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Application Proof of

Changzhou Xingyu Automotive Lighting Systems Co., Ltd.
常州星宇車燈股份有限公司

(the "**Company**")

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

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Changzhou Xingyu Automotive Lighting Systems Co., Ltd.
常州星宇車燈股份有限公司

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

[REDACTED]

Number of [REDACTED] under the [REDACTED]	**:**	**[REDACTED] (subject to the [REDACTED])**
Number of [REDACTED]	**:**	**[REDACTED] (subject to [REDACTED])**
Number of [REDACTED]	**:**	**[REDACTED] (subject to [REDACTED] and the [REDACTED])**
Maximum [REDACTED]	**:**	**[REDACTED] per H Share (payable in full in Hong Kong dollars on application plus brokerage of 1%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and the Stock Exchange trading fee of 0.00565%, and subject to refund)**
Nominal value	**:**	**RMB1.00 per H Share**
[REDACTED]	**:**	**[REDACTED]**

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

华泰国际
HUATAI INTERNATIONAL

[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]. Further details of such circumstances are set out in "[REDACTED]".

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[REDACTED]

IMPORTANT

[**REDACTED**]

IMPORTANT

[**REDACTED**]

IMPORTANT

[**REDACTED**]

EXPECTED TIMETABLE

[**REDACTED**]

EXPECTED TIMETABLE

[**REDACTED**]

EXPECTED TIMETABLE

[REDACTED]

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SUMMARY

This summary aims to give you an overview of the information contained in this Document and should be read in conjunction with the full text of this Document. As this is only 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**]. *There are risks associated with any* [**REDACTED**]. *Some of the particular risks in* [**REDACTED**] *are set out in "Risk Factors." You should read that section carefully before you decide to* [**REDACTED**]. *Various expressions used in this section are defined or explained in "Definitions" and "Glossary of Technical Terms" in this Document.*

OVERVIEW

We design, manufacture and sell automotive lighting products and related electronic components to automotive manufacturers worldwide, leveraging our capabilities in technology innovation and intelligent manufacturing. We are the largest provider of automotive lighting products in China and one of the major participants in the global automotive lighting market by sales revenues in 2025. As of March 31, 2026, we had established business relationships with nine of the world's top ten global automotive manufacturers by vehicle sales volume calculated on a group level in 2025, demonstrating our strong market position in the global automotive lighting industry. According to Frost & Sullivan, based on sales revenue in 2025, we ranked first in China and seventh globally in the overall automotive lighting market, with market shares of 11.6% in China and 4.6% globally, respectively. According to Frost & Sullivan, based on sales revenue in 2025, we also ranked first both globally and in China in the intelligent automotive lighting market, with a market share of 28.4% in China.

As of March 31, 2026, we operated 12 manufacturing facilities in China and Serbia and maintained 16 R&D centers worldwide, serving automotive customers across major markets in Asia, Europe and Americas. We are committed to advancing the globalization of our R&D, sales and manufacturing operations. By building a robust talent ecosystem, continuously investing in technology innovation, and driving digital and intelligent transformation, we have continued to strengthen our competitive advantages in the automotive lighting market. Leveraging our accumulated capabilities across optics, mechanics, electronics, software and materials, we are also actively expanding into emerging fields such as embodied intelligence.

The following diagram presents our strong market position and key business highlights as of March 31, 2026:

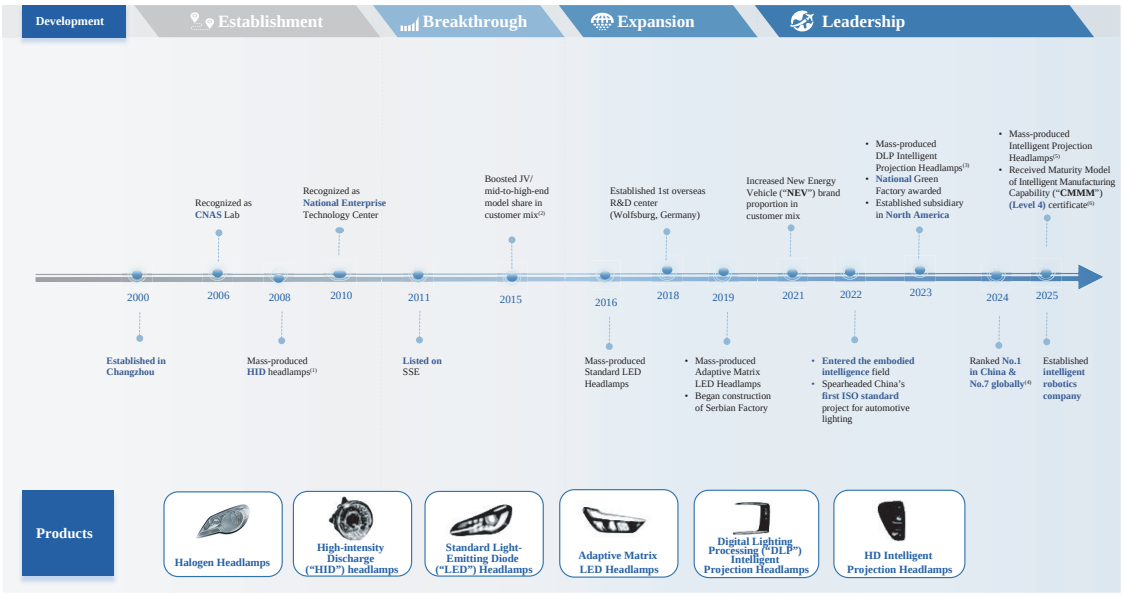
Notes:

(1) According to Frost & Sullivan, the ranking is based on sales revenue in 2025.

(2) We led and formulated the ISO/TS 5385:2022 standards in 2022, which became the first ISO standard approved in China's automotive lighting industry.

OUR KEY MILESTONES

The following diagram illustrates our key milestones since our establishment:



Notes:

(1) Refers to the mass production of our first HID headlamp.

(2) Refers to the continuous increase in the proportion of joint-venture brands/mid-to-high-end vehicle models within our customer mix.

(3) Calculated based on revenue from the automotive lighting business in 2024, according Frost & Sullivan.

OUR BUSINESS AND PRODUCTS

We focus on the design, development, manufacturing and sales of automotive lighting products. Centered on automotive lighting, we have expanded into intelligent automotive visual systems and are exploring the application of our intelligent manufacturing capabilities in the field of embodied intelligence. Our automotive lighting products are primarily customized solutions developed based on the specific requirements and vehicle platform specifications of individual automotive manufacturers. We also offer certain modular and platform-based controller products that can be applied across multiple vehicle models of the same customer. Depending on product functionality and vehicle electronic architecture requirements, we provide either hardware-only products or integrated hardware and software solutions. Our application-layer software is mainly developed in-house, while certain basic software components or development tools are procured or licensed from third-party suppliers.

Automotive lighting is an important upgrade option in vehicle iteration and one of the few highly recognizable components in the era of intelligent vehicles. It is also a key factor considered by consumers in vehicle purchase decisions. Our automotive lighting product portfolio encompasses front lighting, rear lighting, other lighting and controllers, designed to deliver safety-oriented, interactive and intelligent user experiences while supporting diverse in-vehicle applications and customized functions.

SUMMARY

Our core product matrix is set out below:

The following table sets forth a breakdown of revenue, gross profit and gross profit margin by product category for the years/periods indicated.

	Year ended December 31,												Three months ended March 31,							
	2023				2024				2025				2025				2026			
	Revenue		Gross profit	Gross margin	Revenue		Gross profit	Gross margin	Revenue		Gross profit	Gross margin	Revenue		Gross profit	Gross margin	Revenue		Gross profit	Gross margin
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000* (unaudited)	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Automotive Lighting Products																				
Front lighting	5,242,916	51.2	1,111,770	21.2	7,223,256	54.5	1,502,923	20.8	8,040,376	52.7	1,734,470	21.6	1,584,755	51.2	334,779	21.1	1,941,494	56.6	388,141	20.0
Rear lighting	3,433,768	33.5	770,897	22.5	4,442,853	33.5	842,900	19.0	5,546,860	36.4	1,027,962	18.5	1,154,405	37.3	196,291	17.0	1,154,336	33.7	213,784	18.5
Other lighting	904,826	8.8	137,279	15.2	757,737	5.7	105,860	14.0	628,189	4.1	77,423	12.3	158,471	5.1	23,832	15.0	137,924	4.0	37,473	27.2
Controllers	34,503	0.3	8,918	25.8	76,854	0.6	28,913	37.6	215,500	1.4	60,257	28.0	29,002	1.0	7,631	26.3	57,504	1.7	15,371	26.7
Sub-total	**9,616,013**	**93.8**	**2,028,864**	**21.1**	**12,500,700**	**94.3**	**2,480,596**	**19.8**	**14,430,925**	**94.6**	**2,900,112**	**20.1**	**2,926,633**	**94.6**	**562,533**	**19.2**	**3,291,258**	**96.0**	**654,769**	**19.9**
Others[(1)]	632,433	6.2	67,470	10.7	752,234	5.7	48,737	6.5	825,741	5.4	87,108	10.5	167,877	5.4	20,660	12.3	138,616	4.0	8,734	6.3
Total	**10,248,446**	**100.0**	**2,096,334**	**20.5**	**13,252,934**	**100.0**	**2,529,333**	**19.1**	**15,256,666**	**100.0**	**2,987,220**	**19.6**	**3,094,510**	**100.0**	**583,193**	**18.8**	**3,429,874**	**100.0**	**663,503**	**19.3**

Note:

(1) Others mainly represent sales of raw materials, warning triangles and other automotive components.

During the Track Record Period, our revenue growth was mainly driven by the sales of automotive lighting products, which are our major products, representing 93.8% to 96.0% of our total revenue. The volume and revenue of our other lighting products slightly decreased, since there was a decrease in demand of interior lights and that certain small lights, such as front fog lights, were no longer statutorily required and relevant function has been partially combined in front lights. For details in relation to the changes in our revenue, gross profit and gross margin by product category during the Track Record Period, see "Financial Information — Description of Major Components of Our Results of Operations" and "Financial Information — Results of Operations".

The following table sets forth a breakdown of revenue, gross profit and gross profit margin by intelligent automotive lighting products and non-intelligent automotive lighting products category for the years/periods indicated.

	Year ended December 31,												Three months ended March 31,							
	2023				2024				2025				2025				2026			
	Revenue		Gross profit	Gross margin	Revenue		Gross profit	Gross margin	Revenue		Gross profit	Gross margin	Revenue		Gross profit	Gross margin	Revenue		Gross profit	Gross margin
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000* (unaudited)	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Automotive Lighting Products																				
Intelligent automotive lighting	29,123	0.3	7,296	25.1	1,742,651	13.1	340,680	19.5	2,573,354	16.9	507,008	19.7	279,067	9.0	57,902	20.7	672,415	19.6	134,148	20.0
Non-intelligent automotive lighting	9,552,387	93.2	2,012,650	21.1	10,681,195	80.6	2,111,003	19.8	11,642,071	76.3	2,332,847	20.0	2,618,564	84.6	497,000	19.0	2,561,339	74.7	505,250	19.7
Controllers	34,503	0.3	8,918	25.8	76,854	0.6	28,913	37.6	215,500	1.4	60,257	28.0	29,002	1.0	7,631	26.3	57,504	1.7	15,371	26.7
Sub-total	**9,616,013**	**93.8**	**2,028,864**	**21.1**	**12,500,700**	**94.3**	**2,480,596**	**19.8**	**14,430,925**	**94.6**	**2,900,112**	**20.1**	**2,926,633**	**94.6**	**562,533**	**19.2**	**3,291,258**	**96.0**	**654,769**	**19.9**
Others[(1)]	632,433	6.2	67,470	10.7	752,234	5.7	48,737	6.5	825,741	5.4	87,108	10.5	167,877	5.4	20,660	12.3	138,616	4.0	8,734	6.3
Total	**10,248,446**	**100.0**	**2,096,334**	**20.5**	**13,252,934**	**100.0**	**2,529,333**	**19.1**	**15,256,666**	**100.0**	**2,987,220**	**19.6**	**3,094,510**	**100.0**	**583,193**	**18.8**	**3,429,874**	**100.0**	**663,503**	**19.3**

Note:

(1) Others mainly represent sales of raw materials, warning triangles and other automotive components.

Along with the rapid development of the NEV market and the growing demand of intelligent automotive lighting components, we experienced (i) a shift in product mix and products structure adjustment towards intelligent automotive lighting products with higher average selling prices, and (ii) an increase in sales volume of intelligent automotive lighting products. Despite focusing more on production of intelligent automotive lighting products, our revenue generated by non-intelligent automotive lighting products still realized consistent increases from 2023 to 2025 , by 11.8% from 2023 to 2024 and by 9.0% from 2024 to 2025, driven by the slight increase of price and the demand in traditional automotive lighting market. For details in relation to the changes in our revenue, gross profit and gross margin by intelligent/non-intelligent category during the Track Record Period, see "Financial Information — Description of Major Components of Our Results of Operations" and "Financial Information — Results of Operations".

Our overall gross profit margin slightly decreased from 20.5% in 2023 to 19.1% in 2024, then slightly increased to 19.6% in 2025. The gross profit margin showed an increasing trend from 18.8% for the three months ended March 31, 2025 to 19.3% for the three months period ended March 31, 2026.

Since our listing on the Shanghai Stock Exchange in 2011, our revenue has consistently recorded growth. During the Track Record Period, both our revenue and profit achieved sustained growth. Our revenue increased by 29.3% from RMB10,248.4 million in 2023 to RMB13,252.9 million in 2024. In 2025, our revenue totaled RMB15,256.7 million, representing a 15.1% increase compared to 2024. For the three months periods ended March 31, 2025 and 2026, our revenue increased by 10.8% from RMB3,094.5 million to RMB3,429.9 million. Our net profit amounted to RMB1,102.1 million, RMB1,408.3 million and RMB1,624.1 million in 2023, 2024 and 2025, respectively, presenting a continuous growth over the Track Record Period. For the three months periods ended March 31, 2025 and 2026, our net profit also increased by 10.3% from RMB322.1 million to RMB355.2 million.

Our results of operations and financial condition have been, and are expected to continue to be, affected by the following key factors: (i) the development of the industries where we operate; (ii) ability to maintain and engage customers and seize market opportunities; (iii) R&D capabilities and product upgrades; (iv) our ability to control costs and improve operational efficiency; (v) our management of trade and bills receivables; and (vi) inventory management. Our profit increased throughout the Track Record Period, primarily driven by growths in sales volume and average selling price and a shift in our product mix towards intelligent automotive lighting products with higher average selling prices. The aggregate contribution of intelligent automotive lighting products in our total revenue also significantly increased from 0.3% in 2023 to 13.1% in 2024 and to 16.9% in 2025, and from 9.0% for the three months ended March 31, 2025 to 19.6% for the three months ended March 31, 2026. These were primarily driven by (i) the sustained growth of NEV market which drove an explosive growth in demand for intelligent lighting products; (ii) our continuous efforts in technology and product innovation and upgrading, and in particular, our strengthened and in-depth cooperation with both existing and new customers in the PRC and worldwide through participation in the early R&D and design stages of the automotive lighting products for their vehicle models; and (iii) our enhanced ability to quickly integrate our production capabilities to fit in more comprehensive production demands of intelligent automotive lighting products. See "Financial Information — Key Factors Affecting Our Results of Operations" and "Financial Information — Results of Operations" for details.

During the Track Record Period, the increasingly complex functions and structures of automotive lighting products resulted in higher average selling price for most our major products. Meanwhile, such function and structure complexity also led to increase in production cost, typically involving higher raw materials costs for the procurement of more structurally complex and higher-value components, more processing cost, leading to the reduction of gross profit margin.

The higher gross profit margin in 2023 was mainly attributable to high average selling price incorporating early development cost, sample price and testing cost of intelligent automotive lighting products in the year. The slight reduction of gross profit margin in 2024 was mainly due to: (i) lower price after realization of volume production for intelligent automotive lighting products, (ii) the higher production cost driven by increasing customer requests on more diversified and complex functions and structure, narrowing down the gross profit margin generated from conventional rear lighting products. The gross profit margin in 2025 maintained at similar level with that in 2024 with slight increase, mainly attributable to the higher gross profit margin of front lighting products in 2025, especially intelligent front lighting products. For the three months periods ended March 31, 2025 and 2026, the gross profit margin also slightly increased from 18.8% to 19.3%, primarily attributable to the higher gross profit margin of other lighting products resulting from product structure optimization and slight increase of the gross profit margin of rear lighting products. For details in relation to the changes in our gross profit margin by product category and intelligent/non-intelligent category during the Track Record Period, see "Financial Information — Description of Major Components of Our Results of Operations" and "Financial Information — Results of Operations".

Revenue by Geographic Location

The following table sets forth the breakdown of our revenue by geographic countries, both in absolute amounts and as a percentage of our total revenue for the years/periods indicated:

	Year ended December 31,						Three months ended March 31,			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB' 000* (unaudited)	*%*	*RMB' 000*	*%*
The PRC	9,902,650	96.6	12,733,379	96.1	14,599,245	95.7	2,921,876	94.4	3,234,841	94.3
Others:	345,796	3.4	519,555	3.9	657,421	4.3	172,634	5.6	195,033	5.7
– Germany	146,235	1.4	239,273	1.8	299,971	2.0	64,642	2.0	112,316	3.3
– Czech Republic	34,483	0.3	84,462	0.6	143,501	0.9	32,589	1.1	40,545	1.2
– Brazil	61,318	0.6	51,703	0.4	16,852	0.1	7,802	0.3	3,667	0.1
– Serbia	8,915	0.1	18,423	0.1	29,082	0.2	6,189	0.2	7,089	0.2
– Other countries[(1)]	94,845	1.0	125,694	1.0	168,015	1.1	61,412	2.0	31,416	0.9
Total	**10,248,446**	**100.0**	**13,252,934**	**100.0**	**15,256,666**	**100.0**	**3,094,510**	**100.0**	**3,429,874**	**100.0**

Note (1): Others countries comprise countries not listed above, mainly from Europe, Americas and Asia (excluding the PRC).

For details in relation to our revenue by geographic location, see "Financial Information — Revenue".

The following tables set forth the breakdown of our sales volume and average selling price of our key products (i) by product category and (ii) by intelligent and non-intelligent automotive lighting products for the years/periods indicated:

	Year ended December 31,						Three months ended March 31,			
	2023		2024		2025		2025		2026	
	Sales Volume (units (in thousands))	*Average selling price[(1)] (RMB/ unit)*	*Sales Volume (units (in thousands))*	*Average selling price[(1)] (RMB/ unit)*	*Sales Volume (units (in thousands))*	*Average selling price[(1)] (RMB/ unit)*	*Sales Volume (units (in thousands))* (unaudited)	*Average selling price[(1)] (RMB/ unit)*	*Sales Volume (units (in thousands))*	*Average selling price[(1)] (RMB/ unit)*
Automotive Lighting Products										
Front Lighting	11,071	473.6	12,592	573.6	13,085	614.5	2,926	541.6	3,063	633.6
Rear Lighting	15,858	216.5	17,488	254.1	19,043	291.3	4,272	270.2	3,831	301.3
Other Lighting	43,009	21.0	37,744	20.1	27,403	22.9	8,319	19.0	5,635	24.5
Controllers[(2)]	108	320.2	536	143.4	1,340	160.8	191	151.8	348	165.2
Total	**70,046**		**68,360**		**60,871**		**15,708**		**12,877**	

	Year ended December 31,						Three months ended March 31,			
	2023		2024		2025		2025		2026	
	Sales Volume (units (in thousands))	*Average selling price[1] (RMB/unit)*	*Sales Volume (units (in thousands))*	*Average selling price[1] (RMB/unit)*	*Sales Volume (units (in thousands))*	*Average selling price[1] (RMB/unit)*	*Sales Volume (units (in thousands))*	*Average selling price[1] (RMB/unit)*	*Sales Volume (units (in thousands))*	*Average selling price[1] (RMB/unit)*
							(unaudited)			
Automotive Lighting Products										
Intelligent automotive lighting	7	4,141.0	479	3,636.8	1,583	1,625.8	86	3,260.8	295	2,282.5
Non-intelligent automotive lighting	69,931	136.6	67,345	158.6	57,948	200.9	15,431	169.7	12,234	209.3
Controllers[2]	108	320.2	536	143.4	1,340	160.8	191	151.8	348	165.2
Total	**70,046**		**68,360**		**60,871**		**15,708**		**12,877**	

Notes:

(1) Average selling price is stated net of taxes.

(2) We provide a variety of controllers across a wide price range.

For details in relation to the changes in our sales volume and average selling price by product category and intelligent/non-intelligent category during the Track Record Period, see "Financial Information — Description of Major Components of Our Results of Operations" and "Financial Information — Results of Operations".

We are actively exploring opportunities in the field of embodied intelligence, with the objective of leveraging and transferring our comprehensive R&D capabilities in intelligent automotive lighting optics, intelligent manufacturing technologies and vertically integrated resources. We are focusing on the R&D and manufacturing of core components, as well as the deployment of embodied intelligent robots in industrial application scenarios, in order to pursue growth opportunities in this emerging sector. We have completed the development and validation of the structural components of head modules, joint modules, controllers and related components, and have provided systematic optical technology solutions for "lighting", "projection" and "display". Up to the Latest Practicable date, we have delivered the first batch of sample embodied intelligence modules to our clients.

OUR STRENGTHS

We believe the following strengths contribute to our success: (1) we are a dedicated player in the automotive lighting products industry with strong market recognition in China; (2) innovation-driven development and the creation of industry-model products; (3) strong end-to-end proprietary development capabilities supported by sustained R&D investment and consistent innovation outputs; (4) enhanced efficiency, quality improvement and cost control through vertical integration; (5) the deep integration of digital intelligence capabilities into our operations and management; (6) a strong R&D, sales and manufacturing network serving customers worldwide; and (7) an established corporate culture and an experienced management team.

