be inadequate to protect us from the liabilities we may incur or cover all of our potential costs.”

PROPERTIES

Owned Properties

As of Latest Practicable Date, we owned and occupied 44 real estates in China and overseas, with an aggregate GFA of approximately 53,000 sq. m., which were primarily for production, warehousing and office purposes. As of the Latest Practicable Date, we had obtained all real estate title certificates for all real estate our Company and subsidiaries owned and occupied in China.

Lease Properties

As of Latest Practicable Date, we leased 36 properties across China and overseas, with an aggregate GFA of approximately 70,000 sq.m., which were mainly as our manufacturing facilities and office buildings. We are generally allowed to terminate lease agreements with a prior notice, which provides us with operational flexibility. We believe that there is sufficient supply of properties in Chinese Mainland, and we do not rely on the existing leases for our business operations. We believe that our current facilities are adequate to meet our current needs.

Pursuant to the applicable PRC laws and regulations, property lease agreements shall be registered with the relevant local branches of the PRC Ministry of Housing and Urban-Rural Development. As of the Latest Practicable Date, we had not completed the lease registration for 18 of our leased properties in China, with an aggregate GFA of approximately 2,860 sq.m, representing approximately 6.6% of our total aggregate GFA of our leased properties in China. As advised by our PRC Legal Advisor, failure to complete the registration and filing of lease agreements will not affect the validity of the lease agreements or result in us being required to vacate the leased properties. As advised by our PRC Legal Advisors, the lack of registration does not affect the validity and enforceability of the lease agreements, or result in us being required to vacate these leased properties. However, we may be subject to a fine of no less than RMB1,000 and not exceeding RMB10,000 for each unregistered lease agreement if the relevant PRC government authorities require us to rectify and we fail to do so within the prescribed time period. As a result, we may face a total maximum fine up to RMB180,000 assuming a maximum fine of RMB10,000 is imposed on each unregistered lease agreement.

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As advised by our PRC legal advisor, without valid property ownership certificates or proof of authorizations from the property owners, the relevant lease agreements may be deemed invalid or our use of these leased properties may be affected by third parties’ claims or challenges against the lease. In addition, the aforementioned one leased property may be resumed or demolished by the competent authorities. However, in the event that we are unable to continue using these leased properties, based on the advice of our PRC Legal Adviser, we, as the tenant, will not need to continue to pay the rents unless otherwise agreed between the tenant and the lessor. Additionally, it is the lessors’ responsibility to obtain the property ownership certificates or proof of authorizations from the property owners to enter into the leases, and, as a tenant, we will not be subject to any administrative punishment or penalties in this regard. These statutory protections significantly mitigate our risks arising from these leased properties due to claims from the legal owners of the properties. Having considered the foregoing, we believe that the lack of property ownership certificates or proof of authorizations described above will not, individually or in the aggregate, materially affect our business and results of operations.

During the Track Record Period and up to the Latest Practicable Date, we had not been ordered by any competent authority to register any unregistered lease agreements, nor had we been subject to any administrative penalties due to unregistered lease agreements. According to our PRC Legal Advisor, the risk of being subject to major penalties by government authorities in relation to such leased properties is relatively low, provided that the lease registration is completed within the prescribed timeframe required by the relevant government authorities in accordance with applicable laws and regulations.

Property Valuation

As of the Latest Practicable Date, no single property interest forming part of our Group’s property activities had a carrying amount of 1% or more of our total assets and we had no single property with a carrying amount of 15% or more of our total assets. On this basis, we are not required by Rule 5.01A of the Listing Rules to include in this document any valuation report. Pursuant to section 6(2) of the Companies (Exemption of Companies and prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong), this document is exempted from compliance with the requirements of section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, which requires a valuation report with respect to all of our interests in land or buildings.

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ENVIRONMENTAL, SOCIAL AND GOVERNANCE

ESG Governance

We have established an ESG governance structure to continuously enhance the Group’s sustainability management capabilities. Our Board evaluates, reviews and approves goals and targets, disclosures, and external reporting across material ESG topics. Our ESG working group support the ESG governance. The Board Secretary serves as Chair of the working group, whose members include the head of the administration department, the head of human resources, and the head of the audit department. The ESG working group reports directly to the Board, assesses material ESG issues, ESG-related policies and decisions, and reviews the annual ESG report. The chair of the working group is responsible for coordinating ESG efforts, providing specific guidance on ESG implementation within the framework of the annual goals and targets, and evaluating our ESG efforts.

The Board comprises four executive Directors and four independent non-executive Directors. The Board members possess extensive and diverse professional expertise, covering multiple areas such as corporate management, risk management, information security, human resource management, and finance. They also hold educational backgrounds or professional certifications in fields including transportation planning, telecommunications engineering, business administration, computer science, information technology, law, and accounting.

The primary participating departments in the ESG working group are the Administration Department, the Human Resources Department, and the Audit Department. The heads of these departments are key personnel with extensive long-term experience in relevant fields such as human resource management, risk assessment, internal control, and compliance, and they possess a deep familiarity with the company’s operations.

Environment

We maintain robust ESG protocols, such as energy-efficiency initiatives, emissions-reduction programs and resource-conservation measures. We have two production bases located in (i) Guangdong, China, and (ii) Vietnam, respectively. See “— Production” for details. During the Track Record Period, we had no environmental law violation records.

Energy Management

We maintain the “Energy-Saving & Consumption-Control Guidelines for Intelligent Workshop Operations” and the “Green Office Management Policy”, and promote a culture of conservation, environmental stewardship, and low-carbon operations. We require summer indoor air-conditioning

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not to be set at below 26°C; winter indoor air conditioning not to be set at above 20°C. For the accounting years ended December 31, 2023, December 31, 2024, and December 31, 2025, energy expenditures within the scope of our prospectus amounted to RMB7.22 million, RMB11.93 million, and RMB4.63 million, respectively, representing 0.48%, 0.60%, and 0.19% of the annual revenue for the respective periods. Therefore, overall, it does not have a material financial or operational impact on us.

The following table sets forth our energy usage during the Track Record Period⁽¹⁾:

Index	Unit	Year ended December 31,		
		2023	2024 ⁽⁴⁾	2025 ⁽³⁾
Purchased electricity	MWh	7,708.18	14,963.43	7,196.69
Gasoline.	Liters	16,679.68	13,685.85	—
Diesel oil	Liters	2,813.20	8,930.24	11,197.16 ⁽⁵⁾
Comprehensive energy consumption ⁽²⁾	MWh	7,882.64	15,174.09	7,310.86
Intensity of comprehensive energy consumption.	MWh/million revenue	4.64	7.67	2.95

The Group’s target is to reduce electricity consumption intensity by 5% in 2027 compared to the base year of 2024. Specific measures taken to achieve this target have been described in the “Energy Usage” section.

Note:

- (1) Including revenue generated from continuing operations and discontinued operation for the respective period.
- (2) Comprehensive energy consumption is calculated based on the conversion factors in the “General Rules for Calculating Comprehensive Energy Consumption (GB/T2589-2020)”, a national standard of the People’s Republic of China.
- (3) The Energy usage coverage includes two production facilities within the Group in 2025: Ruiming Technology (Dongguan) Co., Ltd., Dongguan Streamax Electronics Co., Ltd., and Streamax Electronics (Vietnam) Company Limited (銳明智造(越南)有限公司). Following the disposal of Ruiming Sciences, our energy usage information for 2025 no longer calculates the relevant information from Ruiming Technology (Dongguan) Co., Ltd., a subsidiary of Ruiming Sciences.
- (4) Streamax Electronics (Vietnam) Company Limited was established on December 1, 2022, and commenced trial production on a gradual basis starting May 2023, which has continued to the present. This has contributed to an overall increase in resource consumption and greenhouse gas emissions.
- (5) Our diesel oil usage increased in 2025 is in line with our increased production volume of Vietnam Base.

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Water Resource Management

Our main water source is municipal water supply. We have established protocols such as the “Green Office Management and Practice.” To promote the utilization and protection of water resources, we have installed sensor-controlled faucets, and a collection system of air-conditioning condensate for irrigating green areas

For the accounting years ended December 31, 2023, December 31, 2024, and December 31, 2025, water expenses within the scope of our prospectus amounted to RMB157,800, RMB214,400, and RMB102,500, respectively, representing 0.010%, 0.011%, and 0.004% of the annual revenue for the respective periods. Therefore, overall, it does not have a material financial or operational impact on us.

The following table sets forth our water resource usage during the Track Record Period:

Index	Unit	Year ended December 31,		
		2023	2024	2025
Total water consumption	Tons	37,054.44	51,156.78	22,444.99
Water consumption intensity	Tons/million	21.81	25.86	9.06
	revenue			
Total wastewater discharge	Tons	36,652.44	50,293.78	21,391.19
Wastewater discharge intensity	Tons/million	21.57	25.43	8.64
	revenue			

Waste Management

We generate hazardous waste stream at the PCBA manufacturing and assembly stage of our manufacturing process. Disposition is carried out by certified, qualified waste-handling vendors. Supplier qualifications are re-validated on a scheduled basis to ensure continuous compliance. A dedicated hazardous-waste storage facility has been established, guaranteeing segregation of hazardous waste at source. Bi-annual emergency spill-response drills are conducted to eliminate the risk of leaks or contamination. All non-hazardous waste is transferred to specialized waste-processing contractors for appropriate treatment. Quarter-annual training sessions on waste segregation are organized for all staff, with supervisory checks to ensure accurate classification. In addition, we have implemented online collaborative platforms for document transmission, approval workflows, and internal communication to minimize paper usage.

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The following table sets forth the waste emissions during track record period.

Index	Unit	Year ended December 31,		
		2023	2024	2025
Hazardous waste.	Tons	5.57	2.86	3.00
Hazardous waste intensity	Tons/million revenue	0.00328	0.00145	0.00121

The Group has set a target to reduce non-hazardous waste intensity by 2% in 2027 compared to the base year of 2024. Specific measures taken to achieve this target have been described in the “Waste Management” section.

Our generation of hazardous waste is very minimal. Corresponding targets will be further established in the future based on actual circumstances.

Exhaust Emissions

Each year, we engage a qualified, third-party testing agency to conduct a comprehensive, scheduled analysis of these effluents. All test results consistently meet the discharge standards stipulated by the relevant regulations. The Group’s pollutant emissions include domestic sewage and a small amount of waste gas emissions, with low generation volumes. Corresponding targets will be further established in the future based on actual circumstances. Our manufacturing facilities are qualified under ISO14001 and conduct bi-annual environmental monitoring, supplemented by routine assessments of the production floor environment.

Addressing Climate Change

We have put in place the “Organizational Environment and Stakeholder Control Procedures” and the “Risk and Opportunity Management Procedures”. Our risk management team convenes an annual cross-departmental workshop to identify operational risks inherent to each business unit and classify according to a defined risk-rating scale. For each risk rating, appropriate control measures are prescribed, reviewed, and approved before implementation.

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The following table sets forth the GHG emissions during track record period.

Index	Unit	Year ended December 31		
		2023	2024	2025
Scope 1 GHG emissions ⁽¹⁾	tCO ₂ e	44.26	54.43	30.61
Scope 2 GHG emissions ⁽²⁾	tCO ₂ e	4,395.97	8,029.38	3,861.74
Total GHG emissions (scope 1 and 2)	tCO ₂ e	4,440.24	8,083.80	3,892.36
GHG emission intensity	tCO ₂ e/Million revenue	2.61	4.09	1.57

Notes:

- (1) Scope 1 GHG emissions are calculated by multiplying our gasoline and diesel consumption by the corresponding emission factors. Emission factors are based on China Energy Statistical Yearbook and IPCC 2006.
- (2) Scope 2 GHG emissions are calculated by multiplying our purchased electricity consumption by the corresponding emission factor. The emission factor refers to the Ministry of Ecology and Environment’s “Notice on Doing a Good Job in Key Tasks Related to the Management of Corporate Greenhouse Gas Emissions Reporting in 2022” and “Notice on Doing a Good Job in Greenhouse Gas Emissions Reporting and Verification of Enterprises in Certain Key Industries from 2023 to 2025”.

Regarding Scope 3 emissions, we are currently collaborating with relevant internal departments and external stakeholders to assess the applicability of the 15 categories of Scope 3 GHG emissions. This involves investigating and evaluating their feasibility and establishing a prioritization order for these Scope 3 GHG emission categories. Due to the complexity of supply chain data, this task is still ongoing.

The table below details our GHG emissions (Scope 3) during the Track Record Period:

	Unit	Year ended December 31	
		2024	2025
Scope 3 GHG Emissions (<i>Note 3</i>)	tCO ₂ e	1,350.32	1,873.69

Notes:

- (3) The data presented here only includes Category 6 of Scope 3 GHG emissions. Category 6 comprises GHG emissions from air travel, train travel, car usage, and hotel accommodations. Emission factors are sourced from EXIOBASE version 3. Data for air travel, train travel, and hotel accommodations are obtained solely from a third-party travel platform, accounting for approximately 29% of the Company’s total travel.

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We will progressively prepare data for other categories in the future to fully comply with the requirements of the Hong Kong Exchanges and Clearing Limited’s “Environmental, Social and Governance Reporting Code”. The Group has set a target to reduce GHG emission intensity by 5% in 2027 compared to the base year of 2024. Specific measures taken to achieve this target have been described in the “Addressing Climate Change” section.

Social

Employment Management

We adhere to the principles of fairness, impartiality, and openness in respect of equal employment. We conduct background checks on our potential employees to avoid child labor. We have formulated the “Employee Handbook”, which prohibits discrimination, harassment and bullying, among other behaviors. During the Track Record Period and up to the Latest Practicable Date, we were not aware of any material incidents related to discrimination or harassment. At the same time, in order to protect employee rights, we have set up communication channels that are available at various times.

Metric	Unit	As of Dec 31,
		2025
Total Headcount	persons	2,231
By Gender		
Male	persons	1,494
Female	persons	737
By Age		
Aged 30 or below	persons	1,120
Aged between 30 and 40 (incl.)	persons	825
Aged between 40 and 50 (incl.)	persons	261
Aged over 50	persons	25
By Function		
Production Staff	persons	920
Sales Staff	persons	355
Technical Staff	persons	690
Finance Staff	persons	36
Administrative Staff	persons	230

Employee Care

We regularly organize employee care activities such as annual galas, holiday benefits, annual physical examinations, childbirth allowances, and book clubs. We also conduct quarterly performance reward evaluations and proactively share our operating results with our employees to promote their sense of belonging and identification with the Group.

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Health and Safety of Employees

We have established the “Environmental/Occupational Health and Safety System Management Manual”. For positions facing the risk of occupational diseases, such as soldering, in order to reduce occupational disease risks, we conduct annual environmental inspections of production workshops, provide employees with occupational disease examinations, and distribute labor protection equipment to ensure the health and safety of our employees.

Anti-Corruption and Anti-Bribery

We released the “Anti-Improper Conduct and Reporting Management System (Draft)”. Each year, we require our employees to sign the “Employee Integrity and Self-discipline Commitment Letter”, and we require suppliers to sign the “Sunshine Cooperation Commitment Letter”, so as to prevent any of illegal, non-compliant, and improper business activities. We engage in various forms of training and promotional activities to strengthen external suppliers’ and internal employees’ understanding and implementation of our anti-fraud system. At the same time, our audit department uses the annual supplier conference to promote our “sunshine procurement rules.” Employees who discover any violations of business conduct policies or legal requirements must promptly inform their immediate superiors, the human resources department, or the audit department, and report actual or suspected negligent behavior. We treat all disclosures of suspected misconduct in a confidential manner and safeguard the privacy of our employees.

LEGAL PROCEEDINGS AND COMPLIANCE

During the Track Record Period and up to the Latest Practicable Date, we had not been and were not a party to any material legal, arbitral or administrative proceedings, and we were not aware of any such pending or threatened proceedings against us or our Directors that could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations. During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any material non-compliance incidents that have led to fines, enforcement actions, or other penalties that could, individually or in the aggregate, have a material adverse effect on our business, results of operations and financial conditions.

Social Insurance and Housing Provident Fund

According to the relevant PRC laws and regulations, we are required to make contributions to the social insurance fund and housing provident fund for the benefit of our employees in China. During the Track Record Period, we did not make full contributions to social insurance and housing provident funds for our employees as required by the relevant PRC laws and regulations, and we paid the social insurance or housing provident funds through third-party human resources

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agencies for some of our employees. We estimate that, in 2023, 2024 and 2025, the shortfall amount of social insurance and housing provident fund contributions was approximately RMB902.6 thousand, RMB480.0 thousand and RMB1,017.0 thousand, respectively.

As advised by our PRC Legal Advisor, pursuant to applicable PRC laws and regulations, if an employer fails to make social insurance contributions in full, the relevant authorities could order the employer to pay, within a prescribed time it outstanding amount with additional late payment penalty at daily rate of 0.05%, and if the employer fails to make the overdue contributions within such time limit, a fine equal to one to three times the outstanding amount may be imposed. If such payment is not made within the stipulated period, the maximum amount of penalty we may be subject to will be three times the amount of the shortfall. Additionally, pursuant to applicable PRC laws and regulations, if an employer is overdue in the payment and deposit of, or underpays, the housing provident fund, the relevant authority could order the employer to make the payment and deposit within a prescribed time limit and, failing which, an application may be made to a court in China for compulsory enforcement.

For social insurance, pursuant to the Notice on Implementation of the Comprehensive Plan for Reducing Social Insurance Contribution Rates (《關於貫徹落實〈降低社會保險費率綜合方案〉的通知》) promulgated on April 28, 2019 by the Ministry of Human Resources and Social Security, Ministry of Finance, the State Administration of Taxation and National Healthcare Security Administration and other relevant rules, administrative authorities are prohibited from collectively recovering enterprises’ historical social insurance arrears.

As advised by our PRC Legal Advisor, our contributions to social insurance premium and housing provident funds made through third-party accounts may not be viewed as contributions made by us, and as a result, we may be required by government authorities to rectify such failure by paying full contributions to social insurance and housing provident funds for the employees, and could be subject to late payment penalties imposed by the relevant authorities or enforcement application made to the court. Pursuant to the agreements entered into between such third-party human resources agency and us, the third-party human resources agency has the obligation to pay social insurance premium and housing provident funds for our relevant employees. These third-party human resources agencies have confirmed in writing that it paid such contributions in compliance with applicable laws and regulations.

As of the Latest Practicable Date, we did not receive any administrative penalty or labor arbitration application from employees for our arrangement with third-party human resources agency. In addition, if such human resources agency fails to pay the social insurance premium or housing provident funds for and on behalf of our employees as required by applicable PRC laws

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and regulations, we may also be subject to additional contribution, late payment fee and/or penalties imposed by the relevant PRC authorities for failing to discharge our obligations in relation to payment of social insurance and housing provident funds as an employer or be ordered to rectify.

Our Directors are of the view that such non-compliance is not systematic and would not have a material adverse effect on our business, results of operations or financial condition, considering the relevant regulatory policies and the following:

- (i) During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any material administrative action on penalties due to such non-compliance with respect to social insurance and housing provident funds;
- (ii) We are not aware of any material employee complaints filed against us during the Track Record Period and up to the Latest Practicable Date, nor were we involved in any material labor disputes with our employees with respect to social insurance and housing provident funds during the Track Record Period;
- (iii) As of the Latest Practicable Date, we had not received any notification from the relevant authorities requiring us to pay for the shortfalls with respect to social insurance and housing provident funds; and
- (iv) We have undertaken that, in the event that we receive requests from the relevant authorities to pay any historical outstanding social insurance and housing provident fund contributions, or that we are required to pay any related late charges or penalties, we will timely make such payments in full.

As advised by our PRC Legal Advisor, based on the interviews with relevant authorities, and considering relevant regulatory policies and the facts stated above, and provided that there are no material changes to the current social insurance, housing provident fund policies and regulations, or to the enforcement and supervision requirements of local governments, the likelihood that we are subject to material penalties or make supplementary contributions due to our failure to provide full social insurance and housing provident fund contributions for our employees is remote.

INTERNAL CONTROL AND RISK MANAGEMENT

We have established a comprehensive risk management and internal control system aimed at identifying, assessing, and mitigating risks across all aspects of our operations. Our Board of Directors oversees the implementation of risk management policies and procedures that address key operational, financial, legal, and market risks, including information system risk, financial

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reporting risk, human resources risk, and anti-corruption risk. These policies are integral to our internal control framework, which is periodically reviewed to ensure effectiveness and alignment with our strategic objectives.

LICENSES, APPROVALS AND PERMITS

During the Track Record Period and up to the Latest Practicable Date, we had obtained all requisite licenses, approvals and permits from relevant government authorities that are material to our business operations in China and overseas. We are required to renew such certificates, permits and licenses from time-to-time, and we are continuously overseeing the compliance with the relevant laws and regulations. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material difficulties in renewing the licenses, approvals and permits, and currently we do not expect any material difficulties in such renewal.

AWARDS AND RECOGNITIONS

The following table sets forth major awards and recognitions we received:

Award/Recognition	Award Year	Awarding Institution/Authority
Enterprise Leader in an Individual Field of the Manufacturing Industry (“製造業單項冠軍示範企 業”)	2023	Bureau of Industry and Information Technology of the People’s Republic of China China Federation of Industry and Commerce
High and New Technology Enterprise (“高新技術企業”)	2024	Shenzhen Municipal Bureau of Industry and Information Technology Shenzhen Municipal Finance Bureau Shenzhen Municipal Taxation Bureau of the State Administration of Taxation

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The following discussion and analysis should be read in conjunction with our consolidated financial statements included in the Accountants’ Report in Appendix I, together with the accompanying notes. Our consolidated financial statements have been prepared in accordance with IFRSs.

The following discussion and analysis contain forward-looking statements that involve risks and uncertainties. These statements are based on assumptions and analysis that we make in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, our actual results may differ significantly from those projected in the forward-looking statements. Factors that might cause future results to differ significantly from those projected in the forward-looking statements include, but are not limited to, those discussed in “Risk Factors” and “Forward-Looking Statements” and elsewhere in this document.

OVERVIEW

We are a leading global provider of vision-based AI solutions for transport service vehicles. Our efforts focus on providing two primary values: enhancing safety and optimizing efficiency. Our solutions and products primarily include (i) AI solutions and (ii) video devices. During the Track Record Period, we generated revenue primarily from (i) AI assisted driving system, (ii) AI fleet operation management system and (iii) video devices. In June 2024, began generating revenue from AI large model systems. Our revenue increased by 32.7% from RMB1,505.3 million in 2023 to RMB1,997.7 million in 2024 and further increased by 24.0% to RMB2,476.9 million in 2025. Our gross profit increased by 40.0% from RMB655.7 million in 2023 to RMB918.2 million in 2024 and further increased by 19.3% to RMB1,095.7 million in 2025.

KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Demand from Downstream Market

Our business performance is affected by the market size and customer demand for vision-based AI solutions for transport service vehicle. According to Frost & Sullivan, the global market size of vision-based AI solutions for transport service vehicles grew from RMB11.9 billion in 2020 to RMB30.4 billion in 2025, with a CAGR of 20.6%, and is expected to further grow from RMB37.5 billion in 2026 to RMB90.5 billion in 2030, with a CAGR of 24.7%.

Vision-based AI solutions are used in a diverse range of transport service vehicle application scenarios. According to Frost & Sullivan, (i) the logistics vehicle application scenario and (ii) the public transportation vehicle application scenario are the main growth drivers for the global vision-based AI solution for transport service vehicles market. According to Frost & Sullivan, the global market size of logistics vehicles application scenario grew from RMB6.0 billion in 2020 to RMB15.5 billion in 2025, representing a CAGR of 20.9%, and is expected to further grow from RMB19.3 billion in 2026 to RMB48.1 billion in 2030, representing a CAGR of 25.7%. According to Frost & Sullivan, the global market size of public transportation application scenario grew from

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RMB4.2 billion in 2020 to RMB9.9 billion in 2025, representing a CAGR of 18.9%, and is expected to further grow from RMB11.9 billion in 2026 to RMB26.7 billion in 2030, representing a CAGR of 22.4%.

Our further growth depends on our ability to identify and capitalize on major market trends, including the proliferation and penetration of vision-based AI solutions for transport service vehicles in downstream markets as video telematics system integrators and automobile manufacturers are increasingly willing to integrate vision-based AI solutions into their vehicles. Their continued commitment to introduce more advanced driving assistance technologies to consumers will increase the market opportunities for our solutions and products, and is expected to have a positive impact on our business, financial condition, and results of operations.

Technological Innovative and Investment in Research and Development

Our operating results depend significantly on our ability to adapt to and effectively utilize the latest technological advancements. Staying at the forefront of innovation is critical to maintaining our competitiveness and meeting evolving market demands. Our ability to continue our R&D activities, develop new technologies, design new products and enhance existing products is crucial to our market success. Therefore, we continue to invest in technology development and innovation to reinforce our competitive strengths against our peers.

We had been committed to the research and development of our solutions and products during the Track Record Period. In 2023, 2024 and 2025, our R&D cost was RMB246.4 million, RMB283.7 million and RMB285.8 million, respectively. Specifically, the progress of our technology and solution and product development depends largely on our R&D talents. As of December 31, 2025, our research and development team consisted of 690 members, representing 30.9% of our total employees.

We are able to optimize resource allocation while maintaining a strong commitment to innovation and technological advancement, primarily due to our three-tiered pyramid R&D structure. Our R&D cost as a percentage of our total revenue decreased from 16.4% in 2023 to 14.2% in 2024, and further decreased to 11.5% in 2025. For details of our three-tiered pyramid R&D structure, see “Business—Research and Development—Our Three-tiered Pyramid R&D Structure.”

Ability to Acquire New Customers and Reinforce Our Existing Customer Base

Our ability to attract new customers lies at the core of our growth strategy. To develop new relationships with leading enterprises and amplify our reputation in downstream markets. We invest significant efforts and resources from initial contact with a potential customer to the establishment of our business relationship. Our ability to sustain and enhance these efforts plays a critical role in growing our customer base, which is expected to influence our business, financial condition, and results of operations. Our business, financial condition and results of operations also depend on our ability to maintain business relationships with existing major customers. We have established long-standing business relationships with a number of top-tier enterprises in their respective regions.

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Our overseas expansion also affects our financial performance. In 2023, 2024 and 2025, our revenue from overseas market was RMB908.3 million, RMB1,317.8 million and RMB1,526.9 million, representing 60.3%, 66.0% and 61.6% of our total revenue, respectively. During the Track Record Period, our solutions and products sold in overseas market generally had relatively high gross profit margin compared to those in domestic markets.

Our Product Portfolio

Our ability to offer a comprehensive portfolio of solutions and products is one of the primary factors affecting our financial condition and results of operations. Our future success depends on our ability to anticipate industry trends and develop products with that meet the evolving demand of downstream customers in various application scenarios.

During the Track Record Period, we primarily derived our revenue from the sale of (i) AI solutions, including (a) AI assisted driving systems, (b) AI fleet operation management systems, and (c) AI large model systems, and (ii) video devices. We price each product and solution based on a variety of factors, primarily including (i) the number and types of solutions and products provided, (ii) functionalities selected by our customers for software and models, (iii) provision of deployment and after-sales services, (iv) complexity of technology involved and (v) product competitiveness.

During the Track Record Period, the growth in our gross profit margin was partly due to the increase in revenue proportion of our AI solutions. During the Track Record Period, the revenue proportion of our AI solutions increased steadily. In 2023, 2024 and 2025, the revenue proportion of our AI solutions was 77.6%, 80.4% and 81.4%, respectively. Furthermore, our AI solutions had relatively high gross profit margin as compared to video devices. In 2023, 2024 and 2025, the gross profit margin of our AI solutions was 46.4%, 49.3% and 46.0%.

Within our AI solution business, solutions used in different application scenario or different regions have different prices. For example:

- The average selling price of our AI solutions sold in overseas markets is generally higher than domestic market, primarily because the overseas customers generally have stronger purchasing power, which is in line with the industry trend, according to Frost & Sullivan.
- The average selling price of our AI fleet operation management systems used in transit bus application scenario is generally higher, primarily because transit buses require more cameras and advanced features, such as passenger flow detection.
- The average selling price of our AI fleet operation management systems used in the school bus application scenario in overseas markets is generally higher, primarily because (i) the school bus application scenario requires a higher level of customization; (ii) our systems in the school bus application scenario are equipped with advanced functions such as AI capture systems and unattended student alert systems as well as advanced technologies such as blacklight technology for videos; and (iii) we have

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developed extensive localized after-sale service network for the school application scenario, including local teams providing on-site maintenance, technical support and expert guidance.

The scale of our business and the growth of our revenue are largely driven by the expansion, breadth and diversification of our product offerings. We aim to further enrich our product portfolio and maintain a strong focus on high-margin product categories. By continuously refining our product mix and leveraging technological innovation, we are committed to sustaining robust financial performance and driving long-term growth. The growth and mix of product offerings, changes in product demand, shifts in market dynamics and evolving competitive pressure may in turn impact our financial performance.

Disposal of Ruiming Sciences

Shenzhen Ruiming Sciences Technology Co., Ltd (“**Ruiming Sciences**”, “深圳市銳明科技有限公司”) was a subsidiary of our Company incorporated in 2013 and principally engaged in electronic manufacturing services. On December 19, 2024, we entered into an equity transfer agreement regarding the disposal of part of our equity interest in Ruiming Sciences. The financial results of Ruiming Sciences ceased to be consolidated into those of our Group commencing from January 1, 2025 (the “**Disposal of Ruiming Sciences**”). We decided to dispose of Ruiming Sciences to optimize our resource allocation and focus on the development of our core business operations, which were our AI solutions and video devices. See “History, Development and Corporate Structure—Major Acquisitions, Disposals and Mergers—Disposal of Ruiming Sciences” for further details. Our results of operations, including our profit for the year and balance sheet items, were affected by the Disposal of Ruiming Sciences.

BASIS OF PRESENTATION

The historical financial information has been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board. For the purpose of preparing the historical financial information, our Group has adopted all applicable new and revised IFRSs effective for the accounting period beginning on January 1, 2025, except for any new standards or interpretations that are not yet effective for the accounting period beginning on January 1, 2025. The accounting policies set out in Note 2 to the Accountants’ Report have been applied consistently to all periods presented in the historical financial information. The historical financial information has been prepared under the historical cost basis, except for certain financial assets and liabilities measured at their fair value.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of the Historical Financial Information in conformity with IFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent

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from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Judgments made by management in the application of IFRS Accounting Standards that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 3 in Appendix I to this document.

RESULTS OF OPERATIONS

The following table sets forth a summary of our consolidated statements of profit or loss during the Track Record Period:

	Year ended December 31,					
	2023		2024		2025	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
Continuing Operations						
Revenue	1,505,251	100.0	1,997,731	100.0	2,476,928	100.0
Cost of sales	(849,557)	(56.4)	(1,079,530)	(54.0)	(1,381,277)	(55.8)
Gross profit	655,694	43.6	918,201	46.0	1,095,651	44.2
Other income, net of losses	54,421	3.6	97,364	4.9	43,980	1.8
Provision for expected credit losses on receivables and contract assets	(8,089)	(0.5)	(12,820)	(0.6)	(6,520)	(0.3)
Selling and marketing expenses	(177,081)	(11.8)	(203,513)	(10.2)	(208,738)	(8.4)
Administrative expenses	(164,116)	(10.9)	(220,680)	(11.0)	(248,679)	(10.0)
Research and development cost	(246,395)	(16.4)	(283,710)	(14.2)	(285,806)	(11.5)
Other operating expenses	(5,707)	(0.4)	(4,111)	(0.2)	(1,356)	(0.1)
Profit from operations	108,727	7.2	290,731	14.6	388,532	15.7
Finance costs	(8,188)	(0.5)	(8,209)	(0.4)	(10,447)	(0.4)
Share of profits less losses of associates	(2,250)	(0.1)	(1,868)	(0.1)	1	(0.0)
Profit before tax	98,289	6.5	280,654	14.0	378,086	15.3
Income tax (expenses)/benefit	(609)	(0.0)	5,576	0.3	(8,442)	(0.3)
Profit from continuing operation	97,680	6.5	286,230	14.3	369,644	14.9
Discontinued operation						
Profit from discontinued operation, net of tax	544	0.0	7,504	0.4	18,861	0.8
Profit for the year	98,224	6.5	293,734	14.7	388,505	15.7

Non-IFRS Measure

We also use adjusted net profit (non-IFRS measure) in evaluating our operating results, which is not required by or presented in accordance with IFRS as an additional financial measure to supplement our consolidated financial statements, which are presented in accordance with IFRS.

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We define adjusted net profit (non-IFRS measure) as profit for the year from continuing operations adjusted for share-based payment expenses, which are non-cash in nature. We believe that the non-IFRS measure provides useful information to [REDACTED] and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, our presentation of adjusted net profit (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of such non-IFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for an analysis of, our results of operations or financial condition as reported under IFRS.

The following table reconciles adjusted net profit (non-IFRS measure) to our profit for the year from continuing operations, presented in accordance with IFRS, during the Track Record Period:

	For the year ended December 31,		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Profit from continuing operations	97,680	286,230	369,644
Add:			
Share-based payment expenses	36,717	58,905	88,976
Adjusted net profit (non-IFRS measure) .	134,397	345,135	458,620

Continuing Operations

Revenue

Revenue by solution and products

We generate revenues from sales of (i) AI solutions, including (a) AI assisted driving systems, (b) AI fleet operation management systems and (c) AI large model systems; (ii) video devices; and (iii) others.

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The following table sets forth a breakdown of our revenue by solution and product type, in absolute amounts and as percentages of the total revenue, during the Track Record Period:

	Year ended December 31,					
	2023		2024		2025	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
Continuing operations						
AI solutions	1,166,651	77.6	1,606,573	80.4	2,015,494	81.4
AI assisted driving systems	1,099,610	73.1	1,422,593	71.2	1,823,613	73.6
AI fleet operation management systems	67,041	4.5	175,918	8.8	170,791	6.9
AI large model systems	—	—	8,062	0.4	21,090	0.9
Video devices	320,609	21.3	367,425	18.4	413,663	16.7
Others⁽¹⁾	17,991	1.1	23,733	1.2	47,771	1.9
Total	1,505,251	100.0	1,997,731	100.0	2,476,928	100.0

Note:

- (1) Primarily include (i) sales of electronic components such as optoelectronic devices, (ii) sales of AI computing infrastructure products such as uninterruptible power supply products and high voltage direct current power products, (iii) manufacturing services for products such as uninterruptible power supply products and (iv) technical services such as platform operations.

The following table sets forth the sales volume of our main solutions and products during the Track Record Period:

	Year ended December 31,		
	2023	2024	2025
	<i>'000</i>	<i>'000</i>	<i>'000</i>
Continuing operations			
AI solutions (set)	544.3	606.8	850.4
AI assisted driving systems (set)	535.7	590.0	832.3
AI fleet operation management systems (set)	8.6	16.8	18.1
Video devices (pc)	222.8	258.7	298.3

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The following table sets forth the average selling price of our main solutions and products during the Track Record Period:

	Year ended December 31,		
	2023	2024	2025
Continuing operations			
AI solutions (RMB per set)	2,143	2,648	2,370
AI assisted driving systems			
(RMB per set)	2,053	2,411	2,191
AI fleet operation management systems			
(RMB per set)	7,763	10,499	9,435
Video devices (RMB per pc)	1,439	1,420	1,387

Comparison between 2025 and 2024: Our revenue increased by 24.0% from RMB1,997.7 million in 2024 to RMB2,476.9 million in 2025, primarily due to an increase in the revenue from AI solutions.

AI solutions

Our revenue generated from the sales of AI solutions increased by 25.5% from RMB1,606.6 million in 2024 to RMB2,015.5 million in 2025, primarily due to an increase in revenue from our AI assisted driving systems. Specifically:

AI assisted driving systems: Our revenue generated from the sales of AI assisted driving systems increased by 28.2% from RMB1,422.6 million in 2024 to RMB1,823.6 million in 2025, primarily due to a 41.1% increase in the sales volume of our AI assisted driving systems from 590.0 thousand sets in 2024 to 832.3 thousand sets in 2025. The increase in sales volume was primarily attributable to an increase in the customer demand for our AI assisted driving systems used in the application scenarios such as logistics vehicles and transit buses. Such increase was partially offset by a 9.1% decrease in the average selling price of our AI assisted driving systems from RMB2,411 per set in 2024 to RMB2,191 per set in 2025, primarily due to the increase in revenue proportion of our domestic AI assisted driving systems, with relatively low average selling price. In addition, our proactive competitive pricing strategies for certain customers in Hubei and Guangxi also contributed to the overall decrease of the average selling price of our AI assisted driving system.

AI fleet operation management systems: Our revenue generated from the sales of AI fleet operation management systems remained relatively stable at RMB175.9 million in 2024 and RMB170.8 million in 2025.

AI large model systems: Our revenue generated from the sales of AI large model systems increased significantly from RMB8.1 million in 2024 to RMB21.1 million in 2025, primarily because we began generating revenue from AI large model systems in June 2024, and therefore recognized revenue for seven months only in 2024.

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Video devices

Our revenue generated from the sales of video devices increased by 12.6% from RMB367.4 million in 2024 to RMB413.7 million in 2025, primarily due to a 15.3% increase in the sales volume of our video devices from 258.7 thousand pieces in 2024 to 298.3 thousand pieces in 2025. The increase in the sales volume was primarily attributable to an increase in customer demand used in logistics application scenario.

Others

Our revenue generated from others increased significantly from RMB23.7 million in 2024 to RMB47.8 million in 2025, primarily due to (i) an increase in the revenue from manufacturing service in our production base in Vietnam, and (ii) the Disposal of Ruiming Sciences. Before the Disposal of Ruiming Sciences, our revenue generated from the manufacturing service provided to Ruiming Sciences was eliminated in full on consolidation. Following the Disposal of Ruiming Sciences, such revenue was recognized.

Comparison between 2024 and 2023: Our revenue increased by 32.7% from RMB1,505.3 million in 2023 to RMB1,997.7 million in 2024, primarily due to an increase in the revenue from AI solutions.

AI solutions

Our revenue generated from the sales of AI solutions increased by 37.7% from RMB1,166.7 million in 2023 to RMB1,606.6 million in 2024, primarily due to an increase in the revenue from our AI assisted driving systems. Specifically:

AI assisted driving systems: Our revenue generated from the sales of AI assisted driving systems increased by 29.4% from RMB1,099.6 million in 2023 to RMB1,422.6 million in 2024, primarily due to (i) a 10.1% increase in the sales volume of our AI assisted driving systems from 535.7 thousand sets in 2023 to 590.0 thousand sets in 2024, which was primarily attributable to an increase in the customer demand for our AI assisted driving systems used in the logistics vehicle application scenario in overseas markets; (ii) a 17.5% increase in the average selling price of our AI assisted driving systems from RMB2,053 per set in 2023 to RMB2,411 per set in 2024, which was primarily attributable to an increase in the revenue proportion of AI assisted driving systems used in the logistics vehicle application scenario in overseas markets, which had relatively high average selling price.

AI fleet operation management systems: Our revenue generated from the sales of AI fleet operation management systems increased significantly by 162.4% from RMB67.0 million in 2023 to RMB175.9 million in 2024, primarily due to (i) a 94.0% increase in the sales volume of our AI fleet operation management systems from 8.6 thousand sets in 2023 to 16.8 thousand sets in 2024, which was primarily attributable to an increase in the customer demand for our AI fleet operation management systems used in the school buses application scenario as a result of an increase in the revenue from our AI capture systems; (ii) a 35.3% increase in the average selling price of our AI fleet operation management systems from RMB7,763 per set in 2023 to RMB10,499 per set in

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2024, which was primarily attributable to an increase in revenue proportion of AI fleet operation management systems used in the school bus application scenario in overseas markets, which had relatively high average selling price.

AI large model systems: Our revenue generated from the sales of AI large model systems increased from nil in 2023 to RMB8.1 million as we began generating revenue from AI large model systems in June 2024.

Video devices

Our revenue generated from the sales of video devices increased by 14.6% from RMB320.6 million in 2023 to RMB367.4 million in 2024, primarily due to a 16.1% increase in the sales volume of our video devices from 222.8 thousand pieces in 2023 to 258.7 thousand pieces in 2024. The increase in the sales volume was primarily attributable to an increase in customer demand in the taxi application scenario.

Others

Our revenue generated from others increased by 31.9% from RMB18.0 million in 2023 to RMB23.7 million in 2024, primarily due to an increase in the revenue from manufacturing service provided by our production base in Vietnam. We provided more manufacturing service as a result of the increase in production capacity of our production base in Vietnam from 2023 to 2024. For details of our production capacity, see “Business—Production—Production Capabilities.”

Revenue by geographical region

The following table sets forth a breakdown of our revenue by geographic region, based on the place of registration of counter-parties to our sales contracts as requested by our customers, in absolute amounts and as percentages of the total revenue, during the Track Record Period:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Continuing operations						
Chinese Mainland	596,999	39.7	679,911	34.0	950,037	38.4
Overseas	908,252	60.3	1,317,820	66.0	1,526,891	61.6
Americas ⁽¹⁾	426,635	28.2	679,651	34.0	755,890	30.5
Europe ⁽²⁾	256,922	17.1	267,709	13.4	334,498	13.5
Asia Pacific (excluding Chinese Mainland) ⁽³⁾	90,154	6.0	147,539	7.4	246,007	9.9
Africa ⁽⁴⁾	84,057	5.6	127,583	6.4	111,695	4.5
Middle East ⁽⁵⁾	50,484	3.4	95,338	4.8	78,801	3.2
Total	1,505,251	100.0	1,997,731	100.0	2,476,928	100.0

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Notes:

- (1) Primarily include the U.S., Brazil, Canada, Mexico and Columbia.
- (2) Primarily include the U.K., Sweden, Italy and Spain.
- (3) Primarily include India, Australia, Vietnam, New Zealand and Singapore.
- (4) Primarily include South Africa.
- (5) Primarily include the UAE and Saudi Arabia.

The following table sets forth a breakdown of our revenue by geographic region, based on the place of registration of counter-parties to our sales contracts as requested by our customers, in absolute amounts and as percentages of the total revenue, during the Track Record Period:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Continuing operations						
AI solutions	1,166,651	77.6	1,606,573	80.4	2,015,494	81.4
Chinese Mainland	413,979	27.5	479,948	24.0	785,832	31.7
Overseas	752,672	50.1	1,126,625	56.4	1,229,662	49.7
Americas	380,933	25.4	612,101	30.7	680,136	27.5
— U.S.	173,101	11.5	301,173 ⁽³⁾	15.1	303,945	12.3
— Brazil	103,260	6.9	153,639 ⁽⁴⁾	7.7	178,252 ⁽⁴⁾	7.2
— Canada	26,795 ⁽⁵⁾	1.8	81,392 ⁽⁵⁾	4.1	81,289	3.3
— Other American countries	77,777	5.2	75,897	3.8	116,650	4.7
Europe	192,927	12.9	215,608	10.8	260,165	10.5
— U.K.	120,117	8.0	147,655	7.4	130,023	5.2
— Other European countries	72,810	4.9	67,953	3.4	130,142	5.3
Asia Pacific (excluding Chinese Mainland)	62,401	4.1	86,075	4.3	116,096	4.7
Africa	78,632	5.2	122,235	6.1	103,863	4.2
Middle East	37,779	2.5	90,606 ⁽⁶⁾	4.5	69,402	2.8
Video devices	320,609	21.3	367,425	18.4	413,663	16.7
Chinese Mainland	165,029	11.1	183,983	9.1	135,002	5.5
Overseas	155,580	10.2	183,442	9.3	278,661	11.2
Americas	45,703	3.0	67,551	3.4	75,072	3.0
— U.S.	18,489	1.2	35,801	1.8	37,410	1.5
— Brazil	8,993	0.6	15,069	0.8	11,413	0.5
— Canada	13,511	0.9	12,305	0.6	15,872	0.6
— Other American countries	4,710	0.3	4,376	0.2	10,377	0.4
Europe	63,994	4.2	52,100	2.7	74,334	3.0
— U.K.	53,326	3.5	43,322	2.2	59,200	2.4
— Other European countries	10,668	0.7	8,778	0.5	15,134	0.6
Asia Pacific (excluding Chinese Mainland)	27,753	1.8	53,711 ⁽⁷⁾	2.7	112,170 ⁽⁷⁾	4.5
Other countries and regions ⁽¹⁾	18,130	1.2	10,080	0.5	17,085	0.7
Others⁽²⁾	17,991	1.1	23,733	1.2	47,771	1.9
Total	1,505,251	100.0	1,997,731	100.0	2,476,928	100.0

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Note:

- (1) Primarily includes Africa and Middle East.
- (2) Primarily include (i) sales of electronic components such as optoelectronic devices, (ii) sales of AI computing infrastructure products such as uninterruptible power supply products and high voltage direct current power products, (iii) manufacturing services for products such as uninterruptible power supply products and (iv) technical services such as platform operations.
- (3) The revenue of our AI solutions in the US increased by 74.0% from RMB173.1 million in 2023 to RMB301.2 million in 2024 primarily due to a 77.5% increase in sales volume from 60.5 thousand sets in 2023 to 107.4 thousand sets in 2024, as a result of (i) an increase in customer demand in the logistics vehicle application scenario; and (ii) an increase in customer demand in the school bus application scenario.
- (4) The revenue of our AI solutions in Brazil increased by 48.8% from RMB103.3 million in 2023 to RMB153.6 million in 2024 and further increased by 16.0% from RMB153.6 million in 2024 to RMB178.3 million in 2025, primarily due to (i) continuing increase in customer demand in the logistics vehicle application scenario; and (ii) the increase in transaction with our existing customers, as we provided more customized AI solutions based on our increasingly deepened understanding of their needs.
- (5) The revenue of our AI solutions in Canada increased by 203.8% from RMB26.8 million in 2023 to RMB81.4 million in 2024, primarily due to (i) continuing increase in customer demand; and (ii) the increase in transaction with our existing customers, as we provided more customized AI solutions based on our increasingly deepened understanding of their needs.
- (6) The revenue of our AI solutions in Middle East increased by 139.8% from RMB37.8 million in 2023 to RMB90.6 million in 2024, primarily due to (i) a 53.3% increase in sales volume from 10.7 thousand set in 2023 to 16.4 thousand set in 2024; and (ii) a 56.5% increase in average selling price from RMB3,531 per set in 2023 to RMB5,525 per set in 2024, both attributable to an increase in customer demand in the transit bus application scenario and the taxi application scenario.
- (7) The revenue of our video devices in Asia Pacific (excluding Chinese Mainland) increased by 93.5% from RMB27.8 million in 2023 to RMB53.7 million in 2024, and further by 108.8% to RMB112.2 million in 2025, primarily due to the increase in customer demand of video devices in the application scenario of transit bus and taxi in Japan.

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The following table sets forth a breakdown of the sales volume of our main solutions and products by geographic region, based on the place of registration of counter-parties to our sales contracts as requested by our customers, during the Track Record Period:

	Year ended December 31,		
	2023	2024	2025
	'000	'000	'000
Continuing operations			
AI solutions (set)	544.3	606.8	850.4
Chinese Mainland	271.2	255.2	438.4
Overseas	273.1	351.6	412.0
Americas	133.9	201.6	224.7
— U.S.	60.5	107.4	98.8
— Brazil	30.5	49.3	60.2
— Canada	13.8	19.7	28.1
— Other American countries	29.1	25.2	37.6
Europe	79.6	57.6	91.8
— U.K.	56.0	38.5	52.9
— Other European countries	23.6	19.1	38.9
Asia Pacific (excluding Chinese Mainland)	20.4	28.6	40.7
Africa	28.5	47.4	38.5
Middle East	10.7	16.4	16.3
Video devices (pc)	222.8	258.7	298.3
Chinese Mainland	98.8	95.8	81.4
Overseas	124.0	162.9	216.9
Americas	37.6	79.6	67.5
— U.S.	14.7	33.7	25.7
— Brazil	9.3	21.1	10.9
— Canada	6.4	13.4	22.7
— Other American countries	7.2	11.4	8.2
Europe	53.3	39.6	70.5
— U.K.	42.3	30.1	52.4
— Other European countries	11.0	9.5	18.1
Asia Pacific (excluding Chinese Mainland)	21.5	34.5	72.2
Other countries and regions ⁽¹⁾	11.6	9.2	6.7

Note:

(1) Primarily includes Africa and Middle East.

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The following table sets forth a breakdown of the average selling price of our main solutions and products by geographic region, based on the place of registration of counter-parties to our sales contracts as requested by our customers, during the Track Record Period:

	Year ended December 31,		
	2023	2024	2025
Continuing operations			
AI solutions (RMB per set)	2,143	2,648	2,370
Chinese Mainland	1,526	1,881	1,793
Overseas	2,756	3,204	2,985
Americas	2,845	3,036	3,027
— U.S.	2,861	2,804	3,076
— Brazil	3,386	3,116	2,961
— Canada	1,942	4,132	2,893
— Other American countries	2,673	3,012	3,102
Europe	2,424	3,743	2,834
— U.K.	2,145	3,835	2,458
— Other European countries	3,085	3,558	3,346
Asia Pacific (excluding Chinese Mainland)	3,059	3,010	2,852
Africa	2,759	2,579	2,698
Middle East	3,531	5,525	4,258
Video devices (RMB per pc)	1,439	1,420	1,387
Chinese Mainland	1,670	1,920	1,659
Overseas	1,255	1,126	1,285
Americas	1,216	849	1,112
— U.S.	1,258	1,062	1,456
— Brazil	967	714	1,047
— Canada	2,111	918	699
— Other American countries	654	384	1,265
Europe	1,201	1,316	1,054
— U.K.	1,261	1,439	1,130
— Other European countries	970	924	836
Asia Pacific (excluding Chinese Mainland)	1,291	1,557	1,554
Other countries and regions ⁽¹⁾	1,563	1,096	2,550

Note:

(1) Primarily includes Africa and Middle East.

For the year ended December 31, 2025, we recorded 61.6% of our revenue from our overseas market. The Americas and Europe remained major regions of our overseas markets. Meanwhile, the revenue from the Asia Pacific (excluding Chinese Mainland), Africa and the Middle East had rapid growth.

Comparison between 2025 and 2024: While the revenue generated from our overseas market increased by 15.9% from RMB1,317.8 million in 2024 to RMB1,526.9 million in 2025, the revenue proportion of our overseas markets decreased from 66.0% to 61.6%. This is primarily due

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to (i) the significant revenue increase in Chinese Mainland by 39.7% from RMB679.9 million in 2024 to RMB950.0 million in 2025, resulted from the significant increase in our logistics and transit buses application scenario, and (ii) the slight decrease in customer demand from our overseas school bus application scenario.

Comparison between 2024 and 2023: The revenue proportion of our overseas markets increased from 60.3% to 66.0%, primarily due to an increase in the revenue proportion of the Americas, which was primarily due to an increase in the customer demands for our solutions and products in application scenarios such as logistics vehicles and school buses.

Cost of Sales

Our cost of sales stems from (i) raw material cost, (ii) direct labor cost, (iii) manufacturing expenses, (iv) operation and maintenance expenses and (v) others.

The following table sets forth a breakdown of the components of our cost of sales in absolute amounts and as percentages of our total cost of sales during the Track Record Period:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Raw materials cost	624,778	73.5	816,711	75.7	1,024,413	74.2
Direct labor cost	39,876	4.7	48,491	4.5	71,132	5.1
Manufacturing expenses	64,210	7.6	76,823	7.1	119,682	8.7
Operation and maintenance expenses . .	71,985	8.5	64,389	6.0	81,660	5.9
Others ⁽¹⁾	48,708	5.7	73,116	6.7	84,390	6.1
Total	849,557	100.0	1,079,530	100.0	1,381,277	100.0

Note:

(1) Primarily include (i) taxes and surcharges, (ii) after-sales service fees, (iii) logistics fees, and (iv) inventory impairment loss.

Our cost of sales increased by 28.0% from RMB1,079.5 million in 2024 to RMB1,381.3 million in 2025, primarily attributable to an increase in raw material cost which was in line with our business growth. Our cost of sales increased by 27.1% from RMB849.6 million in 2023 to RMB1,079.5 million in 2024, primarily attributable to an increase in raw material cost which was in line with our business growth.

Gross Profit and Gross Profit Margin

Our gross profit represents our revenue less our cost of sales, and our gross profit margin represents our gross profit divided by our revenue, expressed as a percentage.

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As a result of the foregoing, our gross profit increased by 40.0% from RMB655.7 million in 2023 to RMB918.2 million in 2024 and further increased by 19.3% to RMB1,095.7 million in 2025.

Our gross profit margin increased from 43.6% in 2023 to 46.0% in 2024. Our gross profit margin remained relatively stable at 46.0% in 2024 and 44.2% in 2025.

Gross profit and gross profit margin by solutions and products

The following table sets forth a breakdown of our gross profit and gross profit margin by product during the Track Record Period:

	Year ended December 31,					
	2023		2024		2025	
	Gross profit RMB'000	Gross profit margin %	Gross profit RMB'000	Gross profit margin %	Gross profit RMB'000	Gross profit margin %
Continuing operations						
AI solutions	541,151	46.4	792,349	49.3	926,610	46.0
AI assisted driving systems	498,677	45.4	685,044	48.2	807,450	44.3
AI fleet operation management systems	42,474	63.4	102,183	58.1	105,989	62.1
AI large model systems.	—	—	5,122	63.5	13,171	62.5
Video devices	113,563	35.4	122,743	33.4	165,565	40.0
Others⁽¹⁾	980	5.4	3,109	13.1	3,476	7.3
Total	655,694	43.6	918,201	46.0	1,095,651	44.2

Note:

- (1) Primarily include (i) sales of electronic components such as optoelectronic devices, (ii) sales of AI computing infrastructure products such as uninterruptible power supply products and high voltage direct current power products, (iii) manufacturing services for products such as uninterruptible power supply products and (iv) technical services such as platform operations.

Comparison between 2025 and 2024: Our gross profit margin remained relatively stable at 46.0% in 2024 and 44.2% in 2025.

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AI solutions

Our gross profit margin generated from the sales of AI solutions slightly decreased from 49.3% in 2024 to 46.0% in 2025, primarily due to a decrease in gross profit margin of our AI assisted driving system. Specifically:

AI assisted driving systems: Our gross profit margin of AI assisted driving systems decreased from 48.2% in 2024 to 44.3% in 2025, primarily due to the increase in proportion of gross profit from our domestic AI assisted driving systems, with relatively lower gross profit margin. In addition, our proactive competitive pricing strategies for certain customers in Hubei and Guangxi also contributed to the overall decrease of the gross profit margin.

AI fleet operation management systems: Our gross profit margin of AI fleet operation management systems increased from 58.1% in 2024 to 62.1% in 2025, primarily due to the increase in gross profit margin and revenue proportion of our domestic transit buses application scenario, as a result of the increase in demand from our automobile manufacturers, with generally higher gross profit margin.

AI large model systems: Our gross profit margin of AI large model systems remained relatively stable at 63.5% in 2024 and 62.5% in 2025.

Video devices

Our gross profit margin of video devices increased from 33.4% in 2024 to 40.0% in 2025 primarily due to an increase in proportion of our high gross profit margin video devices used in the transit bus and taxi application scenario in overseas markets, which contributed to the increase in gross profit margin, despite slight decrease in overall average selling price of our video devices.

Others

Our gross profit margin decreased from 13.1% in 2024 to 7.3% in 2025, primarily due to the increase in revenue proportion of our manufacturing services, as our production base in Vietnam is still in the ramp-up stage and has yet to achieve economies of scale, and therefore has relatively lower gross profit margin.

Comparison between 2024 and 2023: Our gross profit margin increased from 43.6% in 2023 to 46.0% in 2024, primarily due to an increase in the gross profit margin of our AI solutions.

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AI solutions

Our gross profit margin generated from the sales of AI solutions increased from 46.4% in 2023 to 49.3% in 2024, primarily due to the increase in the gross profit margin of our AI assisted driving systems. Specifically:

AI assisted driving systems: Our gross profit margin of AI assisted driving systems increased from 45.4% in 2023 to 48.2% in 2024, primarily due to an increase in the revenue proportion of AI assisted driving systems sold in overseas markets which had relatively high gross profit margin.

AI fleet operation management systems: Our gross profit margin of AI fleet operation management systems decreased from 63.4% in 2023 to 58.1% in 2024, primarily due to a decrease in the revenue proportion of our AI fleet operation management systems used in the transit bus application scenario which had relatively high gross profit margin.

AI large model systems: Our gross profit margin of AI large model systems increased from nil in 2023 to 63.5% in 2024 as we began generating revenue from AI large model systems in June 2024.

Video devices

Our gross profit margin of video devices remained relatively stable at 35.4% in 2023 and 33.4% in 2024, respectively.

Others

Our gross profit margin generated from others increased from 5.4% in 2023 to 13.1% in 2024, primarily due to an increase in the gross profit margin of our technical services, as its cost structure is largely labor-based and revenue growth resulted in improved cost absorption and higher margins.