OUR STRATEGIES

We plan to focus on the following key strategies: (1) consolidating our leading position in the domestic market while expanding our global market share; (2) deepening our international footprint and enhancing our global competitiveness; (3) driving innovation in automotive lighting technologies; (4) continuously strengthening our digital intelligence capabilities across the entire value chain; and (5) advancing the development and innovation of our embodied intelligence businesses.

PRODUCTION

As of March 31, 2026, we operated three major manufacturing bases, comprising 12 manufacturing facilities, of which 11 were located in the PRC and one in Serbia, forming a robust manufacturing network that enables us to efficiently supply key automotive markets in Asia, Europe and the Americas. In May 2026, our Chongqing Manufacturing Base commenced trial operations, focusing on the production of front and rear lighting products to strengthen our ability to serve clients in southwestern China.

RAW MATERIALS AND SUPPLIERS

Our principal raw materials include electronic components (such as LEDs, chips, Printed Circuit Board ("**PCB**") , capacitors and resistors), automotive lighting electronic components (such as wiring harnesses), and resin materials (such as PC, PMMA and PP). As our procurement of raw materials from suppliers is highly correlated with and subject to fluctuations in international commodity prices, including crude oil and semiconductor silicon wafers/non-ferrous metals, we have implemented comprehensive risk management strategies to mitigate the impact of such volatility. See "Business — Risk Management and Internal Control."

We have established stringent supplier selection, evaluation and management procedures to ensure that all suppliers meet our quality and performance standards. During the Track Record Period, our principal suppliers primarily consisted of raw material and component suppliers. In 2023, 2024, 2025 and the three months ended March 31, 2026, the aggregate purchases from our five largest suppliers in each year/period accounted for approximately 22.5%, 23.4%, 25.0% and 24.6% of our total purchases, respectively, while purchases from our largest supplier accounted for approximately 9.6%, 7.8%, 8.6% and 8.4% of our total purchases, respectively. All of our five largest suppliers in each year/period during the Track Record Period are Independent Third Parties. As of the Latest Practicable Date, none of our Directors, their associates or any of our Shareholders (who owned or, to the knowledge of Directors, had owned more than 5% of our issued share capital) had any interest in any of our five largest suppliers in each year/period during the Track Record Period.

SALES AND MARKETING

We consistently adhere to a customer-oriented direct sales model, which enables us to more accurately forecast and meet customer demand and to provide each customer with comprehensive and attentive service. During the Track Record Period, all of our revenue was generated from direct sales, and our customers primarily include automotive manufacturers.

We are committed to providing comprehensive and high-quality solutions to global automotive manufacturers by closely tracking industry development trends, actively pursuing technology innovation, and responding swiftly to customer needs. Through long-term, in-depth engagement in the automotive lighting industry, we have achieved comprehensive customer coverage, spanning Chinese domestic automotive brands, renowned global automotive brands and both conventional vehicle brands and new energy vehicle brands. With respect to Chinese domestic automotive brands, we maintain close relationships with automotive manufacturers including FAW Hongqi, Chery, Seres, Geely, JAC, BAIC New Energy, Li Auto, NIO and XPeng, contributing to the continuous development of China's automotive industry. With respect to internationally renowned automotive brands, we work with BMW, Volkswagen, Toyota, Nissan, Honda, Bentley and a well-known North American

new energy vehicle manufacturer, and have received awards from customers worldwide. According to Frost & Sullivan, we have established business relationships with nine of the world's top ten automotive manufacturers by vehicle sales volume calculated on a group level in 2025, demonstrating our strong market position in the global automotive lighting industry.

In 2023, 2024 and 2025 and the three months ended March 31, 2026, our five largest customers in each year/period accounted for approximately 68.2%, 69.5%, 64.7% and 58.6% of our total revenue, respectively, while sales to our largest customer accounted for approximately 36.6%, 23.3%, 19.5% and 17.2% of our total revenue, respectively. All of our five largest customers in each year/period during the Track Record Period are Independent Third Parties. As of the Latest Practicable Date, none of our Directors, their associates or any of our Shareholders (who owned or to the knowledge of Directors had owned more than 5% of our issued share capital) had any interest in any of our five largest customers in each year/period during the Track Record Period.

OUR INDUSTRY AND COMPETITIVE LANDSCAPE

We mainly operate in the automotive lighting industry, which is fast growing and relatively competitive. Since 2022, the global and Chinese automotive lighting industries have been rapidly transitioning from a model dominated by conventional lighting products to one driven by intelligent lighting products. From 2020 to 2025, China's automotive lighting market expanded from RMB88.7 billion to RMB119.4 billion at a CAGR of 6.1%, and is projected to reach RMB167.9 billion by 2030, with CAGR of 7.1% for 2025 to 2030. In the medium to long term, intelligent lighting products are expected to achieve rapid penetration across the automotive lighting sector. The global market for intelligent automotive lighting is projected to grow from RMB28.5 billion in 2025 to RMB201.9 billion by 2030, representing a CAGR of 48.0%. Meanwhile, China's intelligent automotive lighting market is forecast to expand from RMB10.2 billion in 2025 to RMB86.5 billion by 2030, at a CAGR of 53.2%, positioning it as the core driver of industry growth.

As technological barriers and economies of scale in the automotive lighting industry become increasingly pronounced, the global market has continued to consolidate. Leading automotive lighting manufacturers have continuously strengthened their dominant positions through technological advancement, superior product quality and cost efficiency. In contrast, smaller component manufacturers, due to limited technological reserves, smaller production scale and relatively weaker supply chain integration capabilities, may face challenges in competing with leading manufacturers.

Our competitive edge is attributable to factors such as extensive industry experience, strong market position and our ability to offer comprehensive solutions to our customers. Our market leadership has been further solidified by our international presence, diverse product portfolio, high-quality customer relations, robust R&D capabilities, technical expertise and our visionary management team. Therefore, we believe that we are well-positioned to maintain our leadership position and to capture future opportunities in the automotive lighting industry.

See "Industry Overview" for details.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables present our summary of consolidated financial information for the years ended December 31, 2023, 2024 and 2025 and three months ended March 31, 2025 and 2026. We have derived this summary from our financial information set forth in the Accountants' Report set out in Appendix I to this Document. The summary financial data set forth below should be read together with our consolidated financial information and the related notes, as well as the section headed "Financial Information".

Consolidated Statements of Profit or Loss

	Year ended December 31,						Three months ended March 31,			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000* (unaudited)	*%*	*RMB'000*	*%*
REVENUE	**10,248,446**	**100.0**	**13,252,934**	**100.0**	**15,256,666**	**100.0**	**3,094,510**	**100.0**	**3,429,874**	**100.0**
Cost of sales	(8,152,112)	(79.5)	(10,723,601)	(80.9)	(12,269,446)	(80.4)	(2,511,317)	(81.2)	(2,766,371)	(80.7)
GROSS PROFIT	**2,096,334**	**20.5**	**2,529,333**	**19.1**	**2,987,220**	**19.6**	**583,193**	**18.8**	**663,503**	**19.3**
Other income	145,988	1.4	196,758	1.4	172,097	1.1	40,228	1.3	44,418	1.3
Other gains and losses, net	(5,933)	(0.1)	(28,237)	(0.2)	3,394	0.0	(1,338)	(0.0)	(11,674)	(0.3)
Investment income	56,388	0.6	47,201	0.3	44,094	0.3	9,972	0.3	8,860	0.3
(Allowance for)/reversal of expected credit loss ("ECL") on financial assets at amortized cost	(98,501)	(1.0)	(56,957)	(0.4)	(288)	(0.0)	18,777	0.6	23,806	0.7
Selling expenses	(46,828)	(0.5)	(55,787)	(0.4)	(62,495)	(0.4)	(11,309)	(0.4)	(10,739)	(0.3)
Administrative expenses	(332,760)	(3.2)	(377,980)	(2.9)	(440,178)	(2.9)	(86,933)	(2.8)	(103,817)	(3.0)
Research and development expenses	(610,244)	(6.0)	(655,493)	(4.9)	(883,712)	(5.8)	(185,966)	(6.0)	(228,990)	(6.7)
Finance costs	(1,352)	0.0	(6,410)	0.0	(6,903)	0.0	(4,373)	(0.1)	(3,548)	(0.1)
PROFIT BEFORE TAX	**1,203,092**	**11.7**	**1,592,428**	**12.0**	**1,813,229**	**11.9**	**362,251**	**11.7**	**381,819**	**11.2**
Income tax expenses	(100,961)	(0.9)	(184,145)	(1.4)	(189,145)	(1.2)	(40,138)	(1.3)	(26,662)	(0.8)
PROFIT FOR THE YEAR/PERIOD	**1,102,131**	**10.8**	**1,408,283**	**10.6**	**1,624,084**	**10.7**	**322,113**	**10.4**	**355,157**	**10.4**

Non-IFRS Measures

To supplement our consolidated financial statements which are presented under IFRS, we also use adjusted net profit (non-IFRS measure) and adjusted EBITDA (non-IFRS measure) as additional financial measures, which are not required by, or presented in accordance with IFRS.

We believe that such non-IFRS measures facilitate comparisons of operating performance from period to period and company to company by eliminating potential impact of certain items. We believe that such measures provide 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 the adjusted net profit (non-IFRS measure) and adjusted EBITDA (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of such non-IFRS measures has limitations as analytical tools, and you should not consider them in isolation from, or as a substitute for analysis of, our results of operations or financial condition as reported under IFRS.

We define our adjusted net profit (non-IFRS measure) as net profit adjusted by adding back (i) share-based payment expense relates to the grant of shares under Employee Stock Schemes and is a non-cash expense, and (ii) [**REDACTED**] expense relates to the [**REDACTED**] of the Company.

We define adjusted net profit (non-IFRS measure) as illustrated in the following table. The terms "adjusted net profit" and "adjusted EBITDA" are not defined under IFRS, and such terms may not be comparable to other similarly-named measures used by other companies.

	Year ended December 31,			Three months ended March 31,	
	2023	**2024**	**2025**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Profit for the year/period	**1,102,131**	**1,408,283**	**1,624,084**	**322,113**	**355,157**
Add back:					
Share-based payment	–	1,626	22,605	5,110	8,766
[**REDACTED**] expense	–	–	[**REDACTED**]	–	[**REDACTED**]
Adjusted net profit (non-IFRS measure)	**1,102,131**	**1,409,909**	**1,647,655**	**327,223**	**364,545**
Add back:					
Finance costs	1,352	6,410	6,903	4,373	3,548
Income tax expense	100,961	184,145	189,145	40,138	26,662
Depreciation of property, plant and equipment	416,351	501,645	566,237	133,973	152,143
Depreciation of right-of-use assets	25,224	24,265	24,697	15,370	6,358
Amortization of intangible assets	17,692	34,736	43,789	602	11,307
Less:					
Interest income from bank deposits	(17,933)	(14,290)	(9,567)	(2,183)	(1,399)
Adjusted EBITDA (non-IFRS measure)	**1,645,778**	**2,146,820**	**2,468,859**	**519,496**	**563,164**
Adjusted EBITDA margin (non-IFRS measure)	**16.1%**	**16.2%**	**16.2%**	**16.8%**	**16.4%**

Summary of Consolidated Statements of Financial Position

The following table sets forth a summary of our consolidated statements of financial position as of the dates indicated:

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current assets	4,809,359	4,987,086	5,747,443	5,878,310
Current assets	9,965,059	11,956,981	13,597,783	13,235,599
Current liabilities	4,955,030	6,153,325	7,354,246	6,952,899
Net current assets	**5,010,029**	**5,803,656**	**6,243,537**	**6,282,700**
Total assets less current liabilities	9,819,388	10,790,742	11,990,980	12,161,010
Non-current liabilities	683,184	613,477	592,731	587,989
Total equity	**9,136,204**	**10,177,265**	**11,398,249**	**11,573,021**

For details of our fluctuation in key items of our consolidated statements of financial position and net current assets during the Track Record Period, see "Financial Information — Discussion of Certain Components of Consolidated Statements of Financial Position".

Our net current assets increased from RMB5,010.0 million as of December 31, 2023 to RMB5,803.7 million as of December 31, 2024, primarily due to: (i) an increase of RMB1,710.8 million in trade and bills receivables reflecting our business expansion, (ii) an increase of RMB383.8 million in inventories, mainly finished products as a result of production volume increase and related to new projects, partially offset by (i) an increase of RMB1,199.8 million in trade and bills payables reflecting our business expansion, and (ii) a decrease of RMB81.1 million in cash and cash equivalents and restricted bank deposits. The net current assets further increased from RMB5,803.7 million as of December 31, 2024 to RMB6,243.5 million as of December 31, 2025, primarily due to: (i) an increase of RMB1,040.7 million in trade and bills receivables reflecting our business growth, (ii) an increase of RMB322.2 million in financial assets at FVTPL resulting from short-term wealth management products for idle funds, (iii) an increase of RMB349.8 million in cash and cash equivalents and restricted bank deposits; partially offset by (i) an increase of RMB1,118.7 million in trade and bills payables, and (ii) a decrease of inventories of RMB54.2 million. Our net current assets remained almost at the same level as of March 31, 2026 at RMB6,282.7 million, comparing to RMB6,243.5 million as of December 31, 2025.

We had net assets positions as of December 31, 2023, 2024 and 2025, and March 31, 2026.

Our total equity increased from RMB9,136.2 million as of December 31, 2023 to RMB10,177.3 million as of December 31, 2024, primarily due to: (i) profit for the year of RMB1,408.3 million, partially offset by dividends declared to the Company's shareholders of RMB397.3 million in 2024.

Our total equity increased from RMB10,177.3 million as of December 31, 2024 to RMB11,398.2 million as of December 31, 2025, primarily due to (i) profit for the year of RMB1,624.1 million, (ii) other comprehensive income of the year of RMB123.1 million, partially offset by (i) repurchase of shares of RMB161.2 million; and (ii) dividends declared to the Company's shareholders of RMB426.5 million in 2025.

Our total equity increased from RMB11,398.2 million as of December 31, 2025 to RMB11,573.0 million as of March 31, 2026, primarily due to: (i) profit for the period of RMB355.2 million, partially offset by (i) other comprehensive loss of the period of RMB81.2 million, and (ii) repurchase of shares of RMB111.0 million.

Summary of Consolidated Statements of Cash Flows

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

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Net cash generated from operating activities	665,791	818,750	2,335,836	427,340	391,472
Net cash generated from/ (used in) investing activities	447,940	(585,255)	(1,398,055)	(244,515)	(556,276)
Net cash used in financing activities	(550,628)	(377,027)	(570,236)	(10,131)	(115,517)
Net increase/ (decrease) in cash and cash equivalents	563,103	(143,532)	367,545	172,694	(280,321)
Cash and cash equivalents at the beginning of the year/period	**1,407,872**	**2,014,837**	**1,925,079**	**1,925,079**	**2,348,069**
Effect of foreign exchange rate changes	43,862	53,774	55,445	(15,139)	12,162
Cash and cash equivalents at the end of the year/period	**2,014,837**	**1,925,079**	**2,348,069**	**2,082,634**	**2,079,910**

Key Financial Ratios

The following table sets forth our key financial ratios for the years/period indicated:

	Year ended December 31,			Three months ended March 31,
	2023	2024	2025	2026
Gross profit margin[(1)]	20.5%	19.1%	19.6%	19.3%
Adjusted EBITDA margin (Non-IFRS measure)[(2)]	16.1%	16.2%	16.2%	16.4%
Net profit margin[(3)]	10.8%	10.6%	10.7%	10.4%
Return on equity (ROE)[(4)]	12.1%	13.8%	14.2%	3.1%

Notes:

(1) Gross profit margin equals gross profit for the year/period divided by revenue for the year/period and multiplied by 100%.

(2) Adjusted EBITDA margin (Non-IFRS measure) equals adjusted net profit (Non-IFRS measure) before deducting net interest expense, income tax expenses, depreciation and amortization for the year divided by the revenue for the year/period and multiplied by 100%.

(3) Net profit margin equals net profit for the year/period divided by revenue for the year/period and multiplied by 100%.

(4) Return on equity equals net profit for the year/period divided by total equity as of the year/period end and multiplied by 100%.

[REDACTED] STATISTICS

[REDACTED]

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, Ms. Zhou directly held 42.00% of the total issued share capital of our Company and indirectly held 6.19% of the total issued share capital of our Company through Xingyu Investment. Ms. Sun Exiao (孫娥小) also directly held 6.11% interest of our Company.

Ms. Zhou is the only child of Ms. Sun Exiao, which causes Ms. Sun Exiao to be presumed as the person acting in concert with Ms. Zhou under the Takeovers Code. Consequently, Ms. Zhou, Xingyu Investment and Ms. Sun Exiao, are regarded as a group of controlling shareholders of our Company. As of the Latest Practicable Date, Ms. Zhou and other controlling shareholders, directly and indirectly, controlled 54.3% of the voting rights of our Company.

Immediately following the completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised), Ms. Zhou and other controlling shareholders will, directly and indirectly continue to control [**REDACTED**]% of the voting rights of our Company.

For further details about our Controlling Shareholders, please see the section headed "Relationship with Our Controlling Shareholders" in this document.

CONTINUING CONNECTED TRANSACTIONS

We have entered into, and expect to continue, certain transactions that will constitute fully-exempt continuing connected transactions of our Company under Chapter 14A of Listing Rules upon [**REDACTED**]. See "Connected Transactions" for details in this Document.

DIVIDENDS AND DIVIDEND POLICY

Our Company declared and paid dividends of RMB312.4 million, RMB397.3 million and RMB426.5 million in 2023, 2024 and 2025, and we also declared dividend of RMB508.8 million in respect of the year ended December 31, 2025 on April 10, 2026, which was fully paid out in May 2026. After completion of the [**REDACTED**], our Shareholders will be entitled to receive any dividends we declare. We may distribute dividends by way of shares, cash or a combination of both shares and cash. Pursuant to our Articles of Association, our Board may declare dividends in the future after taking into account our results of operations, financial condition, cash requirements and availability and other factors as it may deem relevant at such time 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, applicable PRC and Hong Kong laws and regulations and approval by our Shareholders.

We intend to distribute cash dividends to our Shareholders at least on an annual basis, subject to the discretion of our Directors in accordance with our Articles of Association and the applicable laws and regulations in the PRC and Hong Kong. Subject to applicable laws and regulations and our Articles of Association, our dividend policy is to typically distribute cash dividends to our Shareholders of no less than 30% of our distributable profits achieved in any particular year. Our Company may distribute dividends in cash, stocks or a combination of cash and stocks, and give priority to profit distribution in cash, where eligible. Our Company mainly adopts a profit distribution policy of cash dividends. When distributing dividends, the Board shall take into account factors such as the characteristics of the industry we are engaged in, the stage of development, our business model, the level of profitability, the ability to repay debts, whether there are arrangements for major capital expenditures and returns to investors. The Board should assess the stage of development that we are in and the arrangements for significant capital expenditure and, in accordance with the procedures stipulated in the Articles of Association of our Company, put forward a differentiated cash dividend policy.

RISK FACTORS

Our business and the [**REDACTED**] involved certain risks, which are set out in the section headed "Risk Factors" in this Document. You should read that section in its entirety before deciding whether to [**REDACTED**]. Some of the major risks we face include: (1) our reliance on automotive manufacturers and exposure to downturns or material changes in the automotive industry, macroeconomic environment and other factors beyond our control; (2) intense industry competition that may affect our ability to maintain our market position; (3) risks associated with failing to keep pace with technological developments or emerging industry standards, or unsuccessful investments in new technologies and products; (4) customer concentration risk and potential adverse impacts if we are unable to retain existing customers or attract new ones; (5) dependence on our management team and skilled personnel globally, and challenges in recruiting and retaining such talent; (6) the possibility that our historical results may not be indicative of future performance and that we may face difficulties in managing future growth; (7) risks arising from the expansion of our operations and related compliance requirements; (8) reliance on the stability of our supply chain and key suppliers; and (9) pricing pressure from customers, which may materially and adversely affect our business, financial condition and results of operations.

[**REDACTED**] EXPENSES

[**REDACTED**] expenses represent professional fees, [**REDACTED**] and other fees incurred in connection with the [**REDACTED**]. We estimate that our total [**REDACTED**] expenses (including [**REDACTED**]) will be approximately RMB[**REDACTED**] million, accounting for approximately [**REDACTED**]% of the gross [**REDACTED**] from the [**REDACTED**] (assuming an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**], being the [**REDACTED**] of the indicative [**REDACTED**] stated in this Document and the [**REDACTED**] is not exercised). During the Track Record Period, we incurred [**REDACTED**] expenses of RMB[**REDACTED**] million, of which RMB[**REDACTED**] million was recognized as administrative expenses in the consolidated statements of profit or loss and RMB[**REDACTED**] million was directly attributable to the issuance of [**REDACTED**] which is expected to be charged against equity upon the [**REDACTED**]. The estimated [**REDACTED**] expenses of approximately RMB[**REDACTED**] million are expected to be charged to our consolidated statements of profit or loss, and approximately RMB[**REDACTED**] million are expected to be deducted from equity upon [**REDACTED**]. The [**REDACTED**] expenses consist of RMB[**REDACTED**] million [**REDACTED**]-related expenses and RMB[**REDACTED**] million non-[**REDACTED**]-related expenses (including fees and expenses of legal advisors and the reporting accountant of RMB[**REDACTED**] million and other fees and expenses of RMB[**REDACTED**] million). Our Directors do not expect such expenses to have a material adverse impact on our financial results in 2026. The [**REDACTED**] expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

[**REDACTED**]

The net [**REDACTED**] from the [**REDACTED**] that we will receive, after deducting the [**REDACTED**] and other estimated expenses paid and payable by us in connection with the [**REDACTED**] is estimated to be approximately HK$[**REDACTED**] million, assuming an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**], being the [**REDACTED**] of the [**REDACTED**]. We currently intend to apply these net [**REDACTED**] for the following intended purposes in the amounts set forth below:

- approximately HK$[**REDACTED**] million, representing [**REDACTED**]% of the net [**REDACTED**], is expected to be used to enhance our international manufacturing footprint, including primarily the construction of (i) our intelligent automotive electronics and vision systems industrial center project in Changzhou; (ii) the phase II of our Serbia Manufacturing Base; and (iii) additional production lines for our Chongqing Manufacturing Base.

- approximately HK$[**REDACTED**] million, representing [**REDACTED**]% of the net [**REDACTED**], is expected to be used for our R&D projects in the areas of (i) application of intelligent automotive lighting and related systems based on DLP, Micro Light-Emitting Diode ("**Micro-LED**") and integrated perceptional fusion technologies, (ii) weather-resistant and environmentally friendly materials tailored for intelligent automotive lighting, and (iii) the construction and enhancement of intelligent automotive lighting software solutions and development platforms;
- approximately HK$[**REDACTED**] million, representing [**REDACTED**]% of the net [**REDACTED**], is expected to be used to enhance our digital infrastructure;
- approximately HK$[**REDACTED**] million, representing [**REDACTED**]% of the net [**REDACTED**], is expected to be used to further enhance our R&D in embodied intelligence; and
- the remaining balance of approximately HK$[**REDACTED**] million, representing [**REDACTED**]% of the net [**REDACTED**], is expected to be used as working capital and general corporate purposes.

For further details, see "Future Plans and [**REDACTED**]" in this Document.

OUR LISTING ON THE SHANGHAI STOCK EXCHANGE AND REASONS FOR THE [REDACTED] ON THE STOCK EXCHANGE

Since 2011, our Company has been listed on the Shanghai Stock Exchange. Since our listing on the Shanghai Stock Exchange and up to the Latest Practicable Date, we have complied with the rules of the Shanghai Stock Exchange and other applicable securities laws and regulations of the PRC in any material respects, 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 Shanghai Stock Exchange. Our PRC Legal Advisor is of the view that during the Track Record Period and up to the Latest Practicable Date, we have not been subject to any material administrative penalties or regulatory measures imposed by CSRC or the Shanghai Stock Exchange and the Company has complied with the rules of the Shanghai Stock Exchange and other applicable securities laws and regulations of the PRC, in all material respects. Based on the independent due diligence conducted by the Sole Sponsor, nothing has come to the Sole Sponsor's attention that would cause them to disagree with the Directors' confirmation with regard to the compliance records of the Company on the Shanghai Stock Exchange.

Our Company seeks to be [**REDACTED**] on the Stock Exchange in order to advance our globalization strategy, enhance the international influence of our brand, leverage international capital markets, diversify financing channels and support our high-quality development. For details, see "Business — Our Strategies" and "Future Plans and [**REDACTED**]".

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Our Directors have confirmed that up to the Latest Practicable Date, there has been no material adverse change in our financial or trading position or prospects since March 31, 2026, being the end date of the periods reported in the Accountants' Report in Appendix I to this document, and there is no event since March 31, 2026 that would materially affect the information as set out in the Accountants' Report in Appendix I to this document.

Subsequent to the Track Record Period and up to the Latest Practicable Date, we declared dividends of RMB508.8 million in respect of the year ended December 31, 2025 on April 10, 2026, which was fully paid out in May 2026. We also have continued to expand our production capabilities. In May 2026, our Chongqing Manufacturing Base commenced trial operations, further strengthening our capabilities to serve clients in southwestern China. On June 10, 2026, we adopted the 2026 Employee Stock Scheme. For details, see "Appendix IV — Statutory and General Information — Employee Stock Schemes".

In this Document, unless the context otherwise requires, the following terms shall have the following meanings. Certain technical terms are explained in the section headed "Glossary of Technical Terms" in this Document.

"A Share(s)"	ordinary share(s) issued by our Company, with a nominal value of RMB1.00 each, which are listed on the Shanghai Stock Exchange and traded in Renminbi
"Accountants' Report"	the Accountants' Report for the Track Record Period, the text of which is set out in Appendix I to this Document
"Affiliate"	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
"AFRC"	the Accounting and Financial Reporting Council of Hong Kong
"Articles" or "Articles of Association"	the articles of association of our Company, which shall become effective from the [**REDACTED**], and as amended from time to time, a summary of which is set out in Appendix III to this Document
"Associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Audit Committee"	the audit committee of the Board
"Board" or "Board of Directors"	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
"CAGR"	compound annual growth rate

[**REDACTED**]

"China" or "PRC"	the People's Republic of China (中華人民共和國) and for the purposes of this Document only, excluding Hong Kong, Macau and Taiwan
"Chongqing Xingyu"	Chongqing Xingyu Automotive Lighting Systems Co., Ltd.* (重慶星宇車燈有限公司), a limited liability company established in the PRC on September 16, 2025, our wholly owned subsidiary

"CNAS"	China National Accreditation Service for Conformity Assessment (中國合格評定國家認可委員會)
"Companies Ordinance"	the Companies Ordinance (Cap. 622), as amended, supplemented or otherwise modified from time to time
"Companies (Winding Up and Miscellaneous Provisions) Ordinance"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32), as amended, supplemented or otherwise modified from time to time
"Company" or "our Company"	Changzhou Xingyu Automotive Lighting Systems Co., Ltd. (常州星宇車燈股份有限公司), a joint stock company with limited liability established in the PRC on May 18, 2000, the A Shares of which have been listed on the Shanghai Stock Exchange (601799.SH)
"Connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Connected transaction(s)"	has the meaning ascribed to it under the Listing Rules
"Controlling Shareholders"	Ms. Zhou, Xingyu Investment and Ms. Sun Exiao, as a group of controlling shareholders. For further details, see "Relationship with our Controlling Shareholders"
"Corporate Governance Code"	the Appendix C1 to the Listing Rules
"CSRC"	China Securities Regulatory Commission (中國證券監督管理委員會)
"Deputy Chairperson of Our Board"	The deputy chairperson of our Board
"Director(s)"	the director(s) of our Company
"EIT Law"	Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法》)
"Employee Stock Scheme"	A Share Employee Stock Ownership Scheme
"ESG"	Environment, social and governance
"Extreme Conditions"	extreme conditions caused by a super typhoon or other natural disaster of a substantial scale seriously affects the working public's ability to resume work or brings safety concern for a prolonged period as announced by the government of Hong Kong
"Filing Rules"	the Trial Administrative Measures of 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》)

[**REDACTED**]

"Foshan Xingyu"	Xingyu Foshan Automotive Lighting Systems Co., Ltd.* (佛山星宇車燈有限公司), a limited liability company established in the PRC on January 16, 2013, our wholly owned subsidiary

[**REDACTED**]

"Group", "our Group", "we" or "us"	the Company and its subsidiaries from time to time or, where the context so requires, in respect of the period prior to our Company becoming the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant time
"Guide for New Listing Applicants" or "Listing Guide"	the Guide for New Listing Applicants issued by the Hong Kong Stock Exchange as amended, supplemented or otherwise modified from time to time
"H Share(s)"	ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each, which are to be [**REDACTED**] for and [**REDACTED**] in HK dollars and to be [**REDACTED**] on the Stock Exchange

[**REDACTED**]

"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the People's Republic of China
"Hong Kong dollars" or "HK dollars" or "HK$"	Hong Kong dollars, the lawful currency of Hong Kong

[**REDACTED**]

"IFRS Accounting Standards"	IFRS Accounting Standards, as issued from time to time by the International Accounting Standards Board
"Independent Third Party(ies)"	any entity or person who is not a connected person of our Company within the meaning ascribed thereto under the Listing Rules

[**REDACTED**]

	[**REDACTED**]
"Jilin Xingyu"	Jilin Xingyu Automotive Lighting Systems Co., Ltd.* (吉林省星宇車燈有限公司), a limited liability company established in the PRC on April 23, 2013, our wholly owned subsidiary
	[**REDACTED**]
"Latest Practicable Date"	July 22, 2026, being the latest practicable date for ascertaining certain information in this Document before its publication
	[**REDACTED**]
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with GEM of the Stock Exchange
"MIIT"	the Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部)
"MOFCOM"	the Ministry of Commerce of the PRC (中華人民共和國商務部)
"Ms. Zhou"	Ms. Zhou Xiaoping (周曉萍), an Executive Director, Chairperson of our Board and General Manager of our Company

"NDRC"	the National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)
"Non-Competition Undertaking"	the Non-Competition Undertakings executed by Ms. Zhou in January 2011
"Nomination Committee"	the nomination committee of the Board
"NPC"	the National People's Congress (全國人民代表大會)

[**REDACTED**]

"PBOC"	People's Bank of China (中國人民銀行), the central bank of the PRC
"PRC Legal Advisor"	JunHe LLP (北京市君合律師事務所), our legal advisor as to PRC laws

[**REDACTED**]

[**REDACTED**]

"Remuneration and Evaluation Committee"	the remuneration and evaluation committee of the Board
"Renminbi" or "RMB"	Renminbi, the lawful currency of the PRC
"Reporting Accountants"	HLB Hodgson Impey Cheng Limited
"RSD"	Serbian Dinar, the lawful currency of the Republic of Serbia
"SAFE"	State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
"SAMR"	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)
"SCNPC"	the Standing Committee of the National People's Congress (全國人民代表大會常務委員會)
"Securities and Futures Ordinance" or "SFO"	the Securities and Futures Ordinance (Cap. 571), as amended, supplemented, or otherwise modified from time to time
"Serbia"	the Republic of Serbia
"Serbian Legal Advisor"	Kopilović & Kopilović Law Firm, our legal advisor as to Serbian laws
"SFC"	the Securities and Futures Commission of Hong Kong
"Share(s)"	ordinary share(s) of our Company with a nominal value of RMB1.00 each, comprising A Shares and H Shares
"Shareholder(s)"	holder(s) of our Share(s)
"Sole Sponsor" or "Sponsor"	Huatai Financial Holdings (Hong Kong) Limited
"State Council"	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 and ESG committee"	the strategy and ESG committee of the Board
"Subsidiary(ies)"	has the meaning ascribed to it under the Listing Rule
"Substantial shareholders"	has the meaning ascribed to it in the Listing Rules
"Takeovers Code"	the Codes on Takeovers and Mergers issued by the SFC, as amended, supplemented or otherwise modified from time to time
"Track Record Period"	the period comprising the three financial years ended December 31, 2025 and the three months ended March 31, 2026
	[**REDACTED**]
"UNECE"	The United Nations Economic Commission for Europe (UNECE) is a regional body of the UN that develops and harmonizes international technical regulations and standards. It was established in 1947 in order to promote economic cooperation and integration among its member states
"United States" or the "U.S."	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"U.S. dollars" or "US$"	United States dollars, the lawful currency of the United States
	[**REDACTED**]
"VAT"	value-added tax
	[**REDACTED**]
"Xinghang Import & Export"	Changzhou Xinghang Import and Export Trading Co., Ltd.* (常州星航進出口貿易有限公司), a limited liability company established in the PRC on February 20, 2023, our wholly owned subsidiary

"Xinghui Digital Technology"	Changzhou Xinghui Digital Technology Co., Ltd.* (常州星輝數字技術有限公司), a limited liability company established in the PRC on October 31, 2024, our wholly owned subsidiary
"Xingyi Investment"	Changzhou Xingyi Investment Management Co., Ltd.* (常州星一投資管理有限公司), a limited liability company established in the PRC on November 4, 2010, wholly owned by Ms. Zhou Xiaoping
"Xingyu Delaware"	Xingyu Automotive Lighting Systems Delaware Corporation (星宇車燈(特拉華)有限公司)*, a limited liability company established in Delaware, US on January 5, 2026, our indirectly wholly owned subsidiary
"Xingyu EU"	Xingyu Automotive Lighting Systems Europe GmbH (星宇車燈(歐洲)有限公司)*, a limited liability company established in Munich, Germany on November 7, 2012, our wholly owned subsidiary
"Xingyu HK"	Xingyu Automotive Lighting (Hong Kong) Co., Ltd. (星宇車燈(香港)有限公司), a private company limited by shares incorporated in Hong Kong on November 6, 2013, our wholly owned subsidiary
"Xingyu Intelligent"	Changzhou Xingyu Intelligent Automotive Electronic Technology Co., Ltd.* (常州星宇智能汽車電子科技有限公司), a limited liability company established in the PRC on June 30, 2016, our wholly owned subsidiary
"Xingyu Investment"	Changzhou Xingyu Investment Management Co., Ltd.* (常州星宇投資管理有限公司), a limited liability company established in the PRC on February 25, 2010, wholly owned by Ms. Zhou Xiaoping
"Xingyu Japan"	Xingyu Automotive Lighting Systems Japan Corporation* (星宇車燈日本株式會社), a limited liability company established in Japan on August 19, 2019, our wholly owned subsidiary
"Xingyu Mexico"	Xingyu Automotive Lighting Systems Mexico, S. de R.L. de C.V. (星宇車燈(墨西哥)有限公司)*, a limited liability company established in Coahuila, Mexico on August 8, 2023, our indirectly wholly owned subsidiary
"Xingyu North Carolina"	Xingyu Automotive Lighting Systems North Carolina LLC (星宇車燈(北卡羅萊納)有限公司)*, a limited liability company established in North Carolina, USA on January 12, 2026, our indirectly wholly owned subsidiary

"Xingyu Robot"	Changzhou Xingyu Intelligent Robot Co., Ltd.* (常州星宇智能機器人有限公司), a limited liability company established in the PRC on October 10, 2025, a subsidiary 70% owned by us
"Xingyu Serbia"	Xingyu Automotive Lighting Systems d.o.o. Niš (星宇車燈(塞爾維亞)有限公司)*, a limited liability company established in Serbia on October 30, 2019, our wholly owned subsidiary
"Xingyu USA"	Xingyu Automotive Lighting Systems USA Co., Ltd. (星宇車燈(美國)有限公司)*, a limited liability company established in Texas, US on November 3, 2023, our indirectly wholly owned subsidiary
"Xingyu Zhixing"	Shanghai Xingyu Intelligent Mobility Technology Co., Ltd.* (上海星宇智行技術有限公司), a limited liability company established in the PRC on February 16, 2023, our wholly owned subsidiary
"%"	Percent

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

Certain amounts and percentage figures included in this Document have been subject to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them. Any discrepancies in any table or chart between the total shown and the sum of the amounts listed are due to rounding.

In this Document, "" denotes translation of certain natural persons, legal persons, enterprises, governmental authorities, institutions, entities, organizations, departments, facilities, laws and regulations into Chinese or English (as the case maybe), etc., or another language included in this Document for identification purposes only. In the event of any inconsistency, the Chinese names or the names in their original languages prevail.*

GLOSSARY OF TECHNICAL TERMS

This glossary contains definitions of certain terms used in this Document in connection with our Company and our business. Some of these may not correspond to standard industry definitions or usage of these terms.

"Adaptive Matrix/ADB"	Adaptive Matrix/Adaptive Driving Beam (ADB) systems automatically adjust the beam pattern and brightness of the high beams in real time based on road conditions, vehicles ahead, oncoming traffic and traffic signs
"ADAS"	Advanced Driver Assistance Systems (ADAS) are vehicle systems that use sensors, controllers and algorithms to provide perception, warnings and driving assistance, thereby enhancing driving safety and comfort
"ADS"	Automated Driving System (ADS) refers to vehicle automation systems that, under specified operating conditions, are capable of continuously performing all or part of the driving task, without requiring continuous human driver supervision
"AFS"	Adaptive Frontlight System (AFS) is an adaptive headlighting system that automatically adjusts the direction and range of the light beam based on information such as steering angle and vehicle speed
"AGV"	Automated Guided Vehicle (AGV) is a mobile robot used for material handling that navigates along predefined paths or guidance systems
"Air-leakage Test"	a critical test used to verify whether the sealing performance of a lamp assembly meets required standards, preventing the ingress of water and dust
"ALS"	Automatic Headlamp Leveling System (ALS) automatically adjusts the headlamp beam height in response to changes in vehicle load, ensuring adequate road illumination while preventing glare to other drivers
"APS"	Advanced Planning and Scheduling (APS) is a system used to optimize production planning and scheduling based on resource availability, capacity constraints and demand requirements
"ASIL-B"	Automotive Safety Integrity Level B (ASIL-B) is a functional safety classification level defined under automotive safety standards, indicating a medium level of safety integrity requirement

"BI"	Business Intelligence (BI) aggregates data from multiple systems to provide real-time dashboards and multi-dimensional analysis, supporting data-driven decision-making and performance optimization
"CMMM"	Maturity Model of Intelligent Manufacturing Capability (CMMM) is a national standard formulated by the China National Information Technology Standardization Committee, used to help enterprises establish, evaluate and continuously improve data management capabilities by applying advanced data management concepts and methods, thereby promoting development toward informatization, digitalization and intelligent manufacturing
"CRM"	Customer Relationship Management (CRM) is a system that centralizes customer, order and after-sales information to support rapid customer response, sales lead management and closed-loop requirement tracking, enhancing service quality and customer retention
"DFM/DFA"	Design for Manufacturing/Design for Assembly (DFM/DFA) are two design methodologies focused on optimizing cost, quality and efficiency by considering manufacturability and assembly requirements at the product design stage
"DLP"	Digital Light Processing (DLP) is a projection display technology based on Digital Micromirror Device (DMD) technology
"EDO"	Equipment Digital Operation (EDO) manages production equipment throughout its lifecycle, supporting preventive maintenance and fault handling to ensure equipment reliability and reduce downtime
"embodied intelligence"	refers to intelligence that emerges from the integration of perception, cognition and action within a physical body, enabling systems to learn from and adapt to real-world interactions with their environment
"EMC"	Electromagnetic Compatibility (EMC) is the ability of electrical and electronic equipment to operate properly in its electromagnetic environment without causing or suffering unacceptable electromagnetic interference
"EMS"	Energy Management System (EMS) monitors and analyzes facility energy consumption to support refined energy management, cost control and low-carbon manufacturing

"ERP"	Enterprise Resource Planning (ERP) integrates sales, supply chain, production, inventory and finance to enable end-to-end resource coordination, order-to-production linkage and automated financial accounting, supporting efficient operations and management decision-making
"fog lamp"	a lamp designed to improve short-range illumination in low-visibility conditions such as fog, rain or snow
"friction welding"	a solid-state joining process that uses frictional heat generated by relative motion between workpieces, combined with pressure, to create a high-strength bond without melting the materials
"Grille Lamp"	a lighting or display lamp installed in the front grille area of a vehicle, primarily used for styling expression, brand identification or information indication
"HCM"	refers to Headlamp Control Module (HCM), a control module used to manage and control front headlamp functions
"HD"	High Definition (HD) refers to lighting systems with high-resolution light distribution and precise beam control, enabling sharper illumination patterns and enhanced visibility
"HID"	High-Intensity Discharge (HID) is a lighting technology in which an electric arc passes through a gas-filled chamber to produce high-intensity light, commonly used in automotive headlamps and industrial lighting
"high-reliability electronic control"	an electronic control technology system that, through hardware and software design optimization, enables long-term operation with low failure rates and strong anti-interference performance, suitable for automotive applications
"IML"	In-Mold Labeling (IML) is an in-mold decoration technology used to manufacture automotive lamp lenses or decorative components with complex patterns or textures
"injection molding"	a forming process in which molten plastic material is injected into a closed metal mold cavity under high pressure and, after cooling and solidification, produces plastic products consistent with the cavity shape
"intelligent automotive lighting"	intelligent automotive lighting achieves adaptive illumination, beam pattern control and information display through the integration of advanced optical hardware and intelligent software algorithms

"Intelligent Light Carpet"	Intelligent Light Carpet is an intelligent lighting function that dynamically adjusts the illuminated area in front of a vehicle to form a band-shaped light zone capable of guiding driving paths or adapting to road conditions
"intelligent projection headlamp"	a headlamp that, based on information identified by sensors and decisions made by specialized algorithms within the lighting control system, automatically projects different lighting effects
"ISA"	International SSL Alliance (ISA), an international industry organization in the field of solid-state lighting
"ISD"	refers to Interactive Signal Display (ISD), generally used for information communication and interaction between vehicles and the external environment or other road users
"ISO"	International Organization for Standardization (ISO) is an independent, non-governmental international body that develops and publishes international standards to ensure quality, safety, efficiency and interoperability across products and services
"ISS"	Intelligent Security System (ISS) integrates video surveillance and access control to enable continuous monitoring and early warning in key production areas, enhancing factory safety and operational stability
"lane-change light-carpet"	a lighting function in which the light carpet dynamically extends or flows toward the target lane during a lane-change manoeuvre, providing visual assistance to the driver through dynamic lighting cues
"laser engraving"	using a high-intensity focused laser beam to etch the substrate surface or vaporise surface coatings at the focal point, thereby producing the required patterns or text
"laser welding"	an advanced welding technology that uses a high-energy-density laser beam as a heat source to melt and join two or more workpieces under precise control
"Level 2 ADAS" or "L2-level intelligent driving" or "L2 driver assistance"	refers to a system that can simultaneously control steering and acceleration/deceleration under certain conditions, while the driver must continuously monitor the driving environment and remain responsible for the vehicle at all times
"LCU"	refers to Lighting Control Unit (LCU), a lighting control module used to manage vehicle lighting functions