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Gross profit and gross profit margin by geographical region

The following table sets forth a breakdown of our gross profit and gross profit margin by geographic region, based on the place of registration of counter-parties to our sales contracts as requested by our customers, during the Track Record Period:

	Year ended December 31,					
	2023		2024		2025	
	Gross profit (RMB'000)	Gross profit margin (%)	Gross profit (RMB'000)	Gross profit margin (%)	Gross profit (RMB'000)	Gross profit margin (%)
AI solutions	541,151	46.4	792,349	49.3	926,610	46.0
Chinese Mainland	112,265	27.1	156,812	32.7	247,986	31.6
Overseas	428,886	57.0	635,537	56.4	678,624	55.2
Americas	218,426	57.3	343,331	56.1	364,979	53.7
— U.S.	102,377	59.1	165,212	54.9	170,695	56.2
— Brazil	58,409	56.6	79,792	51.9 ⁽³⁾	79,473	44.6 ⁽³⁾
— Canada	14,609	54.5	48,767	59.9	49,608	61.0
— Other American countries	43,031	55.3	49,560	65.3	65,203	55.9
Europe	110,582	57.3	129,671	60.1	144,699	55.6
— U.K.	66,764	55.6	89,725	60.8	73,277	56.4
— Other European countries	43,818	60.2	39,946	58.8	71,422	54.9
Asia Pacific (excluding Chinese Mainland)	36,862	59.1	46,750	54.3	68,114	58.7
Africa	43,772	55.7	68,100	55.7	56,890	54.8
Middle East	19,244	50.9	47,685	52.6	43,940	63.3 ⁽⁴⁾
Video devices	113,563	35.4	122,743	33.4	165,565	40.0
Chinese Mainland	31,512	19.1	42,931	23.3	40,099	29.7
Overseas	82,051	52.7	79,812	43.5	125,466	45.0
Americas	23,529	51.5	31,518	46.7	39,765	53.0
— U.S.	7,116	38.5	15,260	42.6 ⁽⁵⁾	19,080	51.0 ⁽⁵⁾
— Brazil	4,610	51.3	6,331	42.0	5,945	52.1
— Canada	9,493	70.3	7,715	62.7	10,298	64.9
— Other American countries	2,310	49.0	2,212	50.5	4,442	42.8
Europe	33,124	51.8	26,103	50.1	32,150	43.3
— U.K.	27,642	51.8	21,903	50.6	24,956	42.2
— Other European countries	5,482	51.4	4,200	47.8	7,194	47.5
Asia Pacific (excluding Chinese Mainland)	12,898	46.5	15,860	29.5 ⁽⁶⁾	41,165	36.7 ⁽⁶⁾
Other countries and regions ⁽¹⁾	12,500	68.9	6,331	62.8	12,384	72.5 ⁽⁷⁾
Others⁽²⁾	980	5.4	3,109	13.1	3,476	7.3
Total	655,694	43.6	918,201	46.0	1,095,651	44.2

Notes:

(1) Primarily includes Africa and Middle East.

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- (2) Primarily include (i) sales of electronic components such as optoelectronic devices, (ii) sales of AI computing infrastructure products such as uninterruptible power supply products and high voltage direct current power products, (iii) manufacturing services for products such as uninterruptible power supply products and (iv) technical services such as platform operations.
- (3) The gross profit margin of our AI solutions in Brazil decreased from 56.6% in 2023 to 51.9% in 2024 and further decreased to 44.6% in 2025, primarily due to our competitive pricing strategy adopted to expand our presence in the Brazilian market, which has secured and increased our sales to key customers.
- (4) The gross profit margin of our AI solutions in Middle East increased from 52.6% in 2024 to 63.3% in 2025, primarily due to an increase in revenue proportion of our new-generation AI solutions used in taxi application scenario in the Middle East, with relatively higher gross profit margins.
- (5) The gross profit margin of our video devices in the U.S. increased from 38.5 % in 2023 to 42.6% in 2024, primarily due to the increase in revenue proportion of video devices used in school bus application scenario, which generated relatively higher gross profit margin. Such gross profit margin further increased to 51.0% in 2025, primarily due to the increase in revenue proportion of video devices with advanced functions.
- (6) The gross profit margin of our video devices in Asia Pacific (excluding Chinese Mainland) decreased from 46.5% in 2023 to 29.5% in 2024, primarily due to (i) an increase in revenue proportion of video devices sold to Japan used in taxi application scenario, with relatively lower gross profit margin compared with that of school bus application scenario and (ii) our adoption of competitive pricing strategies in Singapore and Thailand to expand market share. Such gross profit margin then increased from 29.5% in 2024 to 36.7% in 2025, primarily due to our cessation of the competitive pricing strategies in Singapore and Thailand.
- (7) The gross profit margin of video devices in other countries and regions increased from 62.8% in 2024 to 72.5% in 2025, primarily because our customers in the Middle East purchased an increasing number of video devices with higher average selling price in 2025.

Other income, net of losses

Our other income, net of losses primarily comprise (i) interest income, (ii) government grants, (iii) value-added tax (VAT) refund on sales of software products, (iv) additional deduction for VAT, (v) net fair value changes in derivative financial instruments and other investments at FVPL, (vi) net losses on disposal of non-current assets, (vii) net foreign exchange gains/(losses), (viii) dividend income on other investments, and (ix) others.

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The following table sets forth a breakdown of our other income, net of losses, in absolute amounts and as percentages of our total other income, net of losses during the Track Record Period:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Continuing operations						
Interest income	14,114	25.9	20,849	21.4	15,539	35.2
Government grants	14,307	26.3	16,862	17.3	14,104	32.1
Value-added tax (VAT) refund on sales of software products	25,321	46.5	32,833	33.7	23,432	53.3
Additional deduction for VAT	252	0.5	5,032	5.2	—	—
Net fair value changes in derivative financial instruments and other investments at FVPL	(5,235)	(9.6)	185	0.2	374	0.9
Net losses on disposal of non-current assets	(1,036)	(1.9)	(862)	(0.9)	(13)	(0.0)
Net foreign exchange gains/(losses) . . .	4,930	9.1	20,775	21.3	(11,854)	(27.0)
Dividend income on other investments . .	1,543	2.8	1,016	1.0	684	1.6
Others	225	0.4	674	0.7	1,714	3.9
Total	54,421	100.0	97,364	100.0	43,980	100.0

Comparison between 2025 and 2024: Our other income, net of losses decreased by 55.0% from RMB97.4 million in 2024 to RMB44.0 million in 2025, primarily because (i) we recorded net foreign exchange gains of RMB20.8 million in 2024 and net foreign exchange losses of RMB11.8 million in 2025, as a result of fluctuations in foreign exchange rate and (ii) our VAT refund on sales of software products decreased from RMB32.8 million in 2024 to RMB23.4 million in 2025, as we received less refund in 2025.

Comparison between 2024 and 2023: Our other income, net of losses increased by 78.9% from RMB54.4 million in 2023 to RMB97.4 million in 2024, primarily due to (i) an increase in net foreign exchange gains as a result of fluctuations in foreign exchange rate, (ii) an increase in value-added tax (VAT) refund on sales of software products, as part of our intra-group transaction, and (iii) an increase in interest income, as a result of the increase in our bank deposits.

Provision for Expected Credit Losses on Receivables and Contract Assets

Our provision for expected credit losses on receivables and contract assets represents provision for expected credit losses on (i) trade and bill receivables and contract assets, and (ii) other receivables.

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The following table sets forth a breakdown of provision for expected credit losses on receivables and contract assets, in absolute amounts and as percentages of our provision for expected credit losses on receivables and contract assets during the Track Record Period:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Continuing operations						
Provision for expected credit losses on trade and bills receivables and contract assets	4,277	52.9	6,505	50.7	5,782	88.7
Provision for expected credit losses on other receivables.	3,812	47.1	6,315	49.3	738	11.3
Total	8,089	100.0	12,820	100.0	6,520	100.0

Comparison between 2025 and 2024: Our provision for expected credit losses on receivables and contract assets decreased by 49.1% from RMB12.8 million in 2024 to RMB6.5 million in 2025, primarily due to a decrease in the provision for expected credit loss on other receivables as a result of the recovery of long-aged deposits and rental payments.

Comparison between 2024 and 2023: Our provision for expected credit losses on receivables and contract assets increased by 58.5% from RMB8.1 million in 2023 to RMB12.8 million in 2024, primarily due to (i) an increase in provision for expected credit losses on trade and bills receivables and contract assets as a result of an increase in trade and bills receivables; and (ii) an increase in provision for expected credit losses on other receivables as a result of the increase in our (value-added tax) VAT refund on sales of software products.

Selling and Marketing Expenses

Our selling and marketing expenses primarily comprise (i) employee compensation, (ii) travel and promotion expenses, (iii) professional consulting expenses, (iv) office expenses, (v) business development expenses, (vi) consumables and service expenses and (vii) others.

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The following table sets forth a breakdown of our selling and marketing expenses, in absolute terms and as percentages of our total selling and marketing expenses, during the Track Record Period:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Continuing operations						
Employee compensation.....	87,190	49.2	102,937	50.6	98,090	47.0
Travel and promotion expenses	26,605	15.0	31,600	15.5	34,149	16.4
Professional consulting expenses	14,269	8.1	19,588	9.6	29,148	14.0
Office expenses	18,925	10.7	20,096	9.9	21,535	10.3
Business development expenses	6,435	3.6	8,296	4.1	7,247	3.5
Consumables and service expenses	9,141	5.2	7,527	3.7	5,340	2.6
Others ⁽¹⁾	14,516	8.2	13,469	6.6	13,229	6.2
Total	177,081	100.0	203,513	100.0	208,738	100.0

Note:

- (1) Primarily include (i) insurance expenses, (ii) vehicle expenses, (iii) depreciation and amortization and (iv) communication expenses.

Comparison between 2025 and 2024: Our selling and marketing expenses remained relatively stable at RMB203.5 million in 2024 and RMB208.7 million in 2025.

Comparison between 2024 and 2023: Our selling and marketing expenses increased by 14.9% from RMB177.1 million in 2023 to RMB203.5 million in 2024, primarily due to an increase in our employee compensation, as a result of the increase in our headcount and bonus of our overseas sales and marketing team.

Administrative Expenses

Our administrative expenses mainly comprise (i) share-based payment, (ii) employee compensation, (iii) office expenses, (iv) depreciation and amortization, (v) professional consulting expenses, (vi) travel expenses and (vii) others.

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The following table sets forth a breakdown of our administrative expenses, in absolute amounts and as percentages of our total administrative expenses, during the Track Record Period:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Continuing operations						
Share-based payment	36,749	22.4	58,905	26.7	88,976	35.8
Employee compensation	64,232	39.1	91,420	41.4	88,253	35.5
Office expenses	15,995	9.7	18,326	8.3	23,274	9.4
Depreciation and amortization	17,326	10.6	17,829	8.1	17,873	7.1
Professional consulting expenses	7,923	4.8	10,654	4.8	7,388	2.9
Travel expenses	2,372	1.4	4,337	2.0	4,137	1.7
Others ⁽¹⁾	19,519	12.0	19,209	8.7	18,778	7.6
Total	164,116	100.0	220,680	100.0	248,679	100.0

Note:

- (1) Primarily include (i) patent expenses, (ii) hospitality expenses, (iii) transportation vehicle expenses and (iv) consumables and service expenses.

Comparison between 2025 and 2024: Our administrative expenses increased by 12.7% from RMB220.7 million in 2024 to RMB248.7 million in 2025, primarily due to an increase in share-based payments as a result of the implementation of our Employee Shareholding Plans and Share Option Incentive Plans.

Comparison between 2024 and 2023: Our administrative expenses increased by 34.5% from RMB164.1 million in 2023 to RMB220.7 million in 2024, primarily due to an increase in share-based payment and employee compensation as a result of an increase in the bonus of our administrative team.

Research and Development Cost

Our research and development cost mainly comprises (i) employee compensation, (ii) consumables expenses, (iii) depreciation and amortization, (iv) office expenses, (v) travel expenses and (vi) others.

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The following table sets forth a breakdown of our research and development cost, in absolute amounts and as percentages of our total research and development cost, during the Track Record Period:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Continuing operations						
Employee compensation	201,713	81.9	228,961	80.7	231,207	80.9
Consumables expenses	8,281	3.4	11,639	4.1	12,867	4.5
Depreciation and amortization	8,520	3.5	8,645	3.0	9,172	3.2
Office expenses	9,302	3.8	8,637	3.0	8,884	3.1
Travel expenses	4,793	1.9	6,992	2.5	6,225	2.2
Others ⁽¹⁾	13,786	5.5	18,836	6.7	17,451	6.1
Total	246,395	100.0	283,710	100.0	285,806	100.0

Note:

- (1) Primarily include (i) development and usage expenses, (ii) professional consulting expenses and (iii) hospitality expenses.

Comparison between 2025 and 2024: Our research and development cost remained relatively stable at RMB283.7 million in 2024 and RMB285.8 million in 2025.

Comparison between 2024 and 2023: Our research and development cost increased by 15.1% from RMB246.4 million in 2023 to RMB283.7 million in 2024, primarily due to an increase in employee compensation as a result of an increase in the bonus of our research and development team.

Other Operating Expenses

Our other expenses mainly consist of (i) goodwill impairment loss and (ii) others.

The following table sets forth a breakdown of our other operating expenses during the Track Record Period:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Continuing operations						
Goodwill impairment loss	3,502	61.4	3,791	92.2	—	—
Others	2,205	38.6	320	7.8	1,356	100.0
Total	5,707	100.0	4,111	100.0	1,356	100.0

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Comparison between 2025 and 2024: Our other operating expenses decreased by 67.0% from RMB4.1 million in 2024 to RMB1.4 million in 2025, primarily due to the recognition of goodwill impairment for a subsidiary in 2024, which did not recur in 2025, partially offset by an increase in others from the donation expenses.

Comparison between 2024 and 2023: Our other operating expenses decreased by 28.0% from RMB5.7 million in 2023 to RMB4.1 million in 2024, primarily due to additional goodwill impairment loss of a subsidiary based on our goodwill assessment.

Finance Costs

Our finance costs comprise (i) interest on discounted bills and loans and borrowings and (ii) interest on lease liabilities.

The following table sets forth a breakdown of our finance costs during the Track Record Period:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Continuing operations						
Interest on discounted bills and loans and borrowings	6,977	85.2	7,337	89.4	9,097	87.1
Interest on lease liabilities	1,211	14.8	872	10.6	1,350	12.9
Total	8,188	100.0	8,209	100.0	10,447	100.0

Comparison between 2025 and 2024: Our finance costs increased by 27.3% from RMB8.2 million in 2024 to RMB10.4 million in 2025, primarily due to (i) an increase in lease liabilities from the addition of our leased offices and (ii) an increase of interest on discounted bills and loans and borrowings, as a result of an increase in our interest-bearing borrowings.

Comparison between 2024 and 2023: Our finance costs remained relatively stable at RMB8.2 million and RMB8.2 million in 2023 and 2024, respectively.

Share of Profits Less Losses of Associates

Our share of profits less losses of associates represents our share of the net profit or loss of our associates.

Our associates mainly provide (i) software development and IT services, (ii) manufacturing services, and (iii) other services.

Comparison between 2025 and 2024: Our net share of losses of associates of RMB1.9 million in 2024 turned into net share of profits of RMB1.0 thousand in 2025, primarily attributable to the profit recorded by one of our associates in 2025.

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Comparison between 2024 and 2023: Our net share of losses of associates decreased by 17.0% from RMB2.3 million in 2023 to RMB1.9 million in 2024, primarily attributable to a decrease in the losses in 2024 recorded by the associate.

Income Tax Benefit or Expense

Our income tax benefit or expense represents deferred tax and current tax payable by us at the applicable tax rates in accordance with the relevant laws and regulations in each tax jurisdiction in which we operate or are domiciled.

For details on applicable taxes and tax rates, see Note 9 to the Accountants’ Report in Appendix I to this document.

The following table sets forth a breakdown of our income tax benefit or expense during the Track Record Period:

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Continuing operations			
Current tax			
PRC corporate income tax	1,675	2,395	7,539
Other jurisdictions	1,588	4,155	6,307
	3,263	6,550	13,846
Deferred tax			
Origination and reversal of temporary differences	(2,654)	(12,126)	(5,404)
Total	609	(5,576)	8,442

Comparison between 2025 and 2024: We recorded an income tax benefit of RMB5.6 million in 2024 and an income tax expense of RMB8.4 million in 2025, primarily because (i) the increase in current tax, as the tax exempt policy for one of our subsidiaries expired and (ii) the increase in deferred tax, due to the realization of unrealized gains on intragroup transactions.

Comparison between 2024 and 2023: We recorded an income tax expense of RMB0.6 million in 2023 and an income tax benefit of RMB5.6 million in 2024, primarily due to an increase in deferred tax from unrealized gains on intragroup transactions.

Profit for the Year from Continuing Operation

Our profit for the year from continuing operation increased by 192.9% from RMB97.7 million in 2023 to RMB286.2 million in 2024 and further by 29.1% to RMB369.6 million in 2025.

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Discontinued Operation

Profit for the Year from Discontinued Operation

Results of our discontinued operation were recorded as a separate line titled “Discontinued Operation.” See Note 4 to Accountants’ Report in Appendix I to this document and “History, Development and Corporate Structure—Major Acquisitions, Disposals and Mergers—Disposal of Ruiming Sciences” for details.

Comparison between 2025 and 2024: Our profit for the year from discontinued operation increased from RMB7.5 million in 2024 to RMB18.9 million in 2025, primarily due to the gain recognized upon the disposal of Ruiming Sciences in 2025.

Comparison between 2024 and 2023: Our profit for the year from discontinued operation increased from RMB0.5 million in 2023 to RMB7.5 million in 2024, primarily due to an increase in the revenue of Ruiming Sciences, as a result of an increase in the customer demand.

Profit for the Year

As a result of the foregoing, our profit for the year increased significantly from RMB98.2 million in 2023 to RMB293.7 million in 2024 and further by 32.3% to RMB388.5 million in 2025.

LIQUIDITY AND CAPITAL RESOURCES

Overview

We have historically funded our cash requirements mainly from cash generated from our business operations and our fundraising activities. After the [REDACTED], we intend to finance our future capital requirements through cash generated from our business operations, the net [REDACTED] from the [REDACTED] and other future equity or debt financings. We currently do not anticipate any changes to the availability of financing to fund our operations in the near future.

Our Directors are of the view that, taking into account the financial resources available to us, including cash and cash equivalents, our available banking facilities, cash flows from operating activities and net [REDACTED] from the [REDACTED], we have sufficient working capital for at least 12 months from the date of this document.

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Cash Flows Analysis

The following table sets forth selected consolidated cash flow statements information during the Track Record Period:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Net cash flows generated from operating activities	317,651	421,491	398,323
Net cash flows used in investing activities	(92,506)	(49,848)	(84,751)
Net cash flows generated from/(used in) financing activities.	71,461	(145,614)	(22,695)
Net increase in cash and cash equivalents	296,606	226,029	290,877
Cash and cash equivalents at the beginning of the year.	414,373	714,833	958,348
Effect of foreign exchange rates	3,854	17,486	(9,898)
Cash and cash equivalents at the end of the year	714,833	958,348	1,239,327

Operating Activities

Our cash flows from operating activities reflect our profit before tax adjusted for: (i) non-cash or non-operating items such as depreciation of property, plant and equipment, amortization of intangible assets and financial income; (ii) the effects of movement in working capital such as inventories, trade and other receivables and trade and other payables; and (iii) other cash items such as income tax paid. We will continue to monitor our cash flows from operations closely and improve our net operating cash out flows position through a variety of means, including (i) managing our trade and bills receivables by monitoring the credit profile of our customers and enhancing our payment collection system, (ii) increasing our inventory turnover rate to increase our cash flows from operating activities, and (iii) increase our bargaining power and extend our credit period with our suppliers.

In 2025, we had net cash flows generated from operating activities of RMB398.3 million, which primarily consisted of (i) profit from continuing operations before taxation of RMB378.1 million and (ii) profit from discontinued operation before taxation of RMB18.9 million, adjusted for (i) non-cash and non-operating items such as equity-settled share-based transactions of RMB89.0 million, depreciation and amortization of RMB80.0 million and gain on disposal of subsidiaries of RMB18.9 million; (ii) the effects of movement in working capital such as increase in trade and bills payables and accruals and other payables of RMB210.9 million, increase in receivables, prepayments and contract assets of RMB175.8 million and increase in inventories and other contract costs of RMB164.2 million; and (iii) income tax paid of RMB12.9 million.

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In 2024, we had net cash flows generated from operating activities of RMB421.5 million, which primarily consisted of (i) profit from continuing operations before taxation of RMB280.7 million and (ii) profit from discontinued operation before taxation of RMB6.5 million, adjusted for (i) non-cash and non-operating items such as depreciation and amortization of RMB87.0 million; (ii) the effects of movement in working capital such as increase in inventories of RMB213.6 million, increase in trade and other receivables of RMB283.5 million and increase in trade and other payables of RMB445.6 million; and (iii) income tax paid of RMB3.8 million.

In 2023, we had net cash flows generated from operating activities of RMB317.7 million, which primarily consisted of (i) profit from continuing operations before taxation of RMB98.3 million and (ii) loss from discontinued operation before taxation of RMB2.8 million, adjusted for (i) non-cash and non-operating items such as depreciation and amortization of RMB89.4 million; (ii) the effects of movement in working capital such as increase in trade and other payables of RMB105.6 million; and (iii) income tax paid of RMB1.0 million.

Investing Activities

In 2025, we had net cash flows used in investing activities of RMB84.8 million, which primarily resulted from (i) payment for purchase of property, plant and equipment and intangible assets of RMB104.4 million and (ii) net cash outflow in respect of disposal of subsidiaries of RMB17.9 million, including cash and cash equivalents disposed, partially offset by proceeds from disposal of other financial assets at fair value through other comprehensive income (“FVOCI”) of RMB35.7 million.

In 2024, our net cash flows used in investing activities were RMB49.8 million, which primarily resulted from payment for purchase of property, plant and equipment and intangible assets of RMB66.4 million, partially offset by proceeds received in respect of disposal of subsidiaries of RMB15.9 million, including cash and cash equivalents disposed of.

In 2023, our net cash flows used in investing activities were RMB92.5 million, which primarily resulted from (i) payment for purchase of property, plant and equipment and intangible assets of RMB69.3 million and (ii) payments for acquisitions of financial assets measured at fair value through profit or loss (“FVPL”) of RMB30.0 million, partially offset by proceeds from disposal of other financial assets at FVPL of RMB21.0 million.

For financial assets measured at FVPL, we manage and evaluate the performance of such investments on a fair value basis in accordance with our business needs and investment strategy. We endeavor to increase the return of idle cash and bank balances by placing investments in wealth management products with high liquidity and low risk such that our risk exposure arising from such investments is controlled. Our investment policy in relation to the purchase of such financial assets is to monitor our level of idle cash and bank balances and, based on the working capital required at the relevant time, utilize such idle cash to increase the return.

In order to monitor and control the investment risks associated with our prudent wealth management products, we have adopted a comprehensive set of internal policies and guidelines to manage our investments. Our finance department is responsible for proposing, analyzing and

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evaluating potential investment in such products. Our management, including our finance department, has extensive experience in managing the financial aspects of our business operations. Any major investments, as defined in our company’s articles of association, are subject to approval by our Board of Directors or the Shareholders’ Meeting and are supervised by our independent directors. We also perform internal audits and compliance checks to ensure adherence to our internal policies and liquidity needs.

Upon the [REDACTED], we intend to continue to invest strictly in accordance with our internal policies, and to the extent that an investment is a notifiable transaction under Chapter 14 of the Listing Rules, we will comply with the relevant requirements under Chapter 14 of the Listing Rules as applicable.

Financing Activities

In 2025, we had net cash flows used in financing activities of RMB22.7 million, which primarily resulted from (i) repayment of loans and borrowings of RMB394.8 million and (ii) dividends paid to equity shareholders of the Company of RMB196.5 million, partially offset by proceeds from loans and borrowings of RMB484.1 million.

In 2024, our net cash flows used in financing activities were RMB145.6 million, which primarily resulted from (i) repayment of loans and borrowings of RMB248.9 million and (ii) dividends paid to our equity shareholders of RMB137.5 million, partially offset by proceeds from loans and borrowings of RMB207.1 million.

In 2023, our net cash flows generated from financing activities were RMB71.5 million, which primarily resulted from proceeds from loans and borrowings of RMB334.9 million, partially offset by (i) repayments of bank borrowings of RMB170.2 million, and (ii) payment for repurchase of shares for ESOP of RMB71.3 million.

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SELECTED ITEMS FROM THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Current Assets and Liabilities

The following table sets out our current assets and liabilities as of the dates indicated:

	As of December 31,			As of February 28,
	2023	2024	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(unaudited)</i>
Current assets				
Inventories and other contract costs . .	329,233	349,386	505,233	619,597
Trade and bills receivables	422,501	476,398	665,352	697,697
Prepayments and other receivables . . .	125,800	115,608	119,973	189,809
Contract assets	10,031	8,786	9,060	10,144
Assets held for sale	—	509,293	—	—
Other investments	—	506	—	208
Restricted bank deposits	15,214	7,476	18,480	18,584
Cash and cash equivalents	714,833	927,110	1,239,327	1,220,221
Total current assets	1,617,612	2,394,563	2,557,425	2,756,260
Current liabilities				
Contract liabilities	96,670	111,814	79,821	78,974
Liabilities directly associated with the assets held for sale	—	439,995	—	—
Trade and bills payables	364,348	367,259	633,133	570,687
Accruals and other payables	187,631	225,079	160,919	148,684
Loans and borrowings	148,880	177,079	263,129	548,528
Lease liabilities	8,750	10,118	15,506	16,511
Current taxation	1,884	4,510	5,429	5,513
Total current liabilities	808,163	1,335,854	1,157,937	1,368,897
Net current assets	809,449	1,058,709	1,399,488	1,387,363

Our net current assets increased from RMB809.4 million as of December 31, 2023 to RMB1,058.7 million as of December 31, 2024, primarily due to an increase in cash and cash equivalents of RMB212.3 million. Our net current assets increased from RMB1,058.7 million as of December 31, 2024 to RMB1,399.5 million as of December 31, 2025, primarily due to (i) an increase in cash and cash equivalents of RMB312.2 million, and (ii) an increase in inventories and other contract costs of RMB155.8 million, partially offset by an increase in trade and bills payables of RMB265.9 million. Our net current assets remained relatively stable at RMB1,399.5 million as of December 31, 2025 and RMB1,387.4 million as of February 28, 2026.

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Inventories and Other Contract Costs

The following table sets forth our inventories and other contract costs as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Raw materials	115,411	97,981	210,000
Work in progress	29,110	21,592	27,661
Finished goods	102,336	176,168	232,296
Goods in transit	78,282	57,634	48,131
	325,139	353,375	518,088
Less: write-down of inventories	(16,449)	(15,738)	(18,401)
	308,690	337,637	499,687
Other contract costs	20,543	11,749	5,546
Total	329,233	349,386	505,233

Other contract costs primarily represented costs incurred to fulfill certain contracts, revenue of which had not been recognized, such as service expenses. Other contract costs are recognized as operation and maintenance costs in cost of sales when revenue is recognized, upon the underlying services rendered.

Our inventories and other contract costs increased by 6.1% from RMB329.2 million as of December 31, 2023 to RMB349.4 million as of December 31, 2024, primarily due to an increase in finished goods attributable to our revenue growth. Our inventories and other contract costs increased by 44.6% from RMB349.4 million as of December 31, 2024 to RMB505.2 million as of December 31, 2025, primarily due to an increase in raw materials as we stored a secure supply of raw materials to meet the growing market demands of our products and rising prices of certain raw materials.

The following table sets an aging analysis of our inventories and other contract costs as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year	253,097	297,105	449,475
1 to 2 years	30,226	27,411	31,262
Over 2 years	62,359	40,608	42,898
Total	345,682	365,124	523,635

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The following table sets forth our inventory turnover days for the periods indicated:

	Year ended December 31,		
	2023	2024	2025
Inventory turnover days ⁽¹⁾	118	88	113

Note:

- (1) Inventory turnover days for each year equals the average of the beginning and ending net inventory and other contract costs for the year divided by the sum of cost of goods sold from continuing operations and discontinued operation for the same year and multiplied by the number of days in that year.

Our inventory turnover days decreased from 118 days in 2023 to 88 days in 2024, primarily due to the enhancement of our inventory management. Our inventory turnover days increased from 88 days in 2024 to 113 days in 2025, primarily due to (i) our strategic increase in inventory in response to the potential increase in customer demands and raw material price in 2025 and (ii) the impact from the Disposal of Ruiming Sciences, which has a lower inventory turnover days due to its electronic manufacturing business.

As of February 28, 2026, RMB211.6 million, or 40.4%, of our inventories and other contract costs as of December 31, 2025 had been sold or utilized. We have assessed the condition and realizable value of our inventories and have not identified material impairment issues. Our inventories, including those held for longer periods, remain in good condition and are expected to be sold or utilized in the normal course of business. We have made adequate provisions for any potential write-down of inventories in our financial statements, ensuring that the carrying value of our inventories accurately reflects their net realizable value.

Trade and Bills Receivables

The following table sets forth a breakdown of our trade and bills receivables as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables	430,614	456,100	707,886
Bills receivable	68,399	90,768	41,069
Less: loss allowance	(76,512)	(70,470)	(83,603)
Total	422,501	476,398	665,352

Our trade and bills receivables increased by 12.8% from RMB422.5 million to RMB476.4 million as of December 31, 2024, and further increased by 39.7% to RMB665.4 million as of December 31, 2025, primarily due to an increase in trade receivables along with our revenue growth.

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The following table sets forth the aging analysis of the trade and bills receivables based on the invoice date as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year	381,448	445,013	621,856
1 to 2 years	28,701	37,867	55,644
2 to 3 years	28,420	9,905	21,104
Over 3 years	60,879	54,083	50,351
Total	499,448	546,868	748,955

The following table sets forth our trade receivables turnover days during the Track Record Period:

	Year ended December 31,		
	2023	2024	2025
Trade receivables turnover days ⁽¹⁾	88	72	83

Note:

- (1) Trade receivables turnover days were calculated based on the average of opening and closing balance of net trade receivables for the year, divided by the sum of revenue from continuing operations and discontinued operation for the same year and divided by the number of days for that year.

Our trade receivables turnover days decreased from 88 days in 2023 to 72 days in 2024, primarily due to an increase in the revenue contribution of our overseas customers, who generally settle their outstanding amounts within a shorter period. Our trade receivables turnover days increased from 72 days in 2024 to 83 days in 2025, primarily due to the Disposal of Ruiming Sciences, which previously had shorter trade receivables turnover days, as its business was characterized by short production cycles and credit terms, resulting in faster collection of trade receivables.

As of February 28, 2026, RMB212.8 million, or 30.1%, of our trade receivables as of December 31, 2025, had been settled. There was no material recoverability issues for our outstanding trade receivables, primarily because (i) our customers displayed good creditworthiness with steady business and financial performance in the past; (ii) we have not had any material collection issue with our customers; and (iii) we have made loss allowance after our assessment of the recoverability of outstanding balances. We have made adequate provision for expected credit loss for trade receivables in the balance sheet.

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Prepayments and Other Receivables

The following table sets forth a breakdown of our current prepayments and other receivables as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Prepayments for raw materials	71,446	61,055	48,195
[REDACTED]	—	—	[REDACTED]
Rental and other deposits	16,045	14,232	16,530
Other tax assets	21,275	13,043	26,766
VAT refund on export sales	—	10,368	1,241
Loans to employees	23,708	26,506	22,184
Amounts due from related parties	371	202	150
Receivables in relation to exercise of share options	—	3,908	409
Current tax assets	160	11	23
Others	4,728	4,437	8,932
Less: loss allowance	(11,933)	(18,154)	(18,898)
Total	125,800	115,608	119,973

Our current prepayments and other receivables decreased by 8.1% from RMB125.8 million as of December 31, 2023, to RMB115.6 million as of December 31, 2024, primarily because some of our suppliers no longer require us to make prepayments for procurement of raw materials. Our current prepayments and other receivables increased by 3.8% from RMB115.6 million as of December 31, 2024 to RMB120.0 million as of December 31, 2025, primarily due to an increase in listing expenses.

As of February 28, 2026, RMB49.4 million, or 46.8%, of our current prepayments and other receivables as of December 31, 2025, had been settled.

Contract Liabilities

Our contract liabilities consisted of advance payments from customers. We may require our customers to pay part of the consideration for their purchases from us prior to the delivery of our solutions and products.

Our contract liabilities increased by 15.7% from RMB96.7 million as of December 31, 2023 to RMB111.8 million as of December 31, 2024, primarily due to an increase in the prepayment received from our customers. Our contract liabilities decreased by 28.6% from RMB111.8 million as of December 31, 2024 to RMB79.8 million as of December 31, 2025, primarily because we fulfilled our contractual obligations and delivered more solutions and products to our customers.

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As of February 28, 2026, RMB30.6 million, or 38.3%, of our contract liabilities as of December 31, 2025 had been subsequently recognized as revenue.

Trade and Bills Payables

The following table sets forth a breakdown of our trade and bills payables as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade payables	293,427	276,807	508,664
Bills payable	70,921	90,452	124,469
Total	364,348	367,259	633,133

Our trade and bills payables remained relatively stable at RMB364.3 million as of December 31, 2023 to RMB367.3 million as of December 31, 2024. Our trade and bills payables increased by 72.4% from RMB367.3 million as of December 31, 2024 to RMB633.1 million as of December 31, 2025, primarily due to (i) an increase in trade payables primarily due to an increase in our procurement of raw materials resulting from our business expansion; and (ii) extended payment terms negotiated with suppliers due to higher procurement volumes, which also led to an increase in trade payables turnover days.

The following table sets forth an aging analysis of our trade and bills payables based on invoice date as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year	360,997	361,087	624,997
1 to 2 years	1,502	4,135	4,152
2 to 3 years	320	797	3,011
Over 3 years	1,529	1,240	973
Total	364,348	367,259	633,133

The following table sets forth our trade payables turnover days during the Track Record Period:

	Year ended December 31,		
	2023	2024	2025
Trade payables turnover days ⁽¹⁾	89	91	105

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Note:

- (1) Trade payables turnover days for each year equals the average of the beginning and ending trade payables for the year divided by the sum of cost of goods sold from continuing operations and discontinued operation for the same year and multiplied the number of days in that year.

Our trade payables turnover days increased from 89 days in 2023 to 91 days in 2024, and further increased to 105 days in 2025, primarily due to extended payment terms negotiated with suppliers as a result of higher procurement volumes.

As of February 28, 2026, RMB296.7 million, or 58.3%, of total trade payables as of December 31, 2025, had been subsequently settled.

Accruals and Other Payables

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Accrued payroll and benefits	78,378	114,983	72,238
Accrued operation and maintenance costs . .	33,749	39,925	13,681
Receipts on unvested shares granted	40,175	24,029	19,255
Other taxes payable	11,154	11,755	34,759
Supplier deposits	4,910	2,412	4,545
Payables for acquisition of long-term assets	8,000	4,626	3,887
Amounts due to related parties	1,000	24	63
Consideration received for disposal of Ruiming Sciences	—	15,923	—
Others	10,265	11,402	12,491
Total	187,631	225,079	160,919

Our accruals and other payables increased by 20.0% from RMB187.6 million as of December 31, 2023 to RMB225.1 million as of December 31, 2024, primarily due to an increase in accrued payroll and benefits, primarily due to an increase in the accrued employee bonus in 2024 as a result of our business growth. Our accruals and other payables decreased by 28.5% from RMB225.1 million as of December 31, 2024 to RMB160.9 million as of December 31, 2025, primarily due to a decrease in accrued payroll and benefits, mainly driven by our cost control and efficiency improvement measures in 2025.

As of February 28, 2026, RMB78.5 million, or 37.4%, of our accruals and other payables as of December 31, 2025, had been settled, and all of our dividends payable have been fully settled.

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Loans and Borrowings

Our current loans and borrowings increased by 18.9% from RMB148.9 million as of December 31, 2023 to RMB177.1 million as of December 31, 2024, and further increased significantly to RMB263.1 million as of December 31, 2025, primarily because we obtained additional loans used for procurement of raw materials and other uses as a result of our business growth. Our current loans and borrowings during the Track Record Period were primarily used for business operation purposes.

Lease Liabilities

Our current lease liabilities increased by 15.6% from RMB8.8 million as of December 31, 2023 to RMB10.1 million as of December 31, 2024, and further increased by 53.3% to RMB15.5 million as of December 31, 2025, primarily due to the addition of leased manufacturing facilities associated with the construction of our production base in Vietnam (Phase II).

Non-Current Assets and Liabilities

The following table sets out our non-current assets and liabilities as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Non-current assets			
Property, plant and equipment	430,954	388,850	398,853
Right-of-use assets	25,715	21,566	43,121
Investment property	13,917	12,896	11,995
Intangible assets	37,689	32,227	42,521
Goodwill	3,791	—	—
Other investments	105,246	91,172	61,188
Interests in associates	16,497	12,450	24,066
Trade and bills receivables	294	—	—
Prepayments and other receivables	43,703	47,443	71,989
Deferred tax assets	32,615	40,318	41,224
Total non-current assets	710,421	646,922	694,957
Non-current liabilities			
Loans and borrowings	80,000	—	—
Lease liabilities	15,074	7,460	23,778
Deferred tax liabilities	8,296	6,654	1,960
Deferred income	3,275	4,841	3,010
Total non-current liabilities	106,645	18,955	28,748
Net non-current liabilities	603,776	627,967	666,209

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Property, Plant and Equipment

The following table sets forth our property, plant and equipment as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Buildings.	192,024	221,676	218,677
Machinery and equipment.	104,057	84,113	79,286
Vehicles.	14,099	10,129	10,282
Electronic equipment.	55,946	37,245	28,565
Construction in progress.	45,353	8,851	40,767
Leasehold improvements.	19,475	26,836	21,276
Total.	430,954	388,850	398,853

The carrying amount of our property, plant and equipment decreased by 9.8% from RMB431.0 million as of December 31, 2023 to RMB388.9 million as of December 31, 2024, primarily due to re-categorization of our machinery and equipment and other property, plant and equipment into assets held for sale after we entered into an equity transfer agreement on the Disposal of Ruiming Sciences. The carrying amount of our property, plant and equipment remained relatively stable at RMB388.9 million as of December 31, 2024 and RMB398.9 million as of December 31, 2025.

Impairment of Non-Financial Assets

We have assessed whether there are any indicators of impairment for non-financial assets (other than goodwill, inventories and deferred tax assets), at each relevant year. These non-financial assets are tested for impairment when there are indications that their carrying amounts may not be fully recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. Value-in-use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset or CGU. As of December 31, 2023, 2024 and 2025, we did not recognize any impairments of non-financial assets.

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Right-of-Use Assets

The following table sets forth our right-of-use assets as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Buildings	22,891	18,809	40,431
Land-use rights	2,824	2,757	2,690
Total	25,715	21,566	43,121

Our right-of-use assets decreased by 16.1% from RMB25.7 million as of December 31, 2023 to RMB21.6 million as of December 31, 2024 primarily due to a decrease in right-of-use on buildings as a result of amortization. Our right-of-use assets increased by 99.9% from RMB21.6 million as of December 31, 2024 to RMB43.1 million as of December 31, 2025, primarily due to an increase in right-of-use on buildings, mainly attributable to the addition of leased manufacturing facilities associated with the construction of our production base in Vietnam (Phase II).

Intangible Assets

Our intangible assets primarily consist of intellectual properties in connection with our business operation, such as software license. The following table sets forth our intangible assets as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Software	37,385	31,559	41,921
Others	304	668	600
Total	37,689	32,227	42,521

Our intangible assets decreased from RMB37.7 million as of December 31, 2023 to RMB32.2 million as of December 31, 2024, primarily due to amortization. Our intangible assets increased by 31.9% from RMB32.2 million as of December 31, 2024 to RMB42.5 million as of December 31, 2025, primarily due to the purchase of software for our financial and supply chain Enterprise Resource Planning (ERP) projects as part of our digital transformation.

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Prepayment and Other Receivables

The following table sets forth our non-current prepayment and other receivables as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Prepayments for acquisition of long-term assets	43,686	45,064	59,130
Others	17	2,379	12,859
Total	43,703	47,443	71,989

Our non-current prepayment and other receivables increased by 8.6% from RMB43.7 million as of December 31, 2023 to RMB47.4 million as of December 31, 2024, primarily due to an increase in prepayments for acquisition of long-term assets as we made prepayments for the purchase of additional land parcels for the construction of new office buildings for business operations. Our non-current prepayment and other receivables further increased by 51.7% from RMB47.4 million as of December 31, 2024 to RMB72.0 million as of December 31, 2025, primarily due to (i) an increase in prepayments for acquisition of long-term assets as we made prepayments for the purchase of land, properties and other fixed assets and (ii) prepayments for the renovation fee associated with the construction of our production base in Vietnam (Phase II).

Loans and Borrowings

We incurred non-current borrowings of RMB80.0 million, nil and nil as of December 31, 2023, 2024 and 2025. We incurred non-current borrowings of RMB80.0 million as of December 31, 2023, primarily because we acquired additional bank loans for procurement of raw materials and other uses as a result of our business growth. Our non-current loans and borrowings during the Track Record Period were primarily used for business operation purposes.

Lease Liabilities

Our non-current lease liabilities decreased by 50.5% from RMB15.1 million as of December 31, 2023 to RMB7.5 million as of December 31, 2024, primarily due to lease payments. Our non-current lease liabilities increased significantly from RMB7.5 million as of December 31, 2024 to RMB23.8 million as of December 31, 2025, primarily due to the addition of leased manufacturing facilities as we expanded our Vietnam Base.

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INDEBTEDNESS

The table below sets out the details of our indebtedness as of the dates indicated:

	As of December 31,			As of February 28,
	2023	2024	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(unaudited)</i>
Current				
Loans and borrowings	148,880	177,079	263,129	548,528
Lease liabilities	8,750	10,118	15,506	16,511
Non-current				
Loans and borrowings	80,000	—	—	—
Lease liabilities	15,074	7,460	23,778	19,263
Total	252,704	194,657	302,413	584,302

Loans and Borrowings

As of December 31, 2023, 2024 and 2025, our loans and borrowings, including current and non-current portion, were RMB228.9 million, RMB177.1 million and RMB263.1 million, respectively. See “—Selected Balance Sheet Items” for details. Our loans and borrowings increased by 108.5% from RMB263.1 million as of December 31, 2025 to RMB548.5 million as of February 28, 2026, primarily due to increased daily operating expenses. As of the February 28, 2026, our unutilized banking facilities were RMB246.0 million.

Lease Liabilities

As of December 31, 2023, 2024 and 2025, our lease liabilities, including current and non-current portion, were RMB23.8 million, RMB17.6 million and RMB39.3 million. See “—Selected Balance Sheet Items” for details. Our lease liabilities remained relatively stable at RMB39.3 million as of December 31, 2025 and RMB35.8 million as of February 28, 2026.

No Other Outstanding Indebtedness

Except as disclosed above, as of February 28, 2026, we did not have any outstanding mortgages, charges, debentures, other issued debt capital, bank overdrafts, borrowings, liabilities under acceptance or other similar indebtedness, hire purchase commitments, guarantees or other material contingent liabilities. After due and careful consideration, our Directors confirm that, up to the Latest Practicable Date, there has been no material change in our indebtedness since February 28, 2026.

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CONTINGENT LIABILITIES OR GUARANTEES

As of December 31, 2023, 2024 and 2025 and February 28, 2026, we did not have any material contingent liabilities.

CAPITAL EXPENDITURE

During the Track Record Period, our capital expenditures were our purchase of property, plant and equipment, and intangible assets, which amounted to RMB69.3 million, RMB66.4 million and RMB104.4 million, respectively, as of December 31, 2023, 2024 and 2025. We expect to fund our future capital expenditures with a combination of cash flow generated from operating activities, equity and debt financing and net [REDACTED] from the [REDACTED]. We will continue to make capital expenditures to meet the expected growth of our business.

CAPITAL COMMITMENTS

During the Track Record Period, our capital commitments were mainly contracted for acquisition of property, plant and equipment and land-use rights, which amounted to RMB148.7 million, RMB139.1 million and RMB122.4 million, respectively, as of December 31, 2023, 2024 and 2025.

KEY FINANCIAL RATIOS

The following table sets out our key financial ratios during the Track Record Period:

	As of or for the year ended December 31,		
	2023	2024	2025
Gross profit margin	43.6%	46.0%	44.2%
Net profit margin	6.5%	14.7%	14.9%
Debt-to-asset ratio ⁽¹⁾	39.3%	44.5%	36.5%
Trade receivables turnover ratio ⁽²⁾	4.1	5.0	4.3
Return on equity ⁽³⁾	7.0%	18.5%	19.7%

Notes:

- (1) Debt-to-asset ratio is calculated based on total liabilities divided by total assets and multiplied by 100%.
- (2) Trade receivables turnover ratio is calculated based on the respective days in the year divided by trade receivable turnover days.
- (3) Return on equity is calculated based on profit for the year from continuing operation divided by average balance of total equity at the beginning and the end of that year multiplied by 100%.

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Gross profit margin

See “—Results of Operations—Continuing Operations—Gross Profit and Gross Profit Margin” for details.

Debt-to-asset ratio

Our debt-to-asset ratio increased from 39.3% in 2023 to 44.5% in 2024, primarily due to an increase in liabilities directly associated with the asset held for sale of RMB440.0 million. Our debt-to-asset ratio decreased from 44.5% in 2024 to 36.5% in 2025, primarily due to a decrease in liabilities directly associated with the asset held for sale of RMB440.0 million.

Trade receivables turnover ratio

Our accounts receivable turnover ratio increased from 4.1 in 2023 to 5.0 in 2024, primarily due to an increase in the revenue contribution of our overseas customers, who generally settle their outstanding amounts within a shorter period. Our accounts receivable turnover ratio remained relatively stable at 5.0 in 2024 and 4.3 in 2025.

Return on equity

Our return on equity increased from 7.0% in 2023 to 18.5% in 2024, primarily due to an increase in our profit from continuing operations from RMB97.7 million in 2023 to RMB286.2 million in 2024. Our return on equity increased from 18.5% in 2024 to 19.7% in 2025, primarily due to an increase in our profit from continuing operations from RMB286.2 million in 2024 to RMB369.6 million in 2025.

OFF-BALANCE SHEET ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any off-balance sheet arrangements. We also have not entered into any financial guarantees or other commitments to guarantee the payment obligations of third parties. In addition, we have not entered into any derivative contracts that are indexed to our equity interests and classified as owners’ equity. Furthermore, we do not have any retained or contingent interest in assets transferred to an unconsolidated entity that serves as credit, liquidity or market risk support to such entity. We do not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or that engages in leasing, hedging or research and development services with us.

MATERIAL RELATED PARTY TRANSACTIONS

Material related party transactions are set out in Note 37 to the Accountants’ Report in Appendix I to this document. Our Directors confirm that these transactions were conducted in the ordinary and usual course of business and on an arm’s length basis, and they did not distort our results of operations or make our historical results not reflective of our future performance.

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FINANCIAL RISKS DISCLOSURE

We are exposed to a variety of financial risks, including credit risk, liquidity risk, interest rate risk and foreign currency risk. Our overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on our financial performance. Please see Note 34 to the Accountants’ Report in Appendix I to this document for details.

DIVIDENDS

Dividend distribution to our shareholders is recognized as a liability in the period in which the dividends are approved by our shareholders or Directors, as appropriate. During the Track Record Period, we declared dividends of RMB34.6 million, RMB138.3 million and RMB196.5 million in 2023, 2024 and 2025, respectively.

According to the PRC Company Law (《中華人民共和國公司法》) and the No. 3 Guideline for the Supervision of Listed Companies—Cash Dividend Distribution of Listed Companies 2025 Revision (《上市公司監管指引第3號—上市公司現金分紅(2025年修訂)》), and the Articles of Association, we are required to pay cumulative cash dividends of any fiscal year that account for not less than 20% of our average net profits for any fiscal year and in any three consecutive fiscal years, the cumulative cash dividends distributed by the company shall be no less than 60% of the average annual distributable profits realized in the same three-year period which are available for distribution, calculated in accordance with PRC GAAP, provided that the sustainable operation and long term development of the Company will not be impacted and there is no plan for significant capital expenditure. Future profit distributions may be carried out in the form of cash dividends or stock dividends or a combination of cash dividends and stock dividends. Any proposed distribution of dividends is subject to the discretion of our Board and the approval at our Shareholders’ meetings. Our Board may recommend a distribution of dividends in the future after taking into account our results of operations, financial condition, operating requirements, capital requirements, shareholders’ interests and any other conditions that our Board may deem relevant.

DISTRIBUTABLE RESERVES

As of December 31, 2025, we had retained profits of RMB695.4 million. Our retained profits represented the distributable reserves available for distribution to our Shareholders.

[REDACTED]

[REDACTED] represent professional fees, [REDACTED] and other fees incurred in connection with the [REDACTED]. We estimate that our [REDACTED] will be approximately HK\$[REDACTED] (at the [REDACTED] of HK\$[REDACTED] per [REDACTED] and no exercise of the [REDACTED]), representing approximately [REDACTED]% of the gross [REDACTED] (based on the [REDACTED] of HK\$[REDACTED] per [REDACTED] and assuming that the [REDACTED] is not exercised) of the [REDACTED]. We expect to incur [REDACTED] of approximately HK\$[REDACTED], of which approximately HK\$[REDACTED] is expected to be recognized in the consolidated statements of profit or loss as administrative

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expenses and approximately HK\$[REDACTED] is expected to be recognized as a deduction in equity directly upon the [REDACTED]. Our Directors do not expect such expenses to materially impact our results of operations in 2025. By nature, our [REDACTED] are composed of (i) [REDACTED] of approximately HK\$[REDACTED] and (ii) non-[REDACTED] related expenses of approximately HK\$[REDACTED], which consist of fees and expenses of legal advisors and the Reporting Accountants of approximately HK\$[REDACTED] and other fees and expenses of approximately HK\$[REDACTED].

UNAUDITED [REDACTED] ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

See “Appendix II—Unaudited [REDACTED] Financial Information”.

NO MATERIAL ADVERSE CHANGE

Our Directors have confirmed that up to the date of this document there has been no material adverse change in our financial or trading position or prospects since December 31, 2025, being the date of our latest audited financial statements, and there has been no event since December 31, 2025 which would materially affect the information shown in the Accountants’ Report set out in Appendix I to this document.

DISCLOSURE REQUIRED UNDER LISTING RULES

Except as otherwise disclosed in this document, our Directors confirm that, as of the Latest Practicable Date, they were not aware of any circumstances which would give rise to a disclosure requirement under Rule 13.13 to Rule 13.19 of the Listing Rules.

SHARE CAPITAL

BEFORE THE [REDACTED]

As of the Latest Practicable Date, the issued share capital of our Company consisted of 182,022,560 A Shares with a nominal value of RMB1.00 each, all of which are listed on the Shenzhen Stock Exchange.

UPON COMPLETION OF THE [REDACTED]

Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised and no additional Shares are issued pursuant to the Share Option Incentive Plans), the issued share capital of our Company will be as follows:

	<u>Number of Shares</u>	<u>Approximately % of issued share capital</u>
A Shares in issue	182,022,560	[REDACTED]
H Shares to be [REDACTED] pursuant to the [REDACTED].	<u>[REDACTED]</u>	<u>[REDACTED]</u>
Total	<u><u>[REDACTED]</u></u>	<u><u>100.00%</u></u>

Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is exercised in full and no additional Shares are issued pursuant to the Share Option Incentive Plans), the issued share capital of our Company will be as follows:

	<u>Number of Shares</u>	<u>Approximately % of issued share capital</u>
A Shares in issue	182,022,560	[REDACTED]
H Shares to be [REDACTED] pursuant to the [REDACTED].	<u>[REDACTED]</u>	<u>[REDACTED]</u>
Total	<u><u>[REDACTED]</u></u>	<u><u>100.00%</u></u>

OUR SHARES

Upon the completion of the [REDACTED], our Shares will consist of A Shares and H Shares. The A Shares and H Shares are all ordinary Shares in the share capital of our Company. Apart from certain qualified domestic institutional investors in Chinese Mainland, the qualified investors in Chinese Mainland under the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect (if our H Shares are eligible securities for that purpose) and

SHARE CAPITAL

other persons who are entitled to hold our H Shares pursuant to relevant PRC law or upon approvals of any competent authorities, H Shares generally cannot be subscribed for by or traded between legal or natural persons in Chinese Mainland.

Shenzhen-Hong Kong Stock Connect has established a stock connect mechanism between the PRC and Hong Kong. Our A Shares can be subscribed for and traded by PRC investors, qualified foreign institutional investors or qualified foreign strategic investors and must be traded in RMB. As our A Shares are eligible securities under the Northbound Trading Link, they can also be subscribed for and traded by Hong Kong and other overseas investors pursuant to the rules and limits of Shenzhen-Hong Kong Stock Connect. If our H Shares are eligible securities under the Southbound Trading Link, they can also be subscribed for and traded by PRC investors in accordance with the rules and limits of Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect.

Our A Shares and our H Shares are generally neither interchangeable nor fungible, and the market prices of our A Shares and our H Shares may be different after the [REDACTED]. The Guidelines on Application for “Full Circulation” of Domestic Unlisted Shares of H-share Companies (H股公司境內未上市股份申請「全流通」業務指引) announced by the CSRC are not applicable to companies dual listed in the PRC and on the Stock Exchange. As of the Latest Practicable Date, there were no relevant rules or guidelines from the CSRC providing that A Shareholders may convert A Shares held by them into H Shares for [REDACTED] and [REDACTED] on the Stock Exchange.

RANKING

Our A Shares and our H Shares are regarded as one class of Shares under our Articles of Association and shall rank *pari passu* with each other in all other respects and, in particular, will rank equally for dividends or distributions declared, paid or made after the date of this document. All dividends in respect of our H Shares are to be paid by us in Hong Kong dollars, whereas all dividends in respect of our A Shares are to be paid by us in Renminbi. In addition to cash, dividends could also be distributed in the form of Shares. Holders of our H Shares will receive scrip dividends in the form of H Shares, and holders of our A Shares will receive scrip dividends in the form of A Shares.

SHARE CAPITAL

APPROVAL FROM A SHAREHOLDERS REGARDING THE [REDACTED]

We obtained our A Shareholders’ approval to [REDACTED] H Shares and seek the [REDACTED] of H Shares on the Stock Exchange at the general meeting of our Company held on September 8, 2025. Such approval is subject to the following conditions:

- (i) **Size of the [REDACTED].** The proposed number of H Shares to be [REDACTED] shall not exceed [REDACTED]% of the total issued share capital enlarged by the H Shares to be [REDACTED] pursuant to the [REDACTED] (before the exercise of the [REDACTED]). The number of H Shares to be [REDACTED] pursuant to the exercise of the [REDACTED] shall not exceed [REDACTED]% of the total number of H Shares to be [REDACTED] initially under the [REDACTED].
- (ii) **Method of [REDACTED].** The method of [REDACTED] shall be by way of an [REDACTED] to eligible institutional [REDACTED] and a [REDACTED] for [REDACTED] in Hong Kong.
- (iii) **Target [REDACTED].** The H Shares shall be [REDACTED] to public [REDACTED] in Hong Kong under the [REDACTED], international [REDACTED], qualified domestic [REDACTED] eligible to invest in overseas securities according to the PRC law and other [REDACTED] who comply with the relevant regulatory requirements.
- (iv) **[REDACTED] basis.** The [REDACTED] of the H Shares will be determined, among others, after due consideration of the interests of existing Shareholders, acceptance of [REDACTED] and the risks related to the [REDACTED], according to international practice, through the demand for orders and the book building process, subject to the domestic and overseas capital market conditions and with reference to the valuation level of comparable companies in domestic and overseas markets.
- (v) **Validity period.** The [REDACTED] of H Shares and [REDACTED] of H Shares on the [REDACTED] shall be completed within 24 months from the date when our Shareholders’ meeting was held on September 8, 2025.

There is no other approved [REDACTED] plan for the H Shares except the [REDACTED].

GENERAL MEETINGS

For details of circumstance under which our general meetings are required, see “Summary of the Articles of Association—General Rules of The Shareholder’s Meeting” in Appendix V to this document.

SHARE CAPITAL

SHARE SCHEMES

For details of our Employee Incentive Plans, see “Statutory and General Information—D. Employee Incentive Plans” in Appendix VI to this document.

SUBSTANTIAL SHAREHOLDER

So far as our Directors are aware, immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised and no additional Shares are issued pursuant to the Share Option Incentive Plans), the following persons will have an interest or short position in Shares and/or underlying Shares of our Company which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or will be, directly or indirectly, interested in 10% or more of the issued voting Shares of our Company or any other members of our Group.

(a) Interest in the Shares of our Company

Shareholder	Nature of interest	Description of Shares	Number of Shares	As of the Latest Practicable Date	Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised and no additional Shares are issued pursuant to the Share Option Incentive Plans)		
				Approximate percentage of shareholding in the total share capital of our Company	Number of Shares	Approximate percentage of shareholding in the total share capital of our A Shares	Approximate percentage of shareholding in the total share capital of our Company
Mr. Zhao Zhijian	Beneficial owner	A Shares	40,872,108	22.45%	40,872,108	22.45%	[REDACTED]%
Mr. Wang Xidian	Beneficial owner	A Shares	28,632,539	15.73%	28,632,539	15.73%	[REDACTED]%
Charter Investments ⁽²⁾	Beneficial owner	A Shares	26,376,714	14.49%	26,376,714	14.49%	[REDACTED]%
Smart Wing Investments Limited ⁽²⁾	Interest in controlled corporation	A Shares	26,376,714	14.49%	26,376,714	14.49%	[REDACTED]%
Broadtime International Limited ⁽²⁾	Interest in controlled corporation	A Shares	26,376,714	14.49%	26,376,714	14.49%	[REDACTED]%
Chan Hon Po, Frederick ⁽²⁾	Interest in controlled corporation	A Shares	26,376,714	14.49%	26,376,714	14.49%	[REDACTED]%
Tam Man Chi ⁽²⁾	Interest in controlled corporation	A Shares	26,376,714	14.49%	26,376,714	14.49%	[REDACTED]%

Notes:

(1) All interests stated are long positions.

SUBSTANTIAL SHAREHOLDER

- (2) As of the Latest Practicable Date, Charter Investments was wholly owned by Smart Wing Investments Limited, which was in turn wholly owned by Broadtime International Limited. As of the Latest Practicable Date, Broadtime International Limited was owned as to 50.0% and 50.0% by Chan Hon Po, Frederick and Tam Man Chi, respectively. By virtue of the SFO, each of Smart Wing Investments Limited, Broadtime International Limited, Chan Hon Po, Frederick and Tam Man Chi was deemed to be interested in the 26,376,714 A Shares held by Charter Investments.

(b) Substantial shareholders of other members of our Group

Name of substantial shareholders	Name of members of our Group	Nature of interest	Approximate percentage interest held by the substantial shareholders as of the Latest Practicable Date
Samer Hassan Alish	Streamax Middle East	Beneficial owner	30%
Hu Junyong	Beijing Bafang	Beneficial owner	23.20%
Mintaian Safety Technology Co., Ltd.	Shenzhen Mintaian Intelligent Technology Co., Ltd.	Beneficial owner	19.23%

DIRECTORS AND SENIOR MANAGEMENT

OVERVIEW

Upon [REDACTED], our Board will comprise eight Directors, including four executive Directors, and four independent non-executive Directors, namely:

Name	Age	Position	Date of joining our Group	Date of appointment as Director	Roles and responsibilities	Relationship with other Directors and members of senior management
Mr. Zhao Zhijian (趙志堅)	63	Executive Director and chairman of the Board	September 3, 2002	September 3, 2002	Responsible for overall management, strategic planning and decision-making for key business and operational matters of our Group	None
Mr. Wang Xidian (望西淀)	56	Executive Director and general manager	September 3, 2002	November 6, 2007	Responsible for overall management, strategic planning and decision-making for key business and operational matters of our Group	None
Mr. Liu Lei (劉壘)	48	Executive Director and vice general manager	February 20, 2014	May 19, 2022	Responsible for overall operation management of our Group, including marketing, production, supply chain and quality management	None
Mr. Huang Kaiming (黃凱明)	50	Executive Director and general manager of technical service center	February 19, 2014	September 22, 2022	Responsible for overseeing the business and daily operations and managing the technical service team of our Group	None

DIRECTORS AND SENIOR MANAGEMENT

Name	Age	Position	Date of joining our Group	Date of appointment as Director	Roles and responsibilities	Relationship with other Directors and members of senior management
Mr. Jin Zhenchao (金振朝)	47	Independent non-executive Director	May 12, 2021	May 12, 2021	Responsible for providing independent advice on the operations and management of our Group	None
Mr. Liang Jinhua (梁金華)	55	Independent non-executive Director	May 14, 2024	May 14, 2024	Responsible for providing independent advice on the operations and management of our Group	None
Prof. Xiang Huaikun (向懷坤)	54	Independent non-executive Director	May 12, 2021	May 12, 2021	Responsible for providing independent advice on the operations and management of our Group	None
Prof. Zuo Zhong (左中)	57	Independent non-executive Director	[REDACTED] ⁽¹⁾	[REDACTED] ⁽¹⁾	Responsible for providing independent advice on the operations and management of our Group	None

Note:

(1) The appointment will become effective upon the [REDACTED].

Our senior management team comprises the following members:

DIRECTORS AND SENIOR MANAGEMENT

Name	Age	Position	Date of joining our Group	Date of appointment as senior management	Roles and responsibilities	Relationship with other Directors and members of senior management
Mr. Wang Xidian (望西淀)	56	Executive Director and general manager	September 3, 2002	September 3, 2002	Responsible for overall management, strategic planning and decision-making for key business and operational matters of our Group	None
Mr. Liu Lei (劉壘)	48	Executive Director and vice general manager	February 20, 2014	May 15, 2015	Responsible for operation management of our Group, including marketing, production, supply chain and quality management	None
Mr. Hu Xiubiao (胡修彪)	48	Vice general manager and general manager of product R&D center of our Company	January 18, 2021	August 20, 2025	Responsible for management of the R&D center of our Group	None
Mr. Li Heng (李恆)	43	Vice general manager and general manager of product development center of our Company	October 25, 2006	August 20, 2025	Responsible for management of product development center of our Group	None
Mr. Liu Bifa (劉必發)	46	Finance director of our Company	May 2, 2017	March 30, 2020	Responsible for financial operations and capital management of our Group	None
Mr. Zhang Jiong (張炯)	38	Secretary of our Board	July 10, 2024	December 10, 2024	Responsible for corporate governance, capital management, investor relations and securities affairs of our Group	None

DIRECTORS AND SENIOR MANAGEMENT

DIRECTORS

Executive Directors

Mr. Zhao Zhijian (趙志堅), aged 63, is our executive Director and chairman of our Board. As the founder of our Group, Mr. Zhao has been the chairman of our Board since the inception of our Company. He was redesignated as our executive Director on September 8, 2025, with effect from the [REDACTED]. He also served as the general manager of our Company from September 2002 to May 2024. He is primarily responsible for the overall management, strategic planning and decision-making for key business and operational matters of our Group.

Mr. Zhao currently holds various management positions within our Group. He has been serving as the director of Shenzhen Mintaian Intelligent Technology Co., Ltd. (深圳民太安智能科技有限公司) since December 2018, and has been serving as the manager of Hubei Streamax Electronics Co., Ltd. (湖北銳明電子有限公司) since October 2015.

Prior to founding our Group, Mr. Zhao worked at Sichuan Changhong Electronics Group (四川長虹電子集團有限公司) from July 1984 to July 1998.

Mr. Zhao obtained a bachelor’s degree of engineering in radar from Northwest Institute of Telecommunications Engineering (西北電訊工程學院, currently known as Xidian University (西安電子科技大學)) in the PRC in July 1984. He was recognized as the senior engineer (computer science) by the Human Resources and Social Security Department of Guangdong Province (廣東省人力資源和社會保障廳) in September 2015.

Mr. Wang Xidian (望西淀), aged 56, is our executive Director and general manager. As the founder of our Group, Mr. Wang has been our Director since November 2007 and our general manager since May 2024. He also served as the vice general manager from the inception of our Group to May 2024. He was redesignated as our executive Director on September 8, 2025, with effect from the [REDACTED]. He is primarily responsible for overall management, strategic planning and decision-making for key business and operational matters of our Group.

Prior to founding our Group, Mr. Wang worked at Sichuan Changhong Electronics Group (四川長虹電子集團有限公司) from July 1990 to October 1998.

Mr. Wang obtained a bachelor’s degree of engineering in information processing, display and recognition technology from National University of Defense Technology (國防科技大學) in the PRC in July 1990.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Liu Lei (劉壘), aged 48, is our executive Director and vice general manager. Mr. Liu joined our Group in February 2014. He has been our vice general manager since May 2015 and our Director since May 2022. He was redesignated as our executive Director on September 8, 2025, with effect from the [REDACTED]. He is primarily responsible for overall operation management of our Group, including marketing, production, supply chain and quality management.

Mr. Liu has been serving as the director and manager of Dongguan Streamax Electronics since March 2021, prior to which he served as the vice general manager of the quality center and the supply chain center of our Company from February 2014 to May 2015. Prior to joining our Group, Mr. Liu worked at Shenzhen Zhongxing Software Co., Ltd. (深圳市中興軟件有限責任公司) from April 2005 to February 2014. He also once worked at Shenzhen Foxconn Technology Group Co., Ltd. (深圳市富士康科技集團有限公司) from August 2001 to March 2005.

Mr. Liu obtained a bachelor’s degree in engineering from Hefei University of Technology (合肥工業大學) in the PRC in July 2001, and a master’s degree in business administration from Tsinghua University (清華大學) in the PRC in June 2024.

Mr. Huang Kaiming (黃凱明), aged 50, is our executive Director and general manager of technical service center. Mr. Huang joined our Group in February 2014 and served as the director of the software department of our Company from February 2019 to December 2020. He has been our Director since September 2022 and the general manager of technical service center since December 2022. He was redesignated as our executive Director on September 8, 2025, with effect from the [REDACTED]. He is primarily responsible for overseeing the business and daily operations and managing the technical service team of our Group.

Prior to joining our Group, Mr. Huang served as the chief engineer at the central hardware institute of the 2012 laboratory of Huawei Technologies Co., Ltd. (華為技術有限公司) from December 2011 to January 2014. Previously, he served as a firewall network security software development engineer at Ruijie Networks Co., Ltd. (銳捷網絡股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 301165), from November 2007 to November 2011. He also served as the engineer and the laboratory director at the computer department of Xiamen University (廈門大學) from August 1998 to June 2009.

Mr. Huang obtained a bachelor’s degree of engineering in computer science from Xiamen University in the PRC in July 1998, and a master’s degree of engineering in computer science from Leiden University in the Netherlands in August 2004. He was recognized as the senior engineer by Fujian Provincial Civil Service Bureau (福建省公務員局) and Human Resources Development Office of Fujian Province (福建省人力資源開發辦公室) in February 2012.

DIRECTORS AND SENIOR MANAGEMENT

Independent Non-Executive Directors

Mr. Jin Zhenchao (金振朝), aged 47, is our independent non-executive Director. Mr. Jin has been our Director since May 2021, and was redesignated as our independent non-executive Director on September 8, 2025, with effect from the [REDACTED]. He is primarily responsible for providing independent advice on the operations and management of our Group.

Mr. Jin has been serving as the senior partner and deputy director of the executive committee at Guangdong Zhuojian Law Firm (廣東卓建律師事務所) since 2010, and as the independent director at Guangdong Huilai Rural Commercial Bank Co., Ltd. (廣東惠來農村商業銀行股份有限公司) since July 2020.

Mr. Jin obtained a bachelor’s degree in law from Huazhong Agricultural University (華中農業大學) in the PRC in June 2002, and a master’s degree in law from Peking University (北京大學) in the PRC in July 2007. He was admitted to practice law in the PRC in October 2010.

Mr. Liang Jinhua (梁金華), aged 55, is our independent non-executive Director. Mr. Liang has been our Director since May 2024, and was redesignated as an independent non-executive Director on September 8, 2025, with effect from the [REDACTED]. He is primarily responsible for providing independent advice on the operations and management of our Group.

Mr. Liang has been serving as the chief accountant at Shenzhen Lianjie Accountant Firm (General Partnership) (深圳聯傑會計師事務所(普通合夥)) since January 2005, and the independent director at Shenzhen Tianyuan Dic Information Technology Co., Ltd. (深圳天源迪科信息技術股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 300047) since April 2025. He also served as the independent director at Zhanjiang Guolian Aquatic Products Co., Ltd. (湛江國聯水產開發股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 300094), from January 2018 to January 2024 and Shenzhen Clou Electronics Co., Ltd. (深圳市科陸電子科技股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002121), from February 2013 to March 2019. He also once served as the project manager at Shenzhen Greatwall Accountant Firm (深圳長城會計事務所) from 1996 to 2000.

Mr. Liang obtained a bachelor’s degree in accounting from Beijing Business College (北京商學院, currently known as Beijing Technology and Business University (北京工商大學)) in the PRC in July 1992. He has been a member of the Chinese Institute of Certified Public Accountant since December 1998, and a member of China Appraisal Society (中國資產評估協會) since June 1999.

DIRECTORS AND SENIOR MANAGEMENT

Prof. Xiang Huaikun (向懷坤), aged 54, is our independent non-executive Director. Prof. Xiang has been our Director since May 2021, and was redesignated as our independent non-executive Director on September 8, 2025, with effect from the [REDACTED]. Prof. Xiang is primarily responsible for providing independent advice on the operations and management of our Group.

Prof. Xiang has been lecturing at the School of Automobile and Transportation of Shenzhen Polytechnic (深圳職業技術學院, currently known as Shenzhen Polytechnic University (深圳職業技術大學)) since March 2017 and serving as a professor since July 2022. Previously, he served as the deputy chief engineer at Shenzhen HIT Transportation Electronics Technology Co., Ltd. (深圳市哈工大交通電子技術有限公司) from April 2005 to September 2007, the vice general manager and deputy chief engineer of the R&D department at Shenzhen Sed Information Technology Co., Ltd. (深圳桑達信息技術有限公司) from February 2004 to March 2005, and a lecturer at Beijing University of Technology (北京工業大學) from April 1998 to February 2004. Prof. Xiang received extensive recognition in the industry. He is a member of the Shenzhen Intelligent Transportation Standardization Technical Committee (深圳市智慧交通標準化技術委員會委員), a member of the National Information Engineer of the Ministry of Industry and Information Technology—GIS Application Level Examination Expert Committee (工信部全國信息化工程師—GIS 應用水準考試專家委員會委員), and was recognized as a “Thousands, Hundreds, Tens Talent Training Project (千百十人才培養工程)” talent by the Department of Education of Guangdong Province (廣東省教育廳). He also serves as a transportation expert on the Shenzhen Occupational Safety Expert Panel (深圳市安全生產專家組).

Prof. Xiang obtained a bachelor’s degree in surveying engineering from Fuxin Mining College (阜新礦業學院) in the PRC in July 1995, and a master’s degree in surveying engineering from Liaoning University of Engineering Technology (遼寧工程技術大學) in the PRC in March 1998. He further obtained a doctoral degree in transportation planning and management from Beijing University of Technology (北京工業大學) in the PRC in July 2003.

Prof. Zuo Zhong (左中), aged 57, was appointed as our independent non-executive Director on September 8, 2025, with effect from the [REDACTED]. She is primarily responsible for providing independent advice on the operations and management of our Group.

Prof. Zuo has been working at The Chinese University of Hong Kong since January 2000 and once served as the professor and director of the School of Pharmacy. She also served as an industrial pharmacist at Xi’an Janssen Pharmaceutical Co., Ltd. (西安楊森製藥有限公司) from August 1991 to December 1992.

DIRECTORS AND SENIOR MANAGEMENT

Prof. Zuo obtained a bachelor’s degree in pharmacy from West China University of Medical Sciences (華西醫科大學藥學院) (currently known as West China School of Pharmacy of Sichuan University (四川大學華西藥學院)) in the PRC in June 1991, and a doctoral degree in pharmacy from University of Alberta in Canada in November 1998.

SENIOR MANAGEMENT

Mr. Wang Xidian (望西淀) is an executive Director and our general manager. See “— Directors—Executive Directors” above for his biographical details.

Mr. Liu Lei (劉壘) is an executive Director and our vice general manager. See “— Directors — Executive Directors” above for his biographical details.

Mr. Hu Xiubiao (胡修彪), aged 48, has been the general manager of the product R&D center of our Company since January 2022. Mr. Hu joined our Group in January 2021 as the vice general manager of the product development center, a position he held until December 2021. He has been serving as the vice general manager of our Company since August 2025. He is primarily responsible for management of the R&D center of our Group.

Prior to joining our Group, Mr. Hu served as the technical director and chief technology officer at Ping An Insurance (Group) Company of China, Ltd. (中國平安保險(集團)股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 601318) and the Hong Kong Stock Exchange (stock code: 2318), from June 2016 to July 2020. Previously, he served as the chief technology officer at Zhuhai Jiami Technology Co., Ltd. (珠海佳米科技有限公司) from February 2014 to May 2016. Prior to 2016, he also once worked at Shenzhen Wanwei Xingkong Information Technology Co., Ltd. (深圳萬維星空信息技術有限公司) and Huawei Technologies Co., Ltd. (華為技術有限公司).

Mr. Hu obtained a bachelor’s degree of science in applied mathematics from Huazhong University of Science and Technology (華科技大學) in the PRC in June 1998.

Mr. Li Heng (李恆), aged 43, has been the general manager of the product development center of our Group since January 2025 and the vice general manager of our Company since August 2025. Mr. Li joined our Group as the product manager in October 2006 and was promoted to the business unit manager of product development department in January 2010. He successively held various positions within our Group, including the assistant to the general manager from January 2011 to December 2013, the manager of business unit of product development center from January 2014 to December 2017, the director of product line from January 2018 to December 2019, the general manager of product development center from January 2020 to December 2020,

DIRECTORS AND SENIOR MANAGEMENT

the vice general manager of the overseas marketing center from January 2021 to December 2021, and the vice general manager of the product development center from January 2022 to December 2024. He is primarily responsible for management of product development center of our Group.

Mr. Li obtained a bachelor’s degree in science from Wuhan University (武漢大學) in the PRC in June 2005. He was recognized as the senior engineer by Human Resources and Social Security Department of Guangdong Province (廣東省人力資源和社會保障廳) in December 2017.

Mr. Liu Bifa (劉必發), aged 46, has been our finance director since March 2020. Mr. Liu served as the finance manager from May 2017 to January 2019. He then served as our deputy finance director from February 2019 to March 2020. He is primarily responsible for financial operations and capital management of our Group.

Prior to joining our Group, Mr. Liu served as the finance director at Guangdong Huisu Communication Technology Co., Ltd. (廣東暉速通信技術股份有限公司) from July 2013 to July 2016. He also served as the finance manager of a Mongolian subsidiary of ZTE Corporation (中興通訊股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 000063) and the Hong Kong Stock Exchange (stock code: 0763) from June 2010 to January 2012. Previously, he successively served as the vice manager at Huawei Technologies Co., Ltd. (華為技術有限公司) from May 2005 to November 2009.

Mr. Liu obtained a bachelor’s degree in accounting from Hubei Agricultural College (湖北農學院, currently known as Yangtze University (長江大學)) in the PRC in July 2002, and a master’s degree in economics from Sun Yat-sen University (中山大學) in the PRC in June 2005. He has been a member of the Chinese Institute of Certified Public Accountant since December 2019.

Mr. Zhang Jiong (張炯), aged 38, has been the secretary of our Board since December 10, 2024. Mr. Zhang joined our Group in July 2024 as an assistant to the president of the Company. He is primarily responsible for the corporate governance, capital management, investor relations and securities affairs of our Group.

Prior to joining our Group, Mr. Zhang served as the investment manager at Shenzhen Fortune Caizhi Venture Capital Management Co., Ltd. (深圳市達晨財智創業投資管理有限公司) from May 2016 to February 2022. He also served as the investment director at Shenzhen HTI Venture Capital Co., Ltd. (深圳市高新投創業投資有限公司) from February 2022 to July 2024.

Mr. Zhang obtained a bachelor’s degree in electronic science and technology from University of Electronic Science and Technology of China (電子科技大學) in the PRC in July 2010, where he further obtained a master’s degree in materials science and engineering in June 2013.

DIRECTORS AND SENIOR MANAGEMENT

JOINT COMPANY SECRETARIES

Mr. Zhang Jiong (張炯), the secretary of our Board, was appointed as one of our joint company secretaries on August 20, 2025, with effect from the [REDACTED]. For the biographical details of Mr. Zhang, see “— Senior Management” in this section.

Mr. Chow Shing Lung (鄒醒龍), was appointed as one of our joint company secretaries on August 20, 2025, with effect from the [REDACTED].

Mr. Chow has more than 15 years of work experience in the company secretarial and legal fields and is currently the assistant vice president of Computershare Hong Kong Investor Services Limited (“**Computershare**”). Prior to joining Computershare, he was legal counsel of the Hong Kong office of a major technology conglomerate.

Mr. Chow obtained a graduate diploma with distinction in English and Hong Kong law (Common Professional Examination) from the Manchester Metropolitan University and a postgraduate certificate in laws from The University of Hong Kong. He also holds a master of corporate governance degree from The Hong Kong Polytechnic University in Hong Kong.

Mr. Chow was admitted as a solicitor of the High Court of Hong Kong and is currently a member of The Law Society of Hong Kong. Mr. Chow is also an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.

OTHER INFORMATION

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 September 9, 2025, and (ii) understands his or her obligations as a director of a listed issuer under the Listing Rules.

Each of the independent non-executive Directors confirms (i) his or her independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules, (ii) that he or she has no past or present financial or other interest in the business of our Company or its subsidiaries or any connection with any core connected person of our Company, and (iii) that there are no other factors that may affect his or her independence at the time of his or her appointment.

Each of our Directors confirms (excluding our independent non-executive Directors) that he or she does not have any interest in a business apart from the business of our Group which competes or is likely to compete, whether directly or indirectly, with our business, which would require disclosure under Rule 8.10 of the Listing Rules.

DIRECTORS AND SENIOR MANAGEMENT

Except as disclosed above, none of our Directors and members of senior management held any other directorships in public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years immediately preceding the Latest Practicable Date.

In December 2022, our Company, Mr. Zhao Zhijian, our executive Director and chairman of the Board, and Mr. Liu Bifa, our finance director, received a caution letter (the “**Caution Letter**”) from Shenzhen Regulatory Bureau of the CSRC in relation to our failure to prudently recognize gains or losses arising from changes in the fair value of certain financial instruments due to an inadequate application of relevant accounting standards in the fair value measurement, which led to significant corrections in our Company’s first quarter, half-year and third quarter reports for 2022. Our Company had already made corrections to such financial information in November 2022. According to the Caution Letter, Mr. Zhao, as chairman of our Board and general manager, and Mr. Liu, as our Company’s finance director, were responsible for the incident.

As of the Latest Practicable Date, no further regulatory actions have been taken against Mr. Zhao and Mr. Liu by the relevant authorities in relation to the Caution Letter. Our Company has completed the rectification of the matters as set out in the Caution Letter before it received the Caution Letter in December 2022. In particular, our Group conducted a comprehensive assessment of our financial reporting and internal control procedures and enhanced our internal control measures by strengthening the review mechanism for fair value assessments, increasing the level of supervision by the finance department, engaging external professionals where necessary and providing additional training to finance personnel on accounting standards and regulatory requirements to prevent future recurrence. Following such assessment and rectification, our Directors are of the view, and the Sole Sponsor concurs, that the incident as set out in the Caution Letter has no ongoing implications on our Group’s financial reporting and internal control system.

As advised by our PRC Legal Advisor, the Caution Letter is non-punitive regulatory measure implemented by the relevant authority and does not constitute an administrative penalty under the PRC laws and in accordance with applicable PRC Laws and regulations of the Shenzhen Stock Exchange, Mr. Zhao and Mr. Liu will not be disqualified to serve as a Director and/or a member of senior management of our Company due to the incident as set out in the Caution Letter. Given (i) our PRC Legal Advisor’s view above, (ii) the incident as set out in the Caution Letter does not raise or involve any integrity non-compliance matters, and (iii) Mr. Zhao and Mr. Liu have not experienced any similar incident since then, our Directors are of the view that the incident does not impugn the suitability of Mr. Zhao and Mr. Liu to serve as a Director and/or a member of senior management of our Company.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Zhao Zhijian was previously a supervisor of Shenzhen Dijite Digital Technology Development Co., Ltd. (深圳市迪吉特數碼技術開發有限公司) (“**Shenzhen Dijite**”), which was incorporated in the PRC in December 1999 and principally engaged in the development of computer software and digital devices. The business license of Shenzhen Dijite was revoked in June 2008. To the best knowledge, information and belief of Mr. Zhao, he confirmed that (i) Shenzhen Dijite was solvent before its revocation of business licence and in normal operation before Mr. Zhao’s departure; (ii) there was no wrongful act on his part leading to the revocation of its business license; (iii) as of the Latest Practicable Date, he did not incur any debt and/or liability because of such revocation of business license; and (iv) the revocation would not have any impact on the Group’s financial position and operations in any material respect.

Mr. Liang Jinhua, our independent non-executive Director, has been serving as a supervisor of Heilongjiang Xinpeng Farming Co., Ltd. (黑龍江鑫鵬牧業有限責任公司) (“**Heilongjiang Xinpeng**”) since June 2000, which was incorporated in the PRC in June 2000 and principally engaged in poultry farming, grain procurement and feed processing. The business license of Heilongjiang Xinpeng was revoked in October 2018. To the best knowledge, information and belief of Mr. Liang, he confirmed that (i) Heilongjiang Xinpeng was solvent before its revocation of business licence; (ii) there was no wrongful act on his part leading to the revocation of its business license; (iii) as of the Latest Practicable Date, he did not incur any debt and/or liability because of such revocation of business license; and (iv) the revocation would not have any impact on the Group’s financial position and operations in any material respect.

Except as disclosed above, to the best knowledge, information and belief of our Directors having made all reasonable inquiries, there was no information relating to our Directors that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules, and there were no other matters with respect to the appointment of our Directors that need to be brought to the attention of our Shareholders.

MANAGEMENT AND BOARD COMMITTEES

Board Committees

Audit Committee

Our Board has established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code set out in Appendix C1 to the Listing Rules (the “**Corporate Governance Code**”). The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal controls system of our Group and provide advice and comments to the Board. Upon [REDACTED], the Audit

DIRECTORS AND SENIOR MANAGEMENT

Committee will comprise Mr. Liang Jinhua, Mr. Jin Zhenchao and Prof. Xiang Huaikun, with Mr. Liang Jinhua (being our independent non-executive Director with appropriate professional qualifications) as the chairperson.

Remuneration and Appraisal Committee

Our Board has established the Remuneration and Appraisal Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the Corporate Governance Code. The primary duties of the Remuneration and Appraisal Committee are to review and make recommendations to the Board on the terms of remuneration packages to our Directors and other senior management. Upon [REDACTED], the Remuneration and Appraisal Committee will comprise Prof. Xiang Huaikun, Mr. Wang Xidian and Mr. Jin Zhenchao, with Prof. Xiang Huaikun as the chairperson.

Nomination Committee

Our Board has established the Nomination Committee with written terms of reference in compliance with Rule 3.27A of the Listing Rules and the Corporate Governance Code. The primary duties of the Nomination Committee are to make recommendations to our Board on the appointment of Directors and other senior management. Upon [REDACTED], the Nomination Committee will comprise Mr. Jin Zhenchao, Mr. Zhao Zhijian and Prof. Zuo Zhong, with Mr. Jin Zhenchao as the chairperson.

Strategy Committee

Our Board has established the Strategy Committee with written terms of reference. The primary duties of the Strategy Committee are to research on making recommendations to our Board on our long-term development strategies and major investment decisions. Upon [REDACTED], the Strategy Committee will comprise Mr. Zhao Zhijian, Mr. Liang Jinhua and Prof. Xiang Huaikun, with Mr. Zhao Zhijian as the chairperson.

Corporate Governance

We aim to achieve high standards of corporate governance which are crucial to our development and safeguard the interests of our Shareholders. In order to accomplish this, we expect to comply with all applicable code provisions of the Corporate Governance Code upon [REDACTED].

DIRECTORS AND SENIOR MANAGEMENT

Board Diversity

Our Company has adopted a board diversity policy which sets out the approach to achieve diversity of the Board. We recognize and embrace the benefits of having a diverse Board and see increasing diversity at the Board level, including gender diversity, as an essential element in maintaining our competitive advantage and enhancing our ability to attract, retain and motivate employees from the widest possible pool of available talent. In reviewing and assessing suitable candidates to serve as a Director, the Nomination Committee will consider a number of aspects, including, but not limited to, gender, age, cultural and educational background, professional qualifications, skills, knowledge, and industry and regional experience.

Our Board currently consists of eight Directors ranging from 47 to 63 years old with a balanced mix of knowledge, skills and genders, including, but not limited to, overall management and strategic development, accounting and corporate governance. They obtained degrees in various majors including transportation planning and management, engineering, computer science, law and accounting. Taking into account our existing business model and specific needs, as well as the diverse background of our Directors, the composition of our Board satisfies the board diversity policy.

Our Nomination Committee will discuss periodically and when necessary, agree on the measurable objectives for achieving diversity, including gender diversity, on the Board and recommend them to the Board for adoption.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Our Directors receive remuneration in the form of fees, salaries, allowances and benefits in kind, contributions to retirement schemes, discretionary bonuses and share-based payments. We determine the remuneration of our Directors based on their responsibilities, qualification, position and seniority.

The aggregate amount of remuneration of our Directors and former supervisors for the years ended December 31, 2023, 2024 and 2025 were RMB10.2 million, RMB10.5 million and RMB12.6 million, respectively. None of our Directors or former supervisors waived or agreed to waive any emolument during the same periods.

Under the arrangements in force as of the date of this document, we estimate the aggregate remuneration payable to, and benefits in kind receivable by, our Directors by our Group in respect of the year ending December 31, 2026, to be RMB8.5 million.

DIRECTORS AND SENIOR MANAGEMENT

The five highest paid individuals of our Group for the years ended December 31, 2023, 2024 and 2025 include two, one and two Director(s), respectively. During the same periods, the aggregate amount of remuneration of the remaining three, four and three highest-paid non-director individuals (including salaries and allowances, discretionary bonuses and contributions to retirement schemes) were RMB8.5 million, RMB20.8 million and RMB17.2 million, respectively.

During the Track Record Period, no remuneration was paid to, or received by, our Directors, former supervisors or the five highest paid individuals as an inducement to join or upon joining us. No compensation was paid to, or received by, our Directors, former directors, former supervisors or the five highest paid individuals for the loss of office as a director or supervisor of any member of our Group or of any other office in connection with the management of the affairs of any member of our Group.

Save as disclosed above, no other payments have been made or are payable by our Group to our Directors or former supervisors in respect of the Track Record Period.

COMPLIANCE ADVISOR

We have appointed Red Sun Capital Limited as our compliance advisor pursuant to Rule 3A.19 of the Listing Rules. The compliance advisor will provide us with guidance and advice as to compliance with the requirements under the Listing Rules and applicable Hong Kong laws. Pursuant to Rule 3A.23 of the Listing Rules, the compliance advisor will, among other things, advise our Company in the following circumstances:

- (a) before the publication of any regulatory announcement, circular, or financial report;
- (b) where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues, sales or transfers of treasury shares and share repurchases;
- (c) where we propose to use the [REDACTED] of the [REDACTED] in a manner different from that detailed in this document or where our business activities, development or results of our Group deviate from any forecast, estimate or other information in this document; and
- (d) where the Stock Exchange makes an inquiry to our Company in accordance with Rule 13.10 of the Listing Rules.

DIRECTORS AND SENIOR MANAGEMENT

The term of appointment of our compliance advisor shall commence on the **[REDACTED]** and is expected to end on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the **[REDACTED]**.

FUTURE PLANS AND USE OF [REDACTED]

FUTURE PLANS

See “Business—Our Strategies” for a detailed description of our future plans.

USE OF [REDACTED]

Assuming an [REDACTED] of HK\$[REDACTED] (being the mid-point of the [REDACTED] stated in this document), we estimate that we will receive [REDACTED] of approximately HK\$[REDACTED] (equivalent to approximately RMB[REDACTED]) from the [REDACTED] after deducting the [REDACTED] and other estimated expenses paid and payable by us in connection with the [REDACTED] and assuming that the [REDACTED] is not exercised.

In line with our strategies, we intend to use our [REDACTED] from the [REDACTED] for the purposes and in the amounts set forth below:

- approximately [60.0]% of the [REDACTED], or HK\$[REDACTED], is expected to be used for R&D technology and solutions and products, specifically, (i) the technological innovation and product development related to advanced intelligent driving, (ii) the R&D of products and commercial application of AI large model, and (iii) the construction of a new R&D center and procurement of servers and equipment. Specifically:
 - (i) approximately [30.0]% of the [REDACTED], or HK\$[REDACTED], is expected to be used for technological innovation and product development related to advanced intelligent driving based on vision-language-action model (“VLA”) to enhance the safety of driving experience. Advanced intelligent driving based on VLA model integrates three separate capabilities—perception, reasoning and control—into a unified architecture and uses multimodal foundation models to interpret visual inputs, understand linguistic instructions or contextual descriptions and generate driving actions directly from this combined understanding. Specifically:
 - (a) approximately [15.0]% of the [REDACTED], or HK\$[REDACTED], is expected to be used for enhancing the data collection, processing, and analysis capabilities of our advanced intelligent driving technology, which primarily includes (1) the procurement of hardware and software for the development of data sensing and processing, (2) data analysis, and (3) the purchase and rental expenses of data centers.

FUTURE PLANS AND USE OF [REDACTED]

The hardware and software we plan to procure would facilitate the technical innovation and product development related to advanced intelligent driving through the following ways:

- **Data perception:** For example, the sensors we plan to procure, including cameras and millimeter-wave radar modules, are expected to serve as the raw data source for the VLA model.
- **Model training:** For example, the computing power we plan to purchase is expected to provide robust computational support for the pre-training, fine-tuning, and distillation of the VLA model.
- **System integration:** For example, the software we plan to procure, such as those related to the automotive-level operating systems, is expected to provide a prerequisite for building reliable and real-time in-vehicle software architectures. Additionally, the autonomous driving chips we plan to acquire are expected to help ensure coordination between algorithms and underlying hardware.

(b) approximately [10.0]% of the [REDACTED], or HK\$[REDACTED], is expected to be used for recruiting and paying the salaries of approximately 75 R&D talents. The annual salary for each person is expected to range from RMB[500.0] thousand to RMB[700.0] thousand. We plan to recruit these talents over the next three years.

(c) approximately [5.0]% of the [REDACTED], or HK\$[REDACTED], is expected to be used for upgrading the hardware devices applied in our advanced intelligent driving solutions, which primarily includes (1) procurement expenses for chips, (2) authorization and technical support expenses for chips, (3) expenses related to the purchase and testing of sensors, (4) procurement expenses for R&D and diagnostic equipment, and (5) authorization fee for operating systems.

(ii) approximately [15.0]% of the [REDACTED], or HK\$[REDACTED], is expected to be used for the R&D of products and commercial application of AI large model. Specifically:

FUTURE PLANS AND USE OF [REDACTED]

- (a) approximately [10.0]% of the [REDACTED], or HK\$[REDACTED], is expected to be used for enhancing our capabilities for data analysis, which primarily includes (i) purchase of servers for data analysis, (ii) renovation of data centers and (iii) installation of cooling and power supply systems.
- (b) approximately [5.0]% of the [REDACTED], or HK\$[REDACTED], is expected to be used for recruiting and paying the salaries of approximately 40 R&D talents for each person expected to range from RMB[500.0] thousand to RMB[700.0] thousand. We plan to recruit these talents over the next three years.
- (iii) approximately [15.0]% of the [REDACTED], or HK\$[REDACTED], is expected to be used primarily for the construction of a new R&D center and procurement of servers and equipment. The new R&D center will focus on the research and development of advanced intelligent driving and AI large model systems with an estimated GFA of approximately 7,300 sq.m. We expect to commence the construction of this R&D center in 2026 and complete by the end of 2028.
- approximately [20.0]% of the [REDACTED], or HK\$[REDACTED], is expected to be used for the expansion of our manufacturing facilities in Vietnam mainly for the production and supply of AI solutions to the global market. Specifically:
 - (i) approximately [8.0]% of the [REDACTED], or HK\$[REDACTED], is expected to be used for over the next three years recruiting approximately 600 individuals at our manufacturing facilities in Vietnam primarily including (1) 500 manufacturing staff with the average annual salary for each person expected to range from RMB[40.0] thousand to RMB[50.0] thousand, and (2) [100] technicians, with the average annual salary for each person expected to range from RMB[80.0] thousand to RMB[90.0] thousand;
 - (ii) approximately [8.0]% of the [REDACTED], or HK\$[REDACTED], is expected to be used for the procurement of smart testing equipments, such as size detectors and functional testers that embeds sensing, automation, connectivity and data analytics to evaluate products and production processes with greater speed, accuracy and consistency and packaging equipment, and establishing intelligent warehousing and Intralogistics system; and
 - (iii) approximately [4.0]% of the [REDACTED], or HK\$[REDACTED], is expected to be used for the procurement of manufacturing equipments such as automated SMT machine and stencil printers.

FUTURE PLANS AND USE OF [REDACTED]

- approximately [10.0]% of the [REDACTED], or HK\$[REDACTED], is expected to be used for branding and marketing activities. Specifically:
 - (i) approximately [5.0]% of the [REDACTED], or HK\$[REDACTED], is expected to be used for global brand influence amplification. We plan to (i) participate in and sponsor high quality global industry exhibitions and summits; (ii) organize proprietary branding and customer connection events; and (iii) establish local showrooms and local marketing teams in designated overseas regions;
 - (ii) approximately [5.0]% of the [REDACTED], or HK\$[REDACTED], is expected to be used for global market expansion. We plan to (i) establish a diversified marketing platform matrix, including a set of official websites with regionally tailored content, internal marketing tool platforms, VR showrooms and algorithm experience platforms; (ii) create high quality marketing contents, including promotional videos, industry reports and white papers, and immersive customer experience games; and (iii) traffic placement for marketing content and targeted advertisements.
- approximately [10.0]% of the [REDACTED], or HK\$[REDACTED], is expected to be used for working capital and other general corporate purposes.

If the [REDACTED] is set at HK\$[REDACTED], being the high end of the indicative [REDACTED], the [REDACTED] from the [REDACTED] will increase to approximately HK\$[REDACTED]. If the [REDACTED] is set at HK\$[REDACTED], being the low end of the indicative [REDACTED], the [REDACTED] from the [REDACTED] will decrease to approximately HK\$[REDACTED]. The above allocation of the [REDACTED] from the [REDACTED] will be adjusted on a pro rata basis in the event that the [REDACTED] is fixed at a higher or lower level compared to the midpoint of the indicative [REDACTED] range stated in this document. Any additional [REDACTED] received from the exercise of the [REDACTED] will also be allocated to the above purposes on a pro-rata basis.

If any part of our development plan does not proceed as planned for reasons such as changes in government policies that would render the development of any of our projects not viable, or the occurrence of force majeure events, we will carefully evaluate the situation and may reallocate the [REDACTED] from the [REDACTED].

To the extent that the [REDACTED] of the [REDACTED] are not immediately used for the above purposes or if we are unable to put into effect any part of our future development plan as intended, and to the extent permitted by the relevant laws and regulations, we will deposit such [REDACTED] into short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Futures Ordinance or the applicable laws and regulations in other jurisdictions). In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

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STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

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HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

APPENDIX I

ACCOUNTANTS’ REPORT

The following is the text of a report set out on pages I-1 to I-[147], received from the Company’s reporting accountants, KPMG, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document.



ACCOUNTANTS’ REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF 深圳市銳明技術股份有限公司 STREAMAX TECHNOLOGY CO., LTD. AND CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED

Introduction

We report on the historical financial information of 深圳市銳明技術股份有限公司 Streamax Technology Co., Ltd.* (the “**Company**”) and its subsidiaries (together, the “**Group**”) set out on pages I-[4] to I-[147], which comprises the consolidated statements of financial position of the Group and the statements of financial position of the Company as at December 31, 2023, 2024 and 2025 and the consolidated statements of profit or loss, the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated cash flow statements for each of the years ended December 31, 2023, 2024 and 2025 (the “**Track Record Period**”), and material accounting policy information and other explanatory information (together, the “**Historical Financial Information**”). The Historical Financial Information set out on pages I-[4] to I-[147] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [date] (the “**document**”) in connection with the initial [REDACTED] of H shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited.

Directors’ responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in note 1 to the Historical Financial Information, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

APPENDIX I

ACCOUNTANTS’ REPORT

Reporting accountants’ responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 “Accountants’ Reports on Historical Financial Information in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants’ judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity’s preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in note 1 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

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

Opinion

In our opinion, the Historical Financial Information gives, for the purpose of the accountants’ report, a true and fair view of the Company’s and the Group’s financial position as at December 31, 2023, 2024 and 2025 of the Group’s financial performance and cash flows for the Track Record Period in accordance with the basis of preparation and presentation set out in note 1 to the Historical Financial Information.

APPENDIX I

ACCOUNTANTS’ REPORT

Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-[4] have been made.

Dividends

We refer to note 33(b) to the Historical Financial Information which contains information about the dividends paid by the Company in respect of the Track Record Period.

KPMG

Certified Public Accountants

8th Floor, Prince’s Building

10 Chater Road

Central, Hong Kong

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APPENDIX I

ACCOUNTANTS’ REPORT

HISTORICAL FINANCIAL INFORMATION

Set out below is the Historical Financial Information which forms an integral part of this accountants’ report.

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, were audited by KPMG under separate terms of engagement with the Company in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the “**Underlying Financial Statements**”).

APPENDIX I

ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

(Expressed in RMB)

	Note	Year ended December 31,		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
Continuing operations				
Revenue	5	1,505,251	1,997,731	2,476,928
Cost of sales		(849,557)	(1,079,530)	(1,381,277)
Gross profit		655,694	918,201	1,095,651
Other income, net of losses	6	54,421	97,364	43,980
Provision for expected credit losses on receivables and contract assets	7	(8,089)	(12,820)	(6,520)
Selling and marketing expenses		(177,081)	(203,513)	(208,738)
Administrative expenses		(164,116)	(220,680)	(248,679)
Research and development costs		(246,395)	(283,710)	(285,806)
Other operating expenses		(5,707)	(4,111)	(1,356)
Profit from operations		108,727	290,731	388,532
Finance costs	8(a)	(8,188)	(8,209)	(10,447)
Share of profits less losses of associates . .	20	(2,250)	(1,868)	1
Profit before taxation	8	98,289	280,654	378,086
Income tax (expense)/benefit	9	(609)	5,576	(8,442)
Profit from continuing operations		97,680	286,230	369,644
Discontinued operation				
Profit from discontinued operation, net of tax	4(a)(ii)	544	7,504	18,861
Profit for the year		98,224	293,734	388,505
Attributable to:				
Equity shareholders of the Company		101,941	290,024	382,673
— From continuing operations		101,578	285,021	363,812
— From discontinued operation		363	5,003	18,861
Non-controlling interests		(3,717)	3,710	5,832
— From continuing operations		(3,898)	1,209	5,832
— From discontinued operation		181	2,501	—
Profit for the year		98,224	293,734	388,505
Earnings per share	12			
Basic (RMB)		0.60	1.69	2.15
Diluted (RMB)		0.59	1.66	2.10

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ACCOUNTANTS’ REPORT

		Year ended December 31,		
	<i>Note</i>	2023	2024	2025
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Earnings per share — Continuing operations				
Basic (<i>RMB</i>)		0.59	1.66	2.04
Diluted (<i>RMB</i>).		0.59	1.63	2.00

The accompanying notes are integral part of the Historical Financial Information.

APPENDIX I

ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(Expressed in RMB)

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Profit for the year	98,224	293,734	388,505
Other comprehensive income for the year			
<i>Items that will not be reclassified to profit or loss:</i>			
Fair value changes of equity investments designated at fair value through other comprehensive income (“FVOCI”)	23,086	(14,074)	3,352
Related tax	(1,057)	940	206
<i>Items that are or may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of financial statements of overseas subsidiaries	—	—	(2,961)
Other comprehensive income for the year	22,029	(13,134)	597
Total comprehensive income for the year	120,253	280,600	389,102
Attributable to:			
Equity shareholders of the Company	123,970	276,890	383,452
— From continuing operations	123,607	271,887	364,591
— From discontinued operation	363	5,003	18,861
Non-controlling interests	(3,717)	3,710	5,650
— From continuing operations	(3,898)	1,209	5,650
— From discontinued operation	181	2,501	—
Total comprehensive income for the year	120,253	280,600	389,102

The accompanying notes are integral part of the Historical Financial Information.

APPENDIX I

ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in RMB)

		As at December 31,		
	Note	2023	2024	2025
		RMB'000	RMB'000	RMB'000
Non-current assets				
Property, plant and equipment	13	430,954	388,850	398,853
Right-of-use assets	14	25,715	21,566	43,121
Investment property	15	13,917	12,896	11,995
Intangible assets	16	37,689	32,227	42,521
Goodwill	17	3,791	—	—
Other investments	18	105,246	91,172	61,188
Interests in associates	20	16,497	12,450	24,066
Trade and bills receivables	22	294	—	—
Prepayments and other receivables	23	43,703	47,443	71,989
Deferred tax assets	30(b)	32,615	40,318	41,224
		710,421	646,922	694,957
Current assets				
Inventories and other contract costs	21	329,233	349,386	505,233
Trade and bills receivables	22	422,501	476,398	665,352
Prepayments and other receivables	23	125,800	115,608	119,973
Contract assets	24	10,031	8,786	9,060
Assets held for sale	4(a)	—	509,293	—
Other investments	18	—	506	—
Restricted bank deposits	25	15,214	7,476	18,480
Cash and cash equivalents	25	714,833	927,110	1,239,327
		1,617,612	2,394,563	2,557,425

APPENDIX I

ACCOUNTANTS’ REPORT

	<i>Note</i>	As at December 31,		
		2023	2024	2025
		<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Current liabilities				
Contract liabilities	24	96,670	111,814	79,821
Liabilities directly associated with the				
assets held for sale	4(a)	—	439,995	—
Trade and bills payables	26	364,348	367,259	633,133
Accruals and other payables	27	187,631	225,079	160,919
Loans and borrowings	28	148,880	177,079	263,129
Lease liabilities	29	8,750	10,118	15,506
Current taxation	30(a)	1,884	4,510	5,429
		<u>808,163</u>	<u>1,335,854</u>	<u>1,157,937</u>
Net current assets		<u>809,449</u>	<u>1,058,709</u>	<u>1,399,488</u>
Total assets less current liabilities		<u>1,519,870</u>	<u>1,705,631</u>	<u>2,094,445</u>
Non-current liabilities				
Loans and borrowings	28	80,000	—	—
Lease liabilities	29	15,074	7,460	23,778
Deferred tax liabilities	30(b)	8,296	6,654	1,960
Deferred income	31	3,275	4,841	3,010
		<u>106,645</u>	<u>18,955</u>	<u>28,748</u>
NET ASSETS		<u>1,413,225</u>	<u>1,686,676</u>	<u>2,065,697</u>
CAPITAL AND RESERVES				
Share capital	33(c)	172,896	177,031	181,418
Treasury shares	33(d)	(40,175)	(41,519)	(19,255)
Reserves	33(e)	1,282,312	1,549,238	1,908,869
Total equity attributable to equity				
shareholders of the Company		<u>1,415,033</u>	<u>1,684,750</u>	<u>2,071,032</u>
Non-controlling interests		<u>(1,808)</u>	<u>1,926</u>	<u>(5,335)</u>
TOTAL EQUITY		<u>1,413,225</u>	<u>1,686,676</u>	<u>2,065,697</u>

The accompanying notes are integral part of the Historical Financial Information.

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ACCOUNTANTS’ REPORT

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

(Expressed in RMB)

		As at December 31,		
	Note	2023	2024	2025
		RMB'000	RMB'000	RMB'000
Non-current assets				
Property, plant and equipment	13	57,546	54,057	64,701
Right-of-use assets	14	16,184	8,256	27,529
Investment property	15	13,917	12,896	11,995
Intangible assets	16	24,603	23,228	33,759
Other investments	18	60,501	60,501	60,252
Investments in subsidiaries	19	754,487	745,489	758,153
Interests in associates	20	6,095	4,126	9,254
Trade and bills receivables	22	99	—	—
Prepayments and other receivables	23	36,294	43,925	64,973
Deferred tax assets	30(b)	22,798	24,874	28,777
		992,524	977,352	1,059,393
Current assets				
Inventories and other contract costs	21	236,035	299,045	390,565
Trade and bills receivables	22	469,665	816,726	1,164,282
Prepayments and other receivables	23	132,876	115,920	197,975
Contract assets	24	10,031	8,786	9,060
Assets held for sale	4(a)	—	2,000	—
Restricted bank deposits	25	10,794	7,476	14,840
Cash and cash equivalents	25	445,202	441,844	370,255
		1,304,603	1,691,797	2,146,977

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ACCOUNTANTS’ REPORT

	<i>Note</i>	As at December 31,		
		2023	2024	2025
		<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Current liabilities				
Contract liabilities	24	89,663	77,381	64,725
Trade and bills payables	26	392,193	573,627	828,801
Accruals and other payables	27	138,691	202,998	265,271
Loans and borrowings	28	148,880	177,079	49,194
Lease liabilities	29	8,642	5,946	9,798
		<u>778,069</u>	<u>1,037,031</u>	<u>1,217,789</u>
Net current assets		<u>526,534</u>	<u>654,766</u>	<u>929,188</u>
Total assets less current liabilities		<u>1,519,058</u>	<u>1,632,118</u>	<u>1,988,581</u>
Non-current liabilities				
Loans and borrowings	28	80,000	—	—
Lease liabilities	29	7,834	2,660	18,265
Deferred tax liabilities	30(b)	6,057	5,569	—
Deferred income	31	2,308	3,886	2,103
		<u>96,199</u>	<u>12,115</u>	<u>20,368</u>
NET ASSETS		<u>1,422,859</u>	<u>1,620,003</u>	<u>1,968,213</u>
CAPITAL AND RESERVES				
Share capital	33(c)	172,896	177,031	181,418
Treasury shares	33(d)	(40,175)	(41,519)	(19,255)
Reserves	33(e)	1,290,138	1,484,491	1,806,050
TOTAL EQUITY		<u>1,422,859</u>	<u>1,620,003</u>	<u>1,968,213</u>

The accompanying notes are integral part of the Historical Financial Information.

APPENDIX I

ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Expressed in RMB)

	Attributable to equity shareholders of the Company							Non-		
	Share capital	Treasury shares	Capital reserve	Statutory reserve	Fair value reserve	Other reserve	Retained profits	Sub-total	controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(note 33(c))	(note 33(d))	(note 33(e))	(note 33(e))	(note 33(e))	(note 33(e))				
Balance at January 1, 2023	172,996	(5,451)	729,235	100,267	8,041	13,753	341,620	1,360,461	1,101	1,361,562
Changes in equity for 2023:										
Profit for the year	—	—	—	—	—	—	101,941	101,941	(3,717)	98,224
Other comprehensive income.	—	—	—	—	22,029	—	—	22,029	—	22,029
Total comprehensive income	—	—	—	—	22,029	—	101,941	123,970	(3,717)	120,253
Appropriation to statutory reserve.	—	—	—	15,949	—	—	(15,949)	—	—	—
Share-based payment transactions (note 32)	—	(38,119)	(33,223)	—	—	35,909	—	(35,433)	808	(34,625)
Dividends declared (note 33(b)))	—	634	—	—	—	—	(34,599)	(33,965)	—	(33,965)
Repurchase and cancellation of restricted shares	(100)	2,761	(2,661)	—	—	—	—	—	—	—
Balance at December 31, 2023	172,896	(40,175)	693,351	116,216	30,070	49,662	393,013	1,415,033	(1,808)	1,413,225

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ACCOUNTANTS’ REPORT

	Attributable to equity shareholders of the Company									
	Share capital	Treasury shares	Capital reserve	Statutory reserve	Fair value reserve	Other reserve	Retained profits	Sub-total	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(note 33(c))	(note 33(d))	(note 33(e))	(note 33(e))	(note 33(e))	(note 33(e))				
Balance at January 1, 2024	172,896	(40,175)	693,351	116,216	30,070	49,662	393,013	1,415,033	(1,808)	1,413,225
Changes in equity for 2024:										
Profit for the year	—	—	—	—	—	—	290,024	290,024	3,710	293,734
Other comprehensive income.	—	—	—	—	(13,134)	—	—	(13,134)	—	(13,134)
Total comprehensive income	—	—	—	—	(13,134)	—	290,024	276,890	3,710	280,600
Appropriation to statutory reserve	—	—	—	29,408	—	—	(29,408)	—	—	—
Share-based payment transactions (note 32) . .	4,231	(5,484)	126,105	—	—	4,771	—	129,623	1,024	130,647
Dividends declared (note 33(b))	—	1,537	—	—	—	—	(138,333)	(136,796)	(1,000)	(137,796)
Repurchase and cancellation of restricted shares	(96)	2,603	(2,507)	—	—	—	—	—	—	—
Balance at December 31, 2024	177,031	(41,519)	816,949	145,624	16,936	54,433	515,296	1,684,750	1,926	1,686,676

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ACCOUNTANTS’ REPORT

	Attributable to equity shareholders of the Company										
		Treasury	Capital	Statutory	Fair value	Exchange	Other	Retained		Non-	
	Share capital	shares	reserve	reserve	reserve	reserve	reserve	profits	Sub-total	controlling	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(note 33(c))	(note 33(d))	(note 33(e))	(note 33(e))	(note 33(e))	(note 33(e))	(note 33(e))				
Balance at January 1, 2025	177,031	(41,519)	816,949	145,624	16,936	—	54,433	515,296	1,684,750	1,926	1,686,676
Changes in equity for 2025:											
Profit for the year	—	—	—	—	—	—	—	382,673	382,673	5,832	388,505
Other comprehensive income	—	—	—	—	3,558	(2,779)	—	—	779	(182)	597
Total comprehensive income	—	—	—	—	3,558	(2,779)	—	382,673	383,452	5,650	389,102
Appropriation to statutory											
reserve	—	—	—	7,357	—	—	—	(7,357)	—	—	—
Disposal of subsidiaries (note											
4(a))	—	—	—	(3,452)	—	—	—	3,452	—	(8,358)	(8,358)
Disposal of other investments											
(note 18).	—	—	—	—	2,160	—	—	(2,160)	—	—	—
Share-based payment											
transactions (note 32)	4,387	20,906	155,660	—	—	—	17,119	—	198,072	375	198,447
Dividends declared (note 33(b))	—	1,358	—	—	—	—	—	(196,519)	(195,161)	(5,184)	(200,345)
Capital contribution from											
non-controlling interest holder	—	—	—	—	—	—	—	—	—	175	175
Acquisition of non-controlling											
interest	—	—	—	—	—	—	(81)	—	(81)	81	—
Balance at December 31, 2025	181,418	(19,255)	972,609	149,529	22,654	(2,779)	71,471	695,385	2,071,032	(5,335)	2,065,697

APPENDIX I

ACCOUNTANTS’ REPORT

The accompanying notes are integral part of the Historical Financial Information.

CONSOLIDATED CASH FLOW STATEMENTS

(Expressed in RMB)

	Note	Year ended December 31,		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
Operating activities				
Cash generated from operations.	25(c)	318,692	425,264	411,192
Income tax paid	30(a)	(1,041)	(3,773)	(12,869)
Net cash generated from operating activities		317,651	421,491	398,323
Investing activities				
Payment for purchase of property, plant and equipment and intangible assets		(69,338)	(66,390)	(104,372)
Proceeds from disposal of property, plant and equipment and intangible assets		472	2,219	150
Investments in associates.		(2,426)	(2,400)	(215)
Payments for acquisition of financial assets measured at fair value through profit or loss (“FVPL”)		(30,000)	(500)	—
Payments for acquisition of financial assets measured at FVOCI.		(735)	—	(957)
Payments for settlement of derivative financial instruments		(13,874)	—	—
Proceeds from disposal of other financial assets at FVPL.		21,000	—	511
Proceeds from disposal of other financial assets at FVOCI.		—	—	35,740
Interest received		52	174	—
Dividends received from an associate and other investments.		1,543	1,016	1,634
Net proceeds received/(cash outflow) in respect of disposal of subsidiaries, including cash and cash equivalent disposed of		—	15,923	(17,861)
Other investing cashflows		800	110	619
Net cash used in investing activities		(92,506)	(49,848)	(84,751)
Financing activities				
Proceeds from loans and borrowings		334,880	207,079	484,114
Repayment of loans and borrowings		(170,200)	(248,880)	(394,800)

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ACCOUNTANTS’ REPORT

	<i>Note</i>	Year ended December 31,		
		2023	2024	2025
		<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Payment for repurchase of shares for ESOP		(71,342)	(40,399)	—
Proceeds from granting of restricted shares and shares under ESOP		38,119	13,218	19,572
Payment for repurchase of restricted shares		(2,761)	(2,603)	—
Capital injection from non-controlling interests		—	—	175
Proceeds from exercise of share options . .		—	83,006	89,994
Lease payments		(13,642)	(13,649)	(15,322)
Dividends paid to equity shareholders of the Company		(34,596)	(137,451)	(196,519)
Dividends paid to non-controlling interests		—	(1,000)	(5,184)
Interest paid		(7,363)	(7,019)	(8,748)
[REDACTED]		—	—	[REDACTED]
Other financing cashflows		(1,634)	2,084	18,464
Net cash generated from/(used in) financing activities		<u>71,461</u>	<u>(145,614)</u>	<u>(22,695)</u>
Net increase in cash and cash equivalents		296,606	226,029	290,877
Effect of foreign exchange rate changes .		3,854	17,486	(9,898)
Cash and cash equivalents at the beginning of the year		<u>414,373</u>	<u>714,833</u>	<u>958,348</u>
Cash and cash equivalents at the end of the year	25(a)	<u><u>714,833</u></u>	<u><u>958,348</u></u>	<u><u>1,239,327</u></u>

The accompanying notes are integral part of the Historical Financial Information.

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ACCOUNTANTS’ REPORT

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

(Expressed in thousands of RMB, unless otherwise indicated)

1 Basis of preparation and presentation of the Historical Financial Information

深圳市銳明技術股份有限公司 Streamax Technology Co., Ltd., hereinafter referred to as the “Company”, was established in Shenzhen City, Guangdong Province, the People’s Republic of China (the “PRC”) on September 3, 2002 as a limited liability company under the PRC Company Law. In May 2015, the Company was converted into a joint stock limited liability company. On December 17, 2019, the Company’s A Shares were listed on Shenzhen Stock Exchange (“the A Share Listing”).