GLOSSARY OF TECHNICAL TERMS

"LED"	Light-Emitting Diode, a semiconductor diode that emits light when current flows through it
"Lens"	the transparent or semi-transparent front cover of an automotive lamp assembly and a key component of the optical system
"LiDAR"	Light Detection and Ranging (LiDAR) is a sensing technology that uses laser pulses to measure distances and generate precise three-dimensional representations of the surrounding environment
"light guide"	a transparent plastic component that transmits light based on the principle of total internal reflection and is a core optical element for achieving uniform, elongated and dynamic lighting effects in modern automotive lamps
"Lighting sub-assembly"	the process of assembling individual lamp components into a complete lighting sub-assembly unit
"LIMS"	Laboratory Information Management System (LIMS) standardizes testing and validation processes through automated data collection, traceability and report management, improving data accuracy and reducing product quality risks
"MES"	Manufacturing Execution System (MES) connects production planning with shop-floor execution, enabling real-time production monitoring, process control and quality assurance to support lean manufacturing
"Micro-LED"	Micro Light-Emitting Diode (Micro-LED) is a technology that uses micro-sized LED chips, where each pixel is made of an independent LED chip. It offers extremely high brightness, contrast and energy efficiency and is widely used in high-precision displays, smart projection systems and automotive lighting applications
"Mini-LED"	Mini Light-Emitting Diode (Mini-LED) is a technology with smaller-sized LEDs typically used for backlighting or display systems, offering higher pixel density and more precise local dimming capabilities, which improve brightness, contrast and color accuracy of displays
"monocular vision perception algorithm"	a perception algorithm based on input from a single camera, enabling detection, recognition and understanding of road environments, vehicles, pedestrians and traffic signs through image analysis

"multi-color injection molding"	an injection molding process that injects different colors or materials simultaneously or sequentially to directly produce multi-colored or composite-structure products
"nano-micro engraving"	a precision manufacturing process that creates micro- and nano-scale surface structures to control optical, functional or decorative properties of a component
"NEV"	New Energy Vehicle
"nomination"	refers to the automotive manufacturer's selection of suppliers to supply components for integration into specific vehicle models, and the result is typically confirmed in the form of nomination letter
"OEM original equipped market"	the market where automotive lighting products uniformly procured by automotive manufacturers (OEMs) and installed during vehicle assembly, distinct from post-sales aftermarket for retrofitting or modification
"OLED"	Organic Light-Emitting Diode (OLED) is a display technology in which organic materials emit light directly when an electric current is applied, enabling thin, flexible, high-contrast screens without the need for a backlight
"optical film"	Optical Film refers to thin-film materials used in optical systems to regulate optical properties such as light transmission, reflection, diffusion or polarization
"OTA"	Over-the-Air (OTA) refers to the wireless delivery of software, firmware or configuration updates to devices or vehicles without requiring physical connections
"OTS"	refers to Off-tooling Samples, are samples manufactured using formal production tooling (including molds, fixtures and inspection tools), which are subject to systematic testing to verify compliance with design specifications and mass production requirements
"PCB"	Printed Circuit Board (PCB) is a board that mechanically supports and electrically connects electronic components using conductive pathways etched or printed on an insulating substrate
"PLM"	Product Lifecycle Management (PLM) supports end-to-end digital collaboration and data control across the automotive lighting R&D lifecycle, enabling centralized management of requirements, design, processes and projects, improving R&D efficiency, design accuracy and R&D-to-production transition

"PPAP"	refers to Production Part Approval Process, the formal approval procedure for production parts before the mass-production
"precise optics"	a field that study and manufacture high-precision optics components and assemblies, involving the design, process testing, and application of various optical elements such as lenses, prisms and modules
"QA Inspection – AOI & ICT"	a quality assurance process that uses Automated Optical Inspection (AOI) to identify appearance and assembly defects, together with In-Circuit Testing (ICT) to verify electrical continuity, functionality and detect open or short circuits
"QA Inspection – Electrical Test"	a quality assurance process that verifies the electrical functionality and performance of electronic components or assemblies
"QA Inspection – Optical Testing"	a quality assurance step that inspects products using optical inspection equipment
"QMS"	Quality Management System (QMS) is a structured and documented management framework designed to ensure that an organization's products and services consistently meet customer requirements and applicable laws and regulations
"RCM"	refers to Rearlamp Control Module (RCM), a control module used to manage and control rear lamp functions
"RCS"	Robot Control System (RCS) is a control and scheduling system for coordinating and managing mobile robot fleets
"SCADA"	Supervisory Control and Data Acquisition (SCADA) collects real-time equipment and environmental data to enable transparent production monitoring and provide foundational data support for other systems
"SMT"	Surface Mount Technology (SMT) is a technology used to mount electronic components directly onto the surface of printed circuit boards
"software algorithm platform"	a platform that supports the development and operation of software algorithms
"SRM"	Supplier Relationship Management (SRM) manages supplier onboarding, procurement collaboration and performance evaluation through digital interaction, improving supply chain transparency, cost efficiency and supply stability

"stacker crane"	a core storage and retrieval device used in automated warehouses that operates along rails within high-bay racking aisles to store and retrieve palletized goods
"stepless brightness control"	Stepless Brightness Control refers to the capability of a lighting system to adjust brightness smoothly and continuously rather than switching between predefined discrete levels, enabling finer atmosphere creation and visual adaptation
"surface treatment"	a collective term for processes that form functional or decorative coatings/plating layers on the substrate surface of automotive lamp components, or directly modify the microstructure of the substrate surface, through physical, chemical or physicochemical methods
"third space"	In automotive design, third space refers to the concept of transforming the vehicle interior into a comfortable, personalized and lifestyle-oriented space beyond the home (the first space) and the workplace (the second space)
"WCS"	Warehouse Control System (WCS) is a control system that manages and coordinates warehouse automation equipment
"WMS"	Warehouse Management System (WMS) is a system used to manage and control warehouse operations, including inventory, storage and logistics activities

This Document contains certain forward-looking statements that are, by their nature, subject to significant risks and uncertainties. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as "will," "expect," "anticipate," "estimate," "believe," "going forward," "ought to," "may," "seek," "should," "intend," "plan," "projection,", "forecast," "could," "vision," "goals," "objective," "target," "schedule," "predict," "project," "aim," "intend", "consider," "would," "continue" and "outlook") are not historical facts, but are forward-looking and may involve estimates and assumptions and are subject to risks (including the risk factors detailed in this Document), uncertainties and other factors some of which are beyond our control and which are difficult to predict. Accordingly, these factors could cause actual results or outcomes to differ materially from those expressed in such statements. Those assumptions and factors are based on information currently available to us and may prove to be inaccurate. You are strongly cautioned about the known and unknown risks and uncertainties related to the reliance on any forward-looking statements.

The risks, uncertainties and other factors, many of which are beyond our control, that could influence actual results include, but are not limited to: (i) changes in the macro environment, industry and market, regional and global, in economic, legal and political perspective, in the countries and regions where we operate; and, changes or volatility in interest rates, foreign exchange rates, equity prices or other rates or prices; (ii) our ability to successfully implement our business plan strategies, objectives, goals and to maintain good relationships with business partners and changes in our customers' demands and expectations; (iii) our ability to control costs and maintain operational efficiency; (iv) our dividend policy, financial condition and performance, debt levels and capital needs; (v) various business opportunities that we may pursue, and the actions and developments of our competitors; and, (vi) all other risks and uncertainties described in the section headed "Risk Factors" in this Document.

Any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by the Listing Rules, we undertake no obligation to update any forward-looking statement or statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. All forward-looking statements in this Document are expressly qualified by reference to this cautionary statement.

An [**REDACTED**] *in* [**REDACTED**] *involves significant risks. You should carefully consider all the information in this Document, including the risks and uncertainties described below, before making an* [**REDACTED**] *in* [**REDACTED**]. *The following is a description of what we consider to be material risks to us, any of which could have a material adverse effect on our business, financial condition and results of operations. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also be detrimental to our business, financial condition and results of operations. You should consider our business and prospects in light of the challenges we face, including those discussed in this section. The trading price of* [**REDACTED**] *may decline due to any of these risks, and you may lose all or part of your* [**REDACTED**].

These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given is as of the Latest Practicable Date unless otherwise stated, will not be updated after the date hereof, and is subject to the cautionary statements in the section "Forward-looking Statements" in this Document.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

Our business relies on automotive manufacturers. Any downturns or material changes in the automotive industry and macroeconomic environment as well as other factors outside of our control could negatively affect our business and financial performance.

Our primary customers are automotive manufacturers, and our performance depends on the growth and overall conditions of the automotive industry. Demand for our products is influenced by the sales performance of our customers and the specific vehicle models to which our products relate. Factors such as shorter model launch cycles, technological advancements, evolving industry standards and changing consumer preferences contribute to faster product upgrades and may affect product demand. Our customers also face pricing pressure and ongoing cost reduction requirements, which may result in fluctuations in or declines in the average selling prices of our products. The automotive industry is sensitive to general economic conditions, including interest rates, inflation, consumer spending and geopolitical developments. Automotive production and sales may also be affected by regulatory requirements, government policies and incentives, trade restrictions, environmental standards, the availability and cost of credit, raw materials and key components, labor conditions, energy prices and logistics disruptions, as well as shifts in consumer preferences regarding vehicle features and powertrains. Negative developments in the automotive industry globally or in key markets where we operate, increased competition from new entrants, including NEV manufacturers, or adverse economic conditions affecting our major customers may reduce production volumes of relevant vehicle models and adversely affect demand for our products, which could in turn negatively impact our financial condition, results of operations and cash flows.

We operate in a relatively competitive industry, and we may be unable to continually maintain our market position.

We primarily operate in the automotive lighting market, which are relatively competitive. We compete with a number of other PRC or international companies that produce and sell similar products. Among other factors, our products compete on the basis of price, quality, technological innovation, design and performance, manufacturing and sales capability, delivery and customer services. Some of our competitors are larger and have greater financial and other resources than us. Some of our competitors may also have a competitive advantage in particular products or as a result of long-term relationships or ownership interests with certain customers. Our ability to compete successfully depends largely on our ability to maintain our advantages in areas such as technological advancement, quality and services, and to differentiate and stay ahead of our competitors with respect to

our products. We continue to invest in technology and innovation which are critical to our long-term growth. Our ability to maintain advanced R&D ability and improve existing products, while successfully developing and introducing distinctive new and enhanced products that anticipate changing customer and consumer preferences and capitalize upon emerging technologies, is also important for us to remain competitive. If we are unsuccessful or are less successful than our competitors in predicting the course of market development, developing innovative products, processes or use of materials or adapting to new technologies or evolving regulatory, industry or customer requirements, we may be placed at a competitive disadvantage.

In addition, competition may make it more difficult for us to secure new projects, which may in turn put pressure on our revenue and profits and adversely affect our profit margins. Therefore, the ability to stay ahead of our competitors will be fundamental to our future success. If we do not continue to keep our existing production and quality leverage, continuously innovate to develop new and compelling products that effectively compete with our competitors, our business, financial condition and results of operations may be materially and adversely affected.

If we fail to keep up with the evolution of technologies or adapt our products and technology to emerging industry standards, or if our investments in new technologies prove unsuccessful or ineffective, our business may be materially and adversely affected.

The automotive industry and automotive intelligence technologies are rapidly evolving, and our business prospects depend on our ability to identify changing customer needs, develop and introduce new products and enhance existing products in a cost-effective manner. Market adoption of automotive intelligence products may be affected by factors such as functionality, cost considerations, user preferences and consumer awareness. Rapid technological developments and emerging industry standards may require us to make additional investments in technology upgrades and process improvements. Failure to adapt in a timely manner could result in product obsolescence, loss of market share and adverse impacts on our business.Our R&D focuses on the intelligent upgrade of automotive lighting products and expansion into emerging businesses. We plan to further develop intelligent lighting products, including projection headlamps, interactive lighting, cockpit lighting and lighting controllers, as well as new products such as domain controllers, camera monitoring systems (CMS) and embodied intelligent robot components. The development of new technologies involves significant technological challenges, capital investment and execution risks, and we cannot assure that our R&D efforts will align with market demand or result in commercially viable products. Rapid industry innovation and evolving standards may also require us to adjust our R&D direction, modify existing technologies or discontinue certain projects, which could increase costs and affect our competitiveness.

If our investments in new products and technologies prove unsuccessful or ineffective, our business may be materially and adversely affected.

Technology innovation is key to our success. During the Track Record Period, we made substantial R&D investments, which we believe are crucial factors for our future growth and prospects. For 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, our research and development expenses amounted to RMB610.2 million, RMB655.5 million, RMB883.7 million, RMB186.0 million and RMB229.0 million, respectively, accounting for 6.0%, 4.9%, 5.8%, 6.0% and 6.7% of our total revenue in each year/period.

However, there can be no assurance that our R&D projects will yield the expected outcome or be completed within the anticipated time frame and budget. If we fail to commercialize our R&D efforts, we may incur significant sunk costs. Even if the newly developed products can be launched as we expected, there can be no assurance that they will be accepted by our customers and achieve the anticipated sales target or profit. In addition, a portion of our research and development expenses are allocated to developing general technologies rather than specific products. While this investment is important for long-term

innovation and capability building, it may not immediately enhance the competitiveness of our products in the market or produce the expected benefits or returns. Furthermore, there can be no assurance that our existing or potential competitors will not develop products which are similar or superior to our products or are more competitively priced. In such cases, we may lose market share. Due to uncertainties in the time frame for developing new products and the duration of market windows for these products, there is a risk that we may have to abandon a product that is no longer commercially viable, even after we have invested significant resources in the development of such product.

During any operating period, if our R&D and technology investments lead to increased costs due to market conditions or competitive pressure, or if our R&D fails to achieve the expected results, our financial performance may be adversely affected.

We currently may be exposed to customer concentration risk. Failure to retain our existing customers or attract new ones could materially and adversely impact our business, financial condition and results of operations.

To support revenue growth, we seek to retain key existing customers and attract new customers. As automotive lighting products are typically designed for specific vehicle models and the automotive manufacturing industry is relatively concentrated, customer concentration is a common industry characteristic. In 2023, 2024, 2025 and three months ended March 31, 2026, revenue from our five largest customers in each year/period accounted for 68.2%, 69.5%, 64.7% and 58.6% of our total revenue, respectively. Our business is therefore significantly affected by the operating performance, liquidity and procurement strategies of these key customers, and any disruption in such relationships could materially and adversely affect our financial condition and results of operations.We cannot assure that key customers will continue to procure our products for new vehicle models or maintain cooperation on existing or future projects. Our ability to retain or attract customers depends on factors including pricing competitiveness, market acceptance of new products and functionalities, our ongoing R&D capabilities, industry consolidation and overall economic and automotive industry conditions. Changes in customers' business models, financial condition or purchasing preferences, as well as shifts in the automotive lighting market or macroeconomic environment, may lead to reduced demand for our products. If we experience a significant decline in orders from existing customers and are unable to secure new customers on comparable terms, our business, financial condition and results of operations could be materially and adversely affected.

Our business depends substantially on the expertise and dedication of our management team and highly skilled personnel. We may face challenges in recruiting and retaining such individuals, which could impede our technological advancement and business growth.

Our business depends on the continued services of our management team and skilled personnel. Retaining talent in various jurisdictions presents challenges, including cultural differences, varying legal and regulatory requirements and intense competition for qualified professionals. We cannot assure that we will be able to retain key personnel or recruit suitable replacements in a timely manner, at acceptable cost or at all.A shortage of skilled professionals may delay product development, limit our ability to respond to market demands and affect the effective management of our international operations. As our ability to innovate and maintain competitiveness relies on attracting and retaining highly qualified personnel, any failure to do so could materially and adversely affect our business, financial condition, results of operations and prospects.

Our historical results may not be indicative of our future business, financial condition and results of operations, and we may not be able to manage future growth effectively.

The historical financial information included in this document is not expected to be indicative of our future financial results. Such financial information is not intended to represent or predict the results of operations of any future years/periods. Our future growth is, to a certain extent, based upon our forward-looking assessment of market prospects. We

cannot guarantee that our assessment will always turn out to be correct or that we can grow our business as planned. Our expansion plans may be affected by a number of factors beyond our control. Such factors include changes in the general economic conditions and the competitive landscape of the industries where we operate, as well as the relevant regulations and policies and the supply and demand for our products.

Managing our growth will require significant expenditures and allocation of resources. We need to effectively manage our growth and maintain profits as we expect our costs and expenses may possibly continue to increase in the future. We will also need to expand, train, manage and motivate our workforce and manage our relationships with suppliers, customers and other business partners. We also expect to continue to invest in our current and planned production expansion projects as well as R&D activities. All these endeavors entail risks and demand considerable management efforts, skills and significant additional expenditures, which could strain our capacity to enhance our operational, auditing, human resources, financial and management controls. If we fail to achieve the necessary level of efficiency in our organization as we grow, our business, financial condition, results of operations and prospects may be materially and adversely affected.

We rely on the stability of our supply chain as well as a number of suppliers.

Our success depends in part on our ability to manage our supply chain to manufacture and deliver our products in a timely manner and with quality. We source the raw materials and components for our products from third-party suppliers. In 2023, 2024 and 2025, our raw materials and consumables used were RMB6.6 billion, RMB8.9 billion and RMB10.3 billion, respectively, representing 81.3%, 83.0%, and 84.3% of our total cost of sales, respectively. For the three months ended March 31, 2025 and 2026, our raw materials and consumables used were RMB2.1 billion and RMB2.3 billion respectively, representing 83.8% and 83.5% of our total cost of sales for the relevant periods respectively. See "Financial Information — Description of Major Components of Our Results of Operations — Cost of Sales". As a result, our production volume and production costs depend on our ability to source raw materials and components at competitive prices. However, the raw materials and components we use are subject to price volatility caused by external factors, such as commodity price fluctuations, changes in supply and demand, logistics and processing costs, our bargaining power with suppliers, inflation, governmental regulations and policies, geopolitical tensions or health epidemics. There can be no assurances that the price of our raw materials will not significantly increase or fluctuate in the future. Therefore, we might fail to secure an adequate supply of such raw materials and components under favorable business conditions as required by us, if at all, which could prevent us from meeting our customer demand. Moreover, such shortage could lead to increases in material cost and negatively impact our future profitability.

In addition, our suppliers could fail to meet our needs for various reasons beyond our control, including fires, natural disasters, extreme weather, manufacturing problems, epidemic, strikes, transportation interruptions or governmental regulation. A failure of supply could also occur due to suppliers' financial difficulties, including bankruptcy. Changing suppliers may require a long lead time. We may not be able to locate alternative suppliers in sufficient quantities, of suitable quality or at an acceptable price within a reasonable period of time, or at all. As a result, our business, financial condition and results of operations could be materially and adversely affected.

Pricing pressure from our customers may materially and adversely affect our business, financial condition and results of operations.

We design, develop and manufacture complex and quality products, and primarily supply to automotive manufacturers in automotive industry. It's a common practice in the industry for automotive manufactures to renegotiate a lowered price for existing vehicle models annually with their suppliers, and the competition in our industry will also affect our bargaining power on pricing. Our customers' purchase orders generally require step-downs in component pricing over the period of production, and the pricing scheme is normally

renegotiated annually, which will reflect the pricing trends in the industry. Our automotive manufacturer customers also have significant leverage over their suppliers, including us, because our industry is relatively competitive. Prices may also be adjusted to reflect changes in product content/costs and other commercial factors. If automotive manufacturers continue to implement cost-reduction measures, the pricing pressure on us as their supplier may intensify beyond our expectations. Our financial performance is largely dependent on our ability to adjust our pricing model accordingly and achieve product cost controls through product design enhancements, supply chain management and manufacturing efficiencies actions. We also seek to enhance our financial performance by investing in product development, design capabilities and new product initiatives that respond to and anticipate the needs of our customers and consumers. Our inability to maintain our gross margin and achieve product cost controls that offset customer-imposed or market influenced price reductions could adversely affect our financial condition, operating results and cash flows.

We may not be successful in implementing our business plans and strategies effectively or at all, which could materially and adversely affect our business, financial condition and results of operations.

Our business plans and strategies are based on our assumptions of future events which may entail certain risks and are inherently subject to uncertainties. These assumptions may not be correct, which could affect the commercial viability of our business plans and strategies. As such, we cannot guarantee that our business plans and strategies will be implemented successfully as scheduled or at all.

We may seek to expand our business through cooperation, strategic investments, mergers and acquisitions and partnership in the future. The success of these endeavors depends on the availability of, and competition for, suitable targets and opportunities, as well as financial resources, including available cash and financing capacity. If we fail to implement our business plans and strategies effectively and efficiently, we may be unable to expand our operations, manage our growth, take advantage of market opportunities as expected or remain competitive in the industry. Moreover, future cooperations, strategic investments, mergers and acquisitions and partnerships may expose us to potential risks, including the diversion of management attention and resources from our existing business and the inability to generate sufficient income to offset the costs and expenses. These endeavors may also result in an increased leverage, sharing of potential legal liabilities in respect of the target businesses, and increased impairment charges related to goodwill and other intangible assets. As a result, we cannot assure you that we will be able to achieve the strategic purpose of any investment, partnership or cooperation, the desired level of control in management decisions of the partnership or our anticipated investment return from such business expansion. If we are unable to implement our expansion plans effectively, our business, financial condition and results of operations may be materially and adversely affected.

Changes in regulations, international trade policies, tariffs and rising political tensions, may adversely impact our business and operating results.

Due to the interconnectedness of the global economy, policy changes in one area of the world can have an immediate and material adverse impact on markets around the world. Significant political, trade or regulatory changes in the jurisdictions in which we operate or sell products, such as those stemming from the current U.S. federal administration, are difficult to predict and may have a material adverse effect on us. For example, changes to tariff policy implemented by the U.S. Congress, the Trump administration or any new administration have impacted and may in the future impact, among other things, the U.S. and global economy, international trade relations, the U.S. regulatory environment, inflation and other areas.

During the Track Record Period and up to the Latest Practicable Date, our operations were in compliance with applicable export controls, sanctions and tariffs during the Track Record Period. See "Business — Export Controls, Sanctions and Tariffs" for details. However, rising political tensions as a result of trade policies could reduce trade volume, investment and other economic activities between major international economies. These developments, or the

perception that any of them could occur, may have a material adverse effect on global economic conditions and the stability of global financial markets, which in turn can significantly impact our business and results of operations. Consequently, such developments necessitate our increased investments in monitoring policy developments and exploring strategies to mitigate the impact on our operations. Economic sanctions and trade restriction measures (including tariffs) taken by government authorities or other trade tensions or unfavorable trade policies may affect the costs and/or marketability of our products, as, without the impact of additional tariffs, the peers in other countries and regions which are not subject to such tariffs, could potentially gain market share and improve their price competitiveness. The current international trade tensions and political tensions and any escalation of such tensions may have a material negative impact on our ability to continue to sell to global customers and further grow our customer base. In addition, as our business is closely interrelated with the performance of our customers' end-use products in the marketplace, if our customers are impacted by restrictive measures of trade protection or export control, our performance and income will be adversely affected. Geopolitical conditions may also lead to heightened restrictions on foreign investments, technological exchange, introducing increased compliance requirements and uncertainty for investors. Any of these factors could have a material adverse effect on our and our customers' business, prospects, financial condition and results of operations.

Our manufacturing processes are potentially vulnerable to disruptions that can increase our production costs. There are uncertainties and risks on whether we may maintain optimal utilization of our production facilities and to expand our production capacity in a cost-effective manner.

We manufacture a wide range of products and components at our own production facilities and seek to adjust capacity in line with market demand and improve productivity. Our operations involve coordination of raw materials procurement, inventory management, production processes, logistics and sales. Disruptions in any of these areas, including equipment failure, adverse weather, natural disasters or other unforeseen events, could cause production downtime, inventory loss or delivery delays, which may materially and adversely affect our business, financial condition and results of operations.Our ability to manufacture products cost-effectively depends on accurately forecasting customer demand, maintaining optimal utilization of production facilities and expanding capacity to achieve economies of scale. However, capacity optimization and expansion involve risks and uncertainties, including demand fluctuations, increased construction and operating costs and project delays, and require substantial capital investment and time. In addition, accidents at our facilities may result in property damage, environmental liabilities, operational suspension, litigation or negative publicity, any of which could materially and adversely affect our business and financial performance.

Undetected defects, errors or bugs of our products could adversely affect our business, financial condition and results of operations.

Our products are complex and designed for specific vehicle models, and may contain errors, defects, security vulnerabilities or software issues that are difficult to detect or rectify. Any real or perceived product failure, service interruption or quality issue could weaken customer confidence, result in warranty claims, product returns, order delays or cancellations, increased costs and reputational damage. Addressing such issues may require significant additional resources and could disrupt production. We may also face complaints, liability claims or litigation from customers, end users or other parties, as well as negative publicity, regardless of whether the allegations are valid, which could materially and adversely affect our business, financial condition and results of operations.

Defects in our design or manufacturing processes, or in components supplied by third parties, may lead to product recalls or liability claims. We cannot assure that insurance coverage will be sufficient to cover potential losses or litigation costs. Product failures may also result in delivery delays, rework or replacement expenses, particularly given the long life

cycle of automotive products. Any significant recall incident or product liability claim could harm our brand and reputation and materially and adversely affect our business and financial performance.

There is no assurance that we will be able to obtain, maintain, update or renew all the requisite licenses, permits, certificates and approvals required under the regulatory environment applicable to our business.

In accordance with the laws and regulations applicable to our operation, we have obtained and maintained various approvals, licenses, permits and certifications in order to operate our business. See "Business — Licenses and Approvals" for details. Complying with such laws and regulations may require substantial expense and impose burdens to us, while any non-compliance may expose us to liability. Furthermore, with the introduction and enactment of new laws and regulations, as well as the refinement of interpretations and applications of existing ones, we cannot guarantee that we will always be able to maintain or obtain all requisite approvals, licenses, permits and certifications in a timely manner.

In addition, in the event that we are required to renew our certain existing licenses or permits or acquire new ones, whether as a result of the promulgation of new laws and regulations or otherwise, there is no assurance that we will be able to meet the requisite conditions and requirements, or obtain all requisite approvals, licenses, permits and certifications in a timely manner. Furthermore, due to the evolving interpretation and implementation of existing laws and the adoption of additional laws and regulations, the licenses, permits, qualifications, registrations or filings we hold may be deemed insufficient by the competent government authorities. If we are unable to obtain, or experience material delays in obtaining, necessary government approvals, our operations may be substantially disrupted, and we may be subject to fines or penalties from local authorities, which could materially and adversely affect our business, financial condition and results of operations.

Maintaining our brand image is critical to our success, and any failure to do so could severely damage our reputation and brands, which would have a material adverse effect on our business, financial condition and results of operations.

We believe that maintaining and enhancing our brands is of significant importance to the success of our business. Well-recognized brands are important to enhancing our attractiveness to our customers. Since we operate in a relatively competitive market, brand maintenance and enhancement directly affect our ability to maintain our market position. The successful promotion of our brand will depend on the effectiveness of our marketing efforts and amount of word-of-mouth referrals we received from satisfied customers. We may incur extra expenses in promoting our brand. However, we cannot guarantee that these activities are and will be successful or that we can achieve the brand promotion effect we expect.

Our brands, reputation and product sales could be harmed if, for example, our products fail to meet the expectations of our customers or contain defects or fail. In addition, adverse publicity about regulatory or legal action against us could damage our reputation and brand image, undermine customer confidence in us and reduce long-term demand for our products.

In addition, negative publicity and allegations involving us, our shareholders, Directors, officers, employees and business partners, or the industry in which we operate as a whole may materially and adversely harm our brand image and reputation and cause deterioration in the level of market recognition of and trust in the products provided by us, thereby resulting in reduced sales volumes and revenues, potential loss of business partners as well as the loss of highly qualified personnel with specialized skills. In addition, such negative publicity may come from malicious harassment or unfair competition acts by third parties, which are beyond our control. Such negative publicity may also result in the diversion of management's attention, and governmental investigations or other forms of scrutiny, which may have a material and adverse effect on our business, financial condition and results of operations.

The development cycles of our products can be long and we are subject to risks relating to the planning and implementation of complex projects.

Our planning and implementation process is complex and run throughout the entire vehicle development cycle, covering numerous stages such as styling design, digital modelling, tooling and mould development, prototype trial production, testing and validation, Off-tooling Samples ("**OTS**") approval, trial production and Production Part Approval Process ("**PPAP**"). The development cycles of our products can be lengthy with significant upfront investment. The development cycle for single project normally vary between 12 to 30 months. In addition, there may be various challenges during our development process, including, in particular, technical or process handling issues. As a result, we may face additional expenses and increased quality risks. If we are unable to resolve these issues, the development of that product may fail and our business, financial condition and results of operations may be adversely affected.

Further, even where we are nominated as a supplier for a particular vehicle model and undertake project development accordingly automotive manufacturer generally do not commit to minimum purchase quantities from their suppliers, nor do they commit that the products under the relevant R&D projects will ultimately be commercialized. Whether such projects can be commercialized and mass-produced is often subject to the automotive manufacturer's commercialization plans for the relevant vehicle model and changes in its practical requirements. As such, we cannot guarantee that we may successfully commercialize such development results of each project on a timely basis, nor can we guarantee that such commercialization will achieve favourable profit margins, failure of which may adversely affect on our profitability, and there is a risk that the initial investment for development cannot be recouped.

We may not be able to adequately protect or enforce our intellectual property rights or prevent unauthorized parties from copying or reverse engineering our products, and such efforts to defend and protect our intellectual property may be costly.

The success of our products and our business depends in part on our ability to obtain patents and other intellectual property rights and maintain adequate legal protection for our products in the jurisdictions where we operate.

We cannot assure you that patents will be granted with respect to our currently pending patent applications in a manner that gives us adequate defensive protection or competitive advantages, or that any patent granted to us will not be challenged, invalidated or circumvented. Our currently granted patents and any patents that may be granted or registered in the future may not provide sufficiently broad protection or may not prove to be enforceable in actions against alleged infringers. We cannot assure you that the steps we have taken will prevent unauthorized use of our technology or the reverse engineering of our technology. The confidentiality procedures and contractual restrictions implemented by us may not be sufficient or effective.

Protecting against the unauthorized use of our intellectual property and other proprietary technology is expensive and difficult, particularly internationally. Unauthorized parties may attempt to copy or reverse engineer our technologies or certain aspects of our products that we consider proprietary. Litigation may be necessary in the future to enforce or defend our intellectual property rights, to prevent unauthorized parties from copying or reverse engineering our products, to determine the validity and scope of our proprietary rights or to block infringing products where we operate. Any such litigation, whether initiated by us or a third party, could result in substantial costs and diversion of management resources, either of which could adversely affect our business, operating results and financial condition. Even if we obtain favorable outcomes in litigation, we may not be able to obtain adequate remedies.

We may face claims of infringement on know-how and intellectual property rights by third parties which, if resolved unfavorably, could result in adverse effect to our business.

The industry in which we operate involves a large number of patents, and there is uncertainty regarding the scope, validity and enforceability of intellectual property rights. We cannot assure that our business operations do not or will not infringe, misappropriate or otherwise violate third-party intellectual property rights. We may be subject to infringement claims or litigation, including those arising from the alleged use of unauthorized software or know-how by employees or former employees of competitors. If such claims are resolved adversely to us, we could face substantial damages, injunctions affecting our operations, invalidation of our intellectual property rights or costly remediation measures such as product redesign.

Patent applications may remain pending for extended periods, creating a risk of inadvertent infringement. If we are found to infringe valid intellectual property rights, we may be required to obtain licenses on commercially unfavorable terms, pay royalties, suspend product sales or redesign affected products. We may also face indemnification claims from customers or business partners. Any inability to develop non-infringing technologies or obtain licenses on acceptable terms, as well as the time, cost and management distraction associated with intellectual property disputes, could materially and adversely affect our business, results of operations and reputation.

Our patent applications may not be issued as patents, which may have a material adverse effect on our ability to prevent others from commercially exploiting solutions similar to ours.

We cannot be certain that we are the first inventor of the subject matter for which we have filed a particular patent application, or if we are the first party to file such a patent application. If another party has filed a patent application covering the same subject matter as we have developed, and such application has priority against our patent application, we may not be entitled to the protection sought by our patent application, including preventing third parties from commercializing the same or similar technologies. Further, the scope of protection of patent claims may be limited or narrowed if the examining authority determines there is cause to do so, such as if claims included in the patent application cover subject matter that is ineligible for patent protection or is obvious, or are deemed to lack sufficient detail to enable practicing the invention or in the event of the existence of prior art. As a result, we cannot be certain that the patent applications that we file will result in issued patents, or that our issued patents will be broad enough to protect our technology or otherwise afford protection against competitors with similar technology. In addition, the issuance of a patent is not conclusive as to its inventorship, scope, validity or enforceability. Our competitors may challenge or seek to invalidate our issued patents, or design around our issued patents, which may adversely affect our business, prospects, financial condition or operating results. Also, the costs associated with enforcing patents, confidentiality and invention agreements or other intellectual property rights may make aggressive enforcement impracticable.

Changes in patent law and regulations could diminish the value of patents in general, thereby impairing our ability to protect our technologies.

The scope of patent protection in various jurisdictions is uncertain. Changes in either the patent laws or their interpretation in countries and regions where we operate may diminish our ability to protect our inventions, obtain, maintain, defend and enforce our intellectual property rights and, more generally, could affect the value of our intellectual property or narrow the scope of our patent rights. We cannot predict whether the patent applications we are currently pursuing and may pursue in the future will issue as patents in any particular jurisdiction or whether the claims of any future granted patents will provide sufficient protection from competitors. The coverage claimed in a patent application can be significantly reduced before the patent is issued, and its scope can be reinterpreted after issuance.

Even if patent applications that we own currently or in the future issue as patents, they may not issue in a form that will provide us with any meaningful protection, prevent competitors or other third parties from competing with us, or otherwise provide us with any competitive advantage. As a result, the issuance, scope, validity, enforceability and commercial value of our patent rights are highly uncertain.

In addition to patented technology, we rely on our unpatented proprietary technology, trade secrets, processes and know-how as well as our copyrights in our production and operation process.

We may fail to enter into the necessary protective agreements in connection with our proprietary information, and even if entered into, these agreements may be breached or may otherwise fail to prevent disclosure, third-party infringement or misappropriation of our proprietary information, may be limited as to their term and may not provide an adequate remedy in the event of unauthorized disclosure or use of proprietary information. We have limited control over the protection of trade secrets used by our third-party manufacturers and partners and could lose future trade secret protection if any unauthorized disclosure of such information occurs. In addition, our proprietary information may otherwise become known or be independently developed by our competitors or other third parties. To the extent that our employees, consultants, contractors, scientific advisers and other third parties use intellectual property owned by others in their work for us, disputes may arise as to the rights in related or resulting know-how and inventions. Costly and time-consuming litigation could be necessary to enforce and determine the scope of our proprietary rights, and failure to obtain or maintain protection for our proprietary information could adversely affect our competitive business position.

However, we cannot assure you that such measures will be effective in mitigating the relevant risks or completely preventing intellectual property disputes or competition from arising.

There is a risk that third parties may obtain and improperly utilize our proprietary information to our competitive disadvantage. We may not be able to detect or prevent the unauthorized use of such information or take appropriate and timely steps to enforce our intellectual property rights.

We rely on our business partners and other industry participants and the business collaboration with them is subject to various risks.

Strategic business relationships are, and will continue to be, an important factor in the growth and success of our business. We have alliances and partnerships with other industry participants, such as research centers. If we are unable to maintain the existing relationships with our business partners, or if we fail to identify and negotiate additional relationships that are essential to our future expansion or success on commercially acceptable terms or at all, we may incur increased costs to develop and provide these capabilities on our own, and our business, financial condition and results of operations could be materially and adversely affected. We could experience delays in the development or delivery of our products to the extent our partners do not meet agreed timelines or experience capacity constraints. We could also experience disagreement in budget or funding for any joint development project. There is also risk of potential disputes with partners in the future, including with respect to intellectual property rights. Moreover, if our existing partner agreements were to be terminated, we may be unable to timely secure alternative agreements on terms and conditions commercially acceptable to us. Any of the foregoing could materially and adversely affect our business, financial condition and results of operations.

We are exposed to credit risks related to our trade and bills receivables, deposits and other receivables.

We face credit risks attributable to our trade and bills receivables, deposits and other receivables. Our trade and bills receivables as of December 31, 2023, 2024 and 2025 and March 31, 2026 amounted to RMB4,398.1 million, RMB6,108.9 million, RMB7,149.6 million and RMB7,000.5 million, respectively. In the relevant years/period, our average trade receivables turnover days were 77 days, 103 days, 106 days and 112 days respectively.

The fluctuation and extension of trade and bills receivables turnover may have a material and adverse effect on our cash flow and liquidity position. See "Financial Information — Discussion of Certain Components from our Consolidated Statements of Financial Position — Trade and Bills Receivables" for details. We cannot assure you that all of our counterparties will not default on us in the future, despite our efforts to conduct credit assessments on them. As a result, we are exposed to risks that our counterparties may fail to fulfill their obligations to us under our contracts.

We are exposed to inventory management risks.

Our inventories primarily consist of raw materials, work in progress and finished goods. As of December 31, 2023, 2024 and 2025 and March 31, 2026, our inventories were RMB2,245.4 million, RMB2,629.3 million, RMB2,575.0 million and RMB2,318.0 million, respectively, of which finished goods accounted for 64.9%, 75.4%, 75.2% and 69.2%, respectively. Our inventory turnover days for the relevant years/period was 101 days, 82 days, 76 days and 80 days, respectively.

If we fail to manage our inventory effectively, we may be subject to increased inventory storage costs, a heightened risk of inventory obsolescence, a decline in inventory value and significant inventory write-offs. We cannot guarantee that our inventory levels will be able to swiftly meet the demands of customers, which may adversely affect our revenue. We also cannot guarantee that all of our inventory can be sold as products within a reasonable period of time. Any of the above may materially and adversely affect our results of operations and financial condition. On the other hand, if we underestimate demand for our products, or if our suppliers fail to supply in a timely manner, we may experience inventory shortages, which might result in a diminished customer base and a decrease in revenue, any of which could harm our business, financial condition and results of operations.

In the event of any damage or deterioration caused by factors beyond our control, including catastrophic events such as outbreak of fire or explosion, we may suffer from losses and such losses may not be compensated in a timely and adequate manner. Our business performance and financial position may thereby be adversely affected.

Work stoppages, increases in labor costs and other labor-related matters may adversely affect our business operations.

If our employees were to engage in a strike or other work stoppage, we could experience significant disruption of our operations and/or higher ongoing labor costs, which may have an adverse effect on our business, financial condition and results of operations.In addition, labor costs in regions where we operate have been increasing in recent years and could potentially continue to increase, which may further increase our manufacturing costs. Factors contributing to rising labor costs include inflationary pressures, changes in minimum wage laws and increased demand for skilled workers. Additionally, regulatory changes or enhanced employee benefits mandated by law could further exacerbate these costs. The competition for skilled labor in our industry is intense and we may be required to offer more attractive compensation packages to retain and attract qualified personnel. We may not be able to pass on these increased costs to customers by increasing the selling prices of our products in light of competitive pressure in the markets where we operate. In such circumstances, our profit margin may decrease and our financial condition and results of operations may be materially and adversely affected.

Pursuant to the Labor Contract Law, dispatched labor is intended to be a supplementary form of employment and the fundamental form should be direct employment by enterprises and organizations that hire employees. Further, it is stated in the Interim Provisions on Labor Dispatch (《劳務派遣暫行規定》) that became effective on March 1, 2014 that the number of dispatched workers an employer uses may not exceed 10% of its total labor force. During the Track Record Period, dispatched workers of our Company and certain PRC subsidiaries exceeded 10% of the total labor force. As of May 31, 2026, our Company and certain PRC subsidiaries had reduced the number of dispatched workers down to below 10% of the total labor force. During the Track Record Period and up to the Latest Practicable Date, we had not received any notice of rectification from, or been imposed any administrative penalty by, the relevant governmental authorities in this regard. However, we cannot assure you that the competent authorities will not request us to rectify such arrangements within a prescribed period. If we fail to rectify within the prescribed period, we may be subject to a fine ranging from RMB5,000 to RMB10,000 per excess dispatched worker.

Failure to pay social insurance and housing provident funds for our employees in accordance with applicable laws and regulations may subject us to penalties.

We are subject to PRC labour laws and regulations and are required to make contributions for our employees to various social welfare schemes, including the housing provident fund, pension insurance, medical insurance, unemployment insurance, maternity insurance and work-related injury insurance. The relevant authorities may inspect an employer's compliance, and any failure to make full contributions in accordance with applicable requirements may result in administrative penalties. During the Track Record Period, we did not make full social insurance and housing provident fund contributions for certain employees in accordance with applicable local requirements, or arranged for certain employees' contributions to be made through third-party agencies. However, we cannot assure you that the competent authorities will not require us to pay any underpaid contributions and impose late payment surcharges or fines. If we are investigated or subject to material administrative penalties, or incur material legal costs, due to non-compliance with relevant PRC laws and regulations, our business, financial condition and results of operations could be adversely affected. See "Business — Employees".

Our production is dependent on the stable, timely and adequate supply of energy at reasonable prices.

We depend on a stable supply of energy, mainly including electricity and water, to maintain production. Our production volume and manufacturing costs are affected by the price and supply of energy. The prices of energy are subject to a number of factors which may be beyond our control, including inflation, supplier capacity constraints, general economic conditions, commodity price fluctuations, demand from other industries for energy and local and national regulatory requirements. Furthermore, there can be no assurance that unexpected and serious shortages of energy will not occur in the future or that we will be able to pass on any cost increases to our customers. Adverse changes in power consumption policies, particularly those leading to higher energy prices, could negatively impact our business, financial condition, operational results and prospects. Significant fluctuations in these costs could materially affect our profitability if we are unable to adjust our product prices accordingly, potentially undermining our competitive advantages. Failure to pass increased costs onto our customers may lead to a reduction in our profit margins. If the supply of energy is affected by natural disasters, adverse weather conditions, equipment failures, disruptions in transport or other inclement factors, we may not be able to locate alternative sources of supply at commercially reasonable prices or maintain the full energy supply required for production, resulting the reduction or cessation of production capacity. Any such events may have a material adverse effect on our business, financial condition and results of operations.

Our existing automotive manufacturer customers may not purchase our products in any certain quantity or at any certain price.

Upon obtaining nomination from certain automotive manufacturer, we develop customized solutions to be equipped on specific vehicle models of automotive manufacturer customers. We generally enter into procurement general terms or master contracts with our automotive manufacturer customers, which set forth the general and salient terms such as general product range, individual contract and/or order placement principals, technology standards, qualification and warranty requirements, delivery principals, indemnifications and general terms. For details such as purchasing quantity, pricing, our automotive manufacturer customers may provide estimations based on their production plan of relevant vehicle models, and will enter into individual contracts or place procurement orders specifying the pricing with us from time to time, and the automotive manufacturer may reserve the right of potential adjustment of the purchase volumes and delivery arrangement, which may result in uncertainty to our revenue. Additionally, automotive manufacturer may experience delays or cancellations in the development of the models, which may result in extended timelines or even the abandonment of certain models. As a result, in case actual production orders from the automotive manufacturer customers are not consistent with their projections, or even if mass production commences but the orders placed with us and the prices offered to us differ materially, we could realize less revenue than our expectation. If actual production orders or sales volumes are lower than estimated, we may not cancel excess supplies in a timely manner, or at all, and the inventory may accumulate, leading to increased storage costs and potential obsolescence, which may materially and adversely affect our business, financial condition and results of operations.