The Company and its subsidiaries (hereinafter collectively referred to as the “Group”) are principally engaged in providing AI-powered safety and industrial management solutions for commercial vehicles.

The financial statements of the Company and its subsidiaries for which there are statutory requirements were prepared in accordance with the relevant accounting rules and regulations applicable to entities in the countries in which they were incorporated and/or established. The Company’s statutory financial statements for the years ended December 31, 2023, 2024, and 2025 were audited by Beijing Dahua International Certified Public Accountants (Special General Partnership) 北京大華國際會計師事務所 (特殊普通合夥), Beijing Dehao International Certified Public Accountants (Special General Partnership) 北京德皓國際會計師事務所 (特殊普通合夥) and KPMG Huazhen LLP 畢馬威華振會計師事務所 (特殊普通合夥), respectively.

As at December 31, 2023, 2024 and 2025, and as at the date of this report, the Company has direct or indirect interests in the following principal subsidiaries, all of which are private companies:

Company name	Place and date of incorporation/ establishment	Particulars of issued and paid-up capital	Effective interest held by the Group			At the date of this report	Principal activities
			2023	2024	2025		
Shenzhen Chenrui Software Development Co., Ltd. (深圳辰銳軟件開發有限公 司) (i)/(ii)/(iii)	Chinese Mainland, March 28, 2013	RMB1,000,000	100%	100%	100%	100%	Development and sales of software

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Company name	Place and date of incorporation/ establishment	Particulars of issued and paid-up capital	Effective interest held by the Group			At the date of this report	Principal activities
			2023	2024	2025		
Chongqing Streamax Information Technology Co., Ltd. (重慶銳明信息技 術有限公司) (i)(ii)(iv) . . .	Chinese Mainland, April 8, 2009	RMB10,000,000	100%	100%	100%	100%	Development and sales of software
Bafang Internet Technology (Beijing) Co., Ltd. (八方互 聯科技(北京)有限公司) (i)(ii)(iii)	Chinese Mainland, May 10, 2017	RMB6,000,000	60%	60%	60%	60%	Development and sales of software and hardware
Sichuan Streamax Zhitong Technology Co., Ltd. (四川 銳明智通科技有限公司) (i)(ii)(iv).	Chinese Mainland, April 10, 2019	RMB30,000,000	100%	100%	100%	100%	Development and sales of software and hardware
Dongguan Streamax Electronics Co., Ltd. (東莞 銳明電子有限公司) (i)(ii)(iii)	Chinese Mainland, March 2, 2021	RMB10,000,000	100%	100%	100%	100%	Manufacturing of products
Shenzhen Streamax Trading Co., Ltd. (深圳市銳鴻貿易 有限公司) (i)(ii)(x). . . .	Chinese Mainland, July 11, 2024	RMB1,000,000	/	100%	100%	100%	Trading of products
Dongguan Streamax Intelligent Co., Ltd. (東莞 市銳明智能有限公司) (i)(ii)(iii)	Chinese Mainland, October 23, 2018	RMB30,000,000	100%	100%	100%	100%	Assets holding
STREAMAX ELECTRONICS LIMITED (銳明電子有限公司) (viii) .	Hong Kong, May 31, 2013	HKD66,589,025	100%	100%	100%	100%	Trading of products
STREAMAX AMERICA LLC (v)	U.S.A, January 24, 2017	USD600,000	100%	100%	100%	100%	Trading of products
STREAMAX PTE. LTD. (vi) .	Singapore, July 3, 2023	USD1,000,000	100%	100%	100%	100%	Trading of products

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ACCOUNTANTS’ REPORT

Company name	Place and date of incorporation/ establishment	Particulars of issued and paid-up capital	Effective interest held by the Group			At the date of this report	Principal activities
			2023	2024	2025		
STREAMAX MIDDLE EAST TECHNOLOGY L.L.C. (vii)	The United Arab Emirates, August 3, 2023	Dirham300,000	70%	70%	70%	70%	Trading of products
STREAMAX ELECTRONICS (VIETNAM) COMPANY LIMITED (銳明製造 (越 南) 有限公司) (ix)	Vietnam, December 1, 2022	USD6,500,000	100%	100%	100%	100%	Manufacturing of products

Notes:

- (i) The official names of these companies are in Chinese and the English translation of the company names is for reference only. These companies are all limited liability companies under the law of the PRC.
- (ii) These entities prepared the financial statements in accordance with the Accounting Standards for Business Enterprises applicable to the enterprises in the PRC issued by Ministry of Finance of the PRC.
- (iii) The statutory financial statements of these entities for the years ended December 31, 2023 and 2024 were audited by Shenzhen Jintuo Accounting Firm (General Partnership) 深圳金拓會計師事務所 (普通合夥). The audited financial statements for the year ended December 31, 2025 are not available.
- (iv) The statutory financial statements of these entities for the years ended December 31, 2023 and 2024 were audited by Shenzhen Jintuo Accounting Firm (General Partnership) 深圳金拓會計師事務所 (普通合夥). The audited financial statements for the year ended December 31, 2025 were audited by Shanghai Certified Public Accountants (Special General Partnership) 上會會計師事務所(特殊普通合夥).
- (v) No audited financial statements were prepared for this entity during the Relevant Periods.
- (vi) This entity prepared the financial statements in accordance with Financial Reporting Standards in Singapore. The statutory financial statements for the year ended December 31, 2023 and 2024 were audited by FOZL Assurance PAC. The audited financial statements for the year ended December 31, 2025 are not available.
- (vii) This entity prepared the financial statements in accordance with IFRS Accounting Standards. No audited financial statements were prepared for this entity for the year ended December 31, 2023. The statutory financial statements of this entity for the year ended December 31 and 2024 were audited by Yingtian Royal Accountant DMCC. The audited financial statements for the year ended December 31, 2025 are not available.
- (viii) This entity prepared the financial statements in accordance with HKFRS Accounting Standards. The statutory financial statements of this entity for the years ended December 31, 2023 and 2024 were audited by FTO CPA Limited. The audited financial statements for the year ended December 31, 2025 are not available.

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- (ix) This entity prepared the financial statements in accordance with Vietnamese Accounting Standards. No audited financial statements were prepared for this entity for the year ended December 31, 2022. The statutory financial statements of this entity for the years ended December 31, 2023 and 2024 were audited by U&I Auditing Company Limited, those for the year ended December 31, 2025 were audited by KPMG Limited.
- (x) The audited financial statements for this entity for the year ended December 31, 2024 and 2025 are available.

All companies comprising the Group have adopted December 31, as their financial year end date.

The Historical Financial Information has been prepared in accordance with all applicable IFRS Accounting Standards issued by the International Accounting Standards Board (“IASB”). Further details of the material accounting policy information adopted are set out in note 2.

The IASB has issued a number of new and revised IFRS Accounting Standards. For the purpose of preparing the Historical Financial Information, the Group has adopted all applicable new and revised IFRS Accounting Standards to the Relevant Periods, except for any new standards or interpretations that are not yet effective for the accounting period beginning on January 1, 2025. The revised and new accounting standards and interpretations issued but not yet effective for the accounting year beginning on January 1, 2025 are set out in note 38.

The Historical Financial Information also complies with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The accounting policies set out below have been applied consistently to all periods presented in the Historical Financial Information.

The Historical Financial Information is presented in Renminbi (“RMB”), rounded to the nearest thousand (“RMB’000”), unless otherwise indicated.

2 Material accounting policy information

(a) *Basis of measurement*

The measurement basis used in the preparation of the Historical Financial Information is the historical cost basis except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

- other investments (see note 2(f))
- derivative financial instruments (see note 2(g))

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- receivables held for collection and sale (see note 2(o))

Non-current assets and disposal groups held for sale are stated at the lower of carrying amount and fair value less costs to sell (see note 2(k)).

(b) Use of estimates and judgements

The preparation of the Historical Financial Information in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRS Accounting Standards that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 3.

(c) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealized income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealized losses resulting from intra-group transactions are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

For each business combination, the Group elects to measure the non-controlling interests (“NCI”) at the NCI’s proportionate share of the subsidiary’s net identifiable assets. NCI are presented in the consolidated statements of financial position within equity, separately from equity

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attributable to the equity shareholders of the Company. NCI in the results of the Group are presented on the face of the consolidated statements of profit or loss and the consolidated statements of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between NCI and the equity shareholders of the Company.

Changes in the Group’s interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Group loses control of a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in that former subsidiary is measured at fair value when control is lost.

In the Company’s statements of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 2(m)(ii)), unless it is classified as held for sale (or included in a disposal group classified as held for sale) (see note 2(k)).

(d) Associates

An associate is an entity in which the Group or the Company has significant influence, but not control or joint control, over the financial and operating policies.

An interest in an associate is accounted for using the equity method. It is initially recognized at cost, which includes transaction costs. Subsequently, the consolidated financial statements include the Group’s share of the profit or loss and other comprehensive income (“OCI”) of those investees, until the date on which significant influence or joint control ceases.

When the Group’s share of losses exceeds its interest in the associate, the Group’s interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group’s interest is the carrying amount of the investment under the equity method, together with any other long-term interests that in substance form part of the Group’s net investment in the associate, after applying the ECL model to such other long-term interests where applicable (see note 2(m)(i)).

Unrealized gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group’s interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent there is no evidence of impairment.

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(e) Goodwill

Goodwill arising on acquisition of businesses is measured at cost less accumulated impairment losses and is tested annually for impairment (see note 2(m)(ii)).

(f) Other investments

The Group’s policies for investments, other than investments in subsidiaries and associates, are set out below.

Other investments are recognized/derecognized on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at FVPL for which transaction costs are recognized directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see note 34(e). These investments are subsequently accounted for as follows, depending on their classification.

(i) Non-equity investments

Non-equity investments are classified into one of the following measurement categories:

- amortized cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Expected credit losses and interest income calculated using the effective interest method (see note 2(w)(ii)(b)) are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
- FVOCI—recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Expected credit losses and interest income (calculated using the effective interest method) are recognized in profit or loss and computed in the same manner as if the financial asset was measured at amortized cost. The difference between the fair value and the amortized cost is recognized in OCI. When the investment is derecognized, the amount accumulated in OCI is recycled from equity to profit or loss.
- FVPL if the investment does not meet the criteria for being measured at amortized cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognized in profit or loss.

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(ii) Equity investments

An investment in equity securities is classified as FVPL, unless the investment is not held for trading purposes and on initial recognition the Group makes an irrevocable election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognized in OCI. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer’s perspective. If such election is made for a particular investment, at the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings and not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI, are recognized in profit or loss as other income (see note 2(w)(ii)(d)).

(g) *Derivative financial instruments*

The Group holds derivative financial instruments to manage its foreign currency risk exposure. Derivatives are initially measured at fair value. Subsequently, they are measure at fair value with changes therein recognized in profit or loss.

(h) *Investment property*

Investment property is initially measured at cost. After initial recognition, the Group chooses the cost model to measure all of its investment properties.

Depreciation is calculated on the straight-line basis to write off the cost to its residual value over its estimated useful life. The estimated useful lives are as follows:

— Buildings	20 years

The carrying amount of investment property measured using the cost method are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

Any gain or loss on disposal of investment property is recognized in profit or loss.

(i) *Property, plant and equipment*

Property, plant and equipment are stated at cost, which includes capitalized borrowing costs, less accumulated depreciation and any impairment losses (see note 2(m)(ii)).

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If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components).

Any gains or losses on disposal of an item of property, plant and equipment is recognized in profit or loss.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual values, if any, using the straight-line method over their estimated useful lives, and is generally recognized in profit or loss. The estimate useful lives are as follows:

— Buildings	20 years
— Machinery and equipment	10 years
— Vehicles	5 years
— Electronic equipment	3–6 years
— Leasehold improvements	2–5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Construction in progress is stated at cost less impairment losses (see note 2(m)(ii)). Cost comprises direct costs of construction as well as interest expense capitalized during the periods of construction and installation. Capitalisation of these costs ceases and the construction in progress is transferred to property, plant and equipment when substantially all the activities necessary to prepare the assets for their intended use are completed. No depreciation is provided for in respect of construction in progress until it is completed and ready for its intended use.

(j) *Intangible assets (other than goodwill)*

Expenditure on research and development activities is recognized in profit or loss as incurred.

Intangible assets acquired by the Group with finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses (see note 2(m)(ii)).

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line basis over their estimated useful lives, if any, and is generally recognized in profit or loss.

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The following intangible assets with finite useful lives are amortized from the date they are available for use and their estimated useful lives are as follows:

— Software and others 10 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(k) Non-current assets held for sale and discontinued operations

(i) Non-current assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, which continue to be measured in accordance with the Group’s other accounting policies. Impairment losses on initial classification as held for sale and subsequent gains and losses on remeasurement are recognized in profit or loss.

Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortized or depreciated, and any equity-accounted investee is no longer equity accounted.

(ii) Discontinued operations

A discontinued operation is a component of the Group’s business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographical area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held for sale.

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Where an operation is classified as discontinued operation, the consolidated statement of profit or loss and OCI is re-presented as if the operation had been discontinued from the start of the Relevant Periods.

(l) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. This is the case if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identifiable asset and to obtain substantially all of the economic benefits from that use.

(i) As a lessee

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognizes a right-of-use asset and a lease liability, except for leases that have a short lease term of 12 months or less, and leases of low-value items. When the Group enters into a lease in respect of a low-value item, the Group decides whether to capitalise the lease on a lease-by-lease basis. If not capitalized, the associated lease payments are recognized in profit or loss on a systematic basis over the lease term.

Where the lease is capitalized, the lease liability is initially recognized at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortized cost and interest expense is recognized using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and are charged to profit or loss as incurred.

The right-of-use asset recognized when a lease is capitalized is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see notes 2(m)(ii)).

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Refundable rental deposits are accounted for separately from the right-of-use assets in accordance with the accounting policy applicable to investments in non-equity securities carried at amortized cost (see notes 2(f)(i)). Any excess of the nominal value over the initial fair value of the deposits is accounted for as additional lease payments made and is included in the cost of right-of-use assets.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group’s estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a lease modification, which means change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract, if such modification is not accounted for as a separate lease. In this case, the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

In the financial statements, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

(ii) As a lessor

The Group determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. Otherwise, the lease is classified as an operating lease.

When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. The rental income from operating leases is recognized in accordance with note 2(w)(ii)(a).

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(m) Credit losses and impairment of assets

(i) Credit losses from financial instruments, contract assets and lease receivables

The Group recognizes a loss allowance for expected credit losses (“ECLs”) on financial assets measured at amortized cost, non-equity securities measured at FVOCI, contract assets and lease receivables.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Generally, credit losses are measured as the present value of all expected cash shortfalls between the contractual and expected amounts.

The expected cash shortfalls are discounted using the following rates if the effect is material:

- fixed-rate financial assets, trade and other receivables and contract assets: effective interest rate determined at initial recognition or an approximation thereof;
- variable-rate financial assets: current effective interest rate;
- lease receivables: discount rate used in the measurement of the lease receivable.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected live of the instrument is less than 12 months); and
- lifetime ECLs: these are ECLs that result from all possible default events over the expected lives of the items to which the ECL model applies.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-months ECLs:

- financial instruments that are determined to have low credit risk at the reporting date; and

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- other financial instruments for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade and bills receivables, contract assets and lease receivables are always measured at an amount equal to lifetime ECLs.

Significant increases in credit risk

When determining whether the credit risk of a financial instrument has increased significantly since initial recognition and when measuring ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group’s historical experience and informed credit assessment, that includes forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is 90 days past due.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument’s credit risk since initial recognition. Any change in the ECL amount is recognized as an impairment gain or loss in profit or loss. The Group recognizes an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in non-equity securities that are measured at FVOCI (recycling), for which the loss allowance is recognized in OCI and accumulated in the fair value reserve (recycling) does not reduce the carrying amount of the financial assets in the statements of financial position.

Credit-impaired financial assets

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

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Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset, lease receivable or contract asset is written off to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognized as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(ii) Impairment of other non-current assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and other contract costs, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units (“CGUs”). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

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The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the resulting carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognized.

(n) Inventories and other contract costs

(i) Inventories

Inventories are measured at the lower of cost and net realisable value.

Cost is calculated using weighted average cost formula and comprises all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable 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.

(ii) Other contract costs

Other contract costs are either the incremental costs of obtaining a contract with a customer or the costs to fulfil a contract with a customer which are not capitalized as inventory (see note 2(n)(i)), property, plant and equipment (see note 2(i)) or intangible assets (see note 2(j)).

Incremental costs of obtaining a contract, e.g. sales commissions, are capitalized if the costs relate to revenue which will be recognized in a future reporting period and the costs are expected to be recovered. Other costs of obtaining a contract are expensed when incurred.

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Costs to fulfil a contract are capitalized if the costs relate directly to an existing contract or to a specifically identifiable anticipated contract; generate or enhance resources that will be used to provide goods or services in the future; and are expected to be recovered. Otherwise, costs of fulfilling a contract, which are not capitalized as inventory, property, plant and equipment or intangible assets, are expensed as incurred.

Capitalized contract costs are stated at cost less accumulated amortisation and impairment losses. Amortisation of capitalized contract costs is recognized in profit or loss when the revenue to which the asset relates is recognized (see note 2(w)(i)).

(o) Trade and other receivables

A receivable is recognized when the Group has an unconditional right to receive consideration and only the passage of time is required before payment of that consideration is due.

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. Trade receivables that contain a significant financing component and other receivables are initially measured at fair value plus transaction costs. All receivables are subsequently stated at amortized cost (see note 2(m)(i)).

(p) Cash and cash equivalents and restricted bank deposits

Cash and cash equivalents comprise cash at bank and in hand, demand deposits with banks and other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

Guarantee deposits which are restricted to use are presented separately in the statements of financial position as “Restricted bank deposits”. Restricted bank deposits are excluded from cash and cash equivalents in the consolidated cash flow statements.

Cash and cash equivalents and restricted cash are assessed for ECLs in accordance with the policy set out in note 2(m)(i).

(q) Trade and other payables

Trade and other payables are initially recognized at fair value. Subsequent to initial recognition, trade and other payables are stated at amortized cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

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(r) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequently, these borrowings are stated at amortized cost using the effective interest method. Interest expense is recognized in accordance with note 2(y).

(s) Contract assets and contract liabilities

A contract asset is recognized when the Group recognizes revenue (see note 2(w)(i)) before being unconditionally entitled to the consideration under the terms in the contract. Contract assets are assessed for ECLs (see note 2(m)(i)) and are reclassified to receivables when the right to the consideration becomes unconditional (see note 2(o)).

A contract liability is recognized when the customer pays non-refundable consideration before the Group recognizes the related revenue (see note 2(w)(i)). A contract liability is also recognized if the Group has an unconditional right to receive non-refundable consideration before the Group recognizes the related revenue. In such latter cases, a corresponding receivable is also recognized (see note 2(o)).

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method (see note 2(w)(ii)(b)).

(t) Employee benefits

(i) Short-term employee benefits and contributions to defined contribution retirement plans

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Obligations for contributions to defined contribution retirement plans are expensed as the related service is provided.

(ii) Share-based payments

The grant-date fair value of equity-settled share-based payments granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be

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met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. The equity amount is recognized in the capital reserve until either the option is exercised (when it is included in the amount recognized in share capital for the shares issued) or the option expired (when it is released directly to retained profits).

(iii) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognizes costs for a restructuring.

(u) Income tax

Income tax expense comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in OCI.

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit and does not give rise to equal taxable and deductible temporary differences;
- temporary differences related to investment in subsidiaries and associates to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

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The Group recognized deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.

Deferred tax assets are recognized for unused tax losses and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognize a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

(v) *Provisions and contingent liabilities*

Generally provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

A provision for warranties is recognized when the underlying products or services are sold, based on historical warranty data and a weighting of possible outcomes against their associated probabilities.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognized for any expected reimbursement that would be virtually certain. The amount recognized for the reimbursement is limited to the carrying amount of the provision.

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(w) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods, the provision of services or the use by others of the Group’s assets under leases in the ordinary course of the Group’s business.

Further details of the Group’s revenue and other income recognition policies are as follows:

(i) Revenue from contracts with customers

The Group is the principal for its revenue transactions and recognizes revenue on a gross basis. In determining whether the Group acts as a principal or as an agent, it considers whether it obtains control of the products before they are transferred to the customers. Control refers to the Group’s ability to direct the use of and obtain substantially all of the remaining benefits from the products.

Revenue is recognized when control over a product or service is transferred to the customer at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties such as value added tax or other sales taxes.

(a) Sales of products

If no installation is required, revenue is recognized when the customer takes possession of and accepts the products for domestic sales, or when the products are delivered to the designated freight forwarder, or the bill of lading is obtained for export sales. If installation is required, revenue is recognized when the installation and debugging are completed, and the customer accepts the product.

(b) Rendering of services

Services, which mainly include training, platform supporting, and operation and maintenance services, generally meet the criteria for the transfer of control over time and are recognized as revenue over the service period.

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(ii) Revenue from other sources and other income

(a) Rental income from operating leases

Rental income from operating leases is recognized in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

(b) Interest income

Interest income is recognized using the effective interest method. The “effective interest rate” is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(c) Government grants

Government grants are recognized in the statements of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them.

Grants that compensate the Group for expenses incurred are recognized as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred.

Grants that compensate the Group for the cost of an asset are recognized by setting up the grant as deferred income that is recognized in profit or loss on a systematic basis over the useful life of the asset.

(d) Dividends

Dividend income is recognized in profit or loss on the date on which the Group’s right to receive payment is established.

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(x) Translation of foreign currencies

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognized in profit or loss.

The assets and liabilities of foreign operations are translated into RMB at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into RMB at the exchange rates at the dates of the transactions.

Foreign currency differences are recognized in OCI and accumulated in the exchange reserve, except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the exchange reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. On disposal of a subsidiary that includes a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation that have been attributed to the NCI shall be derecognized, but shall not be reclassified to profit or loss. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(y) Borrowing costs

Borrowing costs are expensed in the period in which they are incurred.

(z) Related parties

(a) A person, or a close member of that person’s family, is related to the Group if that person:

(i) has control or joint control over the Group;

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

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(aa) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

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Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

According to the Group’s internal organisational structure, management requirements and internal reporting system, the nature, production process, sales methods of the Group’s products are similar. The Group’s operations and strategies operate as a whole. The financial information provided by the chief operating decision maker does not contain profit or loss information for each product line. Therefore, the management believes that the Group has only one reportable segment and no segment analysis is presented.

3 Critical accounting judgements, estimates and assumptions

In the process of applying the Group’s accounting policies, management has made the following judgments, estimates and assumptions which have the most significant effect on the amounts recognized in the financial statements:

(a) Loss allowance for expected credit losses

The Group estimates the amount of loss allowance for ECLs on trade and other receivables based on the credit risk of the respective financial instruments. The loss allowance amount is measured as the asset’s carrying amount and the present value of estimated future cash flows with the consideration of expected future credit loss of the respective financial instrument. The assessment of the credit risk of the respective financial instrument involves high degree of estimation and uncertainty. When the actual future cash flows are less than expected or more than expected, a material impairment loss or a material reversal of impairment loss may arise, accordingly.

(b) Net realisable value of inventories

Net realizable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses. These estimates are based on the current market condition and the historical experience of manufacturing and selling products of similar nature. Any change in the assumptions would increase or decrease the amount of inventories write-down or the related reversals of write-down made in prior years and affect the Group’s net assets value. The Group reassesses these estimates annually. Management measures these estimates at each statement of financial position date.

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(c) Deferred tax assets

Deferred tax assets are recognized for all temporary differences to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. In assessing whether such temporary differences can be utilized in the future, the Group needs to make judgments and estimates on the ability of each of its subsidiaries to generate taxable income in the future years. The Group recognizes deferred taxes based on the prevailing tax rules and regulations and its current best estimates and assumptions. In the event that future tax rules and regulations or related circumstances change, adjustments to deferred taxation may be necessary which would impact the Group’s results or financial position.

(d) Impairment losses of other non-financial assets

The carrying amounts of other non-financial assets (including property, plant and equipment, right-of-use assets, goodwill and intangible assets and other long-term assets) are reviewed periodically in order to assess whether the recoverable amounts have declined below their carrying amounts. In order to determine the recoverable amount, the Group uses assumptions and develops expectations, which requires significant judgment. The Group uses all readily available information in determining an amount that is a reasonable approximation of recoverable amount, including estimates based on reasonable and supportable assumptions and projections of production volume, sales price, amount of operating costs, discount rate and growth rate.

4 Disposal of subsidiaries

(a) Discontinued operation and disposal group held for sale

On December 19, 2024, following a strategic decision to focus on its principal business, the Group entered into an agreement with two third-party buyers, 廣州廣交數科資訊產業有限公司 (Guangzhou Guangjiao Digital and Technology Information Industrial Co., Ltd.) and 東莞市銳盈投資合夥企業 (有限合夥) (Dongguan RuiYing Investment Limited Liability Partnership (Limited Partnership)) (the “**buyers**”), to transfer 47.67% equity interests in 深圳市銳明科技有限公司 (Shenzhen Ruiming Sciences Technology Co., Ltd.*, “**Ruiming Sciences**”) to the buyers at a total consideration of RMB30,986,000.

Ruiming Sciences and its subsidiaries (the “**Disposal Group**”) are engaged in electronic manufacturing services business. Prior to the transfer, the Group held 66.67% equity interest in Ruiming Sciences. The transaction was completed in January 2025.

* For identification purpose only.

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As a result of the divestment, the financial results of the Group’s electronic product processing business are classified as discontinued operation in the consolidated financial statements and the assets and liabilities of the processing business are presented separately as assets held for sale and liabilities directly associated with the assets held for sale in the consolidated statements of financial position and the investments in Ruiming Sciences are presented as asset held for sales in the statements of financial position of the Company as at December 31, 2024 in accordance with the accounting policy set out in note 2(k). Both assets and liabilities are presented as current. The Group retains significant influence over Ruiming Sciences after the divestment and the remaining equity interests are accounted for as interests in associates.

(i) Assets and liabilities of disposal group held for sale

As at December 31, 2024, details of assets and liabilities of the Disposal Group are listed as follows:

The Group:

	As at December 31, 2024
	<i>RMB’000</i>
Trade and bills receivables	205,058
Inventories and other contract costs	189,309
Property, plant and equipment	33,557
Cash and cash equivalents	31,238
Right-of-use assets	18,203
Restricted bank deposits	14,321
Prepayments and other receivables	9,751
Deferred tax assets	5,786
Other assets	2,070
Assets held for sale	<u>509,293</u>
Trade and bills payables	347,500
Other payables	63,006
Lease liabilities	18,338
Loans and borrowings	10,000
Other liabilities	<u>1,151</u>
Liabilities directly associated with the assets held for sale	<u>439,995</u>

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The Company:

	As at December 31, 2024
	<i>RMB’000</i>
Investments in Ruiming Sciences	2,000

(ii) *Results of discontinued operation*

	Year ended December 31,		
	2023	2024	2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Revenue	228,347	821,659	—
Elimination of intra-group revenue	(33,075)	(41,165)	—
External revenue	195,272	780,494	—
Expenses	(228,822)	(805,975)	—
Elimination of expenses related to intra-group sales	30,794	31,978	—
External expenses	(198,028)	(773,997)	—
Results from operating activities	(2,756)	6,497	—
Income tax (expense)/benefit	3,300	1,007	—
Gain on sale of discontinued operation (note 4(a)(iv))	—	—	18,861
Profit from discontinued operation, net of tax	544	7,504	18,861
Earnings per share — discontinued operation (note 12)			
Basic (<i>RMB</i>)	0.01	0.03	0.11
Diluted (<i>RMB</i>)	0.00	0.03	0.10

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(iii) Cash (used in)/generated from discontinued operation

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Net cash (used in)/generated from			
operating activities.	(9,528)	37,560	—
Net cash (used in) investing activities.	(11,389)	(6,394)	(17,861)
Net cash (used in)/generated from			
financing activities.	(4,730)	5,627	—
Effect of foreign exchange rate changes . . .	84	616	—
Net cash flows for the year	(25,563)	37,409	(17,861)

(iv) Effect of disposal on the consolidated financial statements of the Group

The disposals had the following effect on the Group’s consolidated financial statements on the disposal date:

	RMB’000
Assets and liabilities derecognized	
Trade and bills receivables	205,058
Inventories and other contract costs	189,309
Property, plant and equipment.	33,557
Cash and cash equivalents.	31,238
Right-of-use assets	18,203
Restricted bank deposits	14,321
Prepayments and other receivables	9,751
Deferred tax assets	5,786
Other assets.	2,070
Trade and bills payables	(347,500)
Other payables	(63,006)
Loans and borrowings.	(10,000)
Lease liabilities.	(18,338)
Other liabilities	(1,151)
Net assets disposed of	69,298
NCI disposed of	8,385
Consideration for disposal.	30,986
Fair value of interest retained and recognized as “Interests in associates”.	12,351
Receivables due from the Disposal Group	40,311
Payables due to the Disposal Group	(3,874)
Net gain on disposal	18,861

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In accordance with the relevant agreements, cash considerations of RMB15,923,000, RMB13,377,000 and RMB1,686,000 were received in December 2024, March 2025 and February 2026, respectively. The net cash outflows arising from the disposal, including the cash and cash equivalent disposed of, amounted to RMB17,861,000 for the year ended December 31, 2025.

5 Revenue and segment reporting

(a) Revenue

The principal activities of the Group are providing AI-powered safety and industrial management solutions for commercial vehicles.

(i) Disaggregation of revenue

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

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Revenue from contracts with customers			
within the scope of IFRS15			
<i>Disaggregated by major products and services</i>			
AI solutions	1,166,651	1,606,573	2,015,494
Video devices	320,609	367,425	413,663
Others	15,670	21,829	37,485
	<u>1,502,930</u>	<u>1,995,827</u>	<u>2,466,642</u>
Revenue from other sources			
Rental income	<u>2,321</u>	<u>1,904</u>	<u>10,286</u>
	<u><u>1,505,251</u></u>	<u><u>1,997,731</u></u>	<u><u>2,476,928</u></u>

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

	Year ended December 31,		
	2023	2024	2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Revenue from contracts with customers			
Point in time	1,445,408	1,942,669	2,411,592
Over time	57,522	53,158	55,050
	<u>1,502,930</u>	<u>1,995,827</u>	<u>2,466,642</u>

The Group’s customer base is diversified, and the Group did not have any customer with whom transactions have exceeded 10% of the Group’s aggregate revenue for each of the years ended December 31, 2023, 2024 and 2025.

The Group applies the practical expedient in paragraph 121(a) of IFRS 15 of not disclosing the transaction price allocated to the remaining performance obligation as the original expected duration of substantially all the contracts of the Group are within one year.

(b) Segment reporting

Operating segments are identified on the basis of internal reports that the Group’s most senior executive management reviews regularly in allocating resources to segments and in assessing their performances.

The Group’s most senior executive management makes resources allocation decisions based on internal management functions and assess the Group’s business performance as one integrated business. Accordingly, the Group has only one operating segment and therefore, no segment information is presented.

(i) Geographic information

The geographical analysis of revenue is based on the location of the customers to whom the goods or services were delivered or provided. The location of non-current assets is based on the location of the operations in which the assets are held. Non-current assets exclude receivables, other investments, interests in associates and deferred tax assets.

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	Year ended December 31,		
	2023	2024	2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Revenue			
Chinese Mainland	596,999	679,911	950,037
Overseas	908,252	1,317,820	1,526,891
— Americas	426,635	679,651	755,890
— Europe	256,922	267,709	334,498
— Asia Pacific (excluding Chinese Mainland)	90,154	147,539	246,007
— Africa	84,057	127,583	111,695
— Middle East	50,484	95,338	78,801
	<u>1,505,251</u>	<u>1,997,731</u>	<u>2,476,928</u>
	As at December 31,		
	2023	2024	2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Non-current assets			
Chinese Mainland	494,704	439,784	468,916
Overseas	<u>57,274</u>	<u>63,198</u>	<u>99,563</u>
	<u>551,978</u>	<u>502,982</u>	<u>568,479</u>

Majority of the Group’s overseas non-current assets belong to the operations in Asia Pacific (excluding Chinese Mainland) region.

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6 Other income, net of losses

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Interest income	14,114	20,849	15,539
Government grants (<i>note (a)</i>)	14,307	16,862	14,104
Value-added tax (VAT) refund on sales of software products (<i>note(b)</i>)	25,321	32,833	23,432
Additional deduction for VAT (<i>note (c)</i>) . . .	252	5,032	—
Net fair value changes in derivative financial instruments and other investments at FVPL	(5,235)	185	374
Net losses on disposal of non-current assets	(1,036)	(862)	(13)
Net foreign exchange gains/(losses).	4,930	20,775	(11,854)
Dividend income on other investments	1,543	1,016	684
Others	225	674	1,714
	<u>54,421</u>	<u>97,364</u>	<u>43,980</u>

(a) Government grants

Government grants represent various forms of incentives and subsidies granted to the Group by the local government authorities in the PRC.

(b) VAT refund on sales of software products

Pursuant to the Notice on VAT Policies for Software Products issued by the Ministry of Finance (MOF) and the State Administration of Taxation (SAT), VAT general taxpayers selling self-developed software products are eligible for a refund of the VAT amount that exceeds 3% of their actual tax burden. The Company and certain of its subsidiaries are eligible for such refund during the years ended December 31, 2023, 2024 and 2025.

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(c) Additional deduction for VAT

Pursuant to the Notice on the VAT Credit Policy for Advanced Manufacturing Enterprises issued by the MOF and the SAT, advanced manufacturing enterprises are eligible for a 5% additional deduction based on deductible input VAT during the period from January 1, 2023 to December 31, 2027. The Company and certain of its subsidiaries are qualified as advanced manufacturing enterprises and eligible for such deduction for the years ended December 31, 2023 and 2024.

7 Provision for expected credit losses on receivables and contract assets

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Provision for/(reversal of) expected credit losses on			
— trade and bills receivables and contract assets	4,277	6,505	5,782
— other receivables	3,812	6,315	738
	<u>8,089</u>	<u>12,820</u>	<u>6,520</u>

8 Profit before taxation

Profit before taxation is arrived at after charging:

(a) Finance costs

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Interest on discounted bills and loans and borrowings	6,977	7,337	9,097
Interest on lease liabilities	1,211	872	1,350
	<u>8,188</u>	<u>8,209</u>	<u>10,447</u>

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(b) Staff costs (including directors’ and supervisors’ emoluments)

	Year ended December 31,		
	2023	2024	2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Salaries, wages and other benefits	371,391	466,137	433,042
Contributions to defined contribution retirement plans	31,317	35,181	42,019
Equity-settled share-based payment expenses	36,717	58,905	88,976
	<u>439,425</u>	<u>560,223</u>	<u>564,037</u>

The Group’s PRC entities participate in defined contribution retirement benefit schemes (the “**Schemes**”) organized by the PRC municipal and provincial government authorities, whereby the PRC entities are required to make contribution at the rates required by different local government authorities. The local government authorities are responsible for the pension obligations payable to the retired employees covered under the Schemes.

The Group has no other material obligations for payments of pension benefits beyond the contributions above.

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(c) Other items

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Depreciation charge and amortisation (i)			
— Intangible assets	5,266	5,653	6,263
— Property, plant and equipment	65,348	62,895	55,458
— Right-of-use assets	13,670	11,417	16,846
— Investment property	1,021	1,021	901
— Prepaid expenses	—	—	550
	<u>85,305</u>	<u>80,986</u>	<u>80,018</u>
Auditors’ remuneration	2,474	2,443	3,074
[REDACTED]	—	—	[REDACTED]
Cost of inventories (i)	748,244	976,203	1,249,795
Outsourced operation and maintenance costs	71,985	64,389	81,660
Logistics costs	7,060	9,431	16,100
Consulting and certification fees	19,742	26,548	37,921
Impairment losses on goodwill	3,502	3,791	—

- (i) Cost of inventories includes RMB91,899,000, RMB114,477,000 and RMB117,743,000 related to staff costs, depreciation and amortisation expenses, which amount is also included in the respective total amounts disclosed separately above or in note 8(b).

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9 Income tax in the consolidated statements of profit or loss

(a) *Taxation in the consolidated statements of profit or loss represents:*

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current tax			
Provision for the year/period			
— PRC corporate income tax	1,675	2,395	7,539
— Other jurisdictions	1,588	4,155	6,307
	<u>3,263</u>	<u>6,550</u>	<u>13,846</u>
Deferred tax			
Origination and reversal of temporary differences	(2,654)	(12,126)	(5,404)
	<u>609</u>	<u>(5,576)</u>	<u>8,442</u>

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(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Profit before taxation	98,289	280,654	378,086
Calculated at the tax rates applicable to respective group entities	14,953	36,554	70,160
Additional deduction for qualified research and development cost	(33,626)	(39,371)	(42,659)
Effect of non-deductible expenses	2,659	4,337	4,253
Effect of utilisation and recognition of temporary differences and tax losses unrecognized previously	(4,718)	(8,173)	(32,097)
Effect of temporary differences and tax losses not recognized	24,681	13,169	27,214
Withholding tax on undistributed profits of overseas subsidiaries	—	—	1,200
Income tax exemptions	(3,340)	(12,200)	(19,629)
Others	—	108	—
Actual tax expense/(benefit)	609	(5,576)	8,442

Group’s income tax on profit before taxation is calculated at the tax rates applicable to the Company and its subsidiaries, taking into account preferential tax policies applicable to each of them.

In accordance with the Corporate Income Tax Law (the CIT Law) of the PRC, enterprises established in the PRC are subject to corporate income tax at the statutory rate of 25% except for the entities below.

- Pursuant to the CIT Law of the PRC and relevant rules and regulations, the Company and certain of its subsidiaries that are qualified as High and New Technology Enterprises are entitled to a preferential income tax rate of 15%;
- Certain subsidiaries of the Company fulfil the micro and small enterprises qualification under the PRC corporate income tax system. Therefore, partial assessable profits of these subsidiaries were subject to the preferential income tax rate of 20%;

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- Pursuant to relevant tax regulations of the PRC, eligible software enterprises that are profit-making (“**Software Enterprise**”) are entitled to two-year CIT exemptions followed by three years’ 50% reduction in the statutory rates, starting from the first profit-making year. The Company’s subsidiary, Sichuan Streamax Zhitong Technology Co., Ltd., is qualified as Software Enterprise and exempted from CIT for the years ended December 31, 2023 and 2024 and is entitled to 50% reduction in the statutory rate for the year ended December 31, 2025.

Pursuant to relevant tax regulations of the PRC, for income tax purpose, the Group’s eligible research and development cost qualify for an additional 100% deduction during the years ended December 31, 2023, 2024 and 2025.

The income tax rates applicable to the subsidiaries in U.S.A., Vietnam and The United Arab Emirates, are 21%, 20% and 9%, respectively. Other overseas subsidiaries bear tax at the rates of taxation ruling in the countries or regions in which they operate.

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10 Directors’ and supervisors’ emoluments

Details of directors’ and supervisors’ emoluments during the years ended December 31, 2023, 2024 and 2025 are as follows:

For the year ended December 31, 2023

	Directors’ and supervisors’ fees	Salaries, allowances and other benefits	Discretionary bonuses	Retirement scheme contributions	Sub-total	Share-based payments	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Executive directors							
Mr. Zhao Zhijian (趙志堅)	—	581	—	—	581	—	581
Mr. Wang Xidian (望西淀)	—	599	—	58	657	—	657
Mr. Wu Mingzhu (吳明鑄) (i)	—	—	—	—	—	—	—
Mr. Liu Lei (劉壘)	—	1,010	600	46	1,656	2,942	4,598
Mr. Huang Kaiming (黃凱明)	—	681	200	23	904	820	1,724
Ms. Sun Ying (孫英) (ii)	—	540	144	—	684	896	1,580
Independent non-executive directors							
Mr. Jin Zhenchao (金振朝)	90	—	—	—	90	—	90
Mr. Liu Zhiyong (劉志永)	90	—	—	—	90	—	90
Mr. Xiang Huaikun (向懷坤)	90	—	—	—	90	—	90
Supervisors							
Ms. Su Lingdan (蘇嶺丹)	—	195	24	13	232	—	232
Mr. Zhou Erkang (周而康) (iii)	—	—	—	—	—	—	—
Mr. Wu Xiangli (吳祥禮)	—	304	19	30	353	—	353
Ms. Chen Ling (陳靈) (iv)	—	159	10	17	186	—	186
	270	4,069	997	187	5,523	4,658	10,181

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For the year ended December 31, 2024

	Directors’ and supervisors’ fees	Salaries, allowances and other benefits	Discretionary bonuses	Retirement scheme contributions	Sub-total	Share-based payments	Total
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Executive directors							
Mr. Zhao Zhijian (趙志堅)	—	600	200	—	800	—	800
Mr. Wang Xidian (望西淀)	—	376	224	53	653	—	653
Mr. Liu Lei (劉壘)	—	1,012	960	54	2,026	3,735	5,761
Mr. Huang Kaiming (黃凱明) . . .	—	673	503	20	1,196	901	2,097
Independent non-executive directors							
Mr. Jin Zhenchao (金振朝)	100	—	—	—	100	—	100
Mr. Liu Zhiyong (劉志永) (v) . . .	39	—	—	—	39	—	39
Mr. Xiang Huaikun (向懷坤)	100	—	—	—	100	—	100
Mr. Liang Jinhua (梁金華) (vi) . . .	61	—	—	—	61	—	61
Supervisors							
Ms. Su Lingdan (蘇嶺丹)	—	198	35	26	259	—	259
Mr. Wu Xiangli (吳祥禮)	—	300	38	34	372	—	372
Ms. Chen Ling (陳靈)	—	171	34	19	224	—	224
	<u>300</u>	<u>3,330</u>	<u>1,994</u>	<u>206</u>	<u>5,830</u>	<u>4,636</u>	<u>10,466</u>

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For the year ended December 31, 2025

	Directors’ and supervisors’ fees	Salaries, allowances and other benefits	Discretionary bonuses	Retirement scheme contributions	Sub-total	Share-based payments	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Executive directors							
Mr. Zhao Zhijian (趙志堅)	—	523	—	—	523	—	523
Mr. Wang Xidian (望西淀)	—	380	—	60	440	—	440
Mr. Liu Lei (劉壘)	—	1,027	300	61	1,388	6,914	8,302
Mr. Huang Kaiming (黃凱明)	—	685	200	21	906	1,270	2,176
Independent non-executive directors							
Mr. Jin Zhenchao (金振朝)	100	—	200	—	300	—	300
Mr. Xiang Huaikun (向懷坤)	100	—	—	—	100	—	100
Mr. Liang Jinhua (梁金華)	100	—	—	—	100	—	100
Supervisors							
Ms. Su Lingdan (蘇嶺丹) (viii)	—	150	—	21	171	—	171
Mr. Wu Xiangli (吳祥禮) (ix)	—	262	—	27	289	—	289
Ms. Chen Ling (陳靈) (x)	—	134	—	16	150	—	150
	—	3,161	700	206	4,367	8,184	12,551

During the years ended December 31, 2023, 2024 and 2025, no emoluments was paid by the Group to the directors or supervisors as an inducement to join or up on joining the Group or as compensation for loss of office. No director or supervisor has waived or agreed to waive any emoluments during the years ended December 31, 2023, 2024 and 2025.

- (i) Mr. Wu Mingzhu resigned as the director of the Company on April 24, 2023.
- (ii) Ms. Sun Ying resigned as the director of the Company on April 24, 2023.
- (iii) Mr. Zhou Erkang resigned as the supervisor of the Company on April 6, 2023.
- (iv) Ms. Chen Ling was appointed as supervisor on May 16, 2023.
- (v) Mr. Liu Zhiyong resigned as an independent director of the Company on May 14, 2024.
- (vi) Mr. Liang Jinhua was appointed as an independent director of the Company on May 14, 2024.
- (vii) Ms. Zuo Zhong was appointed as an independent director of the Company on September 8, 2025, with effect from the [REDACTED].
- (viii) Ms. Su Lingdan resigned as the supervisor of the Company on September 8, 2025.

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(ix) Mr. Wu Xiangli resigned as the supervisor of the Company on September 8, 2025.

(x) Ms. Chen Ling resigned as the supervisor of the Company on September 8, 2025.

11 Individuals with highest remuneration

During the years ended December 31, 2023, 2024 and 2025, of the five individuals with the highest remuneration, 2, 1 and 2 are directors whose remunerations are disclosed in note 10.

The aggregate remuneration in respect of the remaining individuals are as follows:

	Year ended December 31,		
	2023	2024	2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Salaries and other emoluments	2,708	5,200	4,525
Discretionary bonuses	1,780	7,470	1,404
Retirement scheme contributions	92	160	121
Share-based payments	3,919	7,967	11,181
	<u>8,499</u>	<u>20,797</u>	<u>17,231</u>

The remuneration of the above individuals with the highest remuneration are within the following bands:

	Year ended December 31,		
	2023	2024	2025
	<i>Number of individuals</i>	<i>Number of individuals</i>	<i>Number of individuals</i>
HKD 1,500,001–2,000,000	1	—	—
HKD 2,000,001–2,500,000	1	—	1
HKD 2,500,001–3,000,000	—	1	—
HKD 3,000,001–3,500,000	1	1	—
HKD 3,500,001–4,000,000	—	1	—
HKD 4,000,001–4,500,000	—	—	1
HKD 4,500,001–5,000,000	—	1	1

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12 Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share is based on the following profit attributable to ordinary equity shareholders of the Company and the weighted average number of ordinary shares in issue, calculated as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Profit attributable to ordinary equity shareholders of the Company:			
Profit from continuing operations attributable to all equity shareholders of the Company	101,578	285,021	363,812
Less: cash dividend that holders of unvested shares are entitled to receive (<i>Note 33(d)</i>)	(596)	(1,537)	(1,358)
Profit from continuing operations attributable to ordinary equity shareholders of the Company	100,982	283,484	362,454
Profit from discontinued operation attributable to ordinary equity shareholders of the Company	363	5,003	18,861
Profit for the year attributable to ordinary equity shareholders of the Company	<u>101,345</u>	<u>288,487</u>	<u>381,315</u>

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	Year ended December 31,		
	2023	2024	2025
	'000	'000	'000
Weighted average number of ordinary shares:			
Issued ordinary shares at the beginning of the year	172,996	172,896	177,031
Effect of treasury shares at the beginning of the year (<i>Note 33(d)</i>).	(196)	(3,074)	(2,727)
Effect of share options exercised (<i>Note 33(c)</i>).	—	1,460	2,029
Effect of shares repurchased (<i>Note 33(d)</i>).	(2,534)	(1,658)	—
Effect of restricted shares vested (<i>Note 33(d)</i>).	—	1,177	923
Weighted average number of ordinary shares at the end of the year	<u>170,266</u>	<u>170,801</u>	<u>177,256</u>

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(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the following profit attributable to ordinary equity shareholders of the Company and the weighted average number of ordinary shares in issue, calculated as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Profit attributable to ordinary equity shareholders of the Company (diluted):			
Profit from continuing operations attributable to ordinary equity shareholders of the Company	100,982	283,484	362,454
Add: cash dividend that holders of unvested shares are entitled to receive (<i>Note 33(d)</i>)	596	1,537	1,358
Profit from continuing operations attributable to ordinary equity shareholders of the Company (diluted). . .	101,578	285,021	363,812
Profit from discontinued operation attributable to ordinary equity shareholders of the Company	363	5,003	18,861
Profit for the year attributable to ordinary equity shareholders of the Company (diluted).	<u>101,941</u>	<u>290,024</u>	<u>382,673</u>

	Year ended December 31,		
	2023	2024	2025
	’000	’000	’000
Weighted average number of ordinary shares (diluted):			
Weighted average number of ordinary shares at the end of the year	170,266	170,801	177,256
Effect of restricted shares (<i>Note 32(b)</i>)	1,997	2,457	1,622
Effect of share options (<i>Note 32(a)</i>)	1,349	1,917	2,986
Weighted average number of ordinary shares at the end of the year (diluted) . . .	<u>173,612</u>	<u>175,175</u>	<u>181,864</u>

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13 Property, plant and equipment

Reconciliation of carrying amount

The Group:

	Buildings	Machinery and equipment	Vehicles	Electronic equipment	Construction in progress	Leasehold improvements	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Cost:							
At January 1, 2023	217,901	138,107	37,814	113,576	38,447	26,434	572,279
Additions	—	17,467	2,418	19,145	9,418	11,474	59,922
Transfer from construction in progress.	—	—	—	2,458	(2,458)	—	—
Disposals	—	(847)	(2,318)	(4,279)	(54)	(1,736)	(9,234)
At December 31, 2023 and January 1, 2024	217,901	154,727	37,914	130,900	45,353	36,172	622,967
Additions	2,995	22,199	3,203	11,734	7,724	15,179	63,034
Transfer from construction in progress.	37,735	—	—	986	(43,397)	4,676	—
Transfer to assets held for sale. . .	—	(37,695)	(1,462)	(10,273)	—	(3,489)	(52,919)
Disposals	—	(1,586)	(6,803)	(5,825)	(829)	—	(15,043)
At December 31, 2024 and January 1, 2025	258,631	137,645	32,852	127,522	8,851	52,538	618,039
Additions	9,461	11,040	2,051	8,400	33,981	5,462	70,395
Transfer from construction in progress.	—	—	2,038	27	(2,065)	—	—
Disposals	—	(4,273)	(2,104)	(3,311)	—	—	(9,688)
Exchange adjustments	103	(2,524)	31	(744)	—	(1,341)	(4,475)
At December 31, 2025	268,195	141,888	34,868	131,894	40,767	56,659	674,271

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	Buildings	Machinery and equipment	Vehicles	Electronic equipment	Construction in progress	Leasehold improvements	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Accumulated depreciation:							
At January 1, 2023	15,527	37,452	20,738	46,080	—	9,962	129,759
Charge for the year	10,350	13,774	5,013	31,749	—	8,471	69,357
Written back on disposals	—	(556)	(1,936)	(2,875)	—	(1,736)	(7,103)
At December 31, 2023 and							
January 1, 2024	25,877	50,670	23,815	74,954	—	16,697	192,013
Charge for the year	11,078	14,835	4,815	26,951	—	9,176	66,855
Transfer to assets held for sale . . .	—	(11,815)	(880)	(6,496)	—	(171)	(19,362)
Written back on disposals	—	(158)	(5,027)	(5,132)	—	—	(10,317)
At December 31, 2024 and							
January 1, 2025	36,955	53,532	22,723	90,277	—	25,702	229,189
Charge for the year	12,522	12,893	3,821	16,541	—	9,681	55,458
Written back on disposals	—	(3,280)	(1,998)	(3,282)	—	—	(8,560)
Exchange adjustments	41	(543)	40	(207)	—	—	(669)
At December 31, 2025	49,518	62,602	24,586	103,329	—	35,383	275,418
Net book value:							
At December 31, 2023	192,024	104,057	14,099	55,946	45,353	19,475	430,954
At December 31, 2024	221,676	84,113	10,129	37,245	8,851	26,836	388,850
At December 31, 2025	218,677	79,286	10,282	28,565	40,767	21,276	398,853

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The Company:

	Buildings	Machinery and equipment	Vehicles	Electronic equipment	Construction in progress	Leasehold improvements	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Cost:							
At January 1, 2023	1,612	39,393	25,987	42,680	646	16,230	126,548
Additions	—	1,622	1,063	772	4,339	378	8,174
Disposals	—	(8,315)	(415)	(1,608)	(54)	(1,736)	(12,128)
At December 31, 2023 and							
January 1, 2024	1,612	32,700	26,635	41,844	4,931	14,872	122,594
Additions	—	3,476	1,310	5,186	5,735	—	15,707
Transfer from construction in							
progress.	—	—	—	986	(986)	—	—
Disposals	—	(527)	(4,522)	(1,222)	(829)	—	(7,100)
At December 31, 2024 and							
January 1, 2025	1,612	35,649	23,423	46,794	8,851	14,872	131,201
Additions	5,120	1,723	876	3,678	17,289	3,598	32,284
Transfer from construction in							
progress.	—	—	2,038	27	(2,065)	—	—
Disposals	—	(27,407)	(1,674)	(1,349)	—	—	(30,430)
At December 31, 2025	6,732	9,965	24,663	49,150	24,075	18,470	133,055

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	Buildings	Machinery and equipment	Vehicles	Electronic equipment	Construction in progress	Leasehold improvements	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Accumulated depreciation:							
At January 1, 2023	154	19,051	13,571	16,002	—	5,748	54,526
Charge for the year	77	3,220	3,454	7,059	—	4,626	18,436
Written back on disposals	—	(4,535)	(329)	(1,314)	—	(1,736)	(7,914)
At December 31, 2023 and							
January 1, 2024	231	17,736	16,696	21,747	—	8,638	65,048
Charge for the year	77	3,314	3,361	7,068	—	2,453	16,273
Written back on disposals	—	(88)	(3,160)	(929)	—	—	(4,177)
At December 31, 2024 and							
January 1, 2025	308	20,962	16,897	27,886	—	11,091	77,144
Charge for the year	119	1,597	2,715	7,081	—	2,200	13,712
Written back on disposals	—	(19,856)	(1,590)	(1,056)	—	—	(22,502)
At December 31, 2025	427	2,703	18,022	33,911	—	13,291	68,354
Net book value:							
At December 31, 2023	1,381	14,964	9,939	20,097	4,931	6,234	57,546
At December 31, 2024	1,304	14,687	6,526	18,908	8,851	3,781	54,057
At December 31, 2025	6,305	7,262	6,641	15,239	24,075	5,179	64,701

As at December 31, 2023 and 2024, the Group was in the process of applying for the certificate of ownership for certain property with carrying value of RMB157,163,000 and RMB148,729,000, respectively. The certificate of ownership for the above-mentioned property was obtained in May 2025.

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14 Right-of-use assets

Reconciliation of carrying amount

The Group:

	Buildings	Land-use rights	Total
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Cost:			
At January 1, 2023	54,730	3,361	58,091
Additions	4,717	—	4,717
Derecognition	(22,748)	—	(22,748)
At December 31, 2023 and January 1,			
2024	36,699	3,361	40,060
Additions	28,151	—	28,151
Derecognition	(3,551)	—	(3,551)
Transfer to assets held for sale	(20,883)	—	(20,883)
At December 31, 2024 and January 1,			
2025	40,416	3,361	43,777
Additions	40,489	—	40,489
Derecognition	(17,421)	—	(17,421)
Exchange adjustments	(887)	—	(887)
At December 31, 2025	62,597	3,361	65,958

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	Buildings	Land-use rights	Total
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Accumulated depreciation:			
At January 1, 2023	21,288	470	21,758
Charge for the year	13,933	67	14,000
Derecognition	(21,413)	—	(21,413)
At December 31, 2023 and January 1,			
2024	13,808	537	14,345
Charge for the year	14,030	67	14,097
Derecognition	(3,551)	—	(3,551)
Transfer to assets held for sale	(2,680)	—	(2,680)
At December 31, 2024 and January 1,			
2025	21,607	604	22,211
Charge for the year	16,779	67	16,846
Derecognition	(15,870)	—	(15,870)
Exchange adjustments	(350)	—	(350)
At December 31, 2025	22,166	671	22,837
Net book value:			
At December 31, 2023	22,891	2,824	25,715
At December 31, 2024	18,809	2,757	21,566
At December 31, 2025	40,431	2,690	43,121

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The Company:

	Buildings	Other machinery and equipment	Total
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Cost:			
At January 1, 2023	28,122	—	28,122
Additions	10,286	2,252	12,538
Derecognition	(16,848)	—	(16,848)
At December 31, 2023 and January 1, 2024	21,560	2,252	23,812
Additions	864	—	864
Derecognition	(860)	—	(860)
At December 31, 2024, January 1, 2025 ..	21,564	2,252	23,816
Additions	28,384	—	28,384
Derecognition	(16,684)	—	(16,684)
At December 31, 2025	33,264	2,252	35,516
Accumulated depreciation:			
At January 1, 2023	14,417	—	14,417
Charge for the year	9,628	169	9,797
Derecognition	(16,586)	—	(16,586)
At December 31, 2023 and January 1, 2024	7,459	169	7,628
Charge for the year	8,567	225	8,792
Derecognition	(860)	—	(860)
At December 31, 2024 and January 1, 2025	15,166	394	15,560
Charge for the year	8,886	225	9,111
Derecognition	(16,684)	—	(16,684)
At December 31, 2025	7,368	619	7,987
Net book value:			
At December 31, 2023	14,101	2,083	16,184
At December 31, 2024	6,398	1,858	8,256
At December 31, 2025	25,896	1,633	27,529

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The Group’s land-use rights on leasehold land are located in the Chinese Mainland. Depreciation is recognized in profit or loss on a straight-line basis over the respective periods of the land-use rights, which are 50 years.

The Group leases certain buildings and other machinery equipment for periods ranging from 1 to 5 years. Some leases include an option to renew the lease when all terms are renegotiated. None of the leases includes variable lease payments.

The analysis of expense items in relation to leases recognized in the Group’s profit or loss is as follows:

	Year ended December 31,		
	2023	2024	2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Depreciation charge of right-of-use assets .	14,000	14,097	16,846
Interest on lease liabilities.	1,276	1,176	1,350
Expense relating to short-term leases and lease of low-value items	7,432	8,926	10,265

15 Investment property

The Group and the Company:

	Buildings
	<i>RMB’000</i>
Cost:	
As at January 1, 2023, December 31, 2023, 2024 and 2025	21,493
Accumulated depreciation:	
At January 1, 2023	(6,555)
Charge for the year	(1,021)
At December 31, 2023 and January 1, 2024	(7,576)
Charge for the year	(1,021)
At December 31, 2024 and January 1, 2025	(8,597)
Charge for the year	(901)
At December 31, 2025	(9,498)
Net book value:	
At December 31, 2023	13,917
At December 31, 2024	12,896
At December 31, 2025	11,995

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Fair value of the investment property is RMB36,528,000, RMB33,708,000 and RMB31,296,000 as at December 31, 2023, 2024 and 2025, respectively. The valuations were carried out by an independent valuer.

16 Intangible assets

The Group:

	Software	Others	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Cost:			
At January 1, 2023	46,218	891	47,109
Additions	10,957	—	10,957
Disposals	(36)	—	(36)
At December 31, 2023 and January 1, 2024	57,139	891	58,030
Additions	1,843	677	2,520
Transfer to assets held for sale	(2,395)	—	(2,395)
Disposals	(2,763)	(864)	(3,627)
At December 31, 2024 and January 1, 2025	53,824	704	54,528
Additions	16,611	—	16,611
Disposals	(86)	—	(86)
Exchange adjustments	7	—	7
At December 31, 2025	70,356	704	71,060
Accumulated amortisation:			
At January 1, 2023	14,354	501	14,855
Charge for the year	5,415	86	5,501
Written back on disposals	(15)	—	(15)
At December 31, 2023 and January 1, 2024	19,754	587	20,341
Charge for the year	5,793	96	5,889
Transfer to assets held for sale	(1,102)	—	(1,102)
Written back on disposals	(2,180)	(647)	(2,827)
At December 31, 2024 and January 1, 2025	22,265	36	22,301
Charge for the year	6,195	68	6,263
Disposals	(32)	—	(32)
Exchange adjustments	7	—	7
At December 31, 2025	28,435	104	28,539
Net book value:			
At December 31, 2023	37,385	304	37,689
At December 31, 2024	31,559	668	32,227
At December 31, 2025	41,921	600	42,521

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The Company:

	Software	Others	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Cost:			
At January 1, 2023.	25,956	27	25,983
Additions	9,844	—	9,844
Disposals	(36)	—	(36)
At December 31, 2023 and January 1, 2024.	35,764	27	35,791
Additions	1,754	677	2,431
Disposals	(245)	—	(245)
At December 31, 2024 and January 1, 2025.	37,273	704	37,977
Additions	14,880	—	14,880
Disposals	(85)	—	(85)
At December 31, 2025	52,068	704	52,772
Accumulated amortisation:			
At January 1, 2023.	8,141	27	8,168
Charge for the year	3,035	—	3,035
Written back on disposals.	(15)	—	(15)
At December 31, 2023 and January 1, 2024.	11,161	27	11,188
Charge for the year	3,593	11	3,604
Written back on disposals.	(43)	—	(43)
At December 31, 2024 and January 1, 2025.	14,711	38	14,749
Charge for the year	4,228	68	4,296
Written back on disposals.	(32)	—	(32)
At December 31, 2025	18,907	106	19,013
Net book value:			
At December 31, 2023	24,603	—	24,603
At December 31, 2024	22,562	666	23,228
At December 31, 2025	33,161	598	33,759

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17 Goodwill

RMB’000

Cost:

As at January 1, 2023, December 31, 2023, 2024 and 2025 27,309

Accumulated impairment losses:

At January 1, 2023 20,016

Impairment loss. 3,502

At December 31, 2023 23,518

Impairment loss. 3,791

At December 31, 2024 and 2025. 27,309

Carrying amount:

At December 31, 2023 3,791

At December 31, 2024 —

At December 31, 2025 —

Impairment tests for CGU containing goodwill

The Group’s goodwill is related to the CGU for 深圳民太安智能科技有限公司 (Shenzhen Mintaian Intelligent Technology Co. Ltd.) acquired in 2020. The recoverable amount of the CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year forecast period. The discount rates used are pre-tax and reflect specific risks relating to the relevant businesses.

	As at December 31,		
	2023	2024	2025
Annual growth rate of revenue			
during five-year forecast period .	16.87%-81.52%	2%-17%	N/A
Pre-tax discount rate	18.71%	15.13%	N/A

The impairment loss is recognized in “other operating expenses” during the years ended December 31, 2023 and 2024.

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18 Other investments

The Group:

	As at December 31,		
	2023	2024	2025
Non-current			
Equity securities designated at FVOCI			
Listed equity securities			
Hualu Zhida Technology Co., Ltd. 智達信科技術股份有限公司 (i)	38,574	38,574	37,944
Deewin Tianxia Co., Ltd. 德銀天下股份有限公司 (i)	39,510	25,436	—
Xiamen GNSS Development & Application Co., Ltd. 廈門衛星定位應用股份有限公司 (i)	927	927	927
Unlisted equity securities	5,235	5,235	936
Unlisted equity securities measured at FVPL			
Shenzhen Kunpeng Mass Transportation Private Equity Investment Fund Limited Partnership 深圳市鯤鵬大交通私募股權投資基金合夥企業（有限合夥）(i)	21,000	21,000	21,381
	105,246	91,172	61,188
Current			
Non-equity securities measured at FVPL			
— Wealth management products	—	506	—

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The Company:

	As at December 31,		
	2023	2024	2025
Equity securities designated at FVOCI			
Hualu Zhida Technology Co., Ltd.	38,574	38,574	37,944
Xiamen GNSS Development & Application Co., Ltd.	927	927	927
Equity securities measured at FVPL			
Shenzhen Kunpeng Mass Transportation Private Equity Investment Fund Limited Partnership.	21,000	21,000	21,381
	<u>60,501</u>	<u>60,501</u>	<u>60,252</u>

- (i) The official names of these companies are in Chinese and the English translation of the company names is for reference only.

Equity securities are designated at FVOCI where they are considered strategic to the Group and meet the definition of equity from the issuers’ perspective or measured at FVPL. Dividend income on equity securities at FVOCI amounted to RMB1,543,000, RMB1,016,000 and 684,000 for the years ended December 31, 2023, 2024 and 2025, respectively.

During the year ended December 31, 2025, certain equity securities were disposed of and the corresponding cumulative net loss of RMB2,160,000 was transferred from other comprehensive income to retained earnings.

19 Investments in subsidiaries

The Company

	As at December 31,		
	2023	2024	2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Unlisted investment, at cost	<u>754,487</u>	<u>745,489</u>	<u>758,153</u>

The particulars of the principal subsidiaries of the Group are set out in note 1.

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ACCOUNTANTS’ REPORT

20 Interests in associates

None of the associates of the Group and the Company is individually material. All of the associates are unlisted corporate entities whose quoted market price is not available.

All the associates are accounted for using the equity method in the consolidated financial statements and the Company’s financial statements.

Aggregate information of the associates that are not individually material is disclosed below:

The Group:

	As at December 31,/year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Aggregate carrying amount of individually immaterial associates in the consolidated financial statements	16,497	12,450	24,066
Aggregate amounts of the Group’s share of those associates’ loss and total comprehensive income (i)	(2,250)	(1,868)	1

The Company:

	As at December 31,/year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Aggregate carrying amount of individually immaterial associates in the financial statements	6,095	4,126	9,254
Aggregate amounts of the Company’s share of those associates’ (loss)/profit and total comprehensive income (i)	(3,772)	(3,969)	1,315

- (i) Unrealized profits or losses resulting from downstream transactions with the associates are eliminated from the share of those associates’ profit or loss.

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21 Inventories and other contract costs

(a) *Inventories and other contract costs in the statements of financial position comprises:*

The Group:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Raw materials	115,411	97,981	210,000
Work in progress	29,110	21,592	27,661
Finished goods	102,336	176,168	232,296
Goods in transit.	78,282	57,634	48,131
	325,139	353,375	518,088
Less: write-down of inventories	(16,449)	(15,738)	(18,401)
	308,690	337,637	499,687
Other contract costs	20,543	11,749	5,546
	329,233	349,386	505,233

The Company:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Raw materials	104,488	102,464	154,814
Work in progress	6,430	15,065	20,000
Finished goods	84,699	141,383	185,768
Goods in transit.	45,739	55,253	47,388
	241,356	314,165	407,970
Less: write-down of inventories	(12,012)	(15,120)	(17,405)
	229,344	299,045	390,565
Other contract costs	6,691	—	—
	236,035	299,045	390,565

Other contract costs represented the capitalized costs to fulfil the service contracts with customers. The other contract costs are recognized as cost of sales in the consolidated statements of profit or loss in the period in which related revenue is recognized.

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(b) *The analysis of the amount of inventories recognized as an expense and included in profit or loss is as follows:*

The Group:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Carrying amount of inventories recognized			
as cost or expenses	911,252	1,693,143	1,241,484
Write-down of inventories	5,234	21,814	8,310
	<u>916,486</u>	<u>1,714,957</u>	<u>1,249,794</u>

22 Trade and bills receivables

The Group:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current			
Trade receivables	430,614	456,100	707,886
Bills receivable	68,399	90,768	41,069
Less: loss allowance	(76,512)	(70,470)	(83,603)
	<u>422,501</u>	<u>476,398</u>	<u>665,352</u>
Non-current			
Trade receivables	435	—	—
Less: loss allowance	(141)	—	—
	<u>294</u>	<u>—</u>	<u>—</u>

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The Company:

	As at December 31,		
	2023	2024	2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Current			
Trade receivables	469,459	788,667	1,195,732
Bills receivable	61,492	90,768	41,069
Less: loss allowance	(61,286)	(62,709)	(72,519)
	<u>469,665</u>	<u>816,726</u>	<u>1,164,282</u>
Non-current			
Trade receivables	110	—	—
Less: loss allowance	(11)	—	—
	<u>99</u>	<u>—</u>	<u>—</u>

The current portion of trade and bills receivables are expected to be recovered within one year.

As at December 31, 2023, 2024 and 2025, the Group’s bills receivable of RMB6,078,000, RMB10,045,000 and RMB7,765,000, and the Company’s bills receivable of RMB6,005,000, RMB10,045,000 and RMB7,765,000, respectively, were managed in a business model whose objective is achieved by both collection and sale, and therefore measured at FVOCI.

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Ageing analysis

As of the end of each reporting period, the ageing analysis of the trade and bills receivables, based on the invoice date, is as follows:

The Group:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year	381,448	445,013	621,856
Over 1 years and within 2 years	28,701	37,867	55,644
Over 2 years and within 3 years	28,420	9,905	21,104
Over 3 years and within 4 years	13,348	12,210	9,720
Over 4 years and within 5 years	33,796	7,471	10,504
Over 5 years	13,735	34,402	30,127
Less: loss allowance	(76,653)	(70,470)	(83,603)
	<u>422,795</u>	<u>476,398</u>	<u>665,352</u>

The Company:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year	383,130	721,332	944,108
Over 1 years and within 2 years	43,269	66,022	171,091
Over 2 years and within 3 years	50,931	18,760	41,971
Over 3 years and within 4 years	15,573	34,654	18,073
Over 4 years and within 5 years	25,626	5,327	32,686
Over 5 years	12,532	33,340	28,872
Less: loss allowance	(61,297)	(62,709)	(72,519)
	<u>469,764</u>	<u>816,726</u>	<u>1,164,282</u>

Further details on the Group’s credit policy and credit risk arising from trade and bills receivables are set out in note 34(a).

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23 Prepayments and other receivables

The Group:

	As at December 31,		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Current			
Prepayments for raw materials	71,446	61,055	48,195
[REDACTED]	—	—	[REDACTED]
Loans to employees	23,708	26,506	22,184
Rental and other deposits	16,045	14,232	16,530
Other tax assets	21,275	13,043	26,766
VAT refund on export sales	—	10,368	1,241
Amounts due from related parties	371	202	150
Receivables in relation to exercise of share options (i)	—	3,908	409
Current tax assets (note 30(a))	160	11	23
Others	4,728	4,437	8,932
Less: loss allowance	(11,933)	(18,154)	(18,898)
	<u>125,800</u>	<u>115,608</u>	<u>119,973</u>
Non-current			
Prepayments for acquisition of long-term assets	43,686	45,064	59,130
Others	17	2,379	12,859
	<u>43,703</u>	<u>47,443</u>	<u>71,989</u>

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The Company:

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Current			
Prepayments for raw materials	62,882	51,330	112,255
[REDACTED]	—	—	[REDACTED]
Amounts due from subsidiaries	24,262	15,909	34,609
Loans to employees	23,679	26,506	22,184
Rental and other deposits	12,031	10,230	11,942
Other tax assets	18,178	11,600	12,641
VAT refund on export sales	—	10,368	1,241
Receivables in relation to exercise of share options (i)	—	3,908	409
Amounts due from other related parties . . .	150	202	150
Others	3,031	3,235	5,482
Less: loss allowance	(11,337)	(17,368)	(17,379)
	<u>132,876</u>	<u>115,920</u>	<u>197,975</u>
Non-current			
Prepayments for acquisition of long-term assets	36,294	43,925	54,181
Others	—	—	10,792
	<u>36,294</u>	<u>43,925</u>	<u>64,973</u>

Current portion of the prepayments and other receivables are expected to be recovered or recognized as expenses within one year.

- (i) The balances represent the exercise price paid up by the share option holders but not yet transferred to the Company.

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24 Contract assets and contract liabilities

(a) Contract assets

The Group and the Company:

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Retention money	13,233	12,441	10,783
Less: loss allowance	(3,202)	(3,655)	(1,723)
	<u>10,031</u>	<u>8,786</u>	<u>9,060</u>

In accordance with the sales contracts, the domestic customers generally retain 5% to 20% of the total contract consideration as the retention money until expiry of the warranty period. The retention money is recorded as contract assets before the Group and the Company are unconditionally entitled.

(b) Contract liabilities

The Group:

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Receipts in advance.	<u>96,670</u>	<u>111,814</u>	<u>79,821</u>

The Company:

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Receipts in advance.	<u>89,663</u>	<u>77,381</u>	<u>64,725</u>

Generally, the Group requests customers to pay a portion of the contract amount as down payments, majority of the contract liabilities are expected to be transferred to revenue within one year.

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Movement of contract liabilities are as follows:

The Group:

	As at December 31,		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Balance at the beginning of the year	109,354	96,670	111,814
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year . . .	(75,702)	(79,809)	(97,190)
Increase in contract liabilities as a result of billing in advance of sales activities	63,018	95,045	65,233
Reclassified to liabilities directly associated with assets held for sale	—	(92)	—
Exchange difference	—	—	(36)
Balance at the end of the year.	<u>96,670</u>	<u>111,814</u>	<u>79,821</u>

The Company:

	As at December 31,		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Balance at the beginning of the year	104,260	89,663	77,381
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year . . .	(71,262)	(73,787)	(66,790)
Increase in contract liabilities as a result of billing in advance of sales activities	56,665	61,505	54,134
Balance at the end of the year.	<u>89,663</u>	<u>77,381</u>	<u>64,725</u>

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25 Cash and cash equivalents, restricted bank deposits and other cash flow information

(a) Cash and cash equivalents comprise:

The Group:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Cash at bank and on hand	730,047	934,586	1,257,807
Less: restricted bank deposits	(15,214)	(7,476)	(18,480)
Cash and cash equivalents in the consolidated statements of financial position	714,833	927,110	1,239,327
Add: cash and cash equivalents included in assets held for sale	—	31,238	—
Cash and cash equivalents in the consolidated cash flow statements	<u>714,833</u>	<u>958,348</u>	<u>1,239,327</u>

The Company:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Cash at bank and on hand	455,996	449,320	385,095
Less: restricted bank deposits	(10,794)	(7,476)	(14,840)
Cash and cash equivalents in the statements of financial position of the Company	<u>445,202</u>	<u>441,844</u>	<u>370,255</u>

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(b) Restricted bank deposits

The Group:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Pledged deposits (i)	15,214	5,825	17,011
Deposits in escrow accounts	—	1,651	1,469
	<u>15,214</u>	<u>7,476</u>	<u>18,480</u>

The Company:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Pledged deposits (i)	10,794	5,825	13,371
Deposits in escrow accounts	—	1,651	1,469
	<u>10,794</u>	<u>7,476</u>	<u>14,840</u>

(i) The deposits were pledged mainly for issuing bills and letters of credit.

(c) Reconciliation of profit before taxation to cash generated from operations:

	Year ended December 31,		
Note	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Profit from continuing operations before taxation	98,289	280,654	378,086
(Loss)/profit from discontinued operation before taxation	(2,756)	6,497	18,861
Profit before taxation	95,533	287,151	396,947
Adjustments for:			
Depreciation and amortisation	89,397	87,047	80,018
Provision for expected credit losses on receivables and contract assets	13,434	19,722	6,520
Write-down of inventories	5,234	21,814	8,310
Impairment losses on goodwill	3,502	3,791	—

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	Note	Year ended December 31,		
		2023	2024	2025
		RMB’000	RMB’000	RMB’000
Net fair value changes in derivative financial instruments and other investments measured at FVPL		5,235	(185)	(374)
Finance costs.		8,270	8,801	10,447
Net foreign exchange (gains)/losses.		(4,930)	(20,775)	11,854
Share of profit less losses of associates. . .		3,062	2,021	(1)
Net losses on disposal of non-current assets.		1,203	720	13
Gain on disposal of subsidiaries		—	—	(18,861)
Dividend income on other investments . . .		(1,543)	(1,016)	(684)
Losses on debt restructuring of trade receivables.		264	168	140
Return on financial assets measured at FVPL.		(57)	—	(11)
Equity-settled share-based transactions . . .	32	36,717	58,905	88,976
Changes in working capital:				
Decrease/(increase) in inventories and other contract costs		2,653	(213,604)	(164,158)
Increase in receivables, prepayments and contract assets		(17,214)	(283,549)	(175,826)
Increase in trade and bills payables and accruals and other payables		105,610	445,599	210,879
(Decrease)/increase in contract liabilities. .		(12,684)	15,237	(31,993)
Increase in restricted bank deposits.		(14,994)	(6,583)	(11,004)
Cash generated from operations.		<u>318,692</u>	<u>425,264</u>	<u>411,192</u>

(d) Reconciliation of liabilities arising from financing activities:

The table below details changes in the Group’s liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group’s consolidated cash flow statements as cash flows from financing activities.

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	Loans and borrowings	Lease liabilities	Other payables— receipts on unvested shares granted	Total
	<i>RMB’000</i> (note 28)	<i>RMB’000</i> (note 29)	<i>RMB’000</i> (note 27)	<i>RMB’000</i>
Balance at January 1, 2023	64,200	31,598	5,451	101,249
Changes from financing cash flows:				
Proceeds from loans and borrowings	334,880	—	—	334,880
Repayment of loans and borrowings	(170,200)	—	—	(170,200)
Interest paid	(7,363)	—	—	(7,363)
Proceeds from granting of shares under ESOP. .	—	—	38,119	38,119
Repurchase of restricted shares	—	—	(2,761)	(2,761)
Lease payments	—	(13,642)	—	(13,642)
Total changes from financing cash flows	157,317	(13,642)	35,358	179,033
Other changes:				
Interest expenses	3,891	1,276	—	5,167
Prepaid interests included in “prepayments and other receivables”	3,472	—	—	3,472
New leases	—	4,592	—	4,592
Dividend attributable to restricted share holders.	—	—	(634)	(634)
Total other changes	7,363	5,868	(634)	12,597
Balance at December 31, 2023	228,880	23,824	40,175	292,879

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	Loans and borrowings	Lease liabilities	Other payables— receipts on unvested shares granted	Total
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
	<i>(note 28)</i>	<i>(note 29)</i>	<i>(note 27)</i>	
Balance at January 1, 2024	228,880	23,824	40,175	292,879
Changes from financing cash flows:				
Proceeds from loans and borrowings	207,079	—	—	207,079
Repayment of loans and borrowing	(248,880)	—	—	(248,880)
Interest paid	(7,019)	—	—	(7,019)
Proceeds from granting of shares under ESOP. .	—	—	13,218	13,218
Repurchase of restricted shares	—	—	(2,603)	(2,603)
Lease payments	—	(13,649)	—	(13,649)
Total changes from financing cash flows	(48,820)	(13,649)	10,615	(51,854)
Other changes:				
Interest expenses	4,536	1,176	—	5,712
Prepaid interests included in “prepayments and other receivables”	2,483	—	—	2,483
New leases	—	24,566	—	24,566
Transfer to liabilities directly associated with the assets held for sale	(10,000)	(18,339)	—	(28,339)
Dividend attributable to restricted share holders.	—	—	(1,537)	(1,537)
Vesting of shares under ESOP	—	—	(25,224)	(25,224)
Total other changes	(2,981)	7,403	(26,761)	(22,339)
Balance at December 31, 2024	177,079	17,578	24,029	218,686

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	Loans and borrowings	Lease liabilities	Other payables— receipts on unvested shares granted	Total
	<i>RMB’000</i> <i>(note 28)</i>	<i>RMB’000</i> <i>(note 29)</i>	<i>RMB’000</i> <i>(note 27)</i>	<i>RMB’000</i>
Balance at January 1, 2025	177,079	17,578	24,029	218,686
Changes from financing cash flows:				
Proceeds from loans and borrowings	484,114	—	—	484,114
Repayment of loans and borrowings	(394,800)	—	—	(394,800)
Interest paid	(8,748)	—	—	(8,748)
Proceeds from granting of shares under ESOP. .	—	—	19,572	19,572
Lease payments	—	(15,322)	—	(15,322)
Total changes from financing cash flows	80,566	(15,322)	19,572	84,816
Other changes:				
Interest expenses	9,097	1,350	—	10,447
New leases	—	39,641	—	39,641
Termination of leases	—	(1,509)	—	(1,509)
Derecognition of discounted bills upon maturity	(1,279)	—	—	(1,279)
Prepaid interests included in “prepayments and other receivables”	(2,334)	—	—	(2,334)
Dividend attributable to restricted share holders.	—	—	(1,358)	(1,358)
Vesting of shares under ESOP	—	—	(22,988)	(22,988)
Exchange adjustments	—	(2,454)	—	(2,454)
Total other changes	5,484	37,028	(24,346)	18,166
Balance at December 31, 2025	263,129	39,284	19,255	321,668

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(e) Total cash outflow for leases

Amounts included in the consolidated cash flow statements for leases comprises the following, which are related to lease rentals paid:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within operating cash flows	7,432	8,926	10,265
Within financing cash flows	13,642	13,649	15,322
	21,074	22,575	25,587

26 Trade and bills payables

The Group:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade payables to	293,427	276,807	508,664
— third parties	292,641	276,438	502,318
— related parties	786	369	6,346
Bills payable	70,921	90,452	124,469
	364,348	367,259	633,133

The Company:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade payables to	332,230	483,175	704,375
— third parties	203,056	267,000	460,305
— subsidiaries	128,388	215,806	237,724
— other related parties	786	369	6,346
Bills payable	59,963	90,452	124,426
	392,193	573,627	828,801

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As of the end of each reporting period, the ageing analysis of trade and bills payables based on the invoice date, is as follows:

The Group:

As at December 31,			
	2023	2024	2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Within 1 year	360,997	361,087	624,997
Over 1 year but within 2 years	1,502	4,135	4,152
Over 2 years but within 3 years	320	797	3,011
Over 3 years	1,529	1,240	973
	<u>364,348</u>	<u>367,259</u>	<u>633,133</u>

The Company:

As at December 31,			
	2023	2024	2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Within 1 year	390,063	535,888	821,127
Over 1 year but within 2 years	854	35,810	3,969
Over 2 years but within 3 years	100	743	2,839
Over 3 years	1,176	1,186	866
	<u>392,193</u>	<u>573,627</u>	<u>828,801</u>

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27 Accruals and other payables

The Group:

	As at December 31,		
	2023	2024	2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Accrued payroll and benefits	78,378	114,983	72,238
Accrued operation and maintenance costs . .	33,749	39,925	13,681
Receipts on unvested shares granted	40,175	24,029	19,255
Other taxes payable	11,154	11,755	34,759
Supplier deposits	4,910	2,412	4,545
Payables for acquisition of long-term assets	8,000	4,626	3,887
Amounts due to related parties	1,000	24	63
Consideration received for disposal of Ruiming Sciences (<i>note 4(a)</i>)	—	15,923	—
Others	10,265	11,402	12,491
	<u>187,631</u>	<u>225,079</u>	<u>160,919</u>

The Company:

	As at December 31,		
	2023	2024	2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Accrued payroll and benefits	47,354	72,556	45,617
Accrued operation and maintenance costs . .	30,687	33,962	13,807
Other taxes payable	7,662	7,095	24,991
Receipts on unvested shares granted	40,175	24,030	19,255
Amounts due to subsidiaries	577	39,323	150,358
Amounts due to other related parties	—	24	3
Payables for acquisition of long-term assets	4,313	1,131	1,360
Supplier deposits	4,212	2,074	3,623
Consideration received for disposal of Ruiming Sciences (<i>note 4(a)</i>)	—	15,923	—
Others	3,711	6,880	6,257
	<u>138,691</u>	<u>202,998</u>	<u>265,271</u>

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28 Loans and borrowings

(a) Loans and borrowings comprised:

The Group:

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Current			
Short-term unsecured and unguaranteed			
bank loans	9,900	30,000	46,100
Discounted bills and letters of credit	128,980	127,079	217,029
Current portion of long-term unsecured and unguaranteed bank loans	10,000	20,000	—
	<u>148,880</u>	<u>177,079</u>	<u>263,129</u>
Non-current			
Long-term unsecured and unguaranteed			
bank loans	<u>80,000</u>	<u>—</u>	<u>—</u>

The Company:

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Current			
Short-term unsecured and unguaranteed			
bank loans	9,900	30,000	46,100
Discounted bills and letters of credit	128,980	127,079	3,094
Current portion of long-term unsecured and unguaranteed bank loans	10,000	20,000	—
	<u>148,880</u>	<u>177,079</u>	<u>49,194</u>
Non-current			
Long-term unsecured and unguaranteed			
bank loans	<u>80,000</u>	<u>—</u>	<u>—</u>

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(b) *The analysis of the repayment schedule of loans and borrowings is as follows:*

The Group:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year or on demand	148,880	177,079	263,129
After 1 year but within 2 years	80,000	—	—
	<u>228,880</u>	<u>177,079</u>	<u>263,129</u>

The Company:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year or on demand	148,880	177,079	49,194
After 1 year but within 2 years	80,000	—	—
	<u>228,880</u>	<u>177,079</u>	<u>49,194</u>

29 Lease liabilities

As at the end of each reporting period, the lease liabilities were repayable as follows:

The Group:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year	8,750	10,118	15,506
After 1 year but within 2 years	7,247	6,544	10,209
After 2 years but within 5 years	7,827	916	13,569
	<u>15,074</u>	<u>7,460</u>	<u>23,778</u>
	<u>23,824</u>	<u>17,578</u>	<u>39,284</u>

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The Company:

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Within 1 year	8,642	5,946	9,798
After 1 year but within 2 years	5,470	1,130	9,322
After 2 years but within 5 years	1,274	678	8,339
After 5 years	1,090	852	604
	7,834	2,660	18,265
	16,476	8,606	28,063

30 Income tax in the statements of financial position

(a) *Current taxation in the statements of financial position represents:*

The Group:

	Years ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
At the beginning of the year	(498)	1,724	4,499
Provision for current year	3,263	7,606	13,846
Income tax paid	(1,041)	(3,773)	(12,869)
Transfer to liabilities directly associated with the assets held for sale.	—	(1,058)	—
Exchange adjustments	—	—	(70)
At the end of the year	1,724	4,499	5,406

(i) *Reconciliation to the statements of financial position*

	Years ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Current tax assets (note 23).	(160)	(11)	(23)
Current taxation	1,884	4,510	5,429
	1,724	4,499	5,406

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The Company:

	Years ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
At the beginning of the year	—	—	—
Provision for current year	1,542	6,146	912
Income tax paid or withheld	(1,542)	(6,146)	(912)
At the end of the year	—	—	—

(b) Deferred tax assets and liabilities recognized:

(i) Movement of each component of deferred tax assets and liabilities

The components of deferred tax assets and liabilities recognized in the statements of financial position and the movements during the year are as follows:

The Group:

	Provision for asset impairment loss	Credit loss allowance	Provision and other accruals	Unrealised profits	Withholding tax on undistributed profits of overseas subsidiaries	Tax losses	Fair value changes and others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at January 1, 2023 . . .	3,484	9,814	6,755	2,642	—	330	(3,602)	19,423
(Credited)/charged to profit or loss	(328)	3,928	519	3,124	—	—	(1,290)	5,953
Credited to other comprehensive income . . .	—	—	—	—	—	—	(1,057)	(1,057)
Balance at December 31, 2023 and January 1, 2024	3,156	13,742	7,274	5,766	—	330	(5,949)	24,319
Charged to profit or loss . . .	874	2,842	684	9,348	—	—	443	14,191
Charged to other comprehensive income . . .	—	—	—	—	—	—	940	940
Transfer to assets held for sale .	(1,213)	(4,573)	—	—	—	—	—	(5,786)
Balance at January 1, 2025 . . .	2,817	12,011	7,958	15,114	—	330	(4,566)	33,664
Charged to profit or loss . . .	153	1,975	1,545	(4,304)	(1,200)	6,611	624	5,404
Charged to other comprehensive income . . .	—	—	—	—	—	—	206	206
Exchange adjustments	(1)	(9)	—	—	—	—	—	(10)
Balance at December 31, 2025 .	2,969	13,977	9,503	10,810	(1,200)	6,941	(3,736)	39,264

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The Company:

	Provision for asset impairment loss	Credit loss allowance	Provision and other accruals	Tax losses	Fair value changes and others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at December 31, 2023	4,235	8,704	6,755	—	(2,265)	17,429
(Credited)/charged to profit or loss	(1,953)	2,191	519	—	(1,440)	(683)
Credited to other comprehensive income . . .	—	—	—	—	(5)	(5)
Balance at December 31, 2023 and January 1, 2024	2,282	10,895	7,274	—	(3,710)	16,741
Charged to profit or loss	534	1,117	684	—	229	2,564
Balance at December 31, 2024 and January 1, 2025	2,816	12,012	7,958	—	(3,481)	19,305
Charged to profit or loss	53	758	1,545	6,611	411	9,378
Charged to other comprehensive income . . .	—	—	—	—	94	94
Balance at December 31, 2025	2,869	12,770	9,503	6,611	(2,976)	28,777

(ii) *Reconciliation to the statements of financial position*

The Group:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Net deferred tax assets	32,615	46,104	41,224
Less: deferred tax assets included in assets held for sale	—	(5,786)	—
Net deferred tax assets recognized in the consolidated statements of financial position	32,615	40,318	41,224
Net deferred tax liabilities recognized in the consolidated statements of financial position	(8,296)	(6,654)	(1,960)
	24,319	33,664	39,264

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The Company:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Net deferred tax assets recognized in the statements of financial position	22,798	24,874	28,777
Net deferred tax liabilities recognized in the statements of financial position	(6,057)	(5,569)	—
	<u>16,741</u>	<u>19,305</u>	<u>28,777</u>

(iii) Deferred tax assets not recognized

Deferred tax assets were not recognized on certain unused tax losses and deductible temporary differences in accordance with the accounting policy set out in note 2(u). The tax losses and deductible temporary differences unrecognized as deferred tax assets are as follows.

The Group:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Tax losses	721,965	699,064	691,236
Deductible temporary differences	47,083	71,818	72,452
	<u>769,048</u>	<u>770,882</u>	<u>763,688</u>

The Company:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
As at December 31, ...			
Tax losses	433,734	478,881	524,727
Deductible temporary differences	30,454	46,175	59,728
	<u>464,188</u>	<u>525,056</u>	<u>584,455</u>

The tax losses not recognized as deferred tax assets mainly represent the tax loss of the Company and its subsidiaries in Chinese Mainland. These tax losses will expire after 10 years for entities qualified as High and New Technology Enterprises, or 5 years for other entities, from the year of occurrence.

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(iv) *Deferred tax liabilities not recognized*

At 31 December, 2023, 2024 and 2025, no deferred tax liabilities have been recognised for the temporary differences relating to undistributed earnings of subsidiaries amounting to RMB5,313,000, RMB26,271,000 and RMB82,226,000. No liability has been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

31 Deferred income

The Group:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
At the beginning of the year	4,382	3,275	4,841
Additions	—	2,988	—
Credited to profit or loss	(1,107)	(1,422)	(1,831)
At the end of the year	<u>3,275</u>	<u>4,841</u>	<u>3,010</u>

The Company:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
At the beginning of the year	3,415	2,308	3,886
Additions	—	2,988	—
Credited to profit or loss	(1,107)	(1,410)	(1,783)
At the end of the year	<u>2,308</u>	<u>3,886</u>	<u>2,103</u>

Deferred income represented grants received from governments mainly for construction of property, plant and equipment and development of digital and intelligent transformation. Government grants relating to compensation of assets are recognized as other income on a straight-line basis over the expected useful life of the relevant assets.

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33 Equity settled share-base payments

The Company has adopted several share-based incentive schemes, and the participants of these schemes include the Company’s directors, senior management personnel, core management and technical personnel. The share-based payment expenses recognized during the Relevant Periods are as follows:

	Years ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Share options	15,458	31,643	64,230
Employee Share Ownership Plan	22,195	27,262	24,746
Restricted shares	(936)	—	—
	<u>36,717</u>	<u>58,905</u>	<u>88,976</u>

(a) Share Option

2022 Share Option Incentive Scheme

In June 2022, the first extraordinary annual shareholders’ meeting of 2022 approved the adoption of 2022 share option incentive scheme (the “**2022 Share Option Incentive Scheme**”). Under this scheme and 560,000 share options were granted to 45 eligible participants on April 25, 2023.

2024 Share Option Incentive Scheme

In May 2024, the annual general shareholders’ meeting of 2023 approved the adoption of 2024 share option incentive scheme (the “**2024 Share Option Incentive Scheme**”). Under this scheme, 3,420,000 were granted to 146 eligible participants on May 15, 2024.

2025 Share Option Incentive Scheme

In March 2025, the first extraordinary annual shareholders’ meeting of 2025 approved the adoption of 2025 share option incentive scheme (the “**2025 Share Option Incentive Scheme**”). Under this scheme, 6,130,000 share options were granted to 136 eligible participants on April 1, 2025.

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(i) *The terms and conditions of the grants are as follows*

	Number of options	Vesting conditions	Contractual life of options
Share Option granted on			
April 25, 2023	560,000	Subject to fulfilment of the Company’s target performance and individual performance evaluation, 50% and 50% of the options granted vest after 12 months and 24 months from the grant date.	Vesting period plus 12 months
May 15, 2024	3,420,000	Subject to fulfilment of the Company’s target performance and individual performance evaluation, 40%, 30% and 30% of the options granted vest after 12 months, 24 months and 36 months from the grant date	Vesting period plus 12 months
April 1, 2025	6,130,000		

(ii) *The number and weighted average exercise prices of share options*

	For the year ended December 31,					
	2023		2024		2025	
	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
	RMB		RMB		RMB	
Outstanding at the beginning of the year	23.81	13,167,000	23.05	9,303,000	20.29	7,327,089
Granted during the year	21.25	560,000	20.33	3,420,000	45.63	6,130,000
Exercised during the year	—	—	(20.54)	(4,230,911)	(19.71)	(4,387,033)
Forfeited during the year	(25.05)	(4,424,000)	(35.40)	(1,165,000)	(19.40)	(84,000)
Outstanding at the end of the year	23.05	9,303,000	20.29	7,327,089	36.48	8,986,056
Exercisable at the end of the year	—	—	20.26	382,589	19.17	822,056

The options outstanding as at December 31, 2023 and 2024 and 2025 had a weighted average remaining contractual life of 1.95 years, 1.85 years and 2.29 years, respectively.

The weighted average share prices at the date of exercise for share options exercised during the year ended December 31, 2024 and 2025 are RMB34.64 and RMB48.62 respectively.

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(iii) Fair value of share options and assumptions

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the share options granted is measured using the Black—Scholes option pricing model. The particulars of the share options and significant inputs into the model are as follow:

Options granted on	Fair value of granted share options and assumptions			
	Before Track Record			
	Period	April 25, 2023	May 15, 2024	April 1, 2025
Fair value at grant date (RMB per option).	2.46– 6.00	4.66	12.25	12.04
Exercise price (RMB per option)	21.25	21.25	21.12	45.63
Option life (years).	2–4 years	2–3 years	2–4 years	2–4 years
Expected time to vest (years).	1–3 years	1–2 years	1–3 years	1–3 years
Expected dividends	1.25%–1.56%	1.17%	0.81%	0.65%
Expected volatility	20.13%–22.13%	18.49%–19.22%	18.88%–20.33%	22.88%–28.09%
Risk-free rate	1.50%–2.75%	1.50%–2.10%	1.50%–2.75%	1.54%–1.61%

The exercise price of share option shall be adjusted when there is distribution of dividends or change in the number of shares issued.

The expected volatility is based on the historic volatility (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility based on publicly available information. Expected dividends are based on historical dividends. Changes in the subjective input assumptions could materially affect the fair value estimate.

Share options were granted under a service condition. This condition has not been taken into account in the grant date fair value measurement of the services received. There were no market conditions associated with the share option grants.

(b) Employee Share Ownership Plan (ESOP)

Phase One of ESOP

In April 2023, the second extraordinary annual shareholders’ meeting of 2023 approved the adoption of the Phase One of ESOP, and 2,978,100 shares were granted to 83 eligible participants at a price of RMB12.80 per share on April 25, 2023 accordingly.

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Phase Two of ESOP

In May 2024, the annual general shareholders’ meeting of 2023 approved the adoption of the Phase Two of ESOP, and 1,040,000 shares were granted to 17 eligible participants at a price of RMB13.20 per share on May 15, 2024 accordingly. The grant price was adjusted to RMB12.71 per share subsequently for the dividend declared for 2023.

Phase Three of ESOP

In March 2025, the first extraordinary annual shareholders’ meeting of 2025 approved the adoption of the Phase Three of ESOP, and 794,000 shares granted to 11 employees at a price of RMB25.35 per share on March 25, 2025 accordingly. The grant price was adjusted to RMB24.65 per share subsequently for the dividend declared for 2024.

Subject to satisfaction of the vesting conditions, which include the fulfilment of the Company’s target performance and the individual performance evaluation:

- shares granted under the Phase One plan vest in two batches: 70% and 30% of the shares vest after 12 months and 24 months, respectively, from the date when the shares are transferred to the plan;
- shares granted under Phase Two and Phase Three plans vest after 12 months from the date when the relevant shares are transferred to the respective plans.

If the vesting conditions are not met, the Company shall repurchase the shares at the grant price adjusted for the dividend declared or changes in the number of shares issued, if any.

(i) The number and weighted average grant date fair value of restricted shares

	For the year ended December 31,					
	2023		2024		2025	
	Weighted average grant date fair value	Number of restricted shares	Weighted average grant date fair value	Number of restricted shares	Weighted average grant date fair value	Number of restricted shares
	RMB		RMB		RMB	
Outstanding at the beginning of the year	—	—	12.83	2,978,100	16.67	1,933,430
Granted during the year	12.83	2,978,100	19.96	1,040,000	31.28	794,000
Vested during the year	—	—	12.83	(2,084,670)	16.67	(1,933,430)
Outstanding at the end of the year	<u>12.83</u>	<u>2,978,100</u>	<u>16.67</u>	<u>1,933,430</u>	<u>31.28</u>	<u>794,000</u>

The fair value of the shares granted under ESOP is calculated based on the grant price and the market closing price of the Company’s shares at the grant date.

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33 Capital, reserves and dividends

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group’s consolidated equity is set out in the consolidated statements of changes in equity. Details of the changes in the Company’s individual components of equity are set out below:

	Share capital	Treasury shares	Capital reserve	Statutory reserve	Fair value reserve	Other reserve	Retained profits	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at January 1, 2023	172,996	(5,451)	729,553	76,389	23,160	15,377	392,915	1,404,939
Changes in equity for 2023:								
Profit for the year	—	—	—	—	—	—	86,480	86,480
Other comprehensive income	—	—	—	—	30	—	—	30
Total comprehensive income.	—	—	—	—	30	—	86,480	86,510
Appropriation to statutory reserve	—	—	—	8,648	—	—	(8,648)	—
Share-based payment transactions	—	(38,119)	(33,223)	—	—	36,717	—	(34,625)
Dividends declared	—	634	—	—	—	—	(34,599)	(33,965)
Repurchase and cancellation of restricted shares	(100)	2,761	(2,661)	—	—	—	—	—
Balance at December 31, 2023	172,896	(40,175)	693,669	85,037	23,190	52,094	436,148	1,422,859
	Share capital	Treasury shares	Capital reserve	Statutory reserve	Fair value reserve	Other reserve	Retained profits	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at January 1, 2024	172,896	(40,175)	693,669	85,037	23,190	52,094	436,148	1,422,859
Changes in equity for 2024:								
Profit for the year	—	—	—	—	—	—	203,293	203,293
Other comprehensive income	—	—	—	—	—	—	—	—
Total comprehensive income.	—	—	—	—	—	—	203,293	203,293
Appropriation to statutory reserve	—	—	—	20,329	—	—	(20,329)	—
Share-based payment transactions	4,231	(5,484)	126,105	—	—	5,795	—	130,647
Dividends declared	—	1,537	—	—	—	—	(138,333)	(136,796)
Repurchase and cancellation of restricted shares	(96)	2,603	(2,507)	—	—	—	—	—
Balance at December 31, 2024	177,031	(41,519)	817,267	105,366	23,190	57,889	480,779	1,620,003

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	Share capital	Treasury shares	Capital reserve	Statutory reserve	Fair value reserve	Other reserve	Retained profits	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at January 1, 2025	177,031	(41,519)	817,267	105,366	23,190	57,889	480,779	1,620,003
Changes in equity for 2025:								
Profit for the year	—	—	—	—	—	—	341,264	341,264
Other comprehensive income	—	—	—	—	(535)	—	—	(535)
Total comprehensive income.	—	—	—	—	(535)	—	341,264	340,729
Share-based payment transactions	4,387	20,906	155,660	—	—	17,494	—	198,447
Dividends declared	—	1,358	—	—	—	—	(196,519)	(195,161)
Others	—	—	—	—	—	—	4,195	4,195
Balance at December 31, 2025	<u>181,418</u>	<u>(19,255)</u>	<u>972,927</u>	<u>105,366</u>	<u>22,655</u>	<u>75,383</u>	<u>629,719</u>	<u>1,968,213</u>

(b) Dividends

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Ordinary A shares			
Interim dividends declared and paid during the year (tax inclusive)	—	52,730	72,191
Final dividends in respective of the previous year, declared during the year/period (tax inclusive)	34,599	85,603	124,328
Total	<u>34,599</u>	<u>138,333</u>	<u>196,519</u>

Interim dividends of RMB0.30 and RMB0.40 per share (tax inclusive) were declared and paid during the years ended December 31, 2024 and 2025 respectively.

Final dividends of RMB0.20, RMB0.50 and RMB0.70 per share (tax inclusive) in respective of the previous year were declared and paid during the years ended December 31, 2023, 2024 and 2025, respectively.

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(c) *Share capital*

	<i>Number of shares (‘000)</i>	<i>RMB’000</i>
Ordinary shares, issued and fully paid:		
At January 1, 2023	172,996	172,996
Repurchase and cancellation of restricted shares	(100)	(100)
At December 31, 2023 and January 1, 2024	172,896	172,896
Exercise of share options	4,231	4,231
Repurchase and cancellation of restricted shares	(96)	(96)
At December 31, 2025 and January 1, 2025	177,031	177,031
Exercise of share options	4,387	4,387
At December 31, 2025	<u>181,418</u>	<u>181,418</u>

(d) *Treasury shares*

During the years ended December 31, 2023, 2024 and 2025, the Company repurchased its own ordinary A shares as follows:

	Year ended December 31,		
	2023	2024	2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
At the beginning of the year	(5,451)	(40,175)	(41,519)
Vesting of shares under ESOP	—	25,225	22,989
Granting of shares under ESOP	33,223	9,690	(2,083)
Repurchase of shares for ESOP	(71,342)	(40,399)	—
Effect of dividend declared	634	1,537	1,358
Repurchase and cancellation of restricted shares	<u>2,761</u>	<u>2,603</u>	<u>—</u>
At the end of the year/period	<u>(40,175)</u>	<u>(41,519)</u>	<u>(19,255)</u>

At December 31, 2023, 2024 and 2025, the Company held 3,074,100, 2,727,430 and 794,000 its own ordinary A shares respectively.

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During the years ended December 31, 2023 and 2024, the Company repurchased 2,978,100, 1,834,000 shares in total, on the Shenzhen Stock Exchange for an aggregate consideration of RMB71,342,000 and RMB40,399,000, respectively. The details of repurchase information are as follows:

Year	Number of shares repurchased	Highest price paid per share	Lowest price paid per share	Aggregate price paid
		<i>RMB</i>	<i>RMB</i>	<i>RMB’000</i>
2023	2,978,100	24.99	21.98	71,342
2024	1,834,000	24.32	18.89	40,399

(e) Nature and purpose of reserves

(i) Capital reserve

The capital reserve represents the difference between the par value of the shares issued and paid-up.

(ii) Statutory reserve

According to the PRC laws, the PRC subsidiaries of the Group and the Company are required to set up statutory reserve fund. Statutory reserve fund was set up by appropriating at least 10% of the entity’s annual profit after taxation, as determined under PRC regulations, until the balance of the fund equals to 50% of the entity’s registered capital. This fund can be used to make up previous years’ losses or to convert into paid-in capital.

(iii) Fair value reserve

The Group’s fair value reserve is non-recycling and represents the cumulative net change in the fair value of equity investments designated in FVOCI that are held at the end of the reporting period.

(iv) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of the Group’s subsidiaries with functional currency other than RMB.

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(v) *Other reserve*

Other reserve mainly comprises the following:

- portion of the grant date fair value of unexercised share options granted to employees of the Group that has been recognized in accordance with the accounting policy adopted for share-based payments in note 2(t)(ii);
- merger reserves resulted from business combinations.

(f) *Capital management*

The Group’s primary objectives when managing capital are to safeguard the Group’s ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

34 Financial risk management and fair values

Exposure to credit, liquidity, interest rate and foreign currency risks arises in the normal course of the Group’s business. The Group’s exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) *Credit risk*

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group’s credit risk is primarily attributable to trade and other receivables and contract assets. The Group’s exposure to credit risk arising from cash and cash equivalents and restricted bank deposits are limited because the counterparties are banks with sound credit ratings, for which the Group considers having low credit risk.

The Group does not provide any guarantees which would expose the Group to credit risk.

Trade receivables

The Group has established a credit risk management policy under which individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer’s past history of making payments when due and current ability

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to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Normally, the Group does not obtain collateral from customers.

As the Group’s customer base is diversified, the Group has no significant concentration of credit risk in individual customers, or industries or countries in which the customers operate.

The Group measures loss allowances for trade receivables and contract assets at an amount equal to lifetime ECLs. Expected loss rates are determined based on actual loss experience. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group’s view of economic conditions over the expected lives of the receivables.

The loss rates remained constant for the years ended December 31, 2023, 2024 and 2025, because the Group considers that there has been no significant change in the Group’s customer base, the historical loss experience or the ageing pattern of those financial assets.

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The expected credit loss was determined as follows for trade and bills receivables and contract assets:

As at December 31, 2023			
	Expected loss rates	Gross carrying amount	Loss allowance
	%	RMB'000	RMB'000
Trade receivables			
On an individual basis:	100%	20,714	20,714
On a collective basis:			
Within 1 year	5%	313,048	15,652
Over 1 year but within 2 years	10%	28,701	2,870
Over 2 years but within 3 years	20%	27,720	5,544
Over 3 years but within 4 years	50%	11,534	5,767
Over 4 years but within 5 years	80%	16,681	13,344
Over 5 years	100%	12,651,	12,651
		<u>431,049</u>	<u>76,542</u>
Bills receivable			
Bank acceptance (i):	—	66,423	—
Commercial acceptance:	6%	1,976	111
		<u>68,399</u>	<u>111</u>
		<u>499,448</u>	<u>76,653</u>
Contract assets			
Within 1 year	5%	4,600	230
Over 1 year but within 2 years	10%	952	95
Over 2 years but within 3 years	20%	4,445	889
Over 3 years but within 4 years	50%	2,013	1,006
Over 4 years but within 5 years	80%	1,206	965
Over 5 years	100%	17	17
		<u>13,233</u>	<u>3,202</u>

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As at December 31, 2024			
	Expected loss rates	Gross carrying amount	Loss allowance
	%	RMB’000	RMB’000
Trade receivables			
On an individual basis:	100%	14,308	14,308
On a collective basis:			
Within 1 year	5%	354,244	17,712
Over 1 year but within 2 years	10%	37,838	3,784
Over 2 years but within 3 years	20%	9,905	1,981
Over 3 years but within 4 years	50%	12,210	6,105
Over 4 years but within 5 years	80%	5,656	4,525
Over 5 years	100%	21,939	21,939
		<u>456,100</u>	<u>70,354</u>
Bills receivable			
Bank acceptance (i):	—	88,447	—
Commercial acceptance:	5%	2,321	116
		<u>90,768</u>	<u>116</u>
		<u>546,868</u>	<u>70,470</u>
Contract assets			
Within 1 year	5%	4,945	247
Over 1 year but within 2 years	10%	2,769	277
Over 2 years but within 3 years	20%	510	102
Over 3 years but within 4 years	50%	1,663	832
Over 4 years but within 5 years	80%	1,783	1,426
Over 5 years	100%	771	771
		<u>12,441</u>	<u>3,655</u>

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As at December 31, 2025			
	Expected loss rates	Gross carrying amount	Loss allowance
	%	RMB’000	RMB’000
Trade receivables			
On an individual basis:	100%	14,270	14,270
On a collective basis:			
Within 1 year	5%	580,788	29,038
Over 1 year but within 2 years	10%	55,644	5,565
Over 2 years but within 3 years	20%	21,097	4,219
Over 3 years but within 4 years	50%	7,970	3,985
Over 4 years but within 5 years	80%	10,501	8,401
Over 5 years	100%	17,616	17,617
		<u>707,886</u>	<u>83,095</u>
Bills receivable			
Bank acceptance (i):	—	30,912	—
Commercial acceptance:	5%	10,157	508
		<u>41,069</u>	<u>508</u>
		<u>748,955</u>	<u>83,603</u>
Contract assets			
Within 1 year	5%	6,779	338
Over 1 year but within 2 years	10%	1,758	176
Over 2 years but within 3 years	20%	1,193	239
Over 3 years but within 4 years	50%	40	20
Over 4 years but within 5 years	80%	315	252
Over 5 years	100%	698	698
		<u>10,783</u>	<u>1,723</u>

Movement in the loss allowance account in respect of trade and bills receivables and contract assets during the years ended December 31, 2023, 2024 and 2025 is as follows:

As at December 31,			
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
At beginning of the year	71,130	79,855	74,125
Loss allowance recognized	9,561	13,391	5,782
Exchange adjustments	—	—	(93)
Amounts written off	(836)	(942)	(808)
Transfer to assets held for sale	—	(18,179)	—
Others (ii)	—	—	6,320
At the end of the year	<u>79,855</u>	<u>74,125</u>	<u>85,326</u>

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- (i) The expected credit loss on bank acceptance is considered insignificant.
- (ii) Loss allowance was recognized on amounts due from Ruiming Sciences upon disposal of the discontinued operation and was included in profit from discontinued operation.

Other receivables

The directors of the Company consider the Group’s exposure to credit risk arising from other receivables is not significant as the balances of other receivables are mainly loans to employees, pledged deposits and other miscellaneous operating receivables and no significant actual losses were experienced historically by the Group.

(b) Liquidity risk

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management of the Group to finance the operations and mitigate the effects of fluctuations of cash flows.

The following table details the remaining contractual maturities as at the end of the reporting periods of the Group’s financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting periods) and the earliest date the Group can be required to pay:

As at December 31, 2023					
	Within 1 year or on demand	More than 1 year but within 2 years	More than 2 years but within 5 years	Total contractual undiscounted cash flow	Carrying amount
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Trade and bills					
payables	364,348	—	—	364,348	364,348
Other payables	64,350	—	—	64,350	64,350
Loans and borrowings .	153,233	82,560	—	235,793	228,880
Lease liabilities	9,563	7,768	8,071	25,402	23,824
	<u>591,494</u>	<u>90,328</u>	<u>8,071</u>	<u>689,893</u>	<u>681,402</u>

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As at December 31, 2024

	Within 1 year or on demand	More than 1 year but within 2 years	More than 2 years but within 5 years	Total contractual undiscounted cash flow	Carrying amount
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Trade and bills					
payables	367,259	—	—	367,259	367,259
Other payables	58,416	—	—	58,416	58,416
Loans and borrowings .	182,116	—	—	182,116	177,079
Lease liabilities	10,672	6,743	924	18,339	17,578
	<u>618,463</u>	<u>6,743</u>	<u>924</u>	<u>626,130</u>	<u>620,332</u>

As at December 31, 2025

	Within 1 year or on demand	More than 1 year but within 2 years	More than 2 years but within 5 years	Total contractual undiscounted cash flow	Carrying amount
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Trade and bills					
payables	633,133	—	—	633,133	633,133
Other payables	36,858	—	—	36,858	36,858
Loans and borrowings .	265,301	—	—	265,301	263,129
Lease liabilities	16,507	10,873	13,858	41,238	39,284
	<u>951,799</u>	<u>10,873</u>	<u>13,858</u>	<u>976,530</u>	<u>972,404</u>

(c) *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is primarily exposed cash flow risk in relation to variable-rate bank balances. The directors of the Company consider that the exposure of cash flow interest rate risk arising from variable-rate bank balances is insignificant because the current market interest rates are relatively low and stable.

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(d) Foreign currency risk

The Group is exposed to foreign currency risk primarily through sales which give rise to cash balances and receivables that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which the transactions relate. The currencies giving rise to this risk are primarily United States dollars (“USD”), Euros (“EUR”), Hong Kong dollars (“HKD”), Japanese Yens (“JPY”), Vietnamese Dong (“VND”), Singapore dollars (“SGD”) and United Arab Emirates Dirhams (“AED”). The Group manages this risk as follows:

(i) Exposure to currency risk

The following table details the Group’s exposure at the end of the reporting period to currency risk arising from recognized assets denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in RMB, translated using the spot rate at the period end date.

	As at December 31, 2023		
	USD	EUR	Others
	RMB’000	RMB’000	RMB’000
Financial assets			
Cash and cash equivalents	307,104	2,959	1,776
Trade receivables	229,120	—	—
Other receivables	1,742	159	205
	<u>537,966</u>	<u>3,118</u>	<u>1,981</u>
Financial liabilities			
Trade payables	123,844	—	229
Other payables	2,421	—	456
	<u>126,265</u>	<u>—</u>	<u>685</u>
	<u>411,701</u>	<u>3,118</u>	<u>1,296</u>

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As at December 31, 2024			
	USD	EUR	Others
	RMB’000	RMB’000	RMB’000
Financial assets			
Cash and cash equivalents.....	272,108	5,482	4,421
Trade receivables	694,746	—	229
Other receivables	1,643	484	711
	<u>968,497</u>	<u>5,966</u>	<u>5,361</u>
Financial liabilities			
Trade payables	601,590	234	1,088
Other payables	1,156	22	2,474
	<u>602,746</u>	<u>256</u>	<u>3,562</u>
	<u>365,751</u>	<u>5,710</u>	<u>1,799</u>
As at December 31, 2025			
	USD	EUR	Others
	RMB’000	RMB’000	RMB’000
Financial assets			
Cash and cash equivalents.....	235,647	534	965
Trade receivables	1,081,557	2	—
Other receivables	160,840	1,236	34
	<u>1,478,044</u>	<u>1,772</u>	<u>999</u>
Financial liabilities			
Trade payables	937,268	16,485	—
Other payables	159,957	834	—
	<u>1,097,225</u>	<u>17,319</u>	<u>—</u>
	<u>380,819</u>	<u>(15,547)</u>	<u>999</u>

(ii) Sensitivity analysis

The following table indicates the instantaneous change in the Group’s profit after tax (and retained profits) that would arise if foreign exchange rates to which the Group has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant.

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	As at December 31, 2023		As at December 31, 2024		As at December 31, 2025	
	Increase/ (decrease) in	Effect on profit	Increase/ (decrease) in	Effect on profit	Increase/ (decrease) in	Effect on profit
	foreign exchange rates	after tax and retained profits	foreign exchange rates	after tax and retained profits	foreign exchange rates	after tax and retained profits
		<i>RMB'000</i>		<i>RMB'000</i>		<i>RMB'000</i>
USD	5%	20,640	5%	20,407	5%	18,842
	(5%)	(20,640)	(5%)	(20,407)	(5%)	(18,842)

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the Group entities’ profit after tax and equity measured in the respective functional currencies, translated into RMB at the exchange rate ruling at the end of the reporting period for presentation purposes.

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting period. The analysis is performed on the same basis during the years ended December 31, 2023, 2024 and 2025.

(e) Fair value measurement

(i) Financial assets and liabilities measured at fair value

Fair value hierarchy

The following table presents the fair value of the Group’s financial instruments measured at the end of the reporting period on a recurring basis, categorized into the three-level fair value hierarchy as defined in IFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- **Level 1 valuations:** Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- **Level 2 valuations:** Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.