We have certain construction projects which require substantial upfront investment and involve long construction years/periods. Without prudent project selection and effective risk management, our business, financial condition and results of operations may be adversely affected.

We currently have several construction in process projects, such as the electronics facility of the Intelligent Manufacturing Industrial Park and the intelligent automotive electronics and vision systems industrial center project. The construction and operation of such projects may require substantial upfront capital and resources during the early stages of project development. The successful completion of such projects is subject to several factors beyond our control, including but not limited to regulatory approval, climate conditions, and supply chain condition. Any delay or disruption in these processes may result in cost overruns, project postponements or cancellations, which could adversely affect our business, financial condition and results of operations. Furthermore, the long payback period associated with these capital-intensive projects may impact our liquidity and profitability. We cannot assure you that we will always accurately assess project feasibility, manage construction risks or respond promptly to market changes, which may adversely affect our business, financial condition and results of operations.

Any failure to offer high-quality maintenance and after-sales support services for our customers may harm our relationships with them and, consequently, our business.

As we continue to grow our operations and support our customer base, we need to be able to continue to provide efficient after-sales support and effective maintenance that meets our customers' needs at scale. We may not be able to recruit or retain sufficient qualified support personnel with experiences in supporting customers of our products. As a result, we may be unable to respond quickly enough to accommodate short-term increases in customer demand for technical support or maintenance assistance. We also may be unable to modify the future scope and delivery of our maintenance services and technical support to compete with changes in the technical services provided by our competitors.

If we experience increased customer demand for after-sales support and maintenance, we may face increased costs that may harm our results of operations. In particular, we may expand to countries and regions where the costs of providing maintenance and after-sales support services are higher as a result of more stringent consumer protection regulations and market practices. If we are unable to provide efficient customer maintenance and after-sales support, our business may be harmed. Our ability to attract new end customers is highly dependent on our business reputation and on positive recommendations from our existing customers. Any actual or perceived failure to maintain high-quality maintenance and after-sales support services would harm our business.

Our employees and business partners may engage in intentional or negligent misconduct, or violate our internal policies and laws, which could impair the quality of our service, cause us to lose customers or subject us to liabilities.

We risk compromising the quality of our products if our employees and business partners do not perform in accordance with our standards. We cannot guarantee that our employees and business partners will not engage in any intentional or negligent misconduct.

Furthermore, we may be exposed to the risks of fraud or other unlawful activities committed by our employees and business partners. Fraud or other unlawful activities by our employees and business partners may include making unauthorized misrepresentation to our customers, misappropriating third-party intellectual property and other proprietary rights, misusing sensitive customer information and engaging in bribery or other unlawful payments. In any such event, we could incur liability to our customers or any other third parties.

Any claims could subject us to costly litigation and affect our business, financial condition and results of operations, and may distract the attention of our management regardless of whether the claims have merit. Any claims could result in complaints from our customers or other third parties, regulatory or legal liabilities or damages to our reputation.

Any discontinuation, reduction or delay in payment of any government grants, tax refund or preferential tax treatments may have a material and adverse impact on our business, financial condition and results of operations.

During the Track Record Period, we benefited from certain government grants and subsidies. In 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, we recognized government grants of RMB118.2 million, RMB175.0 million, RMB158.5 million, RMB36.3 million and RMB41.2 million, respectively. In addition, we and some of our subsidiaries are entitled to preferential tax treatment. For example, the Company has been accredited as High and New Technology Enterprises and were subject to a preferential enterprise income tax rate of 15% during the Track Record Period. Pursuant to the Serbian Corporate Income Tax Law and based on the scale of our Group's investment in the Republic of Serbia, our subsidiary in Serbia will be entitled to a 10-year corporate income tax exemption commencing from its first profit-making year. See "Financial Information — Description of Major Components of Our Results of Operations — Income Tax Expenses." Preferential tax treatments granted to us by PRC governmental authorities and the governmental authorities in other jurisdictions are subject to review and may be adjusted or revoked in the future. We cannot guarantee that the preferential tax treatments to which our we are currently entitled will be successfully renewed.

We cannot guarantee that the local governments and tax authorities will not, in the future, change their position and discontinue any of the grants and subsidies, or our current tax treatments. The discontinuation of governmental grants and/or any of our current tax treatments could adversely impact our net profit.

Our results of operations were and may continue to be subject to period-to-period fluctuations.

We have experienced and may continue to experience period-to-period fluctuations in our results of operations. Historically, we had more sales and production volumes in the fourth quarter of a given year as compared to the rest of year because our automotive manufacturer customers tended to deliver more products during the fourth quarter of the year. In addition, we cannot guarantee against any delay in completion of inspection and acceptance by our customers. Any slight delays in the customer acceptance of our products may cause substantial changes in proportion of operational results over different quarters of the year or even different year. As a result of such fluctuations in our revenue recognition from period to period, comparisons of revenue and our operating results between different years within a single financial year are not necessarily meaningful, nor can these comparisons be relied upon in assessing or predicting our future financial performance in a particular year or period. See "Business — Seasonality" for further details.

We may incur significant capital expenditures for our business operations and expansion plans, which may adversely affect our short-term cash flow, liquidity and profitability.

We may incur significant capital expenditures in connection with our business operations and expansion plans, including investments in our manufacturing bases to expand our offerings and upgrade our production technologies. See "Financial Information — Capital Expenditures." In 2023, 2024, 2025 and the three months ended March 31, 2026, our capital expenditures amounted to RMB1,040.6 million, RMB679.1 million, RMB868.0 million and RMB260.9 million, respectively. Inherent risk exists for such significant capital expenditures as our investments may not succeed or generate the benefits that we expect, which could materially affect our profitability. Even if we achieve our goals for such investments, our short-term cash flow and liquidity may be adversely affected. While we intend to explore alternative arrangements to reduce the capital intensity of any future expansion, there is no assurance this will be successful. The markets for certain of our offerings remain relatively new, and it is uncertain whether our efforts, and related investments, will result in adequate financial returns for us. Further, our technological adjustments and upgrades, as well as new products and services, may not be successful. Any early-stage investments and development of such new products may not result in long-term success or financial returns for us.

We face certain risks in relation to our leases.

As of the Latest Practicable Date, certain of our lease agreements had not been registered and filed with the relevant real estate administration bureaus in the PRC. 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.

We, our Directors, management, employees and shareholders and their affiliates may be subject to lawsuits, contract disputes, employment-related controversies, and other legal and administrative proceedings or fine.

As of the Latest Practicable Date, we were not a party to any material legal or administrative proceedings. However, we may in the future be involved in lawsuits, contract disputes, employment-related matters, regulatory investigations or other proceedings arising from our business operations. Such matters may be costly and time-consuming, require significant management attention and result in settlements, judgments, penalties or fines. Any associated negative publicity, regardless of the merits of the claims, could harm market acceptance of our products and materially and adversely affect our business, financial condition, results of operations or liquidity.

Our Directors, management, shareholders or employees may also be subject to litigation or regulatory actions, including shareholder or class action lawsuits. Adverse outcomes could result in substantial damages, changes to our business practices or reputational harm, and we may incur significant legal expenses or indemnification obligations even if we ultimately prevail. In addition, patent disputes or other intellectual property litigation may disrupt our operations, restrict the use of certain technologies and adversely affect our business performance.

We may not have sufficient insurance coverage to cover our business risks.

We have obtained insurance to cover certain potential risks and liabilities, such as property insurance and employers' insurance. For further details, see "Business — Insurance". However, insurance companies in the PRC and other jurisdictions in which we operate may offer limited business insurance products. As a result, we may not be able to acquire any insurance for all types of risks we face in our operations in the PRC and overseas, and our coverage may not be adequate to compensate for all losses that may occur, particularly with respect to loss of business or operations. This potentially insufficient coverage could expose us to potential claims and losses. Any business disruption, litigation, regulatory action, outbreak of epidemic disease, adverse weather conditions or natural disasters could also expose us to substantial costs and diversion of resources. There can be no assurance that our insurance coverage will be sufficient to cover us for any loss or that we will be able to successfully claim our 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 compensation amount is significantly less than our actual loss, our business, financial condition and results of operations could be materially and adversely affected.

We may be subject to applicable laws and regulations relating to cybersecurity and data privacy.

We may be subject to laws and regulations relating to cybersecurity and data privacy, including restrictions on the collection, usage and storage of confidential information. In addition, we may be influenced by misconduct of our employees or third parties, such as improperly using information obtained in our operations, misappropriating or illegally disclosing confidential information obtained in our business operations. As a result, we may be required to invest significant resources to develop our security measures against cybersecurity and data privacy issues caused by potential breaches.

In addition, regulatory requirements on cybersecurity and data privacy are constantly evolving and can be subject to varying interpretations or significant changes, resulting in uncertainties about the scope of our responsibilities in that regard. We cannot guarantee that relevant interpretation or implementation of the laws or regulations will not adversely affect us. We may also become subject to new laws and regulations regarding cybersecurity and data privacy matters. If we were unable to effectively address data privacy and protection concerns, we may be subject to legal proceedings, regulatory actions or penalties, which may further adversely affect our business, financial condition and results of operations.

Failure or disruption of our information technology systems could adversely affect our business, financial condition and results of operations.

We have implemented various information technology systems to digitalize key areas of our intelligent operations across the entire value chain. We rely on our information technology systems for operational efficiency enhancement and the timely delivery of our products to customers. See "Business — Information Technology". However, any failure or disruption in the operation of these systems or the loss of data due to such failure or disruption, including due to human error, sabotage, cyber attack or any actual or perceived security breach that leads to leakage of our confidential information, may interrupt our operations, temporarily or permanently disable our platform, result in fraudulent transfer of funds, damage our relationships with our customers and other business partners, and subject us to high cost and damages, legal liabilities, regulatory sanctions, financial exposure and reputational damages, any of which may materially and adversely affect our business, financial condition and results of operations.

Furthermore, the unavailability of, or failure to retain, well-trained employees capable of constantly servicing our information technology systems may lead to inefficiency or disruption of information technology systems, thereby adversely affecting our ability to operate efficiently.

To address any ESG risks, we may incur additional costs, which may materially and adversely affect our financial performance.

To identify, manage and mitigate ESG risks, we may incur additional costs and expenses which could impact our financial performance. This commitment may entail incurring substantial additional costs and would potentially impact our profitability. See "Business — Environmental, Social and Governance" for details.

In addition, the increasing ESG-related regulatory requirements, including various ESG disclosure mandates in the jurisdictions where we operate, may lead to rising compliance costs and uncertainties in customer retention, all of which may materially and adversely affect our results of operations and financial conditions.

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

Our business could be adversely affected by natural disasters such as floods, earthquakes, sandstorms, snowstorms, fire or drought, the outbreak of a widespread health epidemic or any severe epidemic disease such as SARS, Ebola, Zika or the COVID-19, acts of war, riots, terrorism or other force majeure events beyond our control. 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, all of which could adversely affect our business, results of operations, financial condition and prospects. In particular, these natural disasters, outbreaks of contagious diseases and other adverse public health developments could severely disrupt our business operations by damaging our technology infrastructure or information technology system or impacting the productivity of our workforce, which may adversely affect our financial condition and results of operations.

RISKS RELATING TO DOING BUSINESS IN THE COUNTRIES WHERE WE OPERATE

Uncertainties embedded in the legal systems in the countries and regions where we operate could affect our business, financial condition and results of operations.

We conduct our business primarily through entities in the PRC and operate internationally, including a major manufacturing base in Serbia and subsidiaries in Germany, Japan, Mexico, the United States and Hong Kong. The legal systems in the jurisdictions where we operate differ significantly and are subject to ongoing changes. Laws and regulations in certain markets may be evolving, inconsistently interpreted or insufficiently developed, and enforcement practices may vary. As a result, it may be difficult to assess legal risks, predict the outcome of administrative or court proceedings or enforce contractual or arbitral rights.

In addition, certain regulatory policies or interpretations may not be published on a timely basis or may have retroactive effects. We may incur substantial costs and management distraction in responding to legal proceedings or increased regulatory scrutiny. The adoption of new laws or stricter enforcement of existing regulations in the jurisdictions where we operate could require additional compliance efforts, restrict our business activities or adversely affect the growth of our industry, which may in turn materially and adversely affect our business, financial condition and results of operations.

We may be subject to the approval, filing or other requirements of the CSRC or other PRC governmental authorities in connection with overseas offerings and future capital raising activities.

On February 17, 2023, the CSRC promulgated the Filing Rules and their implementation guidelines. The Filing Rules, which came into effect on March 31, 2023, mainly provide the scope of activities subject to the filing requirement, the entities subject to filing obligations and the filing procedures. We are required to file with the CSRC in accordance with the Filing Rules after our application for the [**REDACTED**] is submitted, and there is uncertainty as to whether we will be able to complete the filing procedures or obtain approval for this [**REDACTED**] in a timely manner or at all.

If the CSRC or other PRC regulatory authorities in the future promulgate new rules or explanations imposing further requirements that we obtain their approvals or complete the required filing or other regulatory procedures for this [**REDACTED**] or future capital raising activities, there can be no assurance that we will be able to obtain a waiver of such approval requirements, if and when procedures are established to obtain such a waiver. Any unforeseen situations or negative publicity regarding such approval, filing or other requirements could materially and adversely affect our business, financial condition, results of operations and the trading price of our Shares.

[REDACTED] may experience difficulties in effecting service of legal process or enforcing foreign judgments against us and our Directors and management.

We are a company incorporated under the laws of the PRC and some of our assets and subsidiaries are located in the PRC and Serbia. The majority of our Directors and senior management resides within the PRC. The assets of these Directors and senior management also may be located within the PRC. Neither the PRC nor Serbia have treaties providing for the reciprocal recognition and enforcement of judgments of courts of most other jurisdictions. As a result, recognition and enforcement in the PRC or Serbia of judgments of a court in any of these jurisdictions outside the PRC or Serbia may be difficult. It may be also difficult and time-consuming to effect service of process upon our Directors and senior management outside the PRC or Serbia.

We are subject to the currency exchange regulatory system.

The conversion of RMB is subject to applicable laws and regulations in the PRC. It cannot be guaranteed that under a certain exchange rate, we will have sufficient foreign exchange to meet our foreign exchange requirements. Under the current PRC foreign exchange control system, foreign exchange transactions under the current account conducted by us, including the payment of dividends, do not require advance approval from the SAFE, but we are required to present documentary evidence of such transactions and conduct such transactions at designated foreign exchange banks within China that have the licenses to carry out foreign exchange business. Foreign exchange transactions under the capital account, however, normally need to be approved by or registered with the SAFE or its local branch unless otherwise permitted by law.

Accordingly, following the completion of the [**REDACTED**], under existing foreign exchange regulations, there is no assurance that we may obtain sufficient foreign currencies to satisfy all of our foreign currency demands. Any insufficiency of foreign exchange may restrict our ability to obtain sufficient foreign exchange for dividend payments to shareholders or to satisfy any other foreign exchange requirements, or to capitalize our capital expenditure plans, and even our business, operating results and financial condition, may be affected. Further, we cannot guarantee that new regulations will not be promulgated by Chinese or foreign authorities in the future that would have the effect of further restricting the remittance of RMB into or out of China.

We could be subject to changes in our tax rates, the adoption of new local or overseas tax legislation or exposure to additional tax liabilities.

As a PRC-incorporated company, we are subject to PRC tax laws and regulations, and any non-compliance may result in fines, penalties, litigation or other adverse consequences that could affect our business, financial condition and results of operations. We also operate in multiple overseas jurisdictions and may be subject to complex and evolving tax regimes, including uncertainties regarding corporate income tax, import duties and eligibility for preferential tax treatments. For example, our Serbian subsidiary is entitled to a corporate income tax exemption for a specified period, but there can be no assurance that such preferential treatment will continue.

Changes in tax laws, interpretations, tax rates or the geographic mix of our earnings may increase our effective tax rate or require additional tax provisions. We are also subject to tax audits and examinations by domestic and overseas authorities, the outcomes of which are uncertain. Any adverse determination, including tax liabilities exceeding amounts previously accrued, could materially and adversely affect our financial condition, operating results and cash flows.

We are a PRC enterprise and we are subject to PRC tax on our global income. [REDACTED] may be subject to PRC income taxes for any gains on the sales of H Shares and dividends on the H Shares.

Under the PRC EIT Law and Implementation Regulation of the EIT Law, subject to any applicable tax treaty or similar arrangement between PRC and a non-PRC investor's jurisdiction of residence that provides for a different income tax arrangement, PRC withholding tax at the rate of 10% is normally applicable to dividends from PRC sources payable to investors that are non-PRC resident enterprises which do not have an establishment or place of business in PRC, or which have an establishment or place of business in PRC but the relevant income is not effectively connected with such establishment or place of business. Any gains realized on the transfer of Shares by such investors are subject to a 10% PRC income tax rate if such gains are regarded as income from sources within PRC unless a treaty or similar arrangement provides otherwise.

Under the PRC Individual Income Tax Law (《中華人民共和國個人所得税法》) and its implementation rules, dividends from sources within PRC paid to foreign individual investors who are not PRC residents are generally subject to a 20% PRC withholding tax rate, and gains from PRC sources realized by such investors on the transfer of shares are generally subject to a 20% PRC income tax rate, in each case, subject to any reduction or exemption under applicable tax treaties and laws in PRC. Pursuant to the Notice on the Issues Concerning Individual Income Tax Collection and Management after the Repeal of Guo Shui Fa [1993] No. 045 (《關於國税發[1993]045號文件廢止後有關個人所得税徵管問題的通知》) (Guo Shui Han [2011] No. 348) (國税函[2011]348號) dated June 28, 2011, issued by the SAT, dividends paid to non-PRC resident individual holders of H Shares are generally subject to the individual income tax of PRC at a withholding tax rate of 10%, depends on whether there are tax arrangements between the jurisdictions where the individual holders reside, as well as the tax arrangements between PRC and Hong Kong. Non-PRC resident individual holders who reside in jurisdictions that have not entered into tax treaties with PRC are subject to a 20% withholding tax on dividends received from us.

If PRC income tax is imposed on gains realized from the transfer of [**REDACTED**] or on dividends paid to our non-PRC resident [**REDACTED**], the value of your [**REDACTED**] in [**REDACTED**] may be affected. Furthermore, our Shareholders whose jurisdictions of residence have tax treaties or arrangements with PRC may not qualify for benefits under such tax treaties or arrangements.

RISKS RELATING TO THE [REDACTED]

We will be concurrently subject to [REDACTED] and regulatory requirements of PRC and Hong Kong and the two [REDACTED] markets have different characteristics.

As we are listed on the Shanghai Stock Exchange and will be [**REDACTED**] on the Main Board in Hong Kong, we will be required to comply with the [**REDACTED**] rules (where applicable) 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 in continuously complying with all sets of listing rules in the two jurisdictions. The characteristics of the A share and H share markets may differ. Our A Shares are listed and traded on the Shanghai Stock Exchange. Following the [**REDACTED**], our A Shares will continue to be traded on the Shanghai Stock Exchange and our H Shares will be [**REDACTED**] on the Stock Exchange. Under current laws and regulations of PRC, without the approval from the relevant regulatory authorities, our H Shares and A Shares are neither interchangeable nor fungible, and there is no [**REDACTED**] between the H Share and A Share markets. With different [**REDACTED**] characteristics, the H Share and A Share markets have divergent [**REDACTED**] volumes, liquidity and [**REDACTED**] bases, as well as different levels of retail and institutional [**REDACTED**] participation. As a result, the trading 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 price of our H Shares, and vice versa. Due to the different characteristics of the H Share and A Share markets, the historical prices of our A Shares may not be indicative of the performance of our H Shares. You should therefore not place undue reliance on the trading history of our A Shares when evaluating the [**REDACTED**] decision in [**REDACTED**].

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

Prior to the [**REDACTED**], there was no [**REDACTED**] for our H Shares. We cannot assure you that a [**REDACTED**] for our H Shares with adequate liquidity and [**REDACTED**] volume will develop and be sustained following the completion of the [**REDACTED**]. In addition, the [**REDACTED**] of our H Shares is the result of negotiations between the [**REDACTED**] (for themselves and on behalf of the [**REDACTED**]) and us, and may not be an indication of the [**REDACTED**] at which our H Shares will be [**REDACTED**] following the completion of the [**REDACTED**]. If an active [**REDACTED**] for our H Shares does not develop following the completion of the [**REDACTED**], the [**REDACTED**] and liquidity of our H Shares may be materially and adversely affected.

The liquidity, [REDACTED] volume and [REDACTED] of our H Shares following the [REDACTED] may be volatile, which could result in substantial losses to you.

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 the securities in Hong Kong and elsewhere in the world. The Stock Exchange and other securities markets have, from time to time, experienced significant [**REDACTED**] and [**REDACTED**] volatility that are not related to the operating performance of any particular company. The business and performance and the [**REDACTED**] of the shares of other companies engaging in similar business may also affect the [**REDACTED**] and [**REDACTED**] of our H Shares. In addition to market and industry factors, the [**REDACTED**] and [**REDACTED**] of our H Shares may be highly volatile for specific business reasons, such as fluctuations in our revenue, earnings, cash flows, investments, expenditures, relationships with our business partners, movements or activities of key personnel, actions taken by competitors or regulatory developments. Moreover, shares of other companies [**REDACTED**] on the Stock Exchange have experienced price volatility in the past, and it is possible that our H Shares may be subject to changes in price not directly related to our business performance.