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- Level 3 valuations: Fair value measured using significant unobservable inputs

Analysis on fair value measurement of financial instruments as at December 31, 2022, 2023, 2024 and 2025 are as follows:

	Fair value at December 31, 2023	Fair value measurement at December 31, 2023, categorized into		
	RMB'000	Level 1	Level 2	Level 3
Recurring fair value measurement				
Financial assets measured at FVPL				
— Equity securities	21,000	—	—	21,000
Financial assets at FVOCI				
— Bills receivable	6,078	—	—	6,078
— Equity securities	84,246	39,510	—	44,736
	Fair value at December 31, 2024	Fair value measurement at December 31, 2024, categorized into		
	RMB'000	Level 1	Level 2	Level 3
Recurring fair value measurement				
Financial assets measured at FVPL				
— Wealth management products	506	—	506	—
— Equity securities	21,000	—	—	21,000
Financial assets at FVOCI				
— Bills receivable	10,045	—	—	10,045
— Equity securities	70,172	25,436	—	44,736
	Fair value at December 31, 2025	Fair value measurement at December 31, 2025, categorized into		
	RMB'000	Level 1	Level 2	Level 3
Recurring fair value measurement				
Financial assets measured at FVPL				
— Equity securities	21,381	—	—	21,381
Financial assets at FVOCI				
— Bills receivable	7,765	—	—	7,765
— Equity securities	39,807	—	—	39,807

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During the years ended December 31, 2023, 2024 and 2025, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group’s policy is to recognize transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

Information about Level 3 fair value measurement

The fair value of bills receivable in Level 3 approximates the carrying value due to their short maturities.

The valuation of unlisted equity investments and listed equity investments without active market is determined by reference to the recent transaction price or using valuation techniques such as market multiplier method. The measurement of fair value uses significant unobservable parameters, including enterprise value-to-revenue ratio, liquidity discount, investment underlying net value, etc.

The movement during the years ended December 31, 2023, 2024 and 2025 in the balances of equity securities in Level 3 fair value measurements are as follows:

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
At the beginning of the year	53,731	65,736	65,736
Additions	9,735	—	965
Changes in fair value recognized.	2,270	—	(4,284)
—in other comprehensive income	2,270	—	(4,664)
—in profit or loss	—	—	380
Disposals.	—	—	(1,200)
Effect of foreign exchange rate changes . . .	—	—	(29)
At the end of the year.	<u>65,736</u>	<u>65,736</u>	<u>61,188</u>

(ii) Fair value of financial assets and liabilities carried at amortized cost

The carrying amounts of the Group’s financial instruments carried at amortized cost are not materially different from their fair values as at December 31, 2023, 2024 and 2025.

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35 Commitments

Capital commitments outstanding at the end of the reporting periods not provided for in the consolidated financial statements were as follows:

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Contracted for acquisition of property, plant and equipment and land-use rights .	148,698	139,096	122,425

36 Material related party transactions

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company’s directors and supervisors as disclosed in note 10 and certain of the highest paid employees as disclosed in note 11, is as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Short-term employee benefits	6,090	7,181	5,495
Post-employment benefits	234	264	326
Share-based payments	5,357	7,479	12,206
	11,681	14,924	18,027

Total remuneration is included in “staff costs” (see note 8(b)).

(b) Names and relationships with related parties

The Group entered into the following material related party transactions.

Name of related party	Relationship with the Group
Shengchen Engineering Technology Co., Ltd. (四川聖晨工程技術有限公司)	Associate of the Group

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Name of related party	Relationship with the Group
Tianjin Ruitong Intelligent Technology Co., Ltd. (天津銳通智慧科技有限公司)	Associate of the Group
Weian Digital Technology (Shenzhen) Co., Ltd. (衛安數字科技(深圳)有限責任公司)	Associate of the Group
Shenzhen Streamap Technology Co., Ltd. (深圳市銳明像素科技有限公司)	Associate of the Group
Beijing Ruiming Bofei Technology Co., Ltd. (北京銳明博飛科技有限公司)	Associates of the Group
Shenzhen Ruimingzhi Guanshu Technology Co., Ltd. (深圳市銳明智觀數科有限公司)	Associates of the Group
Nanjing Ruixiaoxie Information Technology Co., Ltd. (南京銳小卸資訊技術有限公司)	Associates of the Group
Shenzhen Ruixinyuan Electronics Co., Ltd. (深圳市銳欣源電子有限公司)	Associates of the Group
Guizhou Yunping Cultural Media Co., Ltd. (貴州雲屏文化傳媒有限公司)	Associates of the Group
Shenzhen Ruiming Sciences Technology Co., Ltd. (深圳市銳明科技有限公司) (ii)	Associates of the Group
Ruiming Technology (Dongguan) Co., Ltd. (銳明科技(東莞)有限公司) (ii)	Associates of the Group

(i) The official names of the above entities are in Chinese. The English translation of the names is for identification only.

(ii) These companies were the subsidiaries of the Company before January 2025, see note 4 for details.

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(c) Transactions with related parties

The material related party transactions entered into by the Group during the years ended December 31, 2023, 2024 and 2025 and the balances with related parties as at December 31, 2022, 2023, 2024 and 2025 are set out below.

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Continuing operations:			
Purchases of goods and services			
Shenzhen Ruimingzhi Guanshu Technology Co., Ltd.	437	92	258
Tianjin Ruitong Intelligent Technology Co., Ltd	262	398	425
Beijing Ruiming Bofei Technology Co., Ltd.	—	—	74
Shenzhen Streamap Technology Co., Ltd. . .	—	—	395
Ruiming Technology (Dongguan) Co., Ltd .	—	—	40,960
	<u>699</u>	<u>490</u>	<u>42,112</u>
Sales of goods and rendering of services and rental income			
Beijing Ruiming Bofei Technology Co., Ltd	10,905	10,511	4,402
Nanjing Ruixiaoxie Information Technology Co., Ltd.	34	—	—
Shenzhen Streamap Technology Co., Ltd. . .	2,069	2,488	3,287
Shenzhen Ruimingzhi Guanshu Technology Co., Ltd.	3,374	6,654	5,297
Tianjin Ruitong Intelligent Technology Co., Ltd	7,585	6,358	6,328
Weian Digital Technology (Shenzhen) Co., Ltd	66	17	(468)
Guizhou Yunping Cultural Media Co., Ltd .	192	537	10
Shengchen Engineering Technology Co., Ltd	—	4	—
Ruiming Technology (Dongguan) Co., Ltd .	—	—	13,755
	<u>24,225</u>	<u>26,569</u>	<u>32,611</u>
Sales of fixed assets			
Ruiming Technology (Dongguan) Co., Ltd. .	—	—	874
	<u>—</u>	<u>—</u>	<u>874</u>

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	Year ended December 31,		
	2023	2024	2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Discontinued operation:			
Purchases of goods and services			
Shenzhen Ruixinyuan Electronics Co., Ltd .	164	177	—
Sales of goods and rendering of services			
Shenzhen Ruimingzhi Guanshu Technology Co., Ltd.	39	—	—
Shenzhen Ruixinyuan Electronics Co., Ltd .	1,733	7,250	—
	1,772	7,250	—

(d) Balances with related parties

The Group:

	As at December 31,		
	2023	2024	2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Trade related:			
Bills receivable			
Tianjin Ruitong Intelligent Technology Co., Ltd.	3,142	1,362	100
Beijing Ruiming Bofei Technology Co., Ltd.	5,918	1,207	—
	9,060	2,569	100

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	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Trade receivables			
Tianjin Ruitong Intelligent Technology Co., Ltd.	2,262	2,099	2,541
Shengchen Engineering Technology Co., Ltd.	20	—	—
Weian Digital Technology (Shenzhen) Co., Ltd.	2,367	2,367	1,836
Beijing Ruiming Bofei Technology Co., Ltd.	2,507	4,913	3,693
Guizhou Yunping Cultural Media Co., Ltd.	3,965	3,138	2,850
Nanjing Ruixiaoxie Information Technology Co., Ltd.	1,786	1,786	1,756
Shenzhen Ruiming Pixel Technology Co., Ltd.	49	766	1,157
Shenzhen Ruimingzhi Guanshu Technology Co., Ltd.	152	1,273	2,153
Shenzhen Ruixinyuan Electronics Co., Ltd.	148	5,919	—
Ruiming Technology (Dongguan) Co., Ltd.	—	—	10,980
Less: loss allowance	(1,207)	(3,874)	(6,355)
	<u>12,049</u>	<u>18,387</u>	<u>20,611</u>
Prepayments			
Shenzhen Ruimingzhi Guanshu Technology Co., Ltd.	150	150	150
Tianjin Ruitong Intelligent Technology Co., Ltd.	—	52	—
	<u>150</u>	<u>202</u>	<u>150</u>
Other receivables			
Shenzhen Ruixinyuan Electronics Co., Ltd.	221	38	—
Ruiming Technology (Dongguan) Co., Ltd.	—	—	1,155
Less: loss allowance	—	—	(83)
	<u>221</u>	<u>38</u>	<u>1,072</u>
Trade payables			
Shengchen Engineering Technology Co., Ltd.	54	—	—
Shenzhen Ruimingzhi Guanshu Technology Co., Ltd.	436	369	359
Tianjin Ruitong Intelligent Technology Co., Ltd.	296	—	52

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	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Beijing Ruiming Bofei Technology Co., Ltd.	—	—	78
Shenzhen Streamap Technology Co., Ltd. . .	—	—	416
Ruiming Technology (Dongguan) Co., Ltd. .	—	—	5,441
	<u>786</u>	<u>369</u>	<u>6,346</u>
Other payables			
Tianjin Ruitong Intelligent Technology Co., Ltd.	—	24	—
Shenzhen Ruimingzhi Guanshu Technology Co., Ltd.	—	600	3
Shenzhen Ruixinyuan Electronics Co., Ltd. .	—	—	—
Ruiming Technology (Dongguan) Co., Ltd. .	—	—	60
	<u>—</u>	<u>624</u>	<u>63</u>
Contract liabilities			
Shenzhen Streamap Technology Co., Ltd. .	<u>6</u>	<u>6</u>	<u>6</u>
Non-trade related:			
Other payables			
Shenzhen Ruixinyuan Electronics Co., Ltd. .	<u>1,000</u>	<u>600</u>	<u>—</u>

The above outstanding balances as at December 31, 2023 and 2024 include the balances between Ruiming Sciences and its subsidiaries and the Group’s related parties. Accordingly, trade receivables of RMB5,919,000 and other receivables of RMB38,000 were included in “assets held for sale” and other payables of RMB600,000 were included in “liabilities directly associated with assets held for sale” in the consolidated statements of financial position as at December 31, 2024.

37 Immediate and ultimate controlling party

The Company has no controlling party during the Track Record Period

38 Possible impact of amendments, new standards and interpretations issued but not yet effective for the accounting period beginning on January 1, 2025

Up to the date of this report, the IASB has issued a number of new or amended standards, which are not yet effective for the accounting period beginning on January 1, 2025 and which have not been adopted in the Historical Financial Information.

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	Effective for accounting periods beginning on or after
Amendments to IFRS 9 and IFRS 7, <i>Contracts Referencing Nature—dependent Electricity</i>	January 1, 2026
Amendments to IFRS 9 and IFRS 7, <i>Amendments to the Classification and Measurement of Financial Instruments</i>	January 1, 2026
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026
IFRS 18, <i>Presentation and Disclosure in Financial Statements</i>	January 1, 2027
IFRS 19, <i>Subsidiaries without Public Accountability: Disclosures</i>	January 1, 2027
Amendments to IAS 21, Translation to a hyperinflationary presentation currency	January 1, 2027
Amendments to IFRS 10 and IAS 28, <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	To be determined

The Group is in the process of making an assessment of what the impact of these developments are expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group’s financial performance and financial position.

IFRS 18, Presentation and disclosure in financial statements

IFRS 18 will replace IAS 1 *Presentation of financial statements* and aims to improve the transparency and comparability of information about an entity’s financial statements. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027 and is to be applied retrospectively.

Among other changes, under IFRS 18, entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements.

The Group does not plan to early adopt IFRS 18 and based on the initial assessment result it concluded that adoption of IFRS 18 would not significantly affect the financial position and performance of the Group.

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39 Significant non-adjusting events

On March 27, 2026, final dividends of RMB0.60 per share (tax inclusive) were declared by the Company.

SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company and its subsidiaries in respect of any period subsequent to December 31, 2025.

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX III

TAXATION AND FOREIGN EXCHANGE

The PRC Taxation

Income tax and capital gains tax of holders of the H shares is subject to the laws and practices of the PRC and of jurisdictions in which holders of the H Shares are resident or otherwise subject to tax. The following summary of certain relevant taxation provisions is based on current law and practice and has not taken into account the expected change or amendment to the relevant laws or policies. The discussion has no intention to cover all possible tax consequences resulting from the investment in H Shares, nor does it take the specific circumstances of any particular investor into account, some of which may be subject to special regulations. Accordingly, you should consult your own tax advisor regarding the tax consequences of an investment in H Shares. The discussion is based upon laws and relevant interpretations in effect as of the date of the Latest Practicable Date, which is subject to change and may have retrospective effect.

This discussion does not address any aspects of PRC taxation other than income tax, capital gains tax and profits tax, stamp duty and estate duty. Prospective investors are urged to consult their financial advisers regarding the PRC and other tax consequences of owning and disposing of the H shares.

Taxation on Dividends

Individual Investor

Pursuant to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》), (“**Individual Income Tax Law**”), lastly amended by the SCNPC on 31 August 2018 and effective on 1 January 2019, and the Implementation Rules 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》) lastly amended by the State Council on 18 December 2018 and effective on 1 January 2019, dividends paid by PRC companies to individual investors are ordinarily subject to a with holding income tax levied at a flat rate of 20%. Meanwhile, according to the Notice on Issues Concerning Differentiated Individual Income Tax Policies on Dividends and Bonus of Listed Companies (《關於上市公司股息紅利差別化個人所得稅政策有關問題的通知》) jointly issued by the Ministry of Finance (“**MOF**”), the State Taxation Administration (“**STA**”) and the CSRC on 7 September 2015 and effective on 8 September 2015, where an individual holds the shares of a listed company obtained from the public offering and market transfer, if the holding period is more than one year, the dividends and bonus income shall be temporarily exempted from individual income tax. Where an individual holds shares of a listed company from the public offering and market transfer, if the holding period is within one month (inclusive), the dividend income shall be included in the taxable income in full; if the holding

APPENDIX III

TAXATION AND FOREIGN EXCHANGE

period is more than one month but less than one year (inclusive), the dividend income shall be included in the taxable income at the rate of 50%; the aforesaid income shall be subject to individual income tax at a uniform rate of 20%.

Pursuant to the Arrangement between the Chinese Mainland and the Hong Kong Special Administrative Region for 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》), (**“the Arrangement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income”**), executed on 21 August 2006, the government may impose tax on dividends paid by a company in Chinese Mainland to a Hong Kong resident (including natural person and legal entity), but such tax shall not exceed 10% of the total amount of dividends payable. If a Hong Kong resident directly holds 25% or more of the equity interests in a company in Chinese Mainland and the Hong Kong resident is the beneficial owner of the dividends and meets other conditions, such tax shall not exceed 5% of the total amount of dividends payable by the company in Chinese Mainland. The Fifth Protocol to the Arrangement between the Chinese Mainland and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (《國家稅務總局關於〈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》) (**“the Fifth Protocol”**), issued by the SAT and effective on 6 December 2019 provides that such provisions shall not apply to arrangements or transactions made for one of the primary purposes of obtaining such tax benefits.

Enterprise Investors

Pursuant to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) (**“EIT Law”**), lastly amended by the SCNPC and effective on 29 December 2018, and the Implementation Rules of the EIT Law of the PRC (《中華人民共和國企業所得稅法實施條例》) (**“Implementation Rules of the EIT Law”**), lastly amended by the State Council on 6 December 2024 and effective on 20 January 2025, a non-resident enterprise is subject to a 10% EIT on Chinese Mainland-sourced income, including dividends paid by a PRC resident enterprise that issues and lists shares in Hong Kong, if such non-resident enterprise does not have an establishment or place of business in the Chinese Mainland or has an establishment or place of business in the Chinese Mainland but the Chinese Mainland-sourced income is not actually connected with such establishment or place of business in the Chinese Mainland. The aforesaid income tax payable by non-resident enterprises shall be withheld at source, and the payer shall be the withholding agent, and the tax shall be withheld by the withholding agent from the payment or due payment every time it is paid or due. Such tax may be reduced or exempted pursuant to an applicable treaty for the avoidance of double taxation.

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Pursuant to the Notice on the Issues Concerning Withholding the EIT on the Dividends Paid by Chinese Resident Enterprises to H Share Holders Which Are Overseas Non-resident Enterprises (《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》) issued by the SAT and effective on 6 November 2008, a PRC resident enterprise is required to withhold EIT at a unified rate of 10% on dividends paid to non-PRC resident enterprise holders of H shares which are derived out of profit generated since 2008. The Reply on the Collection of EIT on Dividends Received by Non-resident Enterprises from Holding B Shares and Other Shares (《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》), promulgated by the SAT on 24 July 2009 and effective on the same day, further provides that PRC-resident enterprises listed on Chinese Mainland and overseas stock exchanges by issuing stocks must withhold EIT at a flat 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 or agreement that the PRC government has concluded with a relevant country or region, where applicable.

According to the Arrangement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, the PRC government may impose tax on dividends paid by a Chinese Mainland company to a Hong Kong resident (including natural person and legal entity), but such tax shall not exceed 10% of the total dividends payable by the Chinese Mainland company. If a Hong Kong resident directly holds 25% or more of equity interest in a Chinese Mainland company and the Hong Kong resident is the beneficial owner of the dividends and meets other conditions, such tax shall not exceed 5% of the total dividends payable by the Chinese Mainland company. The Fifth Protocol provides that such provisions shall not apply to arrangements or transactions made for one of the primary purposes of obtaining such tax benefits.

Tax Treaties

Non-resident investors residing in jurisdictions which have entered into treaties or adjustments for the avoidance of double taxation with the PRC might be entitled to a reduction of the Chinese enterprise income tax imposed on the dividends received from PRC companies. The PRC currently has entered into Avoidance of Double Taxation Treaties or Arrangements with a number of countries and regions including Hong Kong, Macau, Canada, France, Germany, Japan, Malaysia, the Netherlands, Singapore, the United Kingdom and the United States. Non-PRC resident enterprises entitled to preferential tax rates in accordance with the relevant taxation treaties or arrangements are required to apply to the Chinese tax authorities for a refund of the enterprise income tax in excess of the agreed tax rate, and the refund application is subject to approval by the Chinese tax authorities.

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Taxation on Share Transfer

Individual Investors

Under the Individual Income Tax Law and its implementation rules, individuals are subject to individual income tax at a rate of 20% on gains realized on the sale of equity interests in PRC resident enterprises. Pursuant to the Circular on Continuing the Temporary Exemption of Individual Income Tax on Gains from Share Transfers by Individuals (《關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》), which was promulgated by the MOF and the SAT on 30 March 1998 and effective on the same day, from 1 January 1997, income of individuals from the transfer of shares in listed companies continues to be temporarily exempted from individual income tax. The SAT does not specify whether to continue to exempt individuals from individual income tax on the income from the transfer of shares in listed company in the newly revised EIT Law and Implementation Rules of the EIT Law.

Enterprise Investors

Under the EIT Law and its implementation rules, a non-PRC resident enterprise is subject to EIT at the rate of 10% with respect to Chinese Mainland-sourced income, including gains derived from the disposal of shares in a Chinese Mainland resident enterprise, if it does not have an establishment or place of business in the Chinese Mainland or has an establishment or place of business in the Chinese Mainland but the Chinese Mainland-sourced income is not actually connected with such establishment or place of business in the Chinese Mainland. The aforementioned income tax payable by non-PRC resident enterprises is subject to source withholding, and the payer is the withholding agent. The tax shall be withheld by the withholding agent from the payment or due payment every time it is paid or due. Such tax may be reduced or exempted under the applicable tax treaties or arrangements on the avoidance of double taxation.

Stamp Duty

Pursuant to the Stamp Duty Law of the PRC (《中華人民共和國印花稅法》), which was promulgated by the SCNPC on 10 June 2021 and came into effect on 1 July 2022, the purchase and disposal of H shares by non-Chinese Mainland investors outside of Chinese Mainland are not subject to the requirements of the Stamp Duty Law of the PRC.

Estate Duty

Under prevailing PRC legislation, there is presently no imposition of estate duty within the jurisdiction.

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MAJOR TAXATION OF OUR COMPANY IN PRC

Please refer to the section headed “Regulatory Overview” of this document.

FOREIGN EXCHANGE

The lawful currency of PRC is the Renminbi. The SAFE, authorized by the PBOC, is empowered with the functions of administering all matters relating to foreign exchange, including the enforcement of foreign exchange regulations.

Pursuant to the Regulations of the PRC on Foreign Exchange Control (《中華人民共和國外匯管理條例》) announced by the State Council on 5 August 2008 and effective on the same day, all international payments and transfers are classified into current account items and capital account items. The PRC does not impose restrictions on international payments and transfers under current account items. The retention or sale of foreign exchange receipts under capital accounts to financial institutions engaging in settlement and sale of foreign exchange shall be subject to the approval of foreign exchange administrative authorities, unless otherwise stipulated by the State.

Pursuant to relevant laws and regulations of the PRC, the Chinese enterprises (including foreign-invested enterprises) which require foreign exchange for transactions relating to current account items, may, without the approval of SAFE, effect payment from their foreign exchange accounts at the designated foreign exchange banks, on the strength of valid receipts and proof of transactions. Foreign-invested enterprise that need to distribute profits to their shareholders in foreign exchange and Chinese enterprise that need to pay fixed dividends in foreign exchange in accordance with the requirements shall pay from its foreign exchange account or pay at the designated foreign exchange bank by a resolution of the board of directors on the distribution of profits.

Pursuant to the Decision of the State Council on Canceling and Adjusting a Group of Administrative Approval Items and Other Matters (《國務院關於取消和調整一批行政審批項目等事項的決定》) promulgated by the State Council and effective on 23 October 2014, the administrative approval of the SAFE and its branches on matters concerning the repatriation and settlement of foreign exchange of overseas-raised funds through overseas listing has been canceled.

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Pursuant to the Notice on Relevant Issue Concerning the Administration of Foreign Exchange for Overseas Listing (《關於境外上市外匯管理有關問題的通知》) issued by the SAFE and implemented on December 26, 2014, a domestic company shall, within 15 business days from the date of the end of its overseas listing issuance, register the overseas listing with the local branch office of state administration of foreign exchange at the place of its establishment; the proceeds from an overseas listing of a domestic company may be remitted to the domestic account or deposited in an overseas account, but the use of the proceeds shall be consistent with the content of the public disclosure documents.

According to the Notice of the State Administration of Foreign Exchange on Further Simplifying and Improving Policies for the Foreign Exchange Administration of Direct Investment (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》) issued on 13 February 2015 and effective on 1 June 2015, the SAFE has cancelled the confirmation of foreign exchange registration under domestic direct investment and the confirmation of foreign exchange registration under overseas direct investment, instead, banks shall directly examine and handle foreign exchange registration under domestic direct investment and foreign exchange registration under overseas direct investment, and the SAFE and its branch offices shall indirectly regulate the foreign exchange registration of direct investment through banks.

According to the Notice of the State Administration of Foreign Exchange of the PRC on Revolutionize and Regulate Capital Account Settlement Management Policies (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) issued by the SAFE on 9 June 2016 and effective on the same day, foreign currency earnings in capital account that relevant policies of willingness exchange settlement have been clearly implemented on (including the recalling of raised capital by overseas listing) may undertake foreign exchange settlement in the banks according to actual business needs of the domestic institutions. The tentative percentage of foreign exchange settlement for foreign currency earnings in capital account of domestic institutions is 100%, subject to adjustment by the SAFE in due time in accordance with international revenue and expenditure situations.

APPENDIX IV SUMMARY OF PRINCIPLE LEGAL AND REGULATORY PROVISIONS

This Appendix summarizes certain aspects of the laws and regulations of PRC which are relevant to our Company’s operations and business. Laws and regulations relating to taxation in PRC are discussed separately in “Appendix III—Taxation and Foreign Exchange” to this document. This Appendix also contains a summary of laws and regulatory provisions of the PRC Company Law. The principal objective of this summary is to provide [REDACTED] with an overview of the principal laws and regulatory provisions applicable to our Company. This summary is not intended to include all the information which is important to the [REDACTED]. For a discussion of laws and regulations which are relevant to our Company’s business, see “Regulatory Overview” in this document.

THE PRC LEGAL SYSTEM

The PRC legal system is based on the PRC Constitution (《中華人民共和國憲法》) (“**Constitution**”) and comprises written laws, administrative regulations, local regulations, separate regulations, rules and regulations of departments of the State Council, rules and regulations of local governments, autonomous regulations, separate regulations of autonomous regions, special administrative region law and international treaties and other regulatory documents signed by the PRC government. Judicial precedents are not binding but may serve as judicial reference and guidance.

According to the Constitution and the Legislation Law of the People’s Republic of China (《中華人民共和國立法法》) (“**Legislation Law**”), which was amended by the National People’s Congress (“**NPC**”) and became effective on March 15, 2023, the NPC and the SCNPC are empowered to exercise the legislative power of the State. The NPC has the power to formulate and amend basic laws governing criminal and civil matters, state organs and other matters. The SCNPC is empowered to formulate and amend laws other than those required to be enacted by the NPC and to supplement and amend any parts of laws enacted by the NPC during the adjournment of the NPC, provided such supplements and amendments are not in conflict with the basic principles of such laws.

The State Council is the highest organ of state administration and has the power to formulate administrative regulations based on the Constitution and laws. The people’s congresses of provinces, autonomous regions and municipalities and their respective standing committees may formulate local regulations based on the specific circumstances and actual needs of their respective administrative areas, provided that such local regulations do not contravene any provision of the Constitution, laws or administrative regulations. The people’s congresses of cities divided into districts and their standing committees may formulate local regulations on matters such as urban and rural construction and management, environmental protection and historical and cultural protection based on the specific circumstances and actual needs of such cities, provided that such local regulations do not contravene any provision of the Constitution, laws, administrative

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regulations and local regulations of such provinces or autonomous regions. Where laws have other stipulations on matters of local regulations formulated by cities divided into districts, such stipulations shall prevail. The local regulations of cities divided into districts shall be submitted to the standing committees of the people's congresses of provinces and autonomous regions for approval before implementation. The standing committees of the people's congresses of provinces or autonomous regions shall examine the legality of local regulations submitted for approval, and such approval should be granted within four months if they are not in conflict with the Constitution, laws, administrative regulations and local regulations of their respective provinces or autonomous regions. People's congresses of national autonomous areas have the power to enact autonomous regulations and separate regulations in the light of the political, economic and cultural characteristics of the nationality (nationalities) in the areas concerned. The ministries, commissions, People's Bank of China, National Audit Office and institutions with administrative functions directly under the State Council may formulate rules and regulations within the jurisdiction of their respective departments based on the laws and the administrative regulations, decisions and rulings of the State Council.

The Constitution has supreme legal authority and no laws, administrative regulations, local regulations, autonomous regulations or separate regulations or rules may contravene the Constitution. The authority of laws is greater than that of administrative regulations, local regulations and rules. The authority of administrative regulations is greater than that of local regulations and rules. The authority of the rules enacted by the people's governments of the provinces and autonomous regions is greater than that of the rules enacted by the people's governments of the cities divided into districts within their respective administrative regions.

The NPC has the power to alter or annul any inappropriate laws enacted by the SCNPC, and to annul any autonomous regulations and separate regulations which have been approved by the SCNPC but which contravene the Constitution and the Legislation Law; the SCNPC has the power to annul administrative regulations that contravene the Constitution and laws, to annul local regulations that contravene the Constitution, laws and administrative regulations, and to annul autonomous regulations and separate regulations which have been approved by the standing committees of the people's congresses of the relevant provinces, autonomous regions or municipalities directly under the Central Government, but which contravene the Constitution and the Legislation Law; The State Council has the power to alter or annul any inappropriate ministerial rules and rules of local governments; The people's congresses of provinces, autonomous regions and municipalities directly under the central government have the power to alter or annul any inappropriate local regulations enacted or approved by their respective standing committees; The standing committees of the local people's congresses have the power to annul inappropriate rules enacted by the people's governments at the corresponding level; The people's governments of provinces and autonomous regions have the power to alter or annul any inappropriate rules enacted by the people's governments at a lower level.

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According to the Constitution and the Legislation Law, the power to interpret laws is vested in the SCNPC. According to the Decision of the SCNPC Regarding the Strengthening of Interpretation of Laws (《全國人民代表大會常務委員會關於加強法律解釋工作的決議》) passed by the SCNPC and effective on June 10, 1981, the Supreme People’s Court shall give interpretation on questions involving the specific application of laws and decrees in court trials. The Supreme People’s Procuratorate shall interpret all issues involving the specific application of laws and decrees in the procuratorial work. Interpretation of questions involving the specific application of laws and decrees in areas unrelated to judicial and procuratorial work shall be provided by the State Council and competent authorities. Where the scope of local regulations needs to be further defined or additional stipulations need to be made, the standing committees of the people’s congresses of provinces, autonomous regions and municipalities directly under the Central Government which have enacted these regulations shall provide the interpretations or make the stipulations. Interpretation of questions involving the specific application of local regulations shall be provided by the competent departments of the people’s governments of provinces, autonomous regions and municipalities.

PRC JUDICIAL SYSTEM

According to the Constitution and the Organization Law of the People’s Courts of the PRC (《中華人民共和國人民法院組織法》) amended by the SCNPC on October 26, 2018 and came into effect on January 1, 2019, the PRC People’s Court is made up of the Supreme People’s Court, the local people’s courts, and other special people’s courts. The local people’s courts are divided into three levels, namely the basic people’s courts, the intermediate people’s courts and the higher people’s courts. The basic people’s courts may set up certain people’s tribunals based on the status of the region, population and cases. The Supreme People’s Court shall be the highest judicial organ of the state. The Supreme People’s Court shall supervise the administration of justice by the local people’s courts at all levels and by the special people’s courts. The people’s courts at a higher level shall supervise the judicial work of the people’s courts at lower levels.

According to the Constitution and the Organization Law of the People’s Procuratorates of the PRC (《中華人民共和國人民檢察院組織法》), amended by the SCNPC on October 26, 2018 and came into effect on January 1, 2019, the People’s Procuratorate is the law supervision organ of the state. The Supreme People’s Procuratorate shall be the highest procuratorial organ. The Supreme People’s Procuratorate shall direct the work of the local people’s procuratorates at all levels and of the special people’s procuratorates; the people’s procuratorates at higher levels shall direct the work of those at lower levels.

The people’s courts employ a two-tier appellate system, i.e., judgments or rulings of the second instance at the people’s courts are final. A party may appeal against the judgment or ruling of the first instance of a local people’s courts. The people’s procuratorate may present a protest to

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the people’s courts at the next higher level in accordance with the procedures stipulated by the laws. In the absence of any appeal by the parties and any protest by the people’s procuratorate within the stipulated period, the judgments or rulings of the people’s courts are final. Judgments or rulings of the second instance of the intermediate people’s courts, the higher people’s courts and the Supreme People’s Court and those of the first instance of the Supreme People’s Court are final. However, if the Supreme People’s Court or the people’s courts at the next higher level finds any definite errors in a legally effective final judgment or ruling of the people’s court at a lower level, or if the chief judge of a people’s court at any level finds any definite errors in a legally effective final judgment or ruling of such court, the case can be retried according to judicial supervision procedures.

The Civil Procedure Law of PRC (《中華人民共和國民事訴訟法》) (“**Civil Procedure Law**”) lastly amended by the SCNPC on September 1, 2023 and became effective on January 1, 2024 sets forth the requirements for instituting a civil action, the jurisdiction of the people’s courts, the procedures to be followed for conducting a civil action and the procedures for enforcement of a civil judgment or order. All parties to a civil action conducted within the PRC must comply with the Civil Procedure Law. Civil cases are generally heard by the courts where the defendants are located. The court of jurisdiction in a civil action may be chosen by express agreement between the parties, provided that the court is located at a place that has direct connection with the dispute, such as the plaintiff’s or the defendant’s place of domicile, the place where the contract is performed or signed or the object of the action is located. However, the choice of the court cannot be in conflict with the regulations of different jurisdictions and exclusive jurisdictions in any case.

A foreign individual, a person without nationality, a foreign-invested enterprise or a foreign organization must have the same litigation rights and obligations as a PRC citizen, legal person or other organizations when initiating or defending any proceedings at a people’s court. If a foreign court limits the litigation rights of PRC citizens and enterprises, the PRC court may apply the same limitations to the citizens and enterprises of such foreign country. A foreign individual, a person without nationality, a foreign-invested enterprise or a foreign organization must engage a PRC lawyer if such person needs to engage a lawyer in initiating or defending any proceedings at a people’s court. Under an international treaty or the principle of reciprocity signed or acceded to by the PRC, the people’s court and foreign courts may require each other to act on their behalf to serve documents, conduct investigations, collect evidence and take other actions on behalf of each other. If the request by a foreign court would result in the violation of the PRC’s sovereignty, security or public interest, the people’s court shall decline the request.

All parties must comply with legally effective civil judgments and rulings. If any party to a civil action refuses to comply with a judgment or order made by a people’s court or an award made by an arbitration tribunal in the PRC, the other party may apply to the people’s court for

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enforcement within two years. Suspension or disruption of the time limit for applying for such enforcement shall comply with the provisions of the applicable law concerning the suspension or disruption of the time-barring of actions.

When a party applies to a people’s court for enforcing an effective judgment or ruling by a people’s court against a party who is not located within the territory of the PRC or whose property is not within the PRC, the party may apply to a foreign court with proper jurisdiction for recognition and enforcement of the judgment or ruling. A foreign judgment or ruling may also be recognized and enforced by the people’s court according to the PRC enforcement procedures if the PRC has entered into, or acceded to, an international treaty with the relevant foreign country, which provides for such recognition and enforcement, or if the judgment or ruling satisfies the court’s examination according to the principle of reciprocity, unless the people’s court finds that the recognition or enforcement of such judgment or ruling will result in a violation of the basic legal principles of the PRC, its sovereignty or security, or for reasons of social and public interests.

THE COMPANY LAW, THE TRIAL ADMINISTRATIVE MEASURES OF OVERSEAS SECURITIES OFFERING AND LISTING BY DOMESTIC COMPANIES AND GUIDELINES FOR ARTICLES OF ASSOCIATION

A joint stock limited company established in the PRC seeking a listing on The HKSE is mainly subject to the following laws and regulations of the PRC.

The Company Law, was lastly revised on December 29, 2023 and came into effect on July 1, 2024.

The Trial Administrative Measures of Overseas Securities offering (《境內企業境外發行證券和上市管理試行辦法》) (“**Overseas Listing Trial Measures**”) and its five interpretative guidelines, were promulgated by the CSRC on February 17, 2023 and came into effect on March 31, 2023 and were applicable to the direct and indirect overseas offering and listing of PRC domestic companies’ securities.

According to the Overseas Listing Trial Measures and its interpretative guidelines, where a domestic company directly conducts offering and listing overseas, it shall formulate its articles of association in line with the Guidelines for Articles of Association of Listed Companies (《上市公司章程指引》) (“**Guidelines for Articles of Association**”) which was issued by the CSRC as amended and effective from time to time, in place of the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas (《到境外上市公司章程必備條款》) which ceased to apply from March 31, 2023.

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Set out below is a summary of the major provisions of the Company Law, the Overseas Listing Trial Measures and the Guidelines for Articles of Association which are applicable to our Company.

General Provisions

“A joint stock limited company” means a corporate legal person incorporated in China under the Company Law, whose registered capital is divided into shares of equal par value. The liability of its shareholders is limited to the extent of the shares they have subscribed for and the liability of a company is limited to the full value of all the property owned by it.

A company must conduct its business in accordance with laws and regulations as well as public and commercial ethics. A company may invest in other limited liability companies. The liabilities of the company to such invested companies are limited to the amount invested. Unless otherwise provided by laws, a company cannot be the capital contributor who has the joint liabilities associated with the debts of the invested enterprises.

Incorporation

A joint stock limited company may be established by means of promotion or stock floatation. To establish a joint stock limited company, there shall be not less than 1 but not more than 200 promoters, more than half of whom shall have their domiciles within the territory of the PRC.

The promoters of subscription of a joint stock company shall convene an inaugural meeting of the company within 30 days after the share capital has been paid up and shall notify all subscribers of the date of the meeting or make an announcement in this regard 15 days before the meeting. The inaugural meeting may be held only with the presence of subscribers holding more than 50% of the voting rights. The convening and voting procedures for the inaugural meeting of a joint stock limited company incorporated by promotion shall be stipulated in the agreement of the promoters. Powers to be exercised at the inaugural meeting include but are not limited to the adoption of articles of association and the election of members of the board of directors and the supervisory committee of a company. The aforesaid matters shall be resolved by more than 50% of the votes to be cast by subscribers presented at the meeting.

Within 30 days after the conclusion of the inaugural meeting, the board of directors shall apply to the registration authority for registration of the incorporation of the joint stock limited company. A company is formally established and has the status of a legal person after the business license has been issued by the relevant registration authority.

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Registered Shares

Under the Company Law, shareholders may make capital contributions in cash, or with non-monetary property that may be valued in money and legally transferred, such as contribution in kind or with an intellectual property rights, land use rights, shareholding or claims.

The Overseas Listing Trial Measures provides that domestic enterprises that are listed overseas may raise funds and distribute dividends in foreign currencies or Renminbi.

Under the Company Law, a joint stock limited company is required to maintain a register of shareholders, detailing the following information:

- (i) the name and domicile of each shareholder;
- (ii) the class and number of shares subscribed for by each shareholder;
- (iii) the serial number of shares if issued in paper form; and
- (iv) the date on which each shareholder acquired the shares.

Allotment and Issue of Shares

All issues of shares of a joint stock limited company shall be based on the principles of equality and fairness. The same class of shares must carry equal rights. Shares issued at the same time and within the same class must be issued on the same conditions and at the same price. A joint stock limited company may issue shares at a par value or at a premium, but it may not issue shares below the par value.

Domestic enterprises issued and listed overseas shall file with the CSRC in accordance with the Overseas Listing Trial Measures, submit filing reports, legal opinions and other relevant materials, and truthfully, accurately and completely explain shareholders information and other information. Where a domestic enterprise directly issues and is listed overseas, the issuer itself shall file with the CSRC. If a domestic enterprise is indirectly listed overseas, the issuer shall designate a major domestic operating entity as the domestic person responsible and file with the CSRC.

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Increase in Share Capital

Under the Company Law, in the case of a joint stock limited company issuing new shares, resolutions shall be passed at the shareholders’ meeting in respect of the class and number of new shares, the issue price of the new shares, the commencement and end dates for the issuance of new shares and the class and number of the new shares proposed to be issued to original shareholders, if any. If no par value stock is issued, more than one-half of the proceeds from the issuance of the new stocks shall be included in the registered capital. Additionally, if a company intends to make public offering of shares, it is required to complete the registration with the securities regulatory authority of the State Council and announce the document.

Reduction of Share Capital

A company may reduce its registered capital in accordance with the following procedures prescribed by the Company Law:

- (i) the company shall prepare a balance sheet and an inventory of property;
- (ii) the reduction of registered capital must be approved by shareholders at the shareholders’ meeting;
- (iii) the company shall notify its creditors within ten days from the date of the resolution of the shareholders’ meeting to reduce the registered capital and make an announcement in the newspaper or the National Enterprise Credit Information Publicity System within thirty days;
- (iv) the creditors have the right to demand the company to settle the debts or provide corresponding guarantees within thirty days from the date of receipt of the notice, or within forty-five days from the date of the announcement if the notice has not been received; and
- (v) the company shall apply to the company registration authority for change in registration.

Where a company reduces its registered capital, it shall reduce the amount of capital contribution or shares in proportion to the capital contribution or shares held by the shareholders, unless it is otherwise prescribed by any law, or is agreed upon by all the shareholders of a limited liability company or is otherwise prescribed by the articles of association of a joint stock limited company.

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Share Buy-Back

Under the Company Law, no company may purchase its own shares except under any of the following circumstances:

- (i) where the company’s registered capital is reduced;
- (ii) where it merges with another company holding its shares;
- (iii) where its shares are used for employee stock ownership plan or equity incentives;
- (iv) where any shareholder, who raises objections to the resolution of the shareholders’ meeting on the merger or split-up of the company, requests the company to purchase its shares;
- (v) where its shares are used for converting the corporate bonds into convertible stocks issued by the company; or
- (vi) it is necessary for a listed company to maintain its company value and its shareholders’ equity.

Where a company purchases its own shares under any of the circumstances as mentioned in items (i) or (ii) of the preceding paragraph, a resolution of the shareholders’ meeting shall be adopted. Where a company purchases its own shares under any of the circumstances as mentioned in items (iii), (v) or (vi) of the preceding paragraph, a resolution shall be adopted at the meeting of the board of directors with the attendance of not less than two thirds of the directors, according to the articles of association or the shareholders’ meeting of the company.

After the company purchases its own shares according to the first paragraph of this Article, the shares purchased shall be written off within ten days as of the purchase date under the circumstance as mentioned in item (i); the shares shall be transferred or written off within six months under the circumstance as mentioned in item (ii) or (iv); and the shares held accumulatively by the company shall not exceed 10% of the total shares issued and be transferred or written off within three years under any of the circumstances as mentioned in item (iii), (v) or (vi).

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Transfer of Shares

Shares held by a shareholder may be transferred according to the law. Under the Company Law, the share transfer by a shareholder shall be conducted on a lawfully established stock exchange or by any other means as prescribed by the State Council. The stocks shall be transferred by a shareholder in the form of endorsement or by any other means prescribed by the relevant laws or administrative regulations. After the transfer, the company shall record the name and domicile of the transferee in the register of shareholders. The register of shareholders shall not be modified within 20 days before any shareholders’ meeting is held, or within 5 days prior to the benchmark date decided by the company for the distribution of dividends. Where it is otherwise provided for in any law, administrative regulation or by the securities regulatory authority of the State Council for the modification of the register of shareholders of a listed company, such provisions shall prevail.

Under the Company Law, shares issued by a company prior to the public offering of shares shall not be transferred within one year from the date on which the shares of the company are listed and traded on a securities exchange. The directors, supervisors and senior executives of the company should declare to the company the shares they hold and the changes thereof. During the term of office as determined when they assume the posts, the shares transferred each year should not exceed 25% of the total shares they hold of the company. Shares of a company held by them shall not be transferred within one year from the date of a company’s listing on a securities exchange, nor within six months after their resignation from their positions with a company.

Where the shares are pledged within the time limit for restricted transfer as provided for by laws and administrative regulations, the pledgee may not exercise the pledge right within such restricted period.

Shareholders

Under the Company Law and Guidelines for Articles of Association the rights of a shareholder include:

- (i) to receive dividends and other forms of distributions in proportion to their shareholdings;
- (ii) to attend or appoint a proxy to attend shareholders’ meetings and to exercise voting rights;
- (iii) to supervise and manage a company’s business operations, and to present proposals or to raise inquiries;

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- (iv) to transfer shares in accordance with laws, administrative regulations and the provisions of the articles of association;
- (v) to inspect the company’s articles of association, share register, counterfoil of company debentures, minutes of shareholders’ meetings, resolutions of meetings of the board of directors, resolutions of meetings of the board of supervisors and financial and accounting reports and to make proposals or enquiries on the company’s operations;
- (vi) in the event of the winding-up or liquidation of a company, to participate in the distribution of remaining property of a company in proportion to the number of shares held; and
- (vii) other rights conferred by laws, administrative regulations and the articles of association.

The obligations of a shareholder include:

- (i) to comply with the articles of association;
- (ii) to pay subscription money according to the number of shares subscribed and the method of subscription;
- (iii) not to abuse their shareholders’ rights to damage the interests of a company or other shareholders; not to abuse the independent legal person status of a company and the limited liability of shareholders to damage the interests of the creditors of a company; and
- (iv) other obligations conferred by laws, administrative regulations and the articles of association.

Shareholders’ meetings

Under the Company Law, the shareholders’ meeting of a joint stock limited company is made up of all shareholders. The shareholders’ meeting is the authority of a company, which shall exercise the following functions and powers:

- (i) electing and replacing directors and supervisors and deciding on their remunerations;
- (ii) deliberating on and approving the reports of the board of directors;
- (iii) deliberating on and approving the reports of the board of supervisors;

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- (iv) deliberating on and approving the plans for profit distribution and making up losses of the company;
- (v) making resolutions on the increase or decrease of the registered capital of the company;
- (vi) making resolutions on the issuance of corporate bonds;
- (vii) making resolutions on the merger, split-up, dissolution, liquidation or change of corporate form of the company;
- (viii) amending the articles of association; and
- (ix) other functions and powers as prescribed in the articles of association.

Under the Company Law, an annual shareholders’ meeting shall be held every year. If any of the following circumstances occurs, an interim shareholders’ meeting shall be held within two months:

- (i) where the number of directors is less than two thirds of the number as provided for by the Company Law or the articles of association;
- (ii) where the unrecovered losses of the company reach one third of the total capital stock;
- (iii) where the shareholders who separately or aggregately hold 10% or more of the company’s shares so request;
- (iv) where the board of directors deems it necessary;
- (v) where the board of supervisors so proposes; or
- (vi) other circumstances as provided for in the articles of association.

The shareholders’ meeting shall be convened by the board of directors and presided over by the chairman of the board of directors. If the chairman is unable or fails to perform his/her duties, the meeting shall be presided over by the deputy chairman. If the deputy chairman is unable or fails to perform his/her duties, the meeting shall be presided over by a director jointly elected by more than half of the directors.

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If the board of directors is unable or fails to perform the duties of convening the shareholders’ meeting, the board of supervisors shall timely convene and preside over the meeting. If the board of supervisors fails to convene and preside over the meeting, shareholders who separately or aggregately hold 10% or more of the shares of the company for 90 or more consecutive days may convene and preside over the meeting by themselves.

If the shareholders who separately or aggregately hold 10% or more of the shares of the company request to convene an interim shareholders’ meeting, the board of directors and the board of supervisors shall, within 10 days after the receipt of such request, decide whether to hold an interim shareholders’ meeting and reply to the shareholders in writing.

The time and place of the meeting and the matters to be deliberated shall be notified to each shareholder 20 days before a shareholders’ meeting is held. For an interim shareholders’ meeting, a notice shall be served 15 days in advance.

The shareholders who separately or aggregately hold 1% or more of the shares of the company may, 10 days before a shareholders’ meeting is held, submit an interim proposal in writing to the board of directors. The interim proposal shall contain a clear topic for discussion and specific matters for resolution. The board of directors shall, within 2 days after it receives such a proposal, notify other shareholders and submit the interim proposal to the shareholders’ meeting for deliberation, unless the interim proposal is in violation of any law, administrative regulation or the articles of association or fails to fall into the scope of functions of the shareholders’ meeting. The company shall not raise the shareholding proportion of the shareholder who brings forward any interim proposal.

Under the Company Law, a shareholder may entrust a proxy to attend a shareholders’ meeting, and it should clarify the matters, power and time limit of the proxy. The proxy shall present a written power of attorney issued by the shareholder to a company and shall exercise his voting rights within the scope of authorization. There is no specific provision in the Company Law regarding the number of shareholders constituting a quorum in a shareholders’ meeting.

Under the Company Law, shareholder who attends the shareholders’ meeting has one vote for each share held by it, except the shareholders of classified shares. The company may not have a voting right for the shares it holds.

Under the Company Law and the Guidelines for Articles of Association, a resolution made at the shareholders’ meeting shall be adopted by more than half of the voting rights held by the shareholders who attend the meeting. A resolution made at the shareholders’ meeting on modifying

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the articles of association, increasing or reducing the registered capital as well as merger, split-up, dissolution or change of the corporate form shall be adopted by two thirds or more of the voting rights held by the shareholders who attend the meeting.

The shareholders’ meeting may, in electing the directors or supervisors, adopt a cumulative voting system according to the articles of association or the resolutions of the shareholders’ meeting. Under the cumulative voting system, when the shareholders’ meeting elects the directors or supervisors, each shareholder is entitled to one vote per share, multiplied by the number of candidates and uses them all for one candidate for director or supervisor.

The Board of Directors

Under the Company Law, a joint stock limited company shall have a board of directors, which consists of more than three members. The term of office of directors shall be prescribed in the articles of association, but each term shall not exceed three years. After the term of office of a director expires, he/she may be reelected to serve another term.

Under any of the following circumstances, anyone may not act as a director of a company:

- (i) having no capacity for civil conduct or having limited capacity for civil conduct;
- (ii) having been sentenced to any criminal penalty due to an offence of corruption, bribery, encroachment of property, misappropriation of property or disrupting the order of the socialist market economy, or having been deprived of political rights due to a crime, where a five-year period has not elapsed since the expiration of execution period; If he/she is pronounced for suspension of sentence, a two-year period has not elapsed since the expiration of the suspension of sentence;
- (iii) serving as a director, factory director or executive of a company or enterprise which has been bankrupt and liquidated and being personally liable for the bankruptcy of such company or enterprise, where a three-year period has not elapsed since the completion of the bankruptcy and liquidation;
- (iv) acting as the legal representative of a company or enterprise whose business license has been revoked or which was ordered to close down due to any violation of the law and being personally liable, where a three-year period has not elapsed since the date of revocation of business license or the order for closure; or
- (v) being listed as a dishonest person subject to enforcement by the people’s court due to his/her failure to pay off a relatively large amount of due debts.

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The board of directors shall convene at least two meetings every year. Each meeting shall be notified to all directors and supervisors 10 days before it is held. The board of directors shall exercise the following functions and powers:

- (i) convening the shareholders’ meeting and reporting its work to the shareholders’ meeting;
- (ii) executing the resolutions of the shareholders’ meeting;
- (iii) deciding the business plans and investment scheme of the company;
- (iv) formulating the plans for profit distribution and making up for loss of the company;
- (v) formulating the plan for increasing or decreasing the registered capital, as well as the plan for issuance of corporate bonds;
- (vi) formulating the plan for merger, division, dissolution, or change of corporate form of the company;
- (vii) deciding the establishment of the internal management organization of the company;
- (viii) deciding the establishment of the internal management body of the company; deciding the appointment or dismissal of the executive of the company and the remuneration thereof, and, according to the nomination of the executive, deciding on hiring or dismissing deputy executives and financial director of the company as well as their remuneration;
- (ix) formulating the basic management rules of the company; and
- (x) other functions and powers specified in the articles of association or granted by the shareholders’ meeting.

No meeting of the board of directors may be held unless more than half of the directors are present. A resolution made by the board of directors shall be adopted by more than half of all the directors. For voting on a resolution of the board of directors, each director shall have one vote. The board of directors shall prepare minutes regarding the decisions on the matters discussed at the meetings, which shall be signed by the directors present.

The directors shall attend the meeting of the board of directors in person. Where any director is unable to attend the meeting for any reason, he/she may, by issuing a written power of attorney, entrust another director to attend the meeting on his/her behalf. The power of attorney shall

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indicate the scope of authorization. The directors shall be responsible for the resolutions made by the board of directors. Where a resolution of the board of directors is in violation of any law, administrative regulation, article of association or resolution of the shareholders’ meeting and causes any serious loss to the company, the directors who participate in adopting such resolution shall be liable for compensation to the company. If a director is proved to have expressed his/her objection to the voting on such resolution and such objection has been recorded in the minutes, he/she may be exempted from liability.

The Board of Supervisors

Under the Company Law, a joint stock limited company may have a board of supervisors which shall comprise 3 members or more. The members of the board of supervisors shall include shareholders’ representatives and an appropriate proportion of employees’ representatives of the company, among which the proportion of the employees’ representatives shall not be lower than one third, and the concrete proportion shall be specified in the articles of association. The employees’ representatives who serve as members of the board of supervisors shall be democratically elected by employees through the employees’ representative congress, employees’ congress or by other means. No director or senior executive may concurrently hold the post of supervisor.

The board of supervisors shall exercise the following functions and powers:

- (i) examining the financial affairs of the company;
- (ii) supervising the acts of the directors and senior executives in the performance of their duties, and proposing the removal of the directors and senior executives who have violated laws, administrative regulations, the articles of association or the resolutions of the shareholders’ meeting;
- (iii) requiring the directors and senior executives to correct their acts if such acts damage the interests of the company;
- (iv) proposing to convene interim shareholders’ meetings, and convening and presiding over the shareholders’ meeting when the board of directors fails to implement the duties to convene and preside over the shareholders’ meeting as prescribed in the Company Law;
- (v) presenting proposals to the shareholders’ meetings;
- (vi) initiating lawsuits against the directors and senior executives according to Article 189 of the Company Law; and

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(vii) other functions and powers provided for in the articles of association.

A joint-stock company may, instead of setting up board of supervisors, in accordance with the provisions of its articles of association, set up an audit committee consisting of directors on its board of directors to exercise the powers and functions of the board of supervisors.

On December 27, 2024, the CSRC promulgated the Transitional arrangements relating to the implementation of the rules under the new Company Law (《關於新<公司法>配套制度規則實施相關過渡期安排》), Listed companies shall, before January 1, 2026, in accordance with the provisions of the Company Law, the Provisions of the State Council on Implementation of the Registered Capital Management System under the Company Law of the PRC and the supporting rules of the CSRC (《國務院關於實施<中華人民共和國公司法>註冊資本登記管理制度的規定》), provide in the articles of association for the establishment of an audit committee in the board of directors, exercising the powers and functions of the supervisory board as stipulated in the Company Law, the listed companies will then have no supervisory board or supervisors. Before a listed company adjusts the establishment of the company’s internal supervisory body, the supervisory board or supervisors shall continue to comply with the provisions in the original rules of the CSRC.

Managers and Senior Executives

Under the Company Law, a joint stock limited company may have a manager, who shall be appointed or removed as decided by the board of directors. The manager shall be responsible to the board of directors and exercise his/her functions and powers according to the articles of association or the authorization of the board of directors. The manager shall attend the meetings of the board of directors as a non-voting member.

According to the Company Law, senior executives refers to the company manager, deputy company manager, head of finance, secretary to the board of directors of a listed company, and any other persons as specified in the company’s articles of association.

Duties of Directors, Supervisors and Senior Executive

Directors, supervisors and senior executives of the company are required under the Company Law to comply with the relevant laws, regulations and the articles of association, and have fiduciary and diligent duties to the company. Directors, supervisors and senior executives shall assume the obligation of loyalty to the company and take measures to avoid the conflict between their own interests and those of the company and may not seek any improper interests by taking advantage of their powers.

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The directors, supervisors and senior executives shall assume the duty of diligence to the company. When performing their duties, they shall, for the best interests of the company, exercise the reasonable care that shall be generally possessed by a manager.

Directors, supervisors and senior executives are prohibited from:

- (i) embezzling the property or misappropriating the funds of the company;
- (ii) (depositing the funds of the company into an account opened in his/her own name or in the name of any other individual;
- (iii) giving bribes or accepting any other illegal proceeds by taking advantage of his/her power;
- (iv) taking commissions from the transactions between the company and any other person into his/her own pocket;
- (v) unlawfully disclosing the confidential information of the company; or
- (vi) other acts in violation of the obligation of loyalty to the company.

Where any director, supervisor or senior executive directly or indirectly concludes a contract or conducts a transaction with his/her company, he/she shall report the matters relating to the conclusion of the contract or transaction to the board of directors or shareholders' meeting, which shall be subject to the resolution of the board of directors or shareholders' meeting according to the articles of association.

Where any of the near relatives of the directors, supervisors or senior executives, or any of the enterprises directly or indirectly controlled by the directors, supervisors or senior executives or any of their near relatives, or any of the related parties who has any other related-party relationship with the directors, supervisors or senior executives, concludes a contract or conducts a transaction with the company, the provisions of the preceding paragraph shall apply.

No director, supervisor or senior executive may take advantage of his/her position to seek any business opportunity that belongs to the company for himself/herself or any other person except under any of the following circumstances:

- (i) where he/she has reported to the board of directors or the shareholders' meeting and has been approved by a resolution of the board of directors or the shareholders' meeting according to the articles of association; or

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- (ii) where the company cannot make use of the business opportunity as stipulated by laws, administrative regulations or the articles of association.

Where any director, supervisor or senior executive fails to report to the board of directors or the shareholders' meeting and obtain an approval by resolution of the board of directors or the shareholders' meeting according to the articles of association, he/she may not engage in any business that is similar to that of the company where he/she holds office for himself/herself or for any other person.

Where any director, supervisor or senior executive violates any law, administrative regulation or the articles of association during the performance of duties and causes any loss to the company, he/she shall be liable for compensation.

Finance and Accounting

Under the Company Law, a company shall establish its financial and accounting systems according to laws, administrative regulations and the regulations of the financial department of the State Council. At the end of each fiscal year, the company shall prepare a financial accounting report which shall be audited by an accounting firm in accordance with the law. The financial accounting report shall be prepared in accordance with the laws, administrative regulations and the regulations of the financial department of the State Council.

The financial accounting report of a joint stock limited company shall be made available for inspection by the shareholders at the company not later than twenty days before the annual meeting of shareholders; a joint stock limited company that has publicly issued shares shall announce its financial accounting report.