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

The [**REDACTED**] of our H Shares and our ability to raise equity capital in the future at a time and price that we deem appropriate could be negatively impacted as a result of future [**REDACTED**] of our H Shares or other securities relating to our H Shares in the [**REDACTED**] by our Shareholders, or the issuance of new shares or other securities, or the perception that such [**REDACTED**] or issuances may occur. In addition, our Shareholders may experience dilution in their holdings if we issue more securities in the future. Furthermore, we may issue shares pursuant to any existing or future share option incentive schemes, which would further dilute our Shareholders' interests in our Company. New shares or equity-linked securities issued by us may also confer rights and privileges that take priority over those conferred by the H Shares. Market [**REDACTED**] of Shares by such Shareholders and the availability of these Shares for future sale may have a negative impact on the [**REDACTED**] of our H Shares.

In addition, while [**REDACTED**] shares in the [**REDACTED**] are not subject to any restrictions on the disposal of the H Shares they [**REDACTED**], they may have existing arrangements or agreement to dispose part or all of the H Shares they hold immediately or within certain period upon completion of the [**REDACTED**] for legal and regulatory, business and market, or other reasons. Such disposal may occur within a short period or any time or period after the [**REDACTED**]. Any [**REDACTED**] of the H Shares [**REDACTED**] by such [**REDACTED**] pursuant to such arrangement or agreement could adversely affect the [**REDACTED**] of our H Shares and any sizeable [**REDACTED**] could have a material and adverse effect on the [**REDACTED**] of our H Shares and could cause substantial volatility in the [**REDACTED**] of our H Shares.

If our resources are insufficient to satisfy our cash requirements, we may seek additional financing through selling debt securities or obtaining a credit facility. The incurrence of indebtedness would result in increased debt service obligations and could result in operating and financing covenants that may, among other things, restrict our operations or our ability to pay dividends. Servicing such debt obligations could also be burdensome to our operations. If we fail to service the debt obligations or are unable to comply with such debt covenants, we could be in default under the relevant debt obligations and our liquidity and financial conditions may be materially and adversely affected.

[REDACTED] decisions in our H Shares should not be based on any information released by us in connection with the listing of our A Shares on the Shanghai Stock Exchange, which were prepared based on regulatory requirements.

As our A Shares are listed on the Shanghai Stock Exchange, we have been subject to periodic reporting and other information disclosure requirements in PRC. As a result, from time to time, we publicly release information relating to us on the Shanghai Stock Exchange or other media outlets designated by the CSRC. However, the information announced by us in connection with our A Shares listing is based on regulatory requirements of the securities authorities, industry standards and market practices in PRC, which are different from those applicable to the [**REDACTED**]. The presentation of financial and operational information for the Track Record Period disclosed on the Shanghai Stock Exchange or other media outlets may not be directly comparable to the financial and operational information contained in this Document. As a result, prospective [**REDACTED**] in our H Shares should be reminded that, in making their [**REDACTED**] decisions as to whether to [**REDACTED**] our H Shares, they should rely only on the financial, operating and other information included in this Document. By applying to [**REDACTED**] 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 made by us in Hong Kong with respect to the [**REDACTED**].

Certain facts, forecasts and other statistics contained in this document are derived from official government publications.

Certain facts, forecasts and statistics in this document relating to the PRC and global economy and the industry in which we operate are obtained from official government publications that we believe are reliable. However, we cannot guarantee the quality or reliability of these sources. Our Directors believe that the sources of the information are appropriate and have taken reasonable care in extracting and reproducing such information. They do not believe that such information is false or misleading or that any material fact has been omitted that would render such information false or misleading. The information from official government sources has not been independently verified by our Group, the Sole Sponsor or any other party involved in the [**REDACTED**]. Due to possibly flawed or ineffective sampling or discrepancies between published information and market practice and other problems, the statistics in this results of operations relating to the PRC and the global economy and the industry in which we operate may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Moreover, these facts, forecasts and statistics involve risk and uncertainties and are subject to change based on various factors and should not be unduly relied upon. You should consider how much weight or importance such facts or statistics carry and should not place undue reliance on them.

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.

During the Track Record Period, we paid dividends of RMB312.4 million, RMB397.3 million and RMB426.5 million during the years ended December 31, 2023, 2024 and 2025 respectively. We also declared dividend of RMB508.8 million in respect of the year ended December 31, 2025 on April 10, 2026, which was fully paid out in May 2026.

However, there is no assurance that dividends of any amount will be declared or distributed by us in any year in the future. Under the applicable laws and regulations of the PRC, the payment of dividends may be subject to certain limitations, and the calculation of our profit under the Accounting Standards for Business Enterprises may differ in certain respects from the calculation under the IFRS Accounting Standards. The declaration, payment and amount of any future dividends are subject to the discretion of our Board of 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 Board of 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 laws and regulations of the PRC and Hong Kong. For details, see "Financial Information — Dividends and 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.

You should read the entire results of operations carefully and we strongly caution you not to place any reliance on any information contained in press articles or other media regarding us, our Shares or the [REDACTED].

You are strongly advised to read the entire document carefully and are cautioned against placing any reliance on the information in any press article or any other media coverage which contains information not disclosed or not consistent with the information included in our results of operations. Prior to the completion of the [**REDACTED**], there may be press and media coverage regarding our Group and the [**REDACTED**]. Such press and media coverage may include references to certain information that does not appear in this document, including certain operating and financial information and projections, valuations and other information. Our Directors would like to emphasize to prospective [**REDACTED**] that we do not accept any responsibility for the accuracy or completeness of such information, and such information is not sourced from or authorized by our Directors or our management team. Our Directors make no representation as to the appropriateness, accuracy, completeness and reliability of any information or the fairness or appropriateness of any forecast, view or opinion expressed by the press or other media regarding our Group or our H Shares. To the extent that any such information is inconsistent or conflicts with the information contained in this document, we disclaim responsibility for it and our [**REDACTED**] should not rely on such information.

Forward-looking statements contained in this document are subject to risks and uncertainties.

This document contains forward-looking statements with respect to our business strategies, operating efficiencies, competitive positions, growth opportunities for existing operations, plans and objectives of management, certain [**REDACTED**] information and other matters. The words "aim", "anticipate", "believe", "could", "predict", "potential", "continue", "expect", "intend", "may", "might", "plan", "seek", "will", "would", "should" and the negative of these terms and other similar expressions identify a number of these forward-looking statements. These forward-looking statements, including, amongst others, those relating to our future business prospects, capital expenditure, cash flows, working capital, liquidity and capital resources are necessarily estimates reflecting the best judgment of our Directors and management and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. As a consequence, these forward-looking statements should be considered in light of various important factors, including those set out in this section. Accordingly, such statements are not a guarantee of future performance and [**REDACTED**] should not place undue reliance.

In preparation for the [**REDACTED**], we have sought the following waivers from strict compliance with the Listing Rules.

WAIVER IN MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 of the Listing Rules, we must have sufficient management presence in Hong Kong, which normally means that at least two executive directors must be ordinarily resident in Hong Kong. Pursuant to Rule 19A.15 of the Listing Rules, the requirement in Rule 8.12 may be waived by having regard to, among other considerations, the applicant's arrangements for maintaining regular communication with the Stock Exchange.

Given that (i) most of the business operations of our Group are managed and conducted outside of Hong Kong; and (ii) our Executive Directors and senior management principally did not reside in Hong Kong, our Company considers that it would not be in the best interests of our Company and Shareholders to arrange for two Executive Directors to be ordinarily resident in Hong Kong, either by means of relocation of existing Executive Directors or appointment of additional Executive Directors. Therefore, our Company does not, and for the foreseeable future will not have sufficient management presence in Hong Kong for the purpose of satisfying the requirements under Rule 8.12 of the Listing Rules.

Accordingly, pursuant to Rule 19A.15 of the Listing Rules, we have applied for, and the Stock Exchange [has granted], a waiver from strict compliance with Rule 8.12 and Rule 19A.15 of the Listing Rules subject to the following conditions. We will ensure that there is a regular and effective communication between the Stock Exchange and us by way of the following arrangements:

(i) **Authorized Representatives:** we have appointed Mr. Li Shujun and Mr. Au Wai Keung ("**Mr. Au**") as the authorized representatives (the "**Authorized Representatives**") for the purpose of Rule 3.05 of the Listing Rules. Both of our Company's authorized representatives will act as our Company's principal channels of communication with the Stock Exchange. Accordingly, the authorized representatives of our Company will be able to meet with the relevant members of the Stock Exchange on reasonable notice and will be readily contactable by telephone and/or email. Each of the authorized representatives of our Company has means of contacting all Directors (including our Independent Non-Executive Directors) promptly at all times. We will also inform the Stock Exchange promptly in respect of any change in the Authorized Representatives;

(ii) **Directors:** each Director has provided their mobile phone number, office phone number and e-mail address to the authorized representatives of our Company and the Stock Exchange, and in the event that any Director expects to travel or otherwise be out of the office, they will provide the phone number of the place of their accommodation to the authorized representatives pursuant to Rule 3.20 of the Listing Rules. Each of our Directors not ordinarily residing in Hong Kong possesses or can apply for valid travel documents to visit Hong Kong and will be able to meet with the relevant members of the Stock Exchange within a reasonable period of time;

(iii) **Compliance Advisor:** we have appointed Somerley Capital Limited ("**Somerley**") as our Compliance Advisor (the "**Compliance Advisor**"), in compliance with Rule 3A.19 of the Listing Rules. The Compliance Advisor will, among other things and in addition to the Authorized Representatives and our Directors, also act as an additional channel of communication with the Stock Exchange from the [**REDACTED**] to the date when our Company complies with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year immediately following the [**REDACTED**]. We shall ensure that there are adequate and efficient means of communication among our Company, our authorized representatives, our Directors, and other officers and the Compliance Advisor, and will keep the Compliance Advisor fully informed of all communications and

dealings between the Stock Exchange and us pursuant to the Note of Rule 3A.23. We will inform the Stock Exchange promptly in respect of any changes in our authorized representatives and/or our Compliance Advisor; and

(iv) **Legal advisors:** we will also retain Hong Kong legal advisors to advise on on-going compliance requirements as well as other issues arising under the Listing Rules and other applicable laws and regulations of Hong Kong after the [**REDACTED**].

WAIVER IN APPOINTMENT TO JOINT COMPANY SECRETARIES

Pursuant to Rules 3.28 and Rule 8.17 of the Listing Rules, the company secretary must be an individual who, by virtue of his/her academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of the company secretary. Note 1 to Rule 3.28 of the Listing Rules provides that the Stock Exchange considers the following academic or professional qualifications to be acceptable: (i) a member of The Hong Kong Chartered Governance Institute; (ii) a solicitor or barrister (as defined in the Legal Practitioners Ordinance); and (iii) a certified public accountant (as defined in the Professional Accountants Ordinance).

For Note 2 to Rule 3.28 of the Listing Rules, the Stock Exchange will consider the individual's relevant experience for the following aspects: (i) length of employment with the issuer and other issuers and the roles he/she played; (ii) familiarity with the Listing Rules and other relevant laws and regulations including the Securities and Futures Ordinance, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code; (iii) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and (iv) professional qualifications in other jurisdictions.

Pursuant to Chapter 3.10 of the Listing Guide, such waiver, if granted, will be for a fixed three years of time (the "**Waiver Period**") and on the following conditions: (i) 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 (ii) the waiver will be revoked if there are material breaches of the Listing Rules by the issuer.

We have appointed Mr. Gao Peng ("**Mr. Gao**") as one of our joint company secretaries. Mr. Gao joined the Group in September 2021 and has extensive experience in assets management, accounting and finance, and capital market, but he presently does not possess any of the qualification required under Rules 3.28 and 8.17 of the Listing Rules. We have appointed Mr. Au ("**Mr. Au**") to assist Mr. Gao as our joint company secretaries. Mr. Au is a fellow member of both the Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Accountants in England and Wales, and therefore meets the qualification requirements under Note 1 to Rule 3.28 of the Listing Rules and complies with Rule 8.17 of the Listing Rules. For further information regarding the qualifications of Mr. Gao and Mr. Au, see "Directors and Senior Management."

The joint company secretaries will be jointly discharging the duties and responsibilities of a company secretary. Our Company's principal business activities are outside Hong Kong, so the Company believes that it would be in the best interests of the company and the corporate governance of the Group to have a person familiar with our operations and able to cultivate good and strong relationship with both our Board and senior management to perform the company secretary duties. As the Vice General Manager, the Chief Financial Officer and the Board secretary of the Company, Mr. Gao is familiar with our Group's internal operation, financial status and management and has substantial experience in our Board and corporate management matters. Our Company believes that Mr. Gao, by virtue of his knowledge, positions and experience in handling corporate administrative matters of the Company, is capable of discharging the functions of a joint company secretary and will enhance the effectiveness and efficiency of our Group's corporate governance. Also, Mr. Gao

will be assisted by (1) the compliance advisor of our Company for the first full financial year starting from the [**REDACTED**], particularly in relation to Hong Kong corporate governance practice and compliance matters; and (2) the Hong Kong legal advisor of our Company, on matters regarding our Company's ongoing compliance with the Listing Rules and the applicable Hong Kong laws and regulations.

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 3.28 and 8.17 of the Listing Rules such that Mr. Gao may be appointed as a joint company secretary of our Company. The waiver is valid for the Waiver Period on the condition that Mr. Au, as a joint company secretary of our Company, will work closely with, and provide assistance to, Mr. Gao in the discharge of his duties as a joint company secretary and in gaining the relevant experience as required under Rule 3.28 of the Listing Rules and to become familiar with the requirements of the Listing Rules and other applicable Hong Kong laws and regulations. The waiver will be revoked immediately if Ms. Au ceases to provide assistance to Mr. Gao as the joint company secretary or if there are material breaches of the Listing Rules by us.

Our Company will further ensure that Mr. Gao has access to the relevant training and support that would enhance his understanding of the Listing Rules and the duties of a company secretary of an issuer listed on the Stock Exchange, and to receive updates on the latest changes to the applicable Hong Kong laws, regulations and the Listing Rules. Prior to the end of the three-year period, we will demonstrate and seek the confirmation from the Stock Exchange that Mr. Gao, having had the benefit of the assistance from Mr. Au during the three years, has attained the relevant experience under Note 2 to Rule 3.28 of the Listing Rules and is capable of discharging the functions of our company secretary so that a further waiver would not be necessary.

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

DIRECTORS

Name	Address	Nationality
Executive Directors		
Ms. Zhou Xiaoping (周曉萍)	Building 115-3 Cuizhu New Village Tianning District Changzhou City, Jiangsu Province PRC	Chinese
Mr. Zhou Yuheng (周宇恆)	Building 115-3 Cuizhu New Village Tianning District Changzhou City, Jiangsu Province PRC	Chinese
Mr. Li Shujun (李樹軍)	No. 243, Yard 22 South of Xini West Street Dalate Banner Shulinshao Town Ordos City, Inner Mongolia Autonomous Region PRC	Chinese
Mr. Xu Huiyi (徐惠儀)	Room 504, Unit B, Building 1 Xintiandi Huayuan Tianning District Changzhou City, Jiangsu Province PRC	Chinese
Non-Executive Director		
Mr. Wang Shihai (王世海)	Room 105, No. 8, 10 lanes Jinping Road Changning District Shanghai City PRC	Chinese

Name	Address	Nationality
Independent Non-Executive Directors		
Mr. Ma Peilin (馬培林)	Room 2502, Building 4 Huangshan Lake Apartment Jiangyin City, Jiangsu Province PRC	Chinese
Ms. Han Jian (韓踐)	Room 102, Unit 1, Building 27 Heshi Garden Haidian District Beijing City PRC	American
Mr. Li Xiang (李翔)	No. 22 Hankou Road Gulou District Nanjing City, Jiangsu Province PRC	Chinese
Ms. Ng Wing Yan Claudia (伍穎恩)	Flat G, 24/F, Block 21 South Horizons Aberdeen, Hong Kong Hong Kong	Chinese

PARTIES INVOLVED IN THE [REDACTED]

Sole Sponsor and [REDACTED]	**Huatai Financial Holdings (Hong Kong) Limited** 62/F, The Center 99 Queen's Road Central Hong Kong
	[REDACTED]
Legal Advisors to the Company	*As to Hong Kong laws:* **Jun He Law Offices** 7/F AIA Central 1 Connaught Road Central Hong Kong

	As to PRC law: **JunHe LLP** 20/F, China Resources Building 8 Jianguomenbei Avenue Beijing, PRC *As to Serbian law:* **Kopilović & Kopilović Law Firm** Kneginje Zorke 11a Belgrade, Serbia
Legal Advisors to the Sole Sponsor and [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:* **Jingtian & Gongcheng** 34/F, Tower 3 China Central Place 77 Jianguo Road Chaoyang District Beijing PRC
Auditors and Reporting Accountants	**HLB Hodgson Impey Cheng Limited** *Certified Public Accountants* *Registered Public Interest Entity Auditor* 31/F Gloucester Tower The Landmark 11 Pedder Street Central Hong Kong
Industry Consultant	**Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.** Room 2504, Wheelock Square 1717 West Nanjing Road Jing'an District Shanghai PRC
	[**REDACTED**]

CORPORATE INFORMATION

Registered Office	No. 398 Hanjiang Road Xinbei District Changzhou City, Jiangsu Province PRC
Headquarters and Principal Place of Business in the PRC	No. 182 Qinling Road Xinbei District Changzhou City, Jiangsu Province PRC
Principal Place of Business in Hong Kong	Room A5, 7/F, China United Plaza 1008 Tai Nan West Street Cheung Sha Wan, Kowloon Hong Kong
Company's Website	**www.xyl.cn** *(The information contained in this website does not form part of this Document)*
Joint Company Secretaries	**Mr. Gao Peng (高鵬)** No. 182 Qinling Road Xinbei District Changzhou City, Jiangsu Province PRC **Mr. Au Wai Keung (區偉強)** Room A5, 7/F, China United Plaza 1008 Tai Nan West Street Cheung Sha Wan, Kowloon Hong Kong
Authorized Representatives	**Mr. Li Shujun (李樹軍)** No. 182 Qinling Road Xinbei District Changzhou City, Jiangsu Province PRC **Mr. Au Wai Keung (區偉強)** Room A5, 7/F, China United Plaza 1008 Tai Nan West Street Cheung Sha Wan, Kowloon Hong Kong
Audit Committee	Mr. Li Xiang (李翔) *(Chairperson)* Mr. Ma Peilin (馬培林) Mr. Wang Shihai (王世海)
Nomination Committee	Mr. Ma Peilin (馬培林) *(Chairperson)* Ms. Han Jian (韓踐) Mr. Xu Huiyi (徐惠儀)

Remuneration and Evaluation Committee	Ms. Han Jian (韓踐) *(Chairperson)* Mr. Li Xiang (李翔) Mr. Zhou Yuheng (周宇恆)
Strategy and ESG Committee	Ms. Zhou Xiaoping (周曉萍) *(Chairperson)* Mr. Wang Shihai (王世海) Ms. Han Jian (韓踐)

[**REDACTED**]

Principal Bank	**China Construction Bank Corporation Changzhou Xinbei Branch** No. 370 Hanjiang Road Xinbei District Changzhou City, Jiangsu Province PRC

The information and statistics set out in this section and other sections of this document were extracted from the Frost & Sullivan Report, 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**]. *We believe that the sources of this 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 falseor misleading. The information from official government sources has not been independently verified by us, the Sole Sponsor,* [**REDACTED**]*, any of their respective directors and advisors, or any other persons or parties involved in the* [**REDACTED**]*, and no representation is given as to its accuracy.*

SOURCE OF INFORMATION

We have commissioned Frost & Sullivan, an independent market research company, to analyze the automotive lighting and embodied intelligence market and compile a report. The information disclosed in this document regarding Frost & Sullivan is extracted from the Frost & Sullivan Report. We have agreed to pay Frost & Sullivan a fee of RMB580,000 (tax inclusive) for the preparation of the Frost & Sullivan Report.

The payment of this fee is not contingent upon our successful [**REDACTED**] or the outcome of the report. The Frost & Sullivan Report is based on both primary and secondary research obtained from various sources. Primary research includes interviews with key industry participants in the automotive lighting and embodied intelligence market and other experts relevant to our business. Secondary research includes a review of company reports, independent research reports, publicly reports from industry organizations, and data from Frost & Sullivan's proprietary research database as well as government databases and other public information. Projected data were obtained from historical data analysis plotted against macroeconomic data with reference to specific industry-related factors. Except as otherwise noted, all of the data and forecasts contained in this section are derived from the Frost & Sullivan Report, various official government publications and other publications.

In compiling and preparing this report, Frost & Sullivan has made the following assumptions:

- During the forecast period, the social, economic and political environments of the PRC, and other major global markets will remain stable, ensuring the continued and steady development of the related industry;
- Government policies on the automotive lighting and embodied intelligence market will not undergo significant changes. Frost & Sullivan believes that the fundamental assumptions used in preparing this report, including those for future projections, are factual, accurate and not misleading.

Frost & Sullivan has conducted an independent analysis of the data; however, the accuracy of its review conclusions largely depends on the accuracy of the collected information.