The premiums received by a company from the issuance of shares at an issue price in excess of the par value of the shares, the amount of share proceeds from the issuance of no-par shares that have not been credited to the registered capital, and other items required by the financial department of the State Council to be included in the capital reserve shall be classified as the capital reserve of the company.

The reserve of a company shall be used for making up losses, expanding the production and business scale or increasing the registered capital of the company. Where the reserve of a company is used for making up losses, the discretionary reserve and statutory reserve shall be firstly used. If losses still cannot be made up, the capital reserve can be used according to the relevant provisions. Where the statutory reserve is converted to increase registered capital, the amount of such reserve retained shall not be less than 25% of the registered capital of the company prior to the conversion.

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No company may keep any accounting books other than the statutory accounting books. No account shall be opened in the name of any individual for the deposit of a company’s funds.

Appointment and Dismissal of Accounting Firms

Pursuant to the Company Law, the employment or dismissal of an accounting firm undertaking a company’s auditing business shall be decided by the shareholders’ meeting, the board of directors or the board of supervisors in accordance with the provisions of the company’s articles of association. When a company’s shareholders’ meeting, board of directors or the board of supervisors votes on the dismissal of an accounting firm, the accounting firm shall be allowed to state its own opinions. A company shall provide true and complete accounting documents, accounting books, financial accounting reports and other accounting information to the accounting firm engaged by it, and shall not refuse, conceal or misrepresent them.

The Guidelines for Articles of Association provide that the Company’s engagement of an accounting firm shall be decided by the shareholders’ meeting. The board of directors shall not engage any accounting firm before the decision is made by the shareholders’ meeting. The audit fee to the accounting firm shall be decided by the shareholders’ meeting.

Profit Distribution

Where a company distributes profits to shareholders in violation of the provisions of the Company Law, the shareholders shall refund the profits distributed to the company, and the shareholders and the liable directors, supervisors and senior executives shall be held liable for compensation if any loss is caused to the company.

Dissolution and Liquidation

According to the Company Law, a company shall be dissolved for the following reasons:

- (i) the expiration of the business period stipulated in the company’s articles of association or the occurrence of other causes of dissolution stipulated in the company’s articles of association;
- (ii) dissolution by a resolution of the shareholders’ meeting;
- (iii) dissolution due to merger or demerger of the company;
- (iv) suspension of the business license, being ordered to close down or being revoked in accordance with the law; or

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- (v) being dissolved by the People’s Court in accordance with the provisions of Article 231 of the Company Law.

If any of the situations as mentioned in the preceding paragraph arises, a company shall publicize the situations through the National Enterprise Credit Information Publicity System within ten days.

Where the company is dissolved in accordance with sub-paragraph (i) above, it may carry on its existence by amending its articles of association or upon a resolution of the shareholders’ meeting, which must be approved by more than two-thirds of the voting rights held by the shareholders present at the shareholders’ meeting. Where the company is dissolved pursuant to sub-paragraphs (i), (ii), (iv) or (v) above, it shall be liquidated. The directors, who are the liquidation obligors of the company, shall form a liquidation group to carry out liquidation within 15 days from the date of occurrence of the cause of dissolution. The liquidation group shall be composed of the directors, unless it is otherwise provided for in the company’s Articles of Association or it is otherwise elected by the shareholders’ meeting. The liquidation obligors shall be liable for compensation if they fail to fulfill their obligations of liquidation in a timely manner, and thus any loss is caused to the company or the creditors.

The liquidation group fails to be formed within the time limit or fails to carry out the liquidation after its formation, any interested party may request the people’s court to designate relevant persons to form a liquidation group. The people’s court shall accept such requests and organize a liquidation group to carry out the liquidation in a timely manner.

The liquidation group may exercise the following functions during the period of liquidation:

- (i) liquidating the property of the company, preparing a balance sheet and an inventory of property, respectively;
- (ii) notifying the company’s creditors by mail or public announcement;
- (iii) handling and liquidating the unfinished business of the company;
- (iv) paying off the taxes overdue by the company and the taxes incurred in the process of liquidation;
- (v) liquidation of claims and debts;
- (vi) distributing the remaining property after all the debts of the company are paid off; and

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(vii) representing the company in civil litigation activities.

The liquidation group shall notify the company’s creditors within ten days as of its formation and shall make a public announcement in the newspaper or on the National Enterprise Credit Information Publicity System within 60 days. The creditors shall file their proofs of claim with the liquidation group within 30 days as of the receipt of the notice or within 45 days as of the issuance of the public announcement in the case of failing to receive such notice. When filing a proof of claim, the creditor shall describe the relevant matters of claim and provide the relevant evidentiary materials. The liquidation group shall register the proof of claim. During the period for filing proofs of claims, the liquidation group shall not pay off for any of the creditors.

The liquidation group shall, after liquidating the property of the company and preparing a balance sheet and an inventory of property, make a plan of liquidation and report the same to the shareholders’ meeting or the people’s court for confirmation.

After paying off the liquidation expenses, wages of employees, social insurance premiums and statutory compensations, the outstanding taxes and the debts of the company with the property of the company, the remaining assets may, in the case of a limited liability company, be distributed in proportion to capital contributions of the shareholders, and in the case of a joint stock limited company, distributed in proportion to the shares held by the shareholders.

During the period of liquidation, the company survives, but shall not carry out any business operation unrelated to the liquidation. The property of the company shall not be distributed to the shareholders until it has been liquidated in accordance with the preceding paragraph.

Where the liquidation group finds that the property of the company is not sufficient for paying off the debts after liquidating the property of the company and preparing a balance sheet and an inventory of property, it shall file an application to a people’s court for bankruptcy liquidation. After the people’s court accepts the application for bankruptcy, the liquidation group shall hand over the liquidation matters to the bankruptcy administrator designated by the people’s court.

The members of the liquidation group performing their duties of liquidation are obliged to loyalty and diligence. Any member of the liquidation group who neglects to fulfill his/her liquidation duties, thus causing any loss to the company shall be liable for compensation, and any member of the liquidation group who cause any loss to any creditor due to his/her intentional or gross negligence shall be liable for compensation.

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Upon completion of the liquidation of the company, the liquidation group shall produce a liquidation report, report the same to the shareholders’ meeting or the people’s court for confirmation, and submit the same to the company registration authority to apply for deregistration of the company.

Where, after three years since the business license of a company is revoked, or the company is ordered to close down or is revoked, the company fails to apply for its deregistration with the company registration authority, the said authority may announce the company’s deregistration through the National Enterprise Credit Information Publicity System for a period of no less than 60 days. If there is no objection after the announcement period expires, the company registration authority may deregister the company.

Overseas Listing

According to the Overseas Listing Trial Measures, where an issuer makes an overseas initial public offering or listing, it shall file with the CSRC within 3 working days after submitting the application documents for overseas issuance and listing. If an issuer issues securities in the same overseas market after overseas issuance and listing, it shall file with the CSRC within 3 working days after the completion of the issuance. If an issuer issues and list in other overseas markets after overseas issuance and listing, it shall be filed in accordance with the provisions of the first paragraph of Article 16 of the Overseas Listing Trial Measures. Moreover, if the filing materials are complete and meet the requirements, the CSRC shall complete the filing within 20 working days from the date of receiving the filing materials, and publicize the filing information through the website. If the filing materials are incomplete or do not meet the requirements, the CSRC shall inform the issuer of the materials to be supplemented within 5 working days after receiving the filing materials. The issuer shall supplement the materials within 30 working days.

Suspension and Termination of Listing

The Company Law has deleted provisions governing suspension and termination of listing. The PRC Securities Law (2019 revision) (《中華人民共和國證券法(2019年修訂)》) has also deleted provisions regarding suspension of listing. Where listed securities fall under the delisting circumstances stipulated by the stock exchange, the stock exchange shall terminate its listing and trading in accordance with the business rules.

According to the Overseas Listing Trial Measures, upon the occurrence of voluntary or mandatory delisting after an issuer has offered and listed securities in an overseas market, the issuer shall submit a report thereof to CSRC within 3 working days after the occurrence and public disclosure of the event.

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SECURITIES LAWS AND REGULATIONS

In October 1992, the State Council established the Securities Committee and the CSRC. The Securities Committee is responsible for coordinating the drafting of securities regulations, formulating securities-related policies, planning the development of securities markets, directing, coordinating and supervising all securities-related institutions in the PRC and administering the CSRC. The CSRC is the regulatory arm of the Securities Committee and is responsible for the drafting of regulatory provisions of securities markets, supervising securities companies, regulating listing of securities by PRC companies in the PRC or overseas, regulating the trading of securities, compiling securities-related statistics and undertaking research and analysis. On March 29, 1998, the State Council consolidated the above two departments and reformed the CSRC.

The Provisional Regulations Concerning the Issue and Trading of Shares (《股票發行與交易管理暫行條例》) promulgated by the State Council and effective on April 22, 1993 provide the application and approval procedures for listing of shares, trading in shares, the acquisition of listed companies, the deposit, settlement and transfer of listed shares, the disclosure of information with respect to a listed company, investigation and penalties and dispute arbitration.

The Regulations of the State Council Concerning the Domestic Listed Foreign Shares of Joint Stock Limited Companies (《國務院關於股份有限公司境內上市外資股的規定》), which were promulgated by the State Council and came into effect on December 25, 1995, mainly provide for the issue, subscription, trading and payment of dividends of domestic listed foreign shares and disclosure of information of joint stock limited companies with domestic listed foreign shares.

The Securities Law of the PRC, which was amended by the Standing Committee of the NPC on December 28, 2019 and came into effect on March 1, 2020, provides a series of provisions regulating, among other things, the issue and trading of securities, takeovers by listed companies, securities exchanges, securities companies and the duties and responsibilities of the State Council’s securities regulatory authorities in the PRC, and comprehensively regulates activities in the PRC securities market. The Securities Law provides that a domestic enterprise must comply with the relevant provisions of the State Council in issuing securities directly or indirectly outside the PRC or listing and trading its securities outside the PRC. Currently, the issue and trading of foreign issued shares are mainly governed by the rules and regulations promulgated by the State Council and the CSRC.

ARBITRATION AND ENFORCEMENT OF ARBITRAL AWARDS

Under the Arbitration Law of the PRC (《中華人民共和國仲裁法》) (“**Arbitration Law**”), last amended by the SCNPC on September 1, 2017 and effective on January 1, 2018, the Arbitration Law is applicable to economic disputes involving foreign parties, and all parties have

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entered into a written agreement to refer the matter to an arbitration committee constituted in accordance with the Arbitration Law. An arbitration committee may, before the promulgation by the PRC Arbitration Association of arbitration regulations, formulate interim arbitration rules in accordance with relevant regulations under the Arbitration Law and the Civil Procedure Law. Where both parties have agreed to settle disputes by means of arbitration, the people's court will refuse to take legal action brought by a party in the people's court.

Under the Arbitration Law, an arbitral award is final and binding on the parties. If a party fails to comply with an award, the other party to the award may apply to the people's court for enforcement according to the Civil Procedure Law. If there is evidence to prove that any of the following circumstances exists: the parties have not stipulated an arbitration clause in the contract or have not reached a written arbitration agreement afterwards; the respondent has not been notified of the appointment of the Court of Arbitration or the arbitration proceedings or failed to present views for other reasons for which the respondent is not responsible; the composition of the arbitral tribunal or the arbitration procedures are not in accordance with the arbitration rules; the matters awarded are outside the scope of the arbitration agreement, or the arbitration committee has no jurisdiction to arbitrate, the people's court may rule not to enforce such award. A party seeking to enforce an arbitral award of foreign arbitration commission against a party who or whose property is not within the PRC shall apply to a foreign court with jurisdiction over the case for recognition and enforcement. Similarly, an arbitral award made by a foreign arbitration body may be recognized and enforced by the people's court in accordance with the principles of reciprocity or any international treaty concluded or acceded to by the PRC.

According to the Arrangement of the Supreme People's Court on Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區相互執行仲裁裁決的安排》) promulgated by the Supreme People's Court on January 24, 2000 and effective on February 1, 2000, and the Supplementary Arrangement of the Supreme People's Court on Mutual Enforcement of Arbitral Awards between the PRC and the Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區相互執行仲裁裁決的補充安排》) promulgated by the Supreme People's Court on May 18, 2021 and effective on May 19, 2021, awards made by arbitral authorities in PRC can be applied for enforcement in Hong Kong, and Hong Kong arbitration awards can also be applied for enforcement in the PRC.

JUDICIAL JUDGMENT AND ITS ENFORCEMENT

Under the Supreme People's Court's Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements between Parties Concerned (《最高人民法院關於內地與香港特別行政區法院相互認可和執行當事人協議管

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轄的民商事案件判決的安排》) promulgated by the Supreme People’s Court on July 3, 2008 and effective on August 1, 2008 and was abolished on January 29, 2024, as for an enforceable final judgment made by a court in PRC or Hong Kong court concerning a civil and commercial case under a written agreement on jurisdiction, in which payment must be made, the party concerned may, under the Arrangement, apply to a court in PRC or a Hong Kong court for recognition and enforcement. The term “written agreement on jurisdiction” refers to agreements clearly stipulated in written form by parties concerned that a court in PRC or Hong Kong court has sole jurisdiction as to the effectiveness of the Arrangement, so as to settle disputes relevant to a certain legal relationship that has either arisen or might arise. Therefore, the party concerned may apply to the court in PRC or the court of the Hong Kong Special Administrative Region to recognize and enforce the final judgment made in PRC or Hong Kong that meet certain conditions of the aforementioned regulations.

On January 25, 2024, the Supreme People’s Court promulgated the Arrangement on Reciprocal Recognition and Enforcement of Judgements in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (《關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) (“**New Arrangement**”), which takes into effect on January 29, 2024 and seeks to establish a mechanism with further clarification on and certainty for recognition and enforcement of judgements in a wider range of civil and commercial matters between Hong Kong Special Administrative Region and the China. The New Arrangement discontinued the requirements for a choice of court agreement for bilateral recognition and enforcement.

APPENDIX V

SUMMARY OF ARTICLES OF ASSOCIATION

This Appendix is primarily intended to provide [REDACTED] with an overview of the Articles of Association, the following information is a summary and therefore may not contain all the information that is material to [REDACTED].

SHARE

ISSUANCE OF SHARES

The shares of the Company shall be issued in a fair and equal manner. Each share of the same class shall rank pari passu with each other. Shares of a class in each issuance shall be issued under the same terms and at the same price. Subscribers shall pay the same price for each share subscribed for.

INCREASE, DECREASE AND REPURCHASE OF SHARES

In light of its operational and development needs, upon resolution of the shareholders’ meeting, the Company may increase capital in the following ways in accordance with the provisions of the laws, administrative regulations and provisions on the regulatory rules of securities of places where shares of companies are listed:

- (i) issue shares to unspecified parties;
- (ii) issue shares to specific targets;
- (iii) issue of stock dividends to existing shareholders;
- (iv) issue of bonus shares out of the paid-in surplus reserve; or
- (v) other means approved by the laws, administrative regulations or approved by other securities regulatory authorities of the place where the shares of the Company are listed.

The board may decide to issue no more than 50% of the issued and outstanding shares in a three-year period. However, the capital contribution in the form of non-monetary assets shall be subject to a resolution passed at the shareholders’ meeting.

The Company may decrease the registered share capital and shall comply with the procedures stipulated in the Company Law and other relevant regulations as well as the Articles of Association.

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The Company shall not acquire its own shares, except in any of the following circumstances:

- (i) to reduce the registered capital of the Company;
- (ii) to merger with other companies holding shares in the Company;
- (iii) to use shares for employee shareholding schemes or as equity incentives;
- (iv) to acquire the shares of shareholders (upon their request) who vote against any resolution adopted at any shareholders' meeting regarding the merger or division of the Company;
- (v) to use the shares to satisfy the conversion of the convertible corporate bonds into shares issued by the Company;
- (vi) to safeguard corporate value and shareholders' interests as the Company deems necessary; or
- (vii) other circumstances permitted by the laws, administrative regulations, and the securities regulatory rules of the place where the Company's shares are listed.

Where the Company acquires its shares under the circumstances prescribed in items (iii), (v) or (vi) as set out above, such acquisition shall be conducted through public centralized trading.

Where the Company acquires its shares under the circumstances prescribed in items (i) and (ii) as set out above, such acquisition shall be resolved at a shareholders' meeting. Where the Company acquires its shares under the circumstances prescribed in items (iii), (v) and (vi) as set out above, such acquisition shall be resolved at a board meeting attended by at least 2/3 of the directors in accordance with the Articles of Association or as authorized by the Shareholders' meeting and in accordance with the applicable securities regulatory rules of the place where the shares of the Company are listed.

Where the Company acquires its shares under the circumstances prescribed in item (i) as set out above, such shares shall be cancelled within ten days from the date of acquisition. Where the shares are acquired under the circumstances prescribed in items (ii) and (iv) as set out above, such shares shall be transferred or cancelled within six months. Where the shares are acquired under the circumstances prescribed in items (iii), (v) and (vi) as set out above, the total number of the shares held by the Company shall not exceed 10% of the total issued shares, and such shares shall be

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transferred or cancelled within three years. If there are other provisions in the laws, regulations and the securities regulatory rules of the place where the shares of the Company are listed on matters relating to the share repurchases, such provisions shall prevail.

TRANSFER OF SHARES

Shares of the Company shall be transferred in accordance with the laws.

- (i) The directors, and senior executives of the Company shall notify the Company of their holdings of shares in the Company and the changes therein. The shares transferrable by them during each year of their tenures as determined at the time of appointment shall not exceed 25% of their total holdings of shares of the same class in the Company. The shares in the Company held by them shall not be transferred within one year from the date on which the Company’s shares are listed for trading. The shares in the Company held by them shall not be transferred within half a year from their departure from the Company. In the event that the securities regulatory rules of the place where the shares of the Company are listed provide otherwise in respect of the restrictions on the transfer, such rules shall prevail.
- (ii) When shareholders holding more than 5% of the shares, directors and senior executives of the Company sell their shares or other equity securities within six months from the acquisition of such shares, or purchase shares within six months from the disposal of such shares, the resulting gains are owned by the Company and the board of directors of the Company shall recover its resulting gains. However, securities companies that hold more than 5% of the shares due to the purchase of the remaining shares after the package sale and other circumstances stipulated by the CSRC are excluded. If there are other securities regulatory rules of the place where the shares of the Company are listed, those regulations shall prevail.

The shares or other equity securities held by the directors, senior executives and natural person shareholders referred to in the preceding paragraph shall include the shares or other equity securities held by their spouse, parents, children, and those held through the accounts of others.

Shareholders may require the board of directors of the Company to comply with the item (ii) as set out above within 30 days if the board of directors fails to do so. In the event that the board of directors of the Company fails to rectify the situation within the said timeline, shareholders may file a legal action to the people’s court in their own name for safeguarding the interests of the Company.

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If the board of directors of the Company fails to comply with the item (ii) as set out above, relevant responsible directors shall bear joint liability pursuant to the laws.

SHAREHOLDERS AND SHAREHOLDERS’ MEETING

General provisions on the Shareholders’ Meeting

The Company shall set up a register of shareholders based on the certificates provided by the securities registration agency. The register of shareholders shall be sufficient evidence proving the holding of the shares of the Company by a shareholder. A shareholder shall enjoy rights and assume obligations as per the class of the shares held by them. Shareholders holding the same class of shares shall enjoy the same rights and assume the same obligations.

The original register of shareholders of H shares listed in Hong Kong shall be kept in Hong Kong and made available for inspection by shareholders, but the Company may suspend the registration of shareholders in accordance with the applicable laws and regulations and the securities regulatory rules of the place where the shares of the Company are listed and pursuant to the provisions of Section 632 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong). Any person who is a shareholder registered on the register of shareholders of H shares or who requests his/her/its name be entered in the register of shareholders of H shares may, if his/her/its share certificate relating to the shares is lost, apply to the Company for a replacement share certificate in respect of such shares. Application by a holder of overseas listed shares, who has lost his/her/its share certificate, for a replacement share certificate may be dealt with in accordance with the law of the place where the original register of shareholders of overseas listed shares is maintained, the rules of the stock exchange or other relevant regulations.

Shareholders of the Company shall enjoy the following rights:

- (i) to receive dividends and other distributions in proportion to the number of shares held;
- (ii) To request, convene, hold, participate or send proxy to attend shareholders’ meeting and exercise corresponding rights to speak and vote in accordance with the law;
- (iii) To monitor, make suggestions on or question the Company’s operation;
- (iv) To transfer, donate or pledge shares in his/her/its possession in accordance with the law, administrative regulations, and provisions of the Articles of Association;

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- (v) to inspect and duplicate the Articles of Association, the register of shareholders, minutes of shareholders' meeting, resolutions of the meetings of the board of directors, and financial and accounting reports and to make suggestions on or queries pertaining to the business operations of the company. The provisions of the second, third and fourth paragraphs of Article 57 of the Company Law shall apply to shareholders who hold 3% or more of the company's shares singly or jointly for more than 180 days consecutively request to inspect the company's accounting books and accounting vouchers;
- (vi) in the event of the termination or liquidation of the Company, to participate in the distribution of remaining assets of the Company in proportion to the number of shares held;
- (vii) the shareholders disagreeing with the merger or separation resolution made by the shareholders' meeting are entitled to ask the Company to acquire their shares; and
- (viii) other rights conferred by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association.

Where a shareholder requests to consult or duplicate the relevant materials of the company, they shall abide by the provisions of the Company Law, the Securities Law and other laws, administrative regulations, and the rules on supervision of securities at the place where the company's shares are listed, etc. Where a shareholder requests to consult or duplicate the relevant information or obtain any of the aforesaid materials, they shall submit to the company written documents that can prove the type and quantity of the company's shares he holds, and the company shall provide the relevant information or materials in accordance with the shareholder's request after verifying the shareholder's identity.

If a resolution passed at the Company's shareholders' meeting or the Board meeting violates laws or administrative regulations, shareholders have the right to institute proceedings before a people's court to render the resolution invalid. If the procedures for convening, or the method of voting at, a shareholders' meeting or a Board meeting violate laws, administrative regulations or the Articles of Association, or a resolution violates the Articles of Association, shareholders are entitled to institute proceedings before a people's court to rescind such resolution within 60 days of the adoption of such resolution, unless the procedures for convening, or the method of voting at, a shareholders' meeting or a Board meeting only contains a minor defect without a substantial impact on the resolution.

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Where directors or senior executives other than the audit committee members contravene the laws, administrative regulations, or the Articles of Association when performing their duties in a company, resulting in losses to the company, shareholders individually or jointly holding 1% or more of shares for more than 180 consecutive days have the right to request the audit committee in writing to file a lawsuit with a people’s court. If a member of the audit committee contravenes the laws, administrative regulations, or the Articles of Association when performing his/her duties in the company, resulting in losses to the company, the aforesaid shareholders may request the board of directors in writing to file a lawsuit with the people’s court.

If the audit committee or board of directors refuses to file a lawsuit after receiving the shareholders’ written request under the preceding paragraph, or does not file a lawsuit within 30 days of receiving the request, or the situation is so urgent that failure to initiate an immediate litigation will lead to irreparable losses suffered by the company, the shareholders under the previous paragraph have the right to directly file a lawsuit with the people’s court in their own name for the interest of the company.

If any other person infringes upon the legal rights and interests of the company, resulting in losses to the company, shareholders may file a lawsuit with a people’s court in accordance.

The obligations of Shareholders are as follows:

- (i) to abide by laws, administrative regulations and the Articles of Association;
- (ii) to provide Share capital according to the Shares subscribed for and Share participation methods;
- (iii) not to return Shares unless prescribed otherwise in laws and administrative regulations;
- (iv) not to abuse Shareholders’ rights to infringe upon the interests of the Company or other Shareholders; not to abuse the Company’s status as an independent legal entity or the limited liability of Shareholders to damage the interests of the Company’s creditors; and
- (v) to perform other duties prescribed in laws, administrative regulations, securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association.

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Company Shareholder who abuses Shareholders' rights and causes the Company or other Shareholders to suffer a loss shall be liable for making compensation in accordance with the law. Shareholder who abuses the status of the Company as an independent legal entity or the limited liability of Shareholders to evade debts and seriously damages the interests of the Company's creditors shall assume joint and several liability for the Company's debts.

CONTROLLING SHAREHOLDERS AND ACTUAL CONTROLLERS

Controlling shareholders and actual controllers of the Company shall comply with the following provisions:

- (i) to exercise their rights as shareholders in accordance with the law and not abuse their control or use their affiliation to prejudice the legitimate interests of the Company or other shareholders;
- (ii) to strictly implement the public statements and undertakings made and shall not change or waive them;
- (iii) to fulfil information disclosure obligations in strict accordance with the relevant regulations, to proactively cooperate with the Company in information disclosure and to inform the Company in a timely manner of material events that have occurred or are proposed to occur;
- (iv) not to appropriate the Company's funds in any way;
- (v) not to order, instruct or request the Company and relevant personnel to provide guarantees in violation of laws and regulations;
- (vi) not to make use of the Company's undisclosed material information to gain benefits, not to disclose in any way undisclosed material information relating to the Company, and not to engage in insider trading, short-swing trading, market manipulation and other illegal and unlawful acts;
- (vii) not to prejudice the legitimate rights and interests of the Company and other shareholders through unfair related transactions, profit distribution, asset restructuring, foreign investment or any other means;
- (viii) to ensure the integrity of the Company's assets, and the independence of personnel, finance, organization and business, and not to affect the independence of the Company in any way; and

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- (ix) other provisions of laws, administrative regulations, securities regulatory rules at the place where the Company's shares are listed and these Articles of Association.

Where a controlling shareholder or actual controller of the Company does not act as a director of the Company but actually carries out the affairs of the Company, the provisions of the Articles of Association relating to the duties of loyalty and diligence of directors shall apply.

Where a controlling shareholder or actual controller of the Company instructs a director or senior executive to engage in an act that is detrimental to the interests of the Company or the shareholders, he/she shall be jointly and severally liable with such director or senior executive.

GENERAL RULES OF THE SHAREHOLDERS' MEETING

The shareholders' meeting is the organ of authority of the Company, and shall exercise the following functions and powers in accordance with the law:

- (i) to elect and replace directors and decide on matters relating to the remuneration thereof;
- (ii) to deliberate and approve the reports of the Board;
- (iii) to deliberate and approve profit distribution plan and loss recovery plan of the Company;
- (iv) to make resolutions on the increase or decrease in the registered capital of the Company;
- (v) to make resolutions on the issue of corporate bonds;
- (vi) to make resolutions on merger, division, spin-off, dissolution, liquidation, or change of the Company's corporate form;
- (vii) to amend the Articles of Association and its appendices (including procedural regulations of shareholders' meeting and board of directors);
- (viii) to make resolutions on hiring and dismissal of the audited accountants of the Company and determining of their compensation;
- (ix) to deliberate and approve the transactions and guarantees under Articles 47 and 48 of these Articles;

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- (x) to deliberate purchases and sales of material assets within a year exceeding 30% of the most recently audited total assets of the Company;
- (xi) to deliberate and approve changes in usage of raised funds;
- (xii) to deliberate share incentive plans and employee stock ownership plans; and
- (xiii) to deliberate other matters which should be decided by the shareholders' meeting as required by the Law, administrative regulations, departmental regulations, securities regulatory rules where the Company's shares are listed, or the Articles of Association.

The shareholders' meeting may authorize the board of directors to make resolutions on issuance of bonds. The Company may, with the approval of the shareholders' meeting, or with the approval of the board of directors as authorized by the Articles of Association or the shareholders' meeting, issue shares and convertible bonds, subject to the provisions of laws, administrative regulations, and the securities regulatory rules of the place where the Company's shares are listed.

Unless otherwise provided for in laws, administrative regulations, and securities regulatory rules of the place where the company's shares are listed, the aforesaid functions and powers of a shareholders' meeting shall not be delegated to the board of directors or any other institution or individual to exercise on its behalf.

The following acts of the Company's external guarantees shall be considered and approved by the Shareholders' meeting:

- (i) any guarantee to be provided after the total amount of external guarantees provided by the Company or the subsidiaries it controls has exceeded 50% of its latest audited net assets;
- (ii) any guarantee to be provided after the total amount of external guarantees provided by the Company has exceeded 30% of its latest audited total assets;
- (iii) according to the latest financial statements of the secured party, its asset/liability ratio exceeds 70%;
- (iv) any single guarantee in an amount exceeding 10% of the latest audited net assets of the Company;
- (v) any guarantee provided by the Company to others within one year in an amount exceeding 30% of the latest audited total assets of the Company;

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(vi) any guarantees to be provided for shareholders, actual controllers and their related parties; and

(vii) Other guarantees that shall be examined and approved by the shareholders’ meeting in accordance with the securities regulatory rules of the place where shares of the Company are listed or these Articles of Association.

The guarantee in Item (v) of the preceding paragraph shall be passed by more than two thirds of the voting rights of the shareholders attending the shareholders’ meeting.

When the shareholders’ meeting deliberates on the motion of guarantee for a shareholder, actual controlling party and their related parties, the said shareholder or the shareholders controlled by the said actual controlling party shall not participate in the voting, the motion shall be passed by more than half of the voting rights of the other shareholders attending the shareholders’ meeting.

In the event of violation of the examination and approval authority and deliberate procedures for external guarantee as stipulated in this Article and the Articles of Association, the relevant accountable personnel shall be pursued for liability in accordance with the Company’s External Guarantee Management System.

The Shareholders’ meeting are classified into annual shareholders’ meeting and extraordinary shareholders’ meeting. The annual shareholders’ meeting shall be convened once a year and be held within six months of the end of the previous fiscal year.

In any of the following circumstances, the Company shall convene an extraordinary shareholders’ meeting within two months from the date of the occurrence of the circumstance:

- (i) when the number of directors falls short of the statutory number specified in the Company Law or is less than two-thirds of the number specified in the Articles of Association;
- (ii) when the unrecovered losses of the Company amount to one-third of the total share capital;
- (iii) when shareholders individually or together holding 10% or more of the shares of the Company request to hold such a meeting;
- (iv) when the board of directors deems it necessary;

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- (v) when the Audit Committee proposes to hold such a meeting; or
- (vi) other circumstances as stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association.

In the event that an extraordinary shareholders' meeting is convened at the request of the securities regulatory rules of the place where the shares of the Company are listed, the effective date of the extraordinary shareholders' meeting may be adjusted in accordance with the clearance progress of the stock exchange where the Company's shares are listed.

CONVENING OF SHAREHOLDERS' MEETING

The board of directors shall convene a shareholders' meeting within the prescribed period. With the consent of more than half of all independent directors, independent directors shall have the right to propose an interim shareholders' meeting to the board of directors. For such a proposal, the board of directors shall, in accordance with the provisions of laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed, and the Articles of Association, issue a written affirmative or negative opinion within ten days after receiving the proposal. If the board of directors agrees to hold the meeting, it shall issue a written affirmative or negative opinion on holding an interim shareholders' meeting within ten days after receiving the proposal. If the board of directors agrees to hold an interim meeting, it shall issue a notice of holding a shareholders' meeting within five days after a resolution is made at a meeting of the board of directors; or if the board of directors disagrees to hold the meeting, it shall explain the reasons and announce it.

The audit committee shall have the right to propose an interim shareholders' meeting to the board of directors, but shall propose it in writing. The board of directors shall, in accordance with the provisions of laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed, and the Articles of Association, issue a written affirmative or negative opinion within ten days after receiving the proposal. If the board of directors agrees to hold the meeting, it shall issue a notice of holding a shareholder's meeting within five days after a resolution is made at a meeting of the board of directors, but any modification to the original proposal in the notice shall be subject to the consent of the audit committee. If the board of directors disagrees to hold the meeting or no feedback is provided within ten days after the proposal is received, it shall be deemed that the board of directors is unable to perform or fails to perform the duty of convening the shareholders' meeting, and the audit committee may convene and preside over the meeting on its own initiative.

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A shareholder holding or shareholders aggregately holding 10% or more of the shares of the Company that request for the holding of an interim shareholders’ meeting with the board of directors shall request it in writing. The board of directors shall, in accordance with the provisions of laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed, and the Articles of Association, issue a written affirmative or negative opinion within 10 days after receiving the request. If the board of directors agrees to hold the meeting, the board of directors shall issue a notice of holding a shareholder’s meeting within five days after a resolution is made at a meeting of the board of directors, but any modification to the original request in the notice shall be subject to the consent of the relevant shareholder or shareholders. If the board of directors disagrees to hold the meeting or no feedback is provided within 10 days after the request is received, the shareholder holding or shareholders aggregately holding 10% or more of the shares of the Company shall propose the holding of an interim shareholders’ meeting to the audit committee, but shall request it in writing. If the audit committee agrees to hold the meeting, it shall issue a notice of holding a shareholder’s meeting within five days after receiving the request, but any modification to the original request in the notice shall be subject to the consent of the relevant shareholder or shareholders. If the audit committee fails to issue a notice of holding a shareholders’ meeting within the prescribed time limit, it shall be deemed that the audit committee fails to convene and preside over the shareholders’ meeting, and a shareholding holding or shareholders aggregately holding 10% or more of the shares of the Company for 90 consecutive days or more may convene and preside over the meeting on its or their own initiative.

After deciding to convene a shareholders’ meeting on its or their own initiative, the audit committee or a shareholder or shareholders must notify the board of directors in writing and complete the requisite reporting, announcement or filing in accordance with the securities regulatory rules at the place of listing of the Company’s shares and the provisions of the stock exchange. Before the resolution of the shareholders’ meeting is announced, the shares held by the convening shareholder or shareholders shall not be less than 10%. The convening shareholders shall, not later than the date on which the notice of shareholders’ meeting is sent, undertake not to reduce their shareholding in the company during the period from the date on which the shareholders’ meeting is proposed to the date on which the shareholders’ meeting is convened, and make disclosure. The audit committee, or the convening shareholder or shareholders shall, at the time of sending notice of a shareholders’ meeting and announcement of shareholders’ resolution, submit the relevant evidentiary materials to the stock exchange in accordance with the securities regulatory rules on the place where the shares of the Company are listed and the regulations of the stock exchange.

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PROPOSALS AND NOTICES OF SHAREHOLDERS’ MEETING

At a shareholders’ meeting of the Company, the board of directors, the audit committee, and a shareholder holding or shareholders aggregately holding 1% or more of the shares of the Company shall have the right to submit proposals.

A shareholder holding or shareholders aggregately holding 1% or more of the shares of the Company may, 10 days before the shareholders’ meeting is held, submit an interim proposal to the convener in writing. The convener shall issue a supplementary notice of the shareholders’ meeting within two days after receiving the proposal, announce the contents of the interim proposal, and submit the ad hoc proposal to the shareholders’ meeting for deliberation, except for ad hoc proposal that violates laws, administrative regulations, securities regulatory rules where the Company’s shares are listed or the Articles of Association or does not fall under the scope of powers of the shareholders’ meeting.

Except under the circumstances prescribed in the preceding paragraph, after publishing a notice of holding a shareholders’ meeting, the convener shall not amend any proposal specified in the notice or add any new proposal.

Any proposal not specified in the notice of holding a shareholders’ meeting or not complying with these Articles shall not be voted and resolved at the shareholders’ meeting.

The Company shall not raise the shareholding ratio of a shareholder or shareholders submitting an ad hoc proposal.

The convener shall notify all shareholders by means of writing (including public announcement) 21 days prior to the annual shareholders’ meeting (excluding the date on which the meeting is held). An extraordinary shareholders’ meeting will be notified to all shareholders by means of writing (including public announcement) 15 days prior to the meeting (excluding the date on which the meeting is held). When calculating the aforesaid time limit, the day when the meeting is held shall not be included. Where there are different provisions provided by laws, regulations and securities regulatory authorities in the jurisdiction where the shares of the Company are listed, such provisions shall prevail.

Subject to applicable laws, regulations and the securities regulatory rules of the place where the Company’s shares are listed, the notice of a shareholders’ meeting shall be published on the Company’s website or on a website designated by the stock exchange where the Company’s shares are listed. If a public announcement is required to be made to the holders of foreign capital shares listed overseas in accordance with these Articles, the public announcement shall, at the same time,

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be published in accordance with the methods stipulated in the Hong Kong Listing Rules. For the holders of shares that are not listed in our country, the shareholders’ meeting may also be notified through announcement.

A notice of the shareholders’ meeting shall include the following contents:

- (i) the time, venue and duration of the meeting;
- (ii) the person convening the meeting;
- (iii) the matters and proposals to be submitted to the meeting for deliberation;
- (iv) a statement in conspicuous Chinese characters that: all common shareholders (including preferred shareholders whose voting rights are restored), shareholders holding shares with special voting rights, and other shareholders have the right to attend the shareholders’ meeting and may attend the meeting and vote by proxy in writing, and proxies are not necessarily shareholders of the Company;
- (v) the date of record of shareholders entitled to attend the shareholders’ meeting;
- (vi) the name and telephone number of the permanent contact person of meeting; and
- (vii) the voting time and procedures by online or other means.

All the specific contents of all proposals shall be fully and completely disclosed in the notice and supplementary notice of holding a shareholders’ meeting.

HOLDING OF SHAREHOLDERS’ MEETING

All common shareholders (including preferred shareholders whose voting rights are restored) registered at the date of record, shareholders holding shares with special voting rights and other shareholders or their proxies shall have the right to attend a shareholders’ meeting, and exercise voting rights in accordance with the laws, regulations the securities regulatory rules where the Company’s shares are listed and the Articles of Association. (except that the securities regulatory rules where the Company’s shares are listed require any individual shareholder to waive his/her voting rights in respect of a particular matter).

Shareholders may attend a shareholders’ meeting in person or attend and vote at the meeting by proxy. The agent does not need to be a shareholder of the company.

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When personally attending a shareholders' meeting, an individual shareholder shall produce his or her identity card or any other valid identification or certificate that can prove his or her identity. When he or she attends the meeting by proxy, the proxy shall produce his or her valid identification and a power of attorney issued by the shareholder.

The legal representative of a corporate shareholder shall attend the meeting in person or by proxy. When personally attending the meeting, the legal representative shall produce his or her identity card and a valid certificate on his or her qualification as the legal representative; when a proxy attends the meeting, the proxy shall produce his or her identity card and a written power of attorney legally issued by the legal representative of the corporate shareholder, except for shareholder who is a recognized clearing house and its nominees as defined in the relevant ordinances in force from time to time under the laws or the securities regulatory rules of the place where the shares of the Company are listed. If such corporate shareholder has appointed a proxy to attend any meeting, it shall be deemed to be present in person.

The chairman of the board of directors shall preside over a shareholders' meeting. The shareholders' meeting convened by the audit committee on its own initiative shall be presided over by the convener of the audit committee. When the convener of the audit committee is unable to execute or fails to execute his or her office, an audit committee member jointly elected by half or more of all directors of the audit committee shall preside over the meeting. Where a shareholder on its own initiative or shareholders on their own initiative convene a shareholders' meeting, the convener or the representative recommended thereby shall preside over the meeting. Where the presider violates the rules of procedure during the course of a shareholders' meeting, which makes it impossible for the shareholders' meeting to continue, upon consent of a majority of the voting shareholders attending the shareholders' meeting, the shareholders' meeting may recommend one person as the presider to continue the meeting.

The Company shall develop the rules of procedure for shareholders' meetings to detail the procedures for convening, holding and voting at shareholders' meeting, including but not limited to notices, registration, proposal deliberation, casting and counting of ballots, announcement of voting results, formation of resolutions, meeting minutes and the signing thereof, announcements, principles for the shareholders' meeting to delegate powers to the board of directors, and specific content of authorization.

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VOTING AND RESOLUTIONS AT SHAREHOLDERS’ MEETING

The resolutions made at shareholders’ meeting include ordinary resolutions and special resolutions. An ordinary resolution made at a shareholders’ meeting shall be adopted by half or more of the voting rights held by shareholders attending the meeting. A special resolution made at a shareholders’ meeting shall be adopted by two thirds or more of the voting rights held by shareholders attending the meeting.

The following matters shall be adopted by ordinary resolutions at a shareholders’ meeting:

- (i) work reports of the board of directors;
- (ii) profit distribution plans and the loss coverage plans prepared by the board of directors;
- (iii) appointment and removal of members of the board of directors, their remunerations, and the payment methods; and
- (iv) matters other than those which shall be adopted by special resolutions as specified by the laws, administrative regulations or the Articles of Association.

The following matters shall be adopted by special resolutions at a shareholders’ meeting:

- (i) amendment to these Articles of Association and appendices thereto (including procedural rules for the shareholders’ meeting and the board of directors);
- (ii) the increase or reduction of the registered capital of the Company;
- (iii) the division, spin-off, merger, dissolution and liquidation (including voluntary winding-up) of the Company;
- (iv) spin-off listing of its subsidiary companies;
- (v) as provided in Articles 6.1.8 and 6.1.10 of the Listing Rules, the amount of material assets purchased or sold or the amount of guarantee provided to others within 12 consecutive months exceeds 30% of the latest audited total assets of the company;
- (vi) issuance of stocks, convertible corporate bonds, preferred stocks and other types of securities recognized by the securities regulatory body in the jurisdiction where the shares of the company are listed;

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- (vii) repurchase of shares for the purpose of reduction of the registered capital;
- (viii) material assets restructuring;
- (ix) share incentive schemes;
- (x) a shareholders' meeting of the Company resolves to voluntarily withdraw the listing of its shares on the Bourse, and decides not to trade its shares on the Bourse, or to apply for trading or transfer on other stock exchanges;
- (xi) any other matter which the shareholders' meeting considers, by an ordinary resolution, to be of a material impact on the Company and to be adopted by a special resolution; and
- (xii) any other matter required by the law, administrative regulation, securities regulatory rules where the Company's shares are listed, or these Articles, or any other matter which the shareholders' meeting considers, by an ordinary resolution, to be of a material impact on the Company and to be adopted by a special resolution.

The motions referred to in item (iv) or item (x) of the preceding paragraph shall be passed by two-thirds or more of the voting rights held by shareholders present at the shareholders' meeting, and shall also be passed by two-thirds or more of the voting rights held by other shareholders present at the meeting other than directors, senior executives and shareholders who hold 5% or more of the company's shares individually or jointly.

Shareholders shall exercise their voting rights based on the number of shares with voting rights held by them, and each share shall be accorded one vote, except for holders of category shares.

Where material issues affecting the interests of minority shareholders are considered at the shareholders' meeting, the votes of minority shareholders shall be counted separately. The separate votes counting results shall be disclosed publicly in a timely manner.

The Company's own shares held by the Company do not carry voting rights and such shares shall not count towards the total number of shares with voting rights at shareholders' meeting. If a shareholder purchases shares with voting rights of the Company in violation of the provisions of Article 63(1) and (2) of the Securities Law, the voting rights of such shares in excess of the prescribed proportion shall not be exercised and shall not be counted towards the total number of shares with voting rights present at the shareholders' meeting for 36 months after the purchase.

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In accordance with the requirements of relevant laws and regulations and the securities regulatory rules of the place where the Company’s shares are listed, if any shareholder is required to abstain from voting on the relevant proposal, or restricts any shareholder from voting only for or against the designated proposal, any vote taken by such shareholder or his representative in violation of the aforesaid provisions or restrictions shall not be counted in the voting results. The board of directors, an independent director, or a shareholder holding 1% or more of the voting shares of the Company or an investor protection institution formed in accordance with laws, administrative regulations, or the rules of the CSRC may publicly solicit proxies. In proxy solicitation, the voting intention and other relevant information shall be fully disclosed to the shareholders from whom proxy is solicited. Proxy solicitation with the provision of direct or indirect compensation shall be prohibited. The Company shall not impose any minimum shareholding requirement for proxy solicitation, except under statutory conditions.

When matters concerning affiliated transactions are deliberated at a shareholders’ meeting, affiliated shareholders shall vote, and the number of voting shares represented by them shall not be counted in the total number of valid votes. The announcement of resolutions of the shareholders’ meeting shall fully disclose the votes of non-affiliated shareholders.

DIRECTORS AND BOARD OF DIRECTORS

General provisions on directors

Directors may include executive directors, non-executive directors, and independent directors. Non-executive director refers to the director who does not hold any management position in the company. The qualifications, nomination, election procedures, authorities and other relevant matters of an independent director shall be implemented in accordance with the law, the relevant provisions of the regulatory authority in the place where the shares of the company are listed and the relevant provisions of the stock exchange.

The directors of the Company shall be natural persons, but a person who falls under any of the following circumstances shall not serve as a director of the Company:

- (i) the person is without civil conduct capacity or with limited civil conduct capacity;
- (ii) it has not been more than five years since the person’s completion of service of a sentence received for a crime of embezzlement, bribery, appropriation of property, misappropriation of property, or disruption of the economic order of the socialist market, or since the person’s completion of service of a sentence to deprivation of political rights for a crime, or it has not been two years since the date on which the probation period expires, if a probation is announced;

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- (iii) it has not been more than three years since the date of completion of bankruptcy liquidation of the Company or enterprise where the person used to be a director or a factory director or a manager who was personally liable for the bankruptcy of the Company or enterprise;
- (iv) it has not been more than three years since the date of forfeiture of the business license or ordered closedown of the Company or enterprise of which the person used to be the legal representative who was personally liable for the forfeiture of the business license or the ordered closedown of the Company or enterprise for any violation of the law;
- (v) the person fails to repay a relatively large amount of due debts and is listed as a dishonest judgment debtor by a people's court;
- (vi) the person is banned by the CSRC from access to the securities market, and the ban has not expired; or
- (vii) other contents stipulated by laws, administrative regulations or departmental rules or the securities regulatory rules of the place where the shares of the Company are listed.

Where any director is elected or appointed in violation of this article, such election or appointment shall be void. Where any director falls under any of the circumstances as set out in this article during his or her term of office, the Company shall remove him or her from the office and cease his or her fulfillment of duties.

Director shall be elected or replaced by the shareholders' meeting, and may be removed by the shareholders' meeting prior to the expiration of his term of office. Such removal shall take effect on the date of adoption of resolution. Where a director is removed prior to the expiration of his term of office without proper cause, the director may request compensation from the company. The term of office of the directors shall be 3 years. Upon expiration of a director's term of office, he may be reelected according to the securities regulatory rules where the company's shares are listed. Where the securities regulatory rules where the company's shares are listed provide otherwise for the re-election of the director, such provisions shall prevail.

The term of office for directors begins on the date of their appointment and ends when the current board of directors' term expires. If the term of office for directors expires and a timely re-election has not taken place, the outgoing directors shall continue to perform their duties in accordance with laws, administrative regulations, departmental rules, and the company's Articles of Association until the newly elected directors take office.

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Senior executives may concurrently hold the office of director, but the total number of directors who concurrently serve as senior executives of the Company and directors who are employee representatives shall not exceed half of the total number of directors of the Company. The Company shall have one staff and workers representative director. Staff and workers' representatives who serve as board directors shall be democratically elected through the staff and workers' congress, the staff and workers' congress, or otherwise, and there is no need to submit to the shareholders' meeting for consideration.

Directors shall comply with laws, administrative regulations, and the Articles of Association, and owe fiduciary duties to the Company. They shall take measures to avoid conflicts of interest between themselves and the Company, and shall not exploit their positions to seek improper benefits. Directors owe the following fiduciary duties to the Company:

- (i) they shall not solicit or accept bribes or other illegal benefits through their authority;
- (ii) they shall not misappropriate Company property or embezzle Company funds;
- (iii) they shall not deposit Company funds into accounts opened in their personal names or in the names of other individuals;
- (iv) they shall not directly or indirectly enter into contracts or transactions with the Company unless they have reported to the board of directors or the Shareholders' meeting and obtained approval through a resolution of the Shareholders' meeting or the board of directors in accordance with the Articles of Association;
- (v) they shall not take advantage of their powers to seek business opportunities belonging to the Company for themselves or others, except for any of the following circumstances:
 - 1. report to the board of directors or the shareholders' meeting and submit them to the board of directors or the shareholders' meeting for resolution in accordance with the provisions of these Articles;
 - 2. according to the law, administrative regulations, securities regulatory rules where the Company's shares are listed or these Articles, the Company cannot use such business opportunities;
- (vi) without reporting to the Board or the shareholders' meeting which shall not be approved by the Shareholders' meeting in accordance with these Articles of Association; not to engage in the business of the same type as the Company for himself or herself or others;

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- (vii) they shall not accept any commissions from others on transactions conducted with the Company;
- (viii) they shall not disclose Company secrets without authorization;
- (ix) they shall not harm the Company's interests through their affiliated relationships; and
- (x) Other fiduciary duties prescribed in laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Income obtained by directors in violation of this article shall belong to the Company, and directors who cause any losses to the Company shall assume compensatory liability.

The directors shall abide by the provisions of laws, administrative regulations securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, have a duty of diligence to the Company, and exercise the due care that a manager ordinarily exercises in the best interest of the Company in executing their functions. Directors shall have the following duties of diligence to the Company:

- (i) they shall prudentially, carefully and diligently exercise the rights conferred by the Company to ensure that the business conduct of the Company complies with the laws and administrative regulations of the state and the requirements of various economic policies of the state and the commercial transactions of the Company are within the scope of business indicated in the business license of the Company;
- (ii) they shall fairly treat all shareholders;
- (iii) they shall keep them informed in a timely manner of the operating and management conditions of the Company;
- (iv) they shall confirm in writing and sign the periodic reports of the Company, and ensure the veracity, accuracy and completeness of the information disclosed by the Company;
- (v) they shall honestly provide relevant information and materials to the audit committee, and shall not hinder exercise of functions by the audit committee; and
- (vi) other duties of diligence as prescribed in the Law, administrative regulations, departmental rules, securities regulatory rules of the jurisdiction where the Company's shares are listed and the Articles of Association.

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The Company shall establish a management system for the departure of directors, clearly defining the guarantee measures for holding liable and recovering compensation for unfulfilled public commitments and other outstanding matters. Where a director's resignation takes effect or his or her term of office expires, the director should complete all handover procedures with the board of directors. His or her duty of loyalty towards the company and the shareholders will not be released after the termination of his term of office. His or her duty to keep the company's trade secrets confidential will remain effective after the termination of his term of office until such secrets become public information. The duration of other obligations should be determined in accordance with the principle of fairness, taking it into account of the lapse between the occurrence of relevant events and his departure from office, and the situation and terms under which his relation with the company was terminated. The liability of a director for performing his duties during his term of office shall not be discharged or terminated due to his departure from office.

BOARD OF DIRECTORS

The Company shall have a board of directors. The board of directors shall consist of eight directors, including four independent directors and one staff director. The chairman and a vice-chairman shall be elected by a majority vote of all directors.

The board of directors shall perform the following functions:

- (i) convene a shareholders' meeting and report to the shareholders' meeting on its work;
- (ii) execute the resolutions of a shareholders' meeting;
- (iii) decide the business plans and investment plans of the Company;
- (iv) prepare the profit distribution plans and loss coverage plans of the Company;
- (v) Prepare the Company's plans for increase or decrease of registered capital, issue of bonds or other securities, or listing;
- (vi) draft plans for significant acquisition, purchase of the shares of the Company, merger, division or dissolution of the Company, and change of the form of organization of the Company, and decide on the matters relating to share purchase in accordance with Article 25 (iii), (v), (vi) of these Articles of Association;

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- (vii) as authorized by the shareholders’ meeting, deciding matters concerning foreign investment, acquisition or sale of assets, mortgage of assets, external guarantees, wealth management, and affiliated transactions, among others;
- (viii) decide the internal administrative structure of the Company;
- (ix) decide the appointment or dismissal of the manager, the secretary of the board of directors, and other senior executives of the Company, and decide matters concerning their remuneration, punishment and reward; and according to the nomination by the manager, decide the appointment or dismissal of the deputy managers, chief financial officer, and other senior executives of the Company, and decide matters concerning their remuneration, punishment and reward;
- (x) develop the basic management rules of the Company;
- (xi) prepare plans on the amendment of these Articles;
- (xii) Manage matters concerning information disclosure of the Company;
- (xiii) Propose to the shareholders’ meeting the engagement or replacement of the accounting firm providing audit services for the Company;
- (xiv) Hear the work reports of the manager of the Company and inspecting the manager’s work;
- (xv) in accordance with Article 23 of these Articles, issue shares not exceeding 50% of the total shares issued within a three-year period; and
- (xvi) other functions and powers conferred by the Law, administrative regulations, departmental rules, securities regulatory rules in the place where the Company’s shares are listed, the Articles of Association or the Shareholders’ meeting.

Matters beyond the scope of authority granted by the shareholders’ meeting shall be submitted for consideration at the shareholders’ meeting.

Where a director of a listed company is affiliated to an enterprise or individual involved in a matter to be resolved at a meeting of the board of directors, the director shall submit a written report to the board of directors in a timely manner. The affiliated director may neither exercise his or her voting right on the resolution nor exercise a voting right on behalf of any other director. The meeting may be held when a majority of directors without the aforesaid affiliation are present,

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and the resolution of the meeting must be passed with affirmative votes of a majority of all directors without the aforesaid affiliation. If the number of directors without the aforesaid affiliation present at the meeting is less than three, the matter shall be submitted to the shareholders' meeting for deliberation. If laws, regulations and the securities regulatory rules of the jurisdiction where the shares of the Company are listed impose any additional restrictions on participation in board meetings and voting by directors, such laws, regulations and rules shall prevail.

INDEPENDENT DIRECTORS

The Company shall establish a special meeting mechanism attended entirely by independent directors. When the board of directors deliberates matters such as affiliated transactions, they shall be approved in advance by a special meeting of independent directors.

The Company shall hold special meetings for independent directors on a regular or irregular basis. The matters listed from subparagraphs (1) to (3) of paragraph 1 of Article 134 and Article 135 of the Articles of Association shall be deliberated by a special meeting of independent directors.

The special meetings of independent directors may study and discuss other matters of our Company as needed.

A special meeting of independent directors shall be convened and presided over by an independent director jointly elected by more than half of independent directors. When the convener fails to or is unable to perform his or her duties, two or more independent directors may convene a meeting and elect one representative to preside over the meeting on their own initiative.

Meeting minutes shall be prepared for a special meeting of independent directors as prescribed, and the opinions of independent directors shall be stated in the meeting minutes. Independent directors shall affix signatures to the meeting minutes for confirmation.

The Company shall provide convenience and support for the convening of special meetings of independent directors.

SPECIAL COMMITTEES OF THE BOARD

The board of directors of the Company shall establish an audit committee to exercise the powers of the board of supervisors as prescribed by the Company Law. The board of directors shall also set up other relevant special committees such as Remuneration and Evaluation, Strategy, Nomination, etc., as needed, to perform their duties in accordance with the Company's Articles of

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Association and the authorization of the board of directors. All members of the special committees shall be composed of directors. Among them, the number of independent directors in the Audit Committee, Nomination Committee, and Remuneration and Evaluation Committee shall be more than half, and the convener of each of these committees shall be an independent director. The proposals of the special committees shall be submitted to the board of directors for deliberation and decision-making. The working procedures of the special committees shall be formulated by the board of directors.

The members of the audit committee shall consist of 3 directors who do not serve as senior executives in the Company. The number of independent directors shall not be less than two, and the convener shall be an accounting professional among the independent directors.

REMUNERATION ASSESSMENT AND MANAGEMENT MECHANISM FOR DIRECTOR AND SENIOR EXECUTIVE

The remuneration of the Company’s directors and senior executives shall be determined on the basis of the operation and general management of the Company, and shall be comprehensively reviewed by combining the accomplishment of business plans, the duties he/she takes charge of and the accomplishment of work objectives, personal performance of duties and development.

The remuneration of the directors shall be determined by the shareholders’ meeting. The remuneration plan for the senior executives shall be approved by the board, and explained to the shareholders’ meeting.

SENIOR EXECUTIVES

The Company shall have one manager, whose appointment or dismissal shall be decided by the board of directors. The Company shall set up positions of deputy managers, whose appointment or dismissal shall be decided by the board of directors.

The manager shall be responsible to the board of directors, and perform the following functions:

- (i) take charge of the operations and management of the Company, organize the execution of resolutions of the board of directors, and report work to the board of directors;
- (ii) organize the implementation of the annual business plan and investment plans of the Company;
- (iii) draft the internal administrative structure plan of the Company;

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- (iv) draft the basic management rules of the Company;
- (v) develop the specific rules of the Company;
- (vi) propose to the board of directors the appointment or dismissal of deputy managers and the chief financial officer of the Company;
- (vii) decide on the appointment or dismissal of executives other than those whose appointment or dismissal shall be decided by the board of directors;
- (viii) prepare the Company's staff salary, benefits, rewards and penalty system and decide the employment and dismissal of the Company's staff; and
- (ix) other powers authorized by the securities regulatory rules where the Company's shares are listed, the Articles of Association, the Manager's Working Instructions or the board of directors.

The manager shall observe the meetings of the board of directors.

The Company shall have a secretary of the board of directors, who is responsible for the preparations for the meetings of the shareholders' meeting and the board of directors, retention of documents, management of materials on shareholders, and handling of information disclosure and other matters.

The secretary of the board of directors shall abide by the relevant provisions of laws, administrative regulations, departmental rules, and the Articles of Association.

FINANCIAL ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDIT

Financial Accounting System

The Company shall develop the financial accounting rules of the Company in accordance with laws, administrative regulations, and provisions issued by the relevant departments of the state.

The Company shall prepare its annual financial reports within four months following the end of each fiscal year, and such financial reports shall be audited by an accounting firm in accordance with law. The Company shall submit and disclose its annual reports to the securities regulatory authority and stock exchange in the place where the Company's shares are listed within four

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months following the end of each fiscal year, and shall submit and disclose its interim reports to the securities regulatory authority and stock exchange in the place where the Company’s shares are listed within two months following the end of the first half of each fiscal year.

The aforesaid annual report and interim report shall be compiled and/or submitted to the shareholders in accordance with relevant laws, administrative regulations, and the provisions of the securities regulatory authorities and the stock exchange where the shares of the Company are listed.

The Company shall not maintain any accounting books other than the statutory accounting books. The funds of the Company shall not be deposited in any account opened in an individual’s name.

In the distribution of the after-tax profits of a year, the Company shall set aside 10% of the profits as its statutory surplus reserve. The Company may discontinue setting aside funds of the statutory surplus reserve if the cumulative amount of the statutory reserve is 50% or more of the registered capital of the Company.

Where the statutory surplus reserves of the Company are not adequate to cover losses of previous years, the profits of a year shall be first used to cover losses before the set-aside of the statutory surplus reserves in the preceding paragraph.

After setting aside legal accumulation funds from its after-tax profits, the Company may, upon resolution of the shareholders’ meeting, set aside discretionary surplus reserves from its after-tax profits.

After coverage of losses and set-aside of surplus reserves, the remaining after-tax profits shall be distributed in proportion to the shares held by shareholders, unless the Articles of Association provide otherwise.

If the shareholders’ meeting distributes profits to shareholders in violation of the Company Law, the shareholders shall return the profits distributed in violation of the regulations to the Company. If losses are caused to the Company, shareholders and the directors and senior executives who are responsible shall assume liability for compensation.

The shares of the Company held by the Company shall not participate in its distribution of profits.

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The Company is required to appoint one or more receiving agent(s) in Hong Kong for shareholders of H shares. The receiving agent(s) shall receive and hold on behalf of such shareholders of H shares any dividends allocated to H shares and other amounts payable by the Company, and transmit such payments to such shareholders of H shares. The receiving agent(s) appointed by the Company shall satisfy the requirements under the laws and regulations and the securities regulatory rules of the place where the shares of the Company are listed.

The Company’s surplus reserves shall be used to cover the losses, expand the operations or increase the registered capital of the Company.

Where surplus reserves are used to cover loss of the Company, the discretionary and statutory surplus reserves shall be first used; and if they are insufficient for covering losses, the capital surplus reserves may be used according to the provisions.

Where the statutory surplus reserves are converted to increase in the registered capital, the remainder of the surplus reserves shall not be less than 25% of the registered capital of the Company before the conversion.

After the shareholders make decisions for distribution of profits in shareholders’ meeting, or after the board of directors formulates a specific plan in accordance with the conditions and upper limit of the interim dividend for the next year that approved by the annual shareholders’ meeting of shareholders, the board of directors must finish distributing the dividends (or shares) within two months.

INTERNAL AUDIT

The Company shall implement an internal audit system, clearly defining the leadership structure, responsibilities and authorities, personnel allocation, financial guarantee, application of audit results and accountability for the internal audit work.

The internal audit institution of the Company shall supervise and inspect the Company’s business activities, risk management, internal control, financial information and other matters.

APPOINTMENT OF ACCOUNTING FIRM

The Company shall engage an accounting firm in compliance with the provisions of the Securities Law to audit its accounting statements, verify its net assets and provide other relevant advisory services; and the term of appointment shall be one year and renewable.

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Engagement and dismissal of an accounting firm or non-reengagement of an accounting firm shall be decided by a shareholders' meeting. The board of directors shall not appoint an accounting firm prior to a decision by a shareholders' meeting.

The Company shall guarantee the provision of true and complete accounting documents, accounting books, financial accounting reports, and other accounting materials to the accounting firm engaged, and shall not refuse to provide, conceal, or provide false materials.

The auditing fees payable to the accounting firm shall be subject to the decision of the shareholders' board.

Where the Company dismisses or does not renew the engagement of an accounting firm, the Company shall notify the accounting firm 10 days in advance, but when the dismissal of the accounting firm is voted at a shareholders' board, the accounting firm shall be allowed to present its opinion.

If the accounting firm resigns, it shall explain to the shareholders' meeting regarding whether the Company has any non-compliance.

MERGER, DIVISION, CAPITAL INCREASE, CAPITAL DECREASE, DISSOLUTION AND LIQUIDATION

Merger, Division, Capital Increase and Capital Decrease

The Company may undergo combination in the form of merger or consolidation. In case of a merger, the Company is absorbed by another company, and the absorbed company is dissolved. In case of consolidation, two or more companies are consolidated into a new company, and all the consolidated companies are dissolved.

In the event of a merger, the parties to the merger shall enter into a merger agreement and prepare balance sheets and inventories of assets. The Company shall notify its creditors within 10 days from the date on which it makes a resolution on the merger, and make an announcement in the newspapers designated in Article 183 hereof for information disclosure, the National Enterprise Credit Information Publicity System and website within 30 days from the date on which it makes an announcement. The creditors shall, within 30 days after receiving the notice or within 45 days after the announcement is published in case of a failure to receive the notice, require the Company to pay off debts or provide corresponding guarantees.

Where the Company undergoes combination, the surviving company or the newly formed company shall succeed to the rights and obligations of all parties to the combination.

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Where the Company undergoes division, the property of the Company shall be divided accordingly. In the event of a division of the Company, the Company shall prepare a balance sheet and an inventory of assets. The company shall notify its creditors within ten days of the date on which the split-up resolution is made and shall announce the split-up in the newspapers designated in Article 183 hereof, the National Enterprise Credit Information Publicity System and the website within thirty days.

Where the Company decreases its registered capital, the Company shall prepare a balance sheet and a property checklist. The Company shall notify its creditors within 10 Days from the date on which the resolution of decrease in the registered capital is made at the Shareholders’ meeting, and within 30 Days, make an announcement on the newspapers designated for information disclosure in Article 183 hereof, the National Enterprise Credit Information Publicity System and website. The creditors may, within 30 days of receipt of the notice or within 45 days of issuance of the announcement if they fail to receive the notice, require the Company to repay debts or provide corresponding security.

Where the Company reduces its registered capital, the Company shall reduce the corresponding capital contribution or shares on the basis of the proportion of shares held by shareholders, except as otherwise provided for by the laws or the Articles of Association.

Where any registration information changes as a result of combination or division of the Company, the Company shall undergo the modification registration procedure with the Company registration authority according to the law; and if the Company is dissolved, it shall undergo the Company deregistration procedure according to the law; or if a new company is formed, the formation registration procedure shall be undergone according to the law. In case of increase or decrease of its registered capital, the Company shall undergo the modification registration procedure with the company registration authority according to the law.

Dissolution and Liquidation

The Company shall be dissolved for the following reasons:

- (i) the duration of the Company as stated in the Articles of Association has expired or any other cause of dissolution as set out in the Articles of Association have occurred;
- (ii) the shareholders’ meeting of the Company adopts a resolution to dissolve the Company;
- (iii) the merger or division of the Company requires the dissolution of the Company;

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- (iv) the Company forfeits its business license, is ordered to close down, or is abolished according to the law; and
- (v) because the Company is faced with serious difficulties in operation and management, significant losses will be caused to the interests of shareholders if the Company continues to exist, and the situation cannot be solved by any other way, the shareholders holding 10% or more of voting rights of the Company may request the people's court to dissolve the Company.

Where any of the causes of dissolution of the Company set out in the preceding paragraph occurs, the Company shall, within ten days, publish the cause of dissolution through the National Enterprise Credit Information Publicity System.

Where the Company falls under the circumstances as stipulated in items (i) and (ii) as set out above and has not yet distributed property to shareholders, it may continue to exist by amending the Articles of Association or by resolution of the shareholders' meeting.

An amendment to the Articles of Association under the preceding paragraph or adoption of a resolution at a shareholders' meeting must be adopted with two thirds or more of the voting rights held by shareholders attending the shareholders' meeting.

The Company shall conduct liquidation for undergoing dissolution pursuant to the provisions of items (i), (ii), (iv), and (v) as set out above. Directors, as the liquidation obligors of the Company shall, within 15 days of occurrence of the cause of dissolution, form a liquidation group to conduct liquidation. The liquidation group are composed of directors, except as otherwise prescribed in the Articles of Association or unless any other person is selected through a resolution of the shareholders' meeting. Where the liquidation obligors fail to perform their liquidation obligations in a timely manner, causing any loss to the Company or any creditor, the liquidation obligors shall assume liability for compensation.

The liquidation group shall notify creditors within 10 days from the date of its establishment and make an announcement on the newspapers designated in Article 183 hereof for information disclosure, the National Enterprise Credit Information Publicity System and website within 60 days from the date of its establishment. The creditors shall, within 30 days of receipt of the notice or within 45 days of issuance of the announcement if they fail to receive the notice, declare their claims to the liquidation group.

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Where the liquidation group discovers that the property of the Company is not adequate for paying off debts after sorting out the property of the Company and preparing a balance sheet and a property checklist, it shall file a petition with the people’s court for bankruptcy liquidation of the Company according to the law. After the people’s court accepts an application for bankruptcy, the liquidation group shall transfer the liquidation affairs to the bankruptcy administrator designated by the people’s court.

Where the Company is declared bankrupt according to the law, it shall undergo bankruptcy liquidation according to laws on bankruptcy of enterprises.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Company shall amend the Articles of Association under any of the following circumstances:

- (i) after the amendments are made to the Company Law or relevant laws, administrative regulations and securities regulatory rules of the place where the shares of the Company are listed, the provisions of the Articles of Association are in conflict with the amended laws, administrative regulations or securities regulatory rules of the place where the shares of the Company are listed;
- (ii) Any changes of the Company result in inconsistency with the relevant provisions of the Articles of Association; or
- (iii) the shareholders’ meeting decides to amend the Articles of Association.

Where any amendment to the Articles of Association adopted by a resolution of the shareholders’ meeting is subject to the approval of the appropriate authorities, it shall be reported to the appropriate authorities for approval; and if any company registration information is involved, the modification registration procedure shall be undergone according to the law.

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STATUTORY AND GENERAL INFORMATION

A. FURTHER INFORMATION ABOUT OUR GROUP

1. Incorporation of Our Company

Our Company was established as a limited liability company under the laws of the PRC on September 3, 2002, and was converted into a joint stock company with limited liability under the laws of the PRC on May 26, 2015. Our Company [has been] registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance and has established a place of business in Hong Kong at 46/F, Hopewell Centre, No. 183 Queen’s Road East, Wan Chai, Hong Kong. Mr. Chow Shing Lung has been appointed as the authorized representative of our Company for the acceptance of service of process and notices in Hong Kong whose correspondence address is the same as our place of business in Hong Kong.

As our Company is incorporated in the PRC, our operations are subject to the relevant laws and regulations of the PRC. A summary of our Articles of Association and relevant aspects of PRC law is set out in “Taxation and Foreign Exchange,” “Summary of Principal Legal and Regulatory Provisions” and “Summary of the Articles of Association” in Appendices III, IV and V to this document, respectively.

2. Changes in the Share Capital of Our Company

Our share capital has undergone continuous alteration over the two years immediately preceding the date of this document due to new shares issued from time to time pursuant to the Share Option Incentive Plans. As of the Latest Practicable Date, our Company’s share capital was RMB182,022,560. Alterations in our registered capital within the two years immediately preceding the date of this document are set out below:

On August 8, 2024, our Company’s registered capital decreased from RMB172,896,000 to RMB172,800,000.

On December 19, 2024, our Company’s registered capital increased from RMB172,800,000 to RMB175,772,861.

On September 26, 2025 our Company’s registered capital increased from RMB175,772,861 to RMB178,698,639.

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3. Changes in the Share Capital of Our Subsidiaries

A summary of the corporate information and the particulars of our subsidiaries are set out in Note 1 to the Accountants’ Report in Appendix I to this document.

The following subsidiary of our Company was incorporated within the two years immediately preceding the date of this document:

<u>Name of subsidiary</u>	<u>Place of incorporation</u>	<u>Date of incorporation</u>	<u>Registered capital</u>
Shenzhen Streamax Trading	PRC	July 11, 2024	RMB1,000,000

The following sets out the changes in the share capital of our subsidiaries within the two years immediately preceding the date of this document:

On February 13, 2025, the registered capital of Shenzhen Mintaian Intelligent Technology Co., Ltd. (深圳民太安智能科技有限公司) decreased from RMB60,000,000 to RMB52,000,000.

On May 12, 2025, the registered capital of Streamax Vietnam increased from USD5,500,000 to USD6,500,000.

On November 13, 2025, the registered capital of Japan Ruiming Technology Co., Ltd. (日本鋭明技術株式會社) increased from JPY5,500,000 to JPY50,000,000.

Save as disclosed above, there has been no alteration in the share capital of our subsidiaries within the two years immediately preceding the date of this document.

4. Resolutions of Our Shareholders

On September 8, 2025, resolutions of our Shareholders were passed pursuant to which, among other things:

- (a) the Articles was approved and adopted with effect from the [REDACTED];
- (b) the [REDACTED] (including the [REDACTED], [REDACTED] and [REDACTED]) and the [REDACTED] were approved and our Directors were authorized to allot and [REDACTED] the [REDACTED] pursuant to the [REDACTED]; and

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- (c) the number of H Shares to be [REDACTED] shall be up to [REDACTED]% of the total share capital of our Company upon completion of the [REDACTED] and before any exercise of the [REDACTED], and the grant of the [REDACTED] in respect of no more than [REDACTED]% of the number of H Shares initially [REDACTED] pursuant to the [REDACTED].

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of Material Contracts

The following contracts (not being contracts entered into in the ordinary course of the business carried on or intended to be carried on by our Company) were entered into by any member of our Group within the two years preceding the date of this document and are or may be material:

- (a) an equity transfer agreement dated December 19, 2024 entered into among our Company, Guangzhou Guangjiao Digital Technology Information Co., Ltd. (廣州廣交數科信息產業有限公司), Dongguan Ruiying Investment Partnership (Limited Partnership) (東莞市銳盈投資合夥企業(有限合夥)) and Tang Shanliang (唐善良), pursuant to which our Company disposed of 42% and 5.67% of the equity interest in Shenzhen Ruiming Sciences Technology Co., Ltd. (深圳市銳明科技有限公司) to Guangzhou Guangjiao Digital Technology Information Co., Ltd. (廣州廣交數科信息產業有限公司) and Dongguan Ruiying Investment Partnership (Limited Partnership) (東莞市銳盈投資合夥企業(有限合夥)) at considerations of RMB27,300,000 and RMB3,685,500, respectively; and
- (b) [REDACTED]

2. Our Intellectual Property Rights

(a) Trademarks

As of the Latest Practicable Date, we had registered the following trademarks which we consider to be material in relation to our business:

No.	Trademark	Class	Registrant	Place of registration	Registration number	Expiry date
1.	Streamax	9	Our Company	PRC	14345007	May 20, 2035

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No.	Trademark	Class	Registrant	Place of registration	Registration number	Expiry date
		35	Our Company	PRC	14345055	May 20, 2035
		9	Our Company	UK	1230750	September 17, 2034
		9	Our Company	US	4838918	September 17, 2034
		9	Our Company	Singapore	40201502725U	February 13, 2035
		9	Our Company	EU	013091384	July 17, 2034
		9	Our Company	Mexico	1587557	February 16, 2035
		9	Our Company	South Africa	2015/27128	September 25, 2035
		9	Our Company	Japan	1378589	October 12, 2027
		9	Our Company	India	1378589	October 12, 2027
		9, 35, 42	Our Company	Hong Kong	304647402	August 26, 2028

(b) Patents

As of the Latest Practicable Date, we had registered the following patents which we consider to be material to our business:

No.	Patent	Patent type	Patentee	Patent number	Registration date
1.	Method, apparatus and terminal device for determining camera installation angle (攝像頭的安裝角度確定方法、裝置及終端設備)	Invention	Our Company	202111425603.2	August 11, 2023

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No.	Patent	Patent type	Patentee	Patent number	Registration date
2.	A pedestrian protection early warning method, apparatus, electronic device and readable storage medium (一種行人保護預警方法、裝置、電子設備及可讀存儲介質)	Invention	Our Company	202210184244.4	July 25, 2023
3.	Vehicle-mounted drawer-type hard disk enclosure structure (車載抽拉式硬盤盒結構)	Invention	Our Company	202210906278.X	July 11, 2025
4.	An image capture method, apparatus, device and computer-readable storage medium (一種圖像抓拍方法、裝置、設備及計算機可讀存儲介質).	Invention	Our Company	202211249473.6	June 13, 2025
5.	A shooting brightness compensation method, apparatus and device (一種拍攝亮度補償方法、裝置及設備)	Invention	Our Company	202211266993.8	May 30, 2025
6.	Video stream encryption method, apparatus, communication device and storage medium (視頻流的加密方法、裝置、通信設備及存儲介質).	Invention	Our Company	17/544,528	October 22, 2024
7.	Driving state recognition method, apparatus and vehicle (駕駛狀態識別方法、裝置及車輛)	Invention	Our Company	201911269358.3	April 19, 2024
8.	An obstacle recognition method, obstacle recognition apparatus and electronic device (一種障礙物識別方法、障礙物識別裝置及電子設備)	Invention	Our Company	202110394670.6	February 9, 2024
9.	A monitoring method and apparatus for camera angle deviation (一種攝像頭角度偏移的監測方法及裝置)	Invention	Our Company	202210815118.4	August 22, 2025

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No.	Patent	Patent type	Patentee	Patent number	Registration date
10.	A surveillance camera for voice position display and its control method (一種用于語音位置顯示的監控攝像機及其控制方法)	Invention	Our Company	201910117968.5	October 24, 2023

As of the Latest Practicable Date, we had applied for the registration of the following patents which we consider to be material in relation to our business:

No.	Patent	Patent type	Applicant	Place of application	Application number	Application date
1.	Method, apparatus, device and storage medium for driving risk behavior intervention on the device side (設備端的駕駛風險行為干預方法、裝置、設備及存儲介質).	Invention	Our Company	PRC	202280062256.8	October 28, 2022
2.	Evaluation method, device and storage medium for vehicle safe driving events (汽車安全駕駛事件的評估方法、設備及存儲介質)	Invention	Our Company	US	18/846,678	October 28, 2022
3.	Method for training driving risk identification model, driving risk identification method and device (駕駛風險識別模型的訓練方法、駕駛風險識別方法及裝置).	Invention	Our Company	Europe	24829358.1	October 30, 2024

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No.	Patent	Patent type	Applicant	Place of application	Application number	Application date
4.	Method and device for recognizing driving state, equipment, and program product (用於識別驅動狀態的方法和裝置、設備及程序產品).	Invention	Our Company	US	18/996,797	October 30, 2024

(c) Copyrights

As of the Latest Practicable Date, we had registered the following copyrights which we consider to be material to our business:

No.	Copyright	Registrant	Place of Registration	Registration number	Registration date
1.	Streamax vehicle distance monitoring and early warning system software (銳明車距監控預警系統軟件)	Our Company	PRC	2019SR0921523	September 4, 2019
2.	Public transport active safety intelligent algorithm software (公交主動安全智能算法軟件)	Our Company	PRC	2019SR0651937	June 25, 2019
3.	Streamax FT Cloud freight platform (銳明FT Cloud貨運平台).	Our Company	PRC	2024SR0479007	April 9, 2024
4.	Mine safety production dispatch integrated management platform (礦山安全生產調度綜合管理平台).	Our Company	PRC	2024SR1615614	October 25, 2024

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No.	Copyright	Registrant	Place of Registration	Registration number	Registration date
5.	Streamax zhitong vehicle networking video management software (銳明智通 車聯網視頻管理軟 件).....	Sichuan Streamax Zhitong	PRC	2020SR0711079	July 2, 2020
6.	Streamax zhitong traffic report management system (銳明智通交通報告 管理系統)	Sichuan Streamax Zhitong	PRC	2020SR0710755	July 2, 2020
7.	Streamax zhitong intelligent device operations and maintenance system (銳明智通智能設備 運維系統)	Sichuan Streamax Zhitong	PRC	2020SR0710768	July 2, 2020
8.	Multi-protocol device access software based on vehicle networking (基於車 聯網的多協議設備 接入軟件)	Sichuan Streamax Zhitong	PRC	2022SR1010744	August 4, 2022
9.	Streamax multi-function download software (銳明多功能下載軟 件).....	Chongqing Streamax	PRC	2022SR0883580	July 4, 2022
10.	Streamax automatic download software (銳明自動下載軟 件).....	Chongqing Streamax	PRC	2020SR0216782	March 5, 2020

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No.	Copyright	Registrant	Place of Registration	Registration number	Registration date
11.	Streamax intelligent in-vehicle Monitoring System (銳明智能車載監控 系統).....	Chongqing Streamax	PRC	2020SR0216787	March 5, 2020
12.	Streamax cross-platform integrated video surveillance software (銳明跨平 臺視頻綜合監控軟 件).....	Chongqing Streamax	PRC	2019SR0187383	February 26, 2019
13.	Streamax active safety video monitoring system (銳明主動安 全視頻監測系統)...	Chongqing Streamax	PRC	2022SR0883294	July 4, 2022
14.	Streamax vehicle information management mobile software (銳明車輛 信息管理移動軟件) .	Chongqing Streamax	PRC	2020SR1700806	December 1, 2020

(d) Domain Name

As of the Latest Practicable Date, we had registered the following domain name which we consider to be material in relation to our business:

No.	Domain name	Registrant	Expiry date
1.	streamax.com	our Company	January 17, 2028

Save as aforesaid, as of the Latest Practicable Date, there were no other trademarks, patents or other intellectual or industrial property rights which we consider to be material in relation to our business.

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C. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1. Disclosure of Interests

(a) *Interests of our Directors and chief executive*

Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised and no additional Shares are issued pursuant to the Share Option Incentive Plans), the interests or short positions of our Directors and chief executive in the shares, underlying shares and debentures of our Company or our associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules, to be notified to our Company and the Stock Exchange, once the H Shares are [REDACTED], are set out below:

(i) *Interest in our Company*

Save as disclosed below, no Directors or the chief executive will, directly or indirectly, be interested in the shares or underlying shares of our Company.

Shareholder	Position	Nature of interest	Description of Shares	Number of Shares	Approximate percentage of shareholding in the total share capital of our Company following the completion of the [REDACTED] ⁽¹⁾
Mr. Zhao Zhijian	Executive Director and chairman of the Board	Beneficial owner	A Shares	40,872,108	[REDACTED]
Mr. Wang Xidian	Executive Director and general manager	Beneficial owner	A Shares	28,632,539	[REDACTED]
Mr. Liu Lei . . .	Executive Director and vice general manager	Beneficial owner	A Shares	1,026,041 ⁽²⁾	[REDACTED]

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Shareholder	Position	Nature of interest	Description of Shares	Number of Shares	Approximate percentage of shareholding in the total share capital of our Company following the completion of the [REDACTED] ⁽¹⁾
Mr. Huang Kaiming . . .	Executive Director and general manager of technical service center	Beneficial owner	A Shares	115,900 ⁽³⁾	[REDACTED]

Notes:

- (1) The calculation is based on the assumption that the [REDACTED] is not exercised and no additional Shares are issued pursuant to our Share Option Incentive Plans.
- (2) As of the Latest Practicable Date, Mr. Liu Lei (i) held 508,041 A Shares in the Company; (ii) was granted options to subscribe for 380,000 A Shares under the 2025 Share Option Incentive Plan; and (iii) was granted 138,000 award Shares under the Employee Shareholding Plan (Phase III).
- (3) As of the Latest Practicable Date, Mr. Huang Kaiming (i) held 15,900 A Shares in the Company; (ii) was granted options to subscribe for 80,000 A Shares under the 2025 Share Option Incentive Plan; and (iii) was granted 20,000 award Shares under the Employee Shareholding Plan (Phase III).

(ii) Interest in our associated corporations

So far as our Directors are aware, immediately following the completion of the [REDACTED], no Directors or the chief executive will, directly or indirectly, be interested in the shares or underlying shares of the associated corporations of our Company.

(b) Interests of our substantial Shareholders

Save as disclosed in “Substantial Shareholders” in this document, our Directors and chief executive are not aware of any person (other than a Director or chief executive of our Company) who will have an interest or a short position in the shares or underlying shares of our Company which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or will be, directly or indirectly, interested in 10% or more of the issued voting shares of any other member of our Group.

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2. Directors’ Service Contracts

We [have entered] into a service contract or a letter of appointment with each of our Directors in respect of, among others, (i) term of service, (ii) termination, (iii) compliance with the relevant laws and regulations and (iv) observance of the Articles of Association. The service contracts and appointment letters may be renewed in accordance with our Articles of Association and the applicable laws, rules and regulations from time to time.

Save as disclosed above, none of our Directors have entered, or have proposed to enter, a service contract with any member of our Group (other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation)).

3. Directors’ Remuneration

The aggregate remuneration paid and benefits in kind granted to our Directors and former supervisors by our Group in respect of the last completed financial year, being year ended December 31, 2025, was RMB12.6 million. For details of our Directors’ emoluments during the Track Record Period, see Note 10 to the Accountants’ Report in Appendix I to this document.

Under the arrangements in force at the date of this document, we estimate the aggregate remuneration payable to, and benefits in kind receivable by, our Directors by our Group in respect of the year ending December 31, 2026, to be approximately RMB8.5 million.

D. EMPLOYEE INCENTIVE PLANS

The following is a summary of the principal terms of our Employee Incentive Plans comprising (i) the 2022 Share Option Incentive Plan, the 2024 Share Option Incentive Plan and the 2025 Share Option Incentive Plan (collectively the “**Share Option Incentive Plans**”); and (ii) the Employee Shareholding Plan (Phase III).

1. Share Option Incentive Plans

As of the Latest Practicable Date, options representing 8,269,440 A Shares under the Share Option Incentive Plans remained outstanding. No options under the Share Option Incentive Plans will be further granted after [REDACTED] and all granted options have been granted to specific individuals under the Share Option Incentive Plans. Pursuant to Rule 17.02(1)(b) of the Listing Rules, the Share Option Incentive Plans do not need to be approved by our Shareholders after [REDACTED]. In addition, given the Share Option Incentive Plans will not involve the grant of new Shares or options over new Shares after [REDACTED], and given all material terms of the

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Share Option Incentive Plans have been clearly set out in this document, the options granted to specified participants before [REDACTED] as set out above may continue to be valid after [REDACTED], although the terms of the Share Option Incentive Plans do not comply with the provisions of Chapter 17 of the Listing Rules, as provided for under Rule 17.02(1)(b) of the Listing Rules.

We have applied to the Stock Exchange and the SFC, respectively, for (i) a waiver from strict compliance with the disclosure requirements under Rule 17.02(1)(b) of the Listing Rules and paragraph 27 of Appendix D1A to the Listing Rules; and (ii) a certificate of exemption under section 342 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance from strict compliance with the disclosure requirements of paragraph 10(d) of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance. For more details, see “Waivers and Exemptions”:

(a) Purpose

The purpose of the Share Option Incentive Plans is to further enhance our Company’s long-term incentive mechanism, attract and retain top talent, effectively motivate our Directors, senior management and key personnel, and to align the interests of our Shareholders with that of our Company and of our employees, which will benefit the long-term development of our Group, enhance our Group’s core competitiveness and ensure the achievement of its business objectives and development strategies.

(b) Administration

The Share Option Incentive Plans are subject to the administration by our Board. The 2022 Share Option Incentive Plan is also subject to the supervision of independent Directors.

(c) Participants

The eligible participants of (i) the 2022 Share Option Incentive Plan includes Directors, senior management, key personnels, key technical (business) personnels, and high-potential employees of our Group; (ii) the 2024 Share Option Incentive Plan includes key management members, key personnels, and high-potential employees of our Group; and (iii) the 2025 Share Option Incentive Plan includes Directors, senior and mid-level management members, and key technical (business) personnels of our Group. The eligible participants of each of the Share Option Incentive Plans exclude independent Directors, supervisors, Shareholders or actual controllers who individually or collectively hold 5% or more of our Shares, and their respective spouses, parents, and children.

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(d) *Source and maximum number of options*

The Shares underlying the options to be granted under the Share Option Incentive Plans shall be A Shares issued by our Company. Each option granted represents the right to purchase one A Share within the exercise period at the exercise price. The maximum number of options that can be granted under each of the Share Option Incentive Plans is as follows:

Share Option Incentive Plan	Maximum number of options to be granted under the Plan
2022 Share Option Incentive Plan	12,110,000 ⁽¹⁾
2024 Share Option Incentive Plan	3,420,000
2025 Share Option Incentive Plan	6,140,000

Note:

- (1) 12,110,000 options under the 2022 Share Option Incentive Plan include 2,050,000 reserved options, the grantees of which shall be determined within 12 months after the approval of the 2022 Share Option Incentive Plan by our Shareholders’ meeting; otherwise, the reserved options shall become invalid (the “**2022 Reserved Options**”). The 2022 Reserved Options have been fully granted.

(e) *Date of grant and duration*

The date on which the options are granted shall be determined by our Board after the approval of the Share Option Incentive Plans by our Shareholders’ meeting and shall be a trading day. The initial grant of options to the participants shall be determined, announced and registered within 60 days upon approval of the Share Option Incentive Plans by our Shareholders’ meeting, otherwise each of the Share Option Incentive Plans shall be terminated and the ungranted options thereunder shall be void. Each of the Share Option Incentive Plans shall be effective from the date of the initial grant of options under the plans up to the date when all of the options granted under the plans have been vested or void and lapsed, provided that the term of the 2022 Share Option Incentive Plan shall not exceed 60 months, and the terms of the 2024 Share Option Incentive Plan and the 2025 Share Option Incentive Plan shall not exceed 48 months.

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(f) Conditions to the grant of options

The options under the Share Option Incentive Plans will only be granted to selected participants if the following conditions are met:

(i) The following circumstances have not occurred with respect to our Company:

- an audit report with an adverse opinion or a disclaimer of opinion has been issued by the certified public accountant with respect to our Company’s accountants’ report for the most recent fiscal year;
- an audit report with an adverse opinion or a disclaimer of opinion has been issued by the certified public accountant with respect to the internal control of the financial report for the most recent fiscal year;
- our Company has not distributed dividends in accordance with the laws and regulations, our Articles of Association or our public commitment within 36 months after its listing;
- applicable laws and regulations prohibit the implementation of share incentive; or
- any other circumstances as determined by the CSRC; and

(ii) with respect to a grantee, none of the following circumstances have occurred:

- the grantee has been regarded as an inappropriate person by the stock exchange within the last 12 months;
- the grantee has been regarded as an inappropriate person by the CSRC and its local office within the last 12 months;
- the grantee has received administrative penalty or been prohibited from entering into the securities market by the CSRC and its local office due to material non-compliance with applicable laws and regulations within the last 12 months;
- the grantee is not qualified to serve as a director or senior management according to the PRC Company Law;
- the grantee is prohibited from participating in any share incentive of listed companies according to applicable laws and regulations; or

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- any other circumstances as determined by the CSRC.

(g) Exercise of options

Options may be exercised by a grantee provided that (i) the conditions set out under paragraph (f) above are still satisfied during the exercise period; and (ii) corporate-level and individual-level performance evaluations as set out under the Share Option Incentive Plans are satisfied. The number of options granted and the exercise prices will be adjusted upon the occurrence of certain events, including increase in the share capital by way of capitalization of capital reserves, subdivision and consolidation of shares, share placing and distribution of dividends.

The options under the Share Option Incentive Plans shall be exercised in accordance with the exercise schedule as set out under each of the Share Option Incentive Plans as follows:

- under the 2022 Share Option Incentive Plan, the options granted may be exercised in three tranches of 30%, 40% and 30% in each of the three 12-month exercise periods that occur between the first trading date after 12 months from the date of grant and the last trading day within the 48 months of the date of grant, respectively; and
- under the 2024 Share Option Incentive Plan and 2025 Share Option Incentive Plan, the options granted may be exercised in three tranches of 40%, 30% and 30% in each of the three 12-month exercise periods that occur between the first trading date after 12 months from the date of grant and the last trading day within the 48 months of the date of grant, respectively.

The 2022 Reserved Options will be exercised in accordance with the exercise schedule as set out under the 2022 Share Option Incentive Plan, as follows: if the 2022 Reserved Options are granted before the release of our Company’s 2022 third quarterly report, the exercise schedule is the same as that of the other options as described above. Otherwise, the 2022 Reserved Options shall be exercised in tranches of 50% in each of the two 12-month exercise periods that occur between the first trading date after 12 months from the date of grant and the last trading day up to 36 months from the date of grant.

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(h) Exercise Price

The initial exercise price of the options granted under the 2022 Share Option Incentive Plan, 2024 Share Option Incentive Plan and 2025 Share Option Incentive Plan are RMB21.35, RMB 21.12 and RMB45.63, respectively, which are not lower than the nominal value of each A Share and not lower than (as the case may be stipulated in the relevant Share Option Incentive Plans):

Share Option Incentive Plan	Exercise price
2022 Share Option Incentive Plan . .	90% of the higher of (i) the average trading price of A Shares on the trading day immediately preceding the announcement of the 2022 Share Option Incentive Plan; and (ii) the average trading price of A Shares during the 20 trading days immediately preceding the announcement of the 2022 Share Option Incentive Plan
2024 Share Option Incentive Plan . .	80% of the higher of (i) the average trading price of A Shares on the trading day immediately preceding the announcement of the 2024 Share Option Incentive Plan; and (ii) the average trading price of A Shares during the 60 trading days immediately preceding the announcement of the 2024 Share Option Incentive Plan
2025 Share Option Incentive Plan . .	90% of the higher of (i) the average trading price of A Shares on the trading day immediately preceding the announcement of the 2025 Share Option Incentive Plan; and (ii) the average trading price of A Shares during the 120 trading days immediately preceding the announcement of the 2025 Share Option Incentive Plan

(i) Adjustment

Subject to the other terms and conditions contained in the Share Option Incentive Plans, the number and/or exercise price of option granted may be adjusted upon the occurrence of certain events from the date of the announcement of the relevant Share Incentive Plan to the completion of relevant registration or exercise by the grantee. These events include, as the case may be, (i) capitalization of capital reserves, (ii) placing, (iii) share subdivision, (iv) distribution of dividends, and (v) share issuance.

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(j) Outstanding options

As of the Latest Practicable Date, the number of outstanding options granted under the Share Option Incentive Plans as resolved by our Board was 8,269,440, representing approximately [REDACTED]% of the total issued Shares immediately following completion of the [REDACTED] (assuming the [REDACTED] is not exercised and no additional Shares are issued pursuant to the Share Option Incentive Plans). As of the Latest Practicable Date, the outstanding options were held by 188 grantees. Assuming full exercise of all outstanding options granted under the Share Option Incentive Plans and the [REDACTED] is not exercised, the issued and outstanding shareholding of our Shareholders immediately following completion of the [REDACTED] will be diluted by approximately [REDACTED]%. The dilution effect on our earnings per Share would be approximately [REDACTED]%.

The table below sets forth the details of options granted to Directors, members of senior management or connected persons of our Company under Share Option Incentive Plans as of the Latest Practicable Date:

Name	Position in our Group	Address	Share Option Incentive Plan	Date of grant	Exercise period	Exercise price (RMB)	Number of outstanding options	As an approximate percentage of issued share capital upon completion of the [REDACTED] ⁽¹⁾
<i>Director and members of senior management of our Company</i>								
Liu Lei (劉壘) . . .	Executive Director and vice general manager	Unit C 3218, Building 1, Tianxia Bicui Pearl, Nanshan District, Shenzhen, Guangdong, PRC	2025 Share Option Incentive Plan	April 1, 2025	April 1, 2026– March 31, 2029	45.63	380,000	[REDACTED]
Huang Kaiming (黃凱明) . .	Executive Director and general manager of technical service center	22F, Block D, Baoneng Taigucheng South Garden, No.2199, Centre Road, Nanshan District, Shenzhen, Guangdong, PRC	2025 Share Option Incentive Plan	April 1, 2025	April 1, 2026– March 31, 2029	45.63	80,000	[REDACTED]

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Name	Position in our Group	Address	Share Option Incentive Plan	Date of grant	Exercise period	Exercise price	Number of outstanding options	As an approximate percentage of issued share capital upon completion of the
								[REDACTED] ⁽¹⁾
						(RMB)		
Zhang Jiong (張炯) . . .	Secretary of our Board	Room 1403, Duty Free Commercial Building, No. 6 Fuhua first Road, Futian District, Shenzhen, Guangdong, PRC	2025 Share Option Incentive Plan	April 1, 2025	April 1, 2026– March 31, 2029	45.63	90,000	[REDACTED]
Liu Bifa (劉必發) . . .	Finance director of our Company	Room 409, Building15, Block A, Jiyue City, 133 Tangxing Road, Nanshan District, Shenzhen, Guangdong, PRC	2025 Share Option Incentive Plan	April 1, 2025	April 1, 2026– March 31, 2029	45.63	150,000	[REDACTED]
Hu Xiubiao (胡修彪) . . .	Vice general manager and general manager of product R&D center of our Company	Room 310, Building 2, Jinxiu Jiangnan (Phase II), Longhua District, Shenzhen, Guangdong, PRC	2025 Share Option Incentive Plan	April 1, 2025	April 1, 2026– March 31, 2029	45.63	380,000	[REDACTED]
Li Heng (李恆) . . .	Vice general manager and general manager of product development center of our Company	Room 1704, Building 63, Windsor Castle, Zhangmu Road, Zhangmutou Town, Dongguan, Guangdong, PRC	2025 Share Option Incentive Plan	April 1, 2025	April 1, 2026– March 31, 2029	45.63	160,000	[REDACTED]

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								As an approximate percentage of issued share capital upon completion of the
Name	Position in our Group	Address	Share Option Incentive Plan	Date of grant	Exercise period	Exercise price	Number of outstanding options	(REDACTED)] ⁽¹⁾
						(RMB)		
Connected persons of our Company								
Yuan Geng (袁耕) . . .	Supervisor of Shenzhen Chenrui	23H, Building A, Changyi Garden, No. 59 Baihua Fourth Road, Futian District, Shenzhen, Guangdong, PRC	2024 Share Option Incentive Plan	May 15, 2024	May 15, 2025– May 14, 2028	21.12	18,000	(REDACTED)]
			2025 Share Option Incentive Plan	April 1, 2025	April 1, 2026– March 31, 2029	45.63	30,000	(REDACTED)]
Xu Fei (許飛) . . .	Manager of Chongqing Streamax and supervisor of Sichuan Streamax Zhitong	1-12-2, Building 2, No. 98 Yongqing Road, Shapingba District, Chongqing, PRC	2024 Share Option Incentive Plan	May 15, 2024	May 15, 2025– May 14, 2028	21.12	30,000	(REDACTED)]
			2025 Share Option Incentive Plan	April 1, 2025	April 1, 2026– March 31, 2029	45.63	120,000	(REDACTED)]
Cao Jun (曹俊) . . .	Director of Streamax America	17343 W Copper Lakes Drive, Houston, Texas, United States	2024 Share Option Incentive Plan	May 15, 2024	May 15, 2025– May 14, 2028	21.12	24,000	(REDACTED)]
			2025 Share Option Incentive Plan	April 1, 2025	April 1, 2026– March 31, 2029	45.63	50,000	(REDACTED)]
Jin Feng (金峰) . . .	Director of Streamax Singapore	33 Pasir Ris Grove, #15-68, Singapore	2025 Share Option Incentive Plan	April 1, 2025	April 1, 2026– March 31, 2029	45.63	200,000	(REDACTED)]

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Name	Position in our Group	Address	Share Option Incentive Plan	Date of grant	Exercise period	Exercise price (RMB)	Number of outstanding options	As an approximate percentage of issued share capital upon completion of the [REDACTED] ⁽¹⁾
Li Aizhong (李愛忠)	Director of Dongguan Streamax Electronics	No. 1003, Block A, Building 1, Hongwei Hongjing Huating, Longgang District, Shenzhen, Guangdong, PRC	2025 Share Option Incentive Plan	April 1, 2025	April 1, 2026– March 31, 2029	45.63	50,000	[REDACTED]
Chen Chun (陳春)	Director of Shenzhen Ruihong Trading Co., Ltd. (深圳市 銳鴻貿易有限公 司) (“Shenzhen Ruihong”)	Room 802, Building 3A2, Xinghe Legend Garden Phase 1, Minzhi Street, Longhua District, Shenzhen, Guangdong, PRC	2025 Share Option Incentive Plan	April 1, 2025	April 1, 2026–March 31, 2029	45.63	50,000	[REDACTED]
Xu Ping (徐平)	Supervisor of Shenzhen Ruihong	Room 1701, Unit 6B, Tower 6, Zhongxin Bay, No. 8 Yuehe Road, Xixiang, Bao’an District, Shenzhen, Guangdong, PRC	2024 Share Option Incentive Plan	May 15, 2024	May 15, 2025–May 14, 2028	21.12	18,000	[REDACTED]
			2025 Share Option Incentive Plan	April 1, 2025	April 1, 2026–March 31, 2029	45.63	30,000	[REDACTED]

Note:

- (1) The calculation is based on the assumption that the [REDACTED] is not exercised and no additional Shares are issued pursuant to our Share Option Incentive Plans.

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The table below sets forth the details of outstanding options granted to other grantees (excluding Directors, members of senior management or connected persons of our Company) under the Share Option Incentive Plans as of the Latest Practicable Date:

Share Option Incentive Plan	Category by number of underlying A Shares	Number of grantees	Date of grant	Exercise period	Exercise price	Number of A Shares underlying the options granted	As an approximate percentage of issued share capital upon completion of the [REDACTED] ⁽¹⁾
					(RMB)		
2022 Share Option Incentive Plan	1–50,000	8	July 20, 2022	July 20, 2023–July 19, 2026	21.35	56,340	[REDACTED]
		4	October 25, 2022	October 25, 2023–October 24, 2026	21.35	10,400	[REDACTED]
	50,001–150,000	1	October 25, 2022	October 25, 2023–October 24, 2026	21.35	114,000	[REDACTED]
2024 Share Option Incentive Plan	1–50,000	139	May 15, 2024	May 15, 2025–May 14, 2028	21.12	1,968,700	[REDACTED]
2025 Share Option Incentive Plan	1–50,000	109	April 1, 2025	April 1, 2026–March 31, 2029	45.63	3,110,000	[REDACTED]
	50,001–150,000	11	April 1, 2025	April 1, 2026–March 31, 2029	45.63	1,150,000	[REDACTED]

Note:

- (1) The calculation is based on the assumption that the [REDACTED] is not exercised and no additional Shares are issued pursuant to our Share Option Incentive Plans.

2. Employee Shareholding Plan (Phase III)

The terms of the Employee Shareholding Plan (Phase III) are not subject to the provisions of Chapter 17 of the Listing Rules other than Rule 17.12, as it does not involve any grant of Shares by our Company after our [REDACTED] but is funded by our treasury Shares which are not [REDACTED] on the Stock Exchange. Our Company will comply with applicable requirements under Rule 19A.39E of the Listing Rules as and when appropriate and required. Save as otherwise disclosed, the terms of the Employee Shareholding Plan (Phase III) are summarized below.

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(a) Purpose

The purpose of the Employee Shareholding Plan (Phase III) is to improve our corporate governance standards, strengthen employee cohesion and our Company’s competitiveness, foster greater enthusiasm and creativity among employees and realize the common development of the eligible participants under the Employee Shareholding Plan (Phase III) and our Group.

(b) Administration

The participants’ meeting is the highest decision-making body of the Employee Shareholding Plan (Phase III). A management committee (the “**Managing Committee**”) is established comprising members elected by the participants’ meeting for the day-to-day management and exercise of the shareholders’ rights on behalf of the participants under the Employee Shareholding Plan (Phase III). The Board is responsible for the drafting and amendment of the Employee Shareholding Plan (Phase III) and is entitled to handle other related matters as authorized by our Shareholders’ meeting.

(c) Participants

The eligible participants of our Employee Shareholding Plan (Phase III) include Directors (excluding independent Directors), supervisors, senior management, key technical (business) personnels and key personnels of our Company (including our subsidiaries).

(d) Source and maximum number of award Shares

The underlying A Shares to be granted under the Employee Shareholding Plan (Phase III) shall be A Shares repurchased by our Company. The maximum numbers of initial participants and award Shares that can be granted under the Employee Shareholding Plan (Phase III) are as follows:

	Maximum number of initial participants	Maximum number of award Shares to be granted under the Plan
Share Option Incentive Plan ⁽¹⁾		
Employee Shareholding Plan (Phase III)	11	794,000

Note:

- (1) The final subscription amount of each participant under the Employee Shareholding Plan (Phase III) shall be based on the actual amount contributed by the participant. In the event that any participant waives the subscription right, or fails to make timely and full payment of the proposed subscription, our Remuneration Committee of the Board

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may reallocate the forfeited portion to eligible employees (excluding directors, supervisors, or senior management of our Company). In any event, the total number of award Shares granted to an individual participant under the Employee Shareholding Plan (Phase III) after reallocation shall not exceed 1% of our Company’s total share capital.

(e) Duration

The Employee Shareholding Plan (Phase III) shall be effective for a term of 36 months commencing from the date of approval by our Shareholders’ meeting and the award Shares to be granted are transferred to the Employee Shareholding Plan (Phase III), unless terminated earlier as resolved by the participants’ meetings upon the completion of the granted Shares by all participants under the Employee Shareholding Plan (Phase III), or pursuant to the Employee Shareholding Plan (Phase III), extended as approved by the participants’ meetings and the Board in the event of any award Shares granted thereunder has not been fully transferred, sold or disposed of by the participants.

(f) Lock-up period and unlocking of award Shares

The award Shares granted under the Employee Shareholding Plan (Phase III) (including the Shares derived from the Shares granted under the Employee Shareholding Plan (Phase III) as a result of the distribution of dividends, capitalization of capital reserves or other similar circumstances) shall be subject to a lock-up period of 12 months commencing from the date on which our Company announces the complete transfer of the underlying A Shares to the Employee Shareholding Plan (Phase III). Upon the expiry of the lock-up period, and subject to the satisfaction of corporate-level performance evaluation and individual-level performance evaluation as set out under the Employee Shareholding Plan (Phase III), the award Shares granted under the Employee Shareholding Plan (Phase III) shall be unlocked.

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(g) *Grant price*

The initial grant price under the Employee Shareholding Plan (Phase III) is RMB25.35 per award Share, which is not lower than the nominal value of A Share and shall not be lower than:

Employee Shareholding Plan	Grant price
Employee Shareholding Plan (Phase III).....	50% of (i) the average trading price of A Shares on the trading day immediately preceding the announcement of the Employee Shareholding Plan (Phase III), which is RMB 50.70; and (ii) the average trading price of A Shares during the 120 trading days immediately preceding the announcement of the Employee Shareholding Plan (Phase III), which is RMB 45.38

Pursuant to the Employee Shareholding Plan (Phase III), the grant price shall be adjusted upon the occurrence of certain events, including (i) capitalization of capital reserves, (ii) placing, (iii) share subdivision, (iv) distribution of dividends, and (v) share issuance.

(h) *Outstanding award Shares*

As of the Latest Practicable Date, the number of outstanding award Shares granted under the Employee Shareholding Plan (Phase III) as resolved by our Board was 794,000, representing approximately [REDACTED]% of the total issued Shares immediately following completion of the [REDACTED] (assuming the [REDACTED] is not exercised and no additional Shares are issued pursuant to the Share Option Incentive Plans).

APPENDIX VI

STATUTORY AND GENERAL INFORMATION

The table below sets forth the details of award Shares granted to Directors, members of senior management or connected persons of our Company under Employee Shareholding Plan (Phase III) as of the Latest Practicable Date:

						As an approximate percentage of issued share capital upon completion of the
Name	Position in our Group	Employee Shareholding Plan	Date of grant ⁽²⁾	Grant price	Number of outstanding award Shares granted	[REDACTED] ⁽¹⁾
				(RMB)		
<i>Directors and members of senior management of our Company</i>						
Liu Lei (劉壘).	Executive Director and vice general manager	Employee Shareholding Plan (Phase III)	March 24, 2025	24.65	138,000	[REDACTED]%
Huang Kaiming (黃凱明).	Executive Director and general manager of technical service center	Employee Shareholding Plan (Phase III)	March 24, 2025	24.65	20,000	[REDACTED]%
Zhang Jiong (張炯).	Secretary of our Board	Employee Shareholding Plan (Phase III)	March 24, 2025	24.65	20,000	[REDACTED]%
Liu Bifa (劉必發).	Finance director of our Company	Employee Shareholding Plan (Phase III)	March 24, 2025	24.65	60,000	[REDACTED]%
Hu Xiubiao (胡修彪).	Vice general manager and general manager of product R&D center of our Company	Employee Shareholding Plan (Phase III)	March 24, 2025	24.65	130,000	[REDACTED]%

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STATUTORY AND GENERAL INFORMATION

Name	Position in our Group	Employee Shareholding Plan	Date of grant ⁽²⁾	Grant price	Number of outstanding award Shares granted	As an approximate percentage of issued share capital upon completion of the
						[REDACTED] ⁽¹⁾
				(RMB)		
Li Heng (李恆).	Vice general manager and general manager of product development center of our Company	Employee Shareholding Plan (Phase III)	March 24, 2025	24.65	120,000	[REDACTED]%

Connected person of our Company

Jin Feng (金峰).	Director of Streamax Singapore	Employee Shareholding Plan (Phase III)	March 24, 2025	24.65	80,000	[REDACTED]%

Notes:

- (1) The calculation is based on the assumption that the [REDACTED] is not exercised and no additional Shares are issued pursuant to our Share Option Incentive Plans.
- (2) Award Shares granted under the Employee Shareholding Plan (Phase III) are proposed to be unlocked on June 24, 2026. See “(f) Lock-up period and unlocking of award Shares” for lock-up and unlocking arrangements.

APPENDIX VI

STATUTORY AND GENERAL INFORMATION

The table below sets forth the details of outstanding award Shares granted to other grantees (excluding Directors, members of senior management or connected person of our Company) under the Employee Shareholding Plan (Phase III) as of the Latest Practicable Date:

Employee Shareholding Plan	Number of grantees	Date of grant	Grant price (RMB)	Number of outstanding award Shares granted	As an approximate percentage of issued share capital upon completion of the [REDACTED] ⁽¹⁾
Employee Shareholding Plan (Phase III)	4	March 24, 2025	24.65	226,000	[REDACTED]

Note:

- (1) The calculation is based on the assumption that the [REDACTED] is not exercised and no additional Shares are issued pursuant to our Share Option Incentive Plans.

E. OTHER INFORMATION

1. Estate Duty

Our Directors have been advised that no material liability for estate duty would be likely to fall upon any member of our Group.

2. Litigation

So far as our Directors are aware, no litigation or claim of material importance is pending or threatened against any member of our Group.

3. Sole Sponsor

The Sole Sponsor has made an application on our behalf to the [REDACTED] for the [REDACTED] of, and permission to [REDACTED] in, the H Shares in issue and to be issued pursuant to the [REDACTED] (including any additional H Shares which may be issued pursuant to the exercise of the [REDACTED]).

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STATUTORY AND GENERAL INFORMATION

As of the Latest Practicable Date, CICC Financial Trading Ltd., a member of the sponsor group of the Sole Sponsor as defined under the Listing Rules, held 0.01% of the issued share capital of the Company. As such, the Sole Sponsor satisfies the independence criteria applicable to sponsor set out in Rule 3A.07 of the Listing Rules. The Sole Sponsor will receive a fee of US\$400,000 for acting as a sponsor for the [REDACTED].

4. No Material Adverse Change

Save as disclosed in this document, our Directors confirm that there has been no material adverse change in the financial or trading position of our Group since December 31, 2025 (being the date to which the latest audited consolidated financial statements of our Group were prepared).

5. Qualification and Consent of Experts

This document contains statements made by the following experts:

Name	Qualification
China International Capital Corporation Hong Kong Securities Limited	A corporation licensed to carry on Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 6 (advising on corporate finance) regulated activities under the SFO
King & Wood	Qualified PRC lawyers
KPMG	Certified Public Accountants
	Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance
Shihui Partners	Legal advisers to our Company as to PRC data compliance laws
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Industry consultant

Save as disclosed in this document, as of the Latest Practicable Date, none of the experts named above had any shareholding in any member of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

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STATUTORY AND GENERAL INFORMATION

The experts named above have each [given and have not withdrawn] their respective written consents to the issue of this document with copies of their reports, letters, opinions or summaries of opinions (as the case maybe) and references to their names included in the form and context in which they are respectively included.

6. Promoter

Information of our promoters at the time of our Company’s conversion into a joint stock limited company on May 26, 2015 is as follows:

Shareholder	Number of Shares held upon our conversion	Percentage shareholding
Mr. Zhao Zhijian.....	20,229,600	33.72%
Mr. Wang Xidian.....	15,005,400	25.01%
Charter Investments.....	14,700,000	24.50%
Zhuorui Investment Management.....	3,840,000	6.40%
Mr. Jiang Mingjun.....	2,025,000	3.38%
Mr. Jiang Wenjun.....	1,620,000	2.70%
Mr. Liu Wentao.....	1,620,000	2.70%
Yongrui Investment Management.....	960,000	1.60%
Total.....	60,000,000	100.00%

Save as disclosed in this document, within the two years immediately preceding the date of this document, no cash, securities or other benefit has been paid, allotted or given nor are any proposed to be paid, allotted or given to the above promoters in connection with the [REDACTED] and the related transactions described in this document.

7. Preliminary Expenses

We have not incurred any material preliminary expenses.

8. Binding Effect

This document shall have the effect, where an application is made in pursuance hereof, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance insofar as applicable.

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STATUTORY AND GENERAL INFORMATION

9. Bilingual Document

The English language and Chinese language versions of this document are being published separately in reliance upon the exemption provided by section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

10. Miscellaneous

- (a) Save as disclosed in this document, within the two years immediately preceding the date of this document:
 - (i) no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any capital of any member of our Group, and no Directors, promoters or experts named in “—E. Other Information—5. Qualification and Consent of Experts” in this section have received any such payment or benefit;
 - (ii) no capital of any member of our Group has been issued or is proposed to be issued for cash or issued as fully or partly paid up otherwise than in cash;
 - (iii) none of our Directors or the experts named in “—E. Other Information—5. Qualification and Consent of Experts” in this section have any interest, direct or indirect, in the promotion of, or in any assets which have been, acquired or disposed of by or leased to, any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group; and
 - (iv) no commissions (but not including commissions to sub-underwriters) have been paid or payable for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions, for any Shares or debentures of our Company.
- (b) Save as disclosed in this document:
 - (i) there is no arrangement under which future dividends are waived or agreed to be waived;
 - (ii) our Company has no outstanding convertible debt securities or debentures;
 - (iii) there are no founder, management or deferred shares in our Company or any of our subsidiaries;

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STATUTORY AND GENERAL INFORMATION

- (iv) no capital of any member of our Group is under option, or is agreed conditionally or unconditionally to be put under option;
- (v) there has not been any interruption in the business of our Group which may have or has had a significant effect on our financial position in the 12 months immediately preceding the date of this document; and
- (vi) none of our Directors are materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to the business of our Group.

APPENDIX VII

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG AND AVAILABLE ON DISPLAY AND FOR INSPECTION

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

The documents attached to a copy of this document and delivered to the Registrar of Companies in Hong Kong for registration were:

- (a) a copy of each of the material contracts referred to in “Statutory and General Information—B. Further Information about Our Business—1. Summary of Material Contracts” in Appendix VI to this document; and
- (b) the written consents referred to in “Statutory and General Information—E. Other Information—5. Qualification and Consent of Experts” in Appendix VI to this document.

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange at www.hkexnews.hk and our Company at www.streamax.com for a period of 14 days from the date of this document:

- (i) the Articles of Association;
- (ii) the audited consolidated financial statements of our Group for the years ended December 31, 2023, 2024 and 2025;
- (iii) the Accountants’ Report from KPMG, the text of which is set out in Appendix I to this document;
- (iv) the report on the unaudited [REDACTED] financial information of our Group from KPMG, the text of which is set out in Appendix II to this document;
- (v) the legal opinion issued by King & Wood, our PRC Legal Advisor, in respect of certain aspects and the property interests of our Group in the PRC;
- (vi) the legal opinion issued by Shihui Partners, our legal advisers as to PRC data protection laws, in respect of certain data protection, data compliance and cyber security matters of our Group;
- (vii) the industry report issued by Frost & Sullivan;

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DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG AND AVAILABLE ON DISPLAY AND FOR INSPECTION

- (viii) each of the material contracts referred to in “Statutory and General Information—B. Further Information about Our Business—1. Summary of Material Contracts” in Appendix VI to this document;
- (ix) the service contracts and letters of appointment referred to in “Statutory and General Information—C. Further Information about Our Directors and Substantial Shareholders—2. Directors’ Service Contracts” in Appendix VI to this document;
- (x) the written consents referred to in “Statutory and General Information—E. Other Information—5. Qualification and Consent of Experts” in Appendix VI to this document;
- (xi) the PRC Company Law, Securities Law, and the Trial Measures for the Administration Related to the Overseas Securities Offering and Listing by Domestic Companies, together with unofficial English translations thereof; and
- (xii) the terms of the Share Option Incentive Plans.

DOCUMENT AVAILABLE FOR INSPECTION

A copy of a full list of all the grantees under the Share Option Incentive Plans will be made available for public inspection at our Company’s Hong Kong legal advisor’s office in Hong Kong at 22/F, Bank of China Tower, 1 Garden Road, Hong Kong, during normal business hours up to and including the date which is 14 days from the date of this document.