OVERVIEW OF THE AUTOMOTIVE INDUSTRY

Current Development Status of the Global and Chinese Automotive Industry

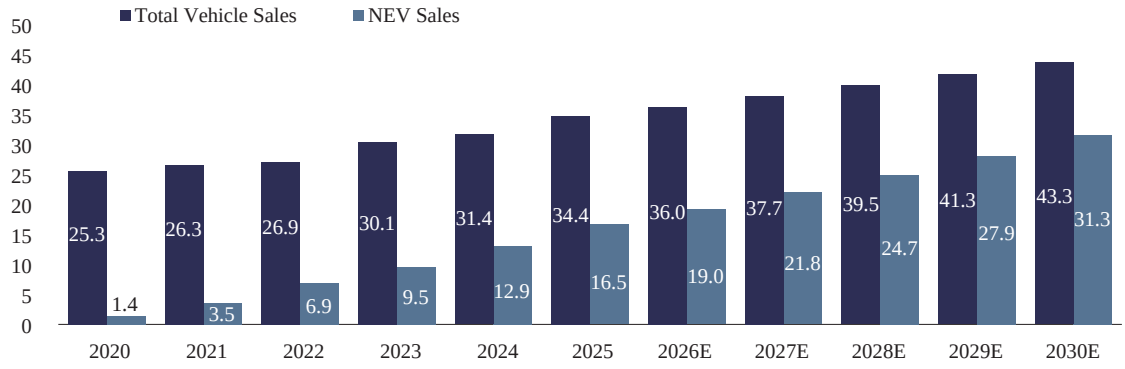
From 2020 to 2025, global vehicle sales increased from 76.7 million units to 98.8 million units, representing a CAGR of 5.2%. In 2022, global vehicle sales recorded a temporary decline amid a slowing global economy, geopolitical tensions, key component shortages and pandemic-related disruptions. Supported by the recovery of the global automotive supply chain and economic rebound, global vehicle sales have since resumed growth. Looking ahead to 2025 to 2030, driven by rising penetration of new energy vehicles (NEVs), product upgrades and consumption structure optimization enabled by intelligent and connected technologies, continued demand growth in emerging markets and improved supply chain resilience, global vehicle sales are projected to reach 125.5 million units, with a CAGR of 4.9%.

From 2020 to 2025, China's vehicle sales rose from 25.3 million to 34.4 million units, representing a CAGR of 6.3%. NEV sales surged from 1.4 million to 16.5 million units, with a CAGR of 64.5%, and penetration reached 47.9%. Driven by rising NEV penetration, replacement demand, consumption upgrading and expanding exports, China's vehicle sales are projected to reach 43.3 million units by 2030 (CAGR 4.7%), with NEV sales at 31.3 million units (CAGR 13.7%) and penetration at 72.3%. NEVs will be the primary growth driver of China's automotive market.

Market Size of Chinese Automotive Industry by Sales Volume, 2020–2030E

CAGR	2020-2025	2025-2030E
Total Vehicle Sales	6.3%	4.7%
NEV Sales	64.5%	13.7%

Unit: Million Vehicles

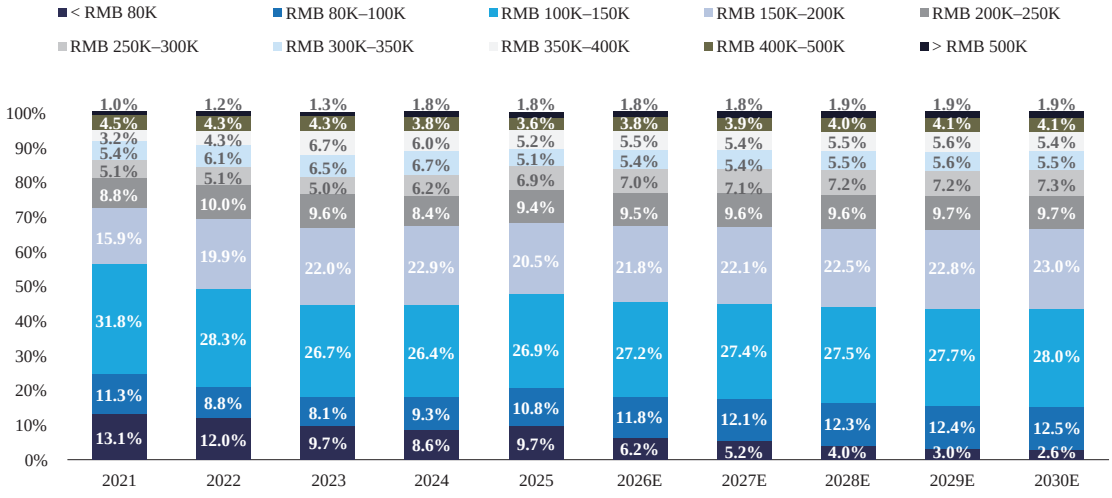


Source: CAAM, Expert interviews, Frost & Sullivan report

Note: Includes export sales.

From the perspective of the sales structure across different price segments of China's passenger vehicles, the share of sales for passenger vehicles priced above RMB200,000 has tended to stabilize and is expected to consistently account for approximately one-third of China's passenger vehicle sales market in the future.

Share of Passenger Vehicle Sales by Price Segment in China (Unit: %), 2021–2030E



Source: CAAM, Frost & Sullivan report

Supportive Government Policies for the Automotive Industry

The automotive and components industry is governed by industrial policies, standards and regulations. These policies support NEV development, drive technological and green upgrading, and encourage the automotive lighting sector to advance toward high-quality, digitalized and intelligent development.

Supportive Government Policies for the Automotive Industry

Policy Name	Issuance Date	Issuing Authority	Key Content
Technology Roadmap for Energy-Efficient and New Energy Vehicles (Version 3.0) (《節能與新能源汽車技術路線圖3.0》)	Oct 2025	CSAE	By 2040, the penetration rate of NEVs will reach over 80%, accelerating the process of comprehensive electrification of the automotive industry.
GB 5920-2024 Road Vehicles and Trailers — Lighting and Light-signalling Devices and Systems (GB 5920-2024《汽車和掛車光信號裝置及系統》)	Sep 2024	SAMR, SAC	For the first time, optical signal projection functions are introduced in national standards, systematically stipulating the definition, technical requirements, and scope of application of optical signal projection units.
Advanced Energy Efficiency Level, Energy-Saving Level and Access Level for Key Energy-Consuming Products and Equipment (2024 Edition) (《重點用能產品設備能效先進水平、節能水平和准入水平（2024年版）》)	Jan 2024	MIIT, NDRC, et al.	Comprehensively considering the technological level and development stage of relevant industries, and benchmarking against the advanced energy efficiency levels of similar products and equipment domestically and internationally, the energy efficiency levels of relevant products and equipment are divided into three tiers: Advanced Level, Energy-Saving Level, and Access Level. Among them, LED downlights, non-directional self-ballasted LED lamps, and LED luminaires for road and tunnel lighting are included.
Catalogue for Guiding the Adjustment of Industrial Structure (2024 Edition) (《產業結構調整指導目錄（2024年本）》)	Dec 2023	NDRC	Key automotive components such as adaptive front-lighting systems are listed in the encouraged category.
Implementation Opinions on Enhancing the Reliability of the Manufacturing Industry (《製造業可靠性提升實施意見》)	Jun 2023	MIIT, et al.	Focusing on industries such as machinery, electronics, and automotive, the country implements the "Foundation-Building" Project for basic product reliability, improving the reliability levels of core basic components, core basic parts, key basic software, key basic materials, and advanced basic processes.
Outline of the 14th Five-Year Plan for National Economic and Social Development of the People's Republic of China and the Long-Range Objectives Through the Year 2035 (《中華人民共和國國民經濟和社會發展第十四個五年規劃和2035年遠景目標綱要》)	Mar 2021	NPC	It speeds up efforts to address bottlenecks in basic components, basic software, basic materials, basic processes and industrial technologies, and improves the promotion mechanism for high-efficiency lighting products.

Source: Government website, Frost & Sullivan report

Overview of the Automotive Lighting Industry

Automotive lighting products are devices installed on the exterior or interior of a vehicle that emit visible light to fulfill functions such as road illumination, vehicle identification, signaling driving status, assisting environmental perception and enabling information interaction. Automotive lighting products, as one of the core automotive components, have a relatively high per-vehicle value (referring to the average total value of automotive lighting products installed per vehicle), and with the adoption of new lighting technologies such as HD and DLP, their technical complexity and per-vehicle value continue to rise.

Automotive lighting products encompass a diverse range of types spanning various light source technologies, installation positions, and levels of intelligence; specifically, they are classified by light source into halogen, xenon, LED, OLED, and Micro-LED lighting; by installation position into front, rear, and other lighting; and by intelligence level into conventional and intelligent lighting products. Among them, intelligent lighting products, with their core value in active safety, human-vehicle interaction and scenario-based experience, are gradually becoming an important direction for technological upgrading and product innovation in automotive lighting.

Intelligent automotive lighting products refer to automotive systems that, based on advanced optical hardware and intelligent software algorithms, realize adaptive illumination, light pattern control and information display through the coordinated operation of hardware and software. The functions of such products have gradually expanded to applications including intelligent lighting and interactive display, making them an important component in enhancing the intelligent mobility experience. At present, intelligent automotive lighting products mainly include HD and DLP front lighting systems with high-pixel light control capabilities, as well as OLED lamps and ISD lamps that support dynamic interaction and personalized lighting effects.

The automotive lighting industry has gradually evolved from conventional functional lighting toward intelligent, pixelated and interactive products, with its core technologies comprising the following three categories.

Technical Overview of Automotive Lighting Products

Core Technologies	Technology Overview
Pixel-level Light Source and Projection Imaging Technology	• Micro-LED lamps feature 10,000 to 100,000 pixels • DLP lamps feature millions of pixels
Algorithm Control and Network Architecture Technology	• Precisely adjust light patterns and projection through the "perception-decision-execution" algorithm closed loop and multi-sensor data fusion • The mainstream network architecture is shifting to centralized domain control based on automotive Ethernet • Adopt AI algorithms to realize personalized lighting • Support system-level Over-the-Air ("**OTA**") updates
Cross-domain Collaboration Technology	• Deeply integrated into the vehicle-road-cloud system, relying on V2X (Vehicle-to-Everything) to achieve real-time communication capabilities.

Source: 2025 Intelligent Automotive Lighting Industry White Paper, Expert interviews, Frost & Sullivan report

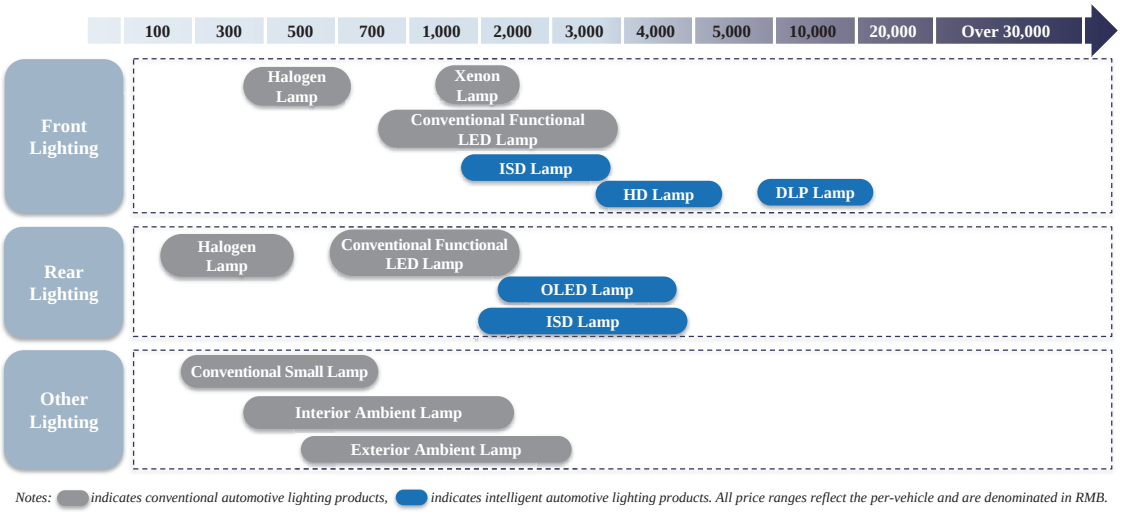
The rapid development of the NEV industry is exerting a profound and systemic impact on the automotive lighting sector across multiple dimensions, including technological evolution paths, product demands, and the competitive market landscape. Technological advances in NEVs' upgraded electronic and electrical architecture and intelligentization have driven the development of algorithm-enabled intelligent automotive lighting. Meanwhile, the closed front-end design of NEVs has expanded the application scope of integrated styling and functional lighting, while growing consumer demand for brand recognition and interactive experience has accelerated the penetration of through-type lamps, smart welcome lights and HD interactive headlamps, lifting per-vehicle lighting value. In addition, the more open NEV industrial chain and faster product iteration have enabled domestic enterprises to penetrate the mid-to-high-end automotive lighting market through rapid response, cost advantages and modular delivery, further deepening domestic substitution.

Overview of the Overseas and Chinese Automotive Lighting Industry

North America and Europe, the world's second and third-largest automotive markets, boast stable sales and mature supply chains, attracting global lighting suppliers. In 2025, the North American market was dominated by European, Japanese and Korean players, while Europe was led by local players such as Valeo, Marelli and Hella with about 50% regional share. These markets offer higher per-vehicle lighting value than China,with prices 15%-30% higher in Europe and over 50% higher in North America, making them key high-value targets for Chinese suppliers. Supported by stronger supply chain competitiveness, Chinese firms achieved 3% penetration in North America and 4% in Europe in 2025, with market share expected to grow rapidly via technology and global layout.

As the world's largest automotive market, China is seeing rapid intelligent upgrading of automotive lighting. Its intelligent lighting market share rose from 8.6% in 2025 and is projected to surge to 51.5% by 2030. Technological advances continue to lift per-vehicle lighting value. Front lighting is shifting from LEDs to pixel-level intelligent headlights (HD, DLP); rear lighting is upgrading from halogen to LED and OLED; and other lighting increasingly integrates ambient and interactive functions, all boosting overall system value.

Price Analysis of Automotive Lighting Products in China, 2025



Notes: indicates conventional automotive lighting products, indicates intelligent automotive lighting products. All price ranges reflect the per-vehicle and are denominated in RMB.

Source: Expert interviews, Frost & Sullivan report

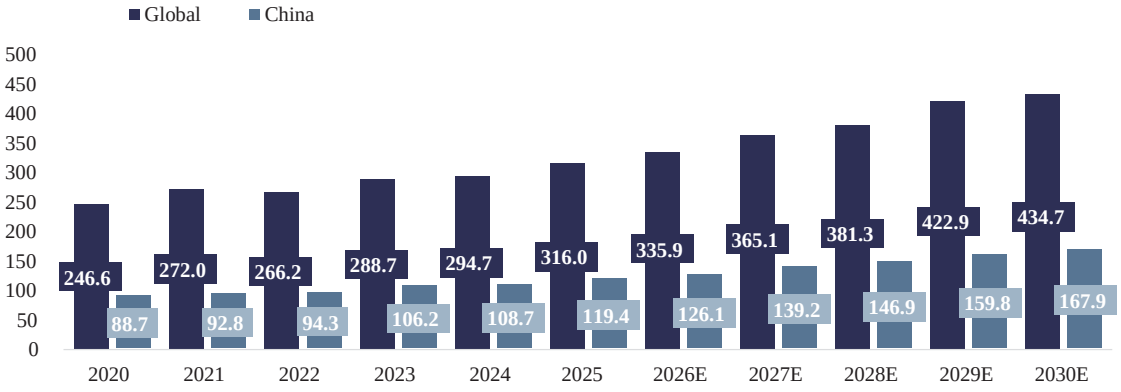
Market Size of the Automotive Lighting Industry

From 2020 to 2025, the global automotive lighting market grew from RMB246.6 billion to RMB316.0 billion at a CAGR of 5.1%, driven by recovering vehicle sales, rising NEV penetration and accelerated LED adoption. China's market expanded faster, from RMB88.7 billion to RMB119.4 billion at a CAGR of 6.1%, supported by its leading automotive and NEV position, intelligent upgrading, advanced technologies, and a complete industrial chain with manufacturing, cost and R&D advantages. With deepening electrification and intelligence, intelligent lighting penetration will accelerate. The global and Chinese markets are projected to reach RMB434.7 billion and RMB167.9 billion by 2030, with CAGRs of 6.6% and 7.1% respectively for 2025-2030.

Global and Chinese Automotive Lighting Industry Market Size by Revenue, 2020–2030E

CAGR	2020-2025	2025-2030E
Global	5.1%	6.6%
China	6.1%	7.1%

Unit: RMB Billion



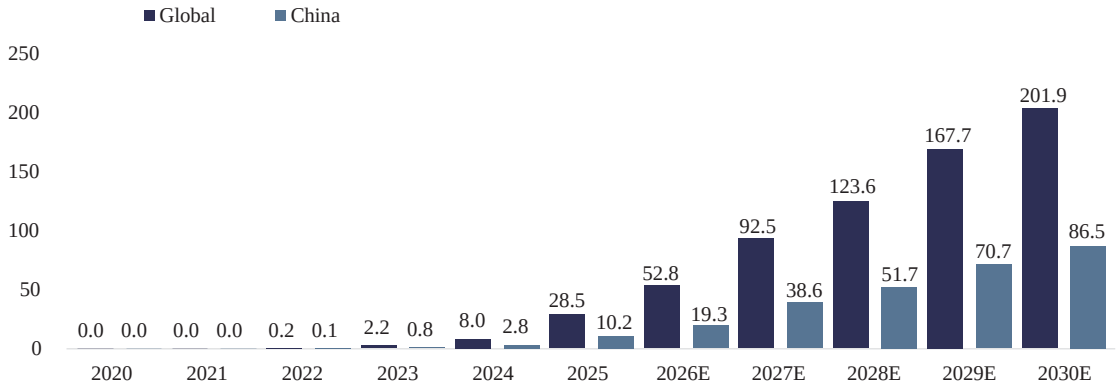
Source: Expert interviews, OICA, CAAM, Frost & Sullivan report

From a structural evolution perspective, since 2022, the global and Chinese automotive lighting industries have been rapidly transitioning from a model dominated by conventional lighting products to one driven by intelligent lighting products. In the medium to long term, intelligent lighting products are expected to achieve rapid penetration across the automotive lighting sector. The global market for intelligent automotive lighting is projected to grow from RMB28.5 billion in 2025 to RMB201.9 billion by 2030, representing a CAGR of 48.0%. Meanwhile, China's intelligent automotive lighting market is forecast to expand from RMB10.2 billion in 2025 to RMB86.5 billion by 2030, at a CAGR of 53.2%, positioning it as the core driver of industry growth.

Global and Chinese Intelligent Automotive Lighting Market Size by Revenue, 2020–2030E

CAGR	2020-2025	2025-2030E
Global	/	48.0%
China	/	53.2%

Unit: RMB Billion



Source: Expert interviews, OICA, CAAM, Frost & Sullivan report

Notes: Intelligent automotive lighting products include HD, DLP, ISD and OLED lighting.

By product type, from 2020 to 2025, the global market sizes of front lighting, rear lighting and other lighting rose from RMB105.8 billion, RMB91.7 billion and RMB49.1 billion to RMB131.1 billion, RMB106.2 billion and RMB78.7 billion, representing CAGRs of 4.4%, 3.0% and 9.9% respectively. Driven by rising NEV sales and intelligent lighting penetration, these segments are projected to reach RMB195.6 billion, RMB144.8 billion and RMB94.3 billion by 2030, with 2025-2030 CAGRs of 8.3%, 6.4% and 3.7% respectively. Over the same period, China's market sizes of front lighting, rear lighting and other lighting expanded from RMB38.1 billion, RMB32.6 billion and RMB18.0 billion to RMB47.9 billion, RMB40.5 billion and RMB31.0 billion, at CAGRs of 4.7%, 4.4% and 11.5% respectively, and are expected to reach RMB74.9 billion, RMB55.6 billion and RMB37.5 billion by 2030, with 2025-2030 CAGRs of 9.4%, 6.5% and 3.9% respectively.

Global and Chinese Automotive Lighting Market Size by Product Type, 2020-2030E

Unit: RMB Billion		2020	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E	2020-2025 CAGR	2025-2030E CAGR
Global	Front Lighting	105.8	112.4	108.6	119.8	121.5	131.1	138.7	155.2	164.7	188.1	195.6	4.4%	8.3%
	Rear Lighting	91.7	100.4	96.2	101.7	102.0	106.2	113.1	122.2	128.2	141.4	144.8	3.0%	6.4%
	Other Lighting	49.1	59.3	61.4	67.2	71.2	78.7	84.0	87.8	88.4	93.4	94.3	9.9%	3.7%
China	Front Lighting	38.1	39.7	39.4	43.4	43.6	47.9	50.4	60.5	64.2	72.5	74.9	4.7%	9.4%
	Rear Lighting	32.6	32.7	32.5	35.5	36.1	40.5	41.7	43.8	46.4	50.2	55.6	4.4%	6.5%
	Other Lighting	18.0	20.4	22.3	27.2	29.0	31.0	34.0	34.9	36.3	37.1	37.5	11.5%	3.9%

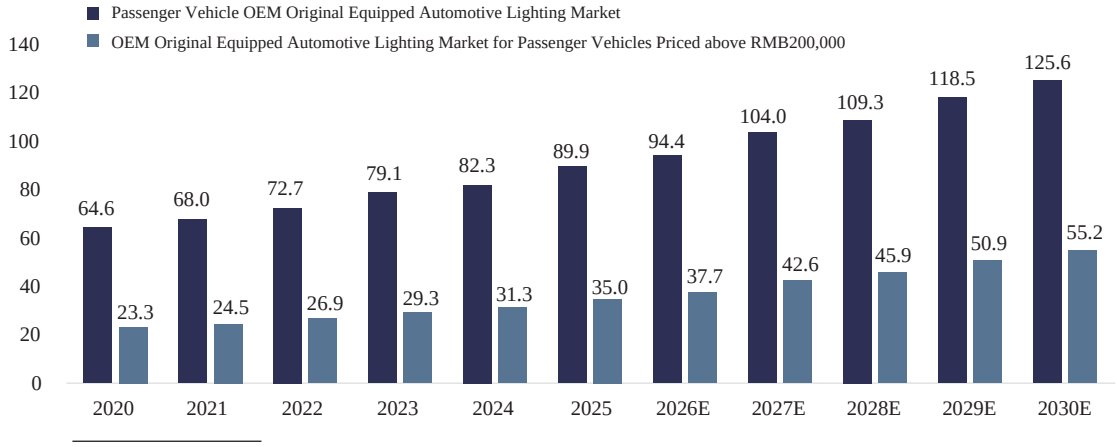
Source: Expert interviews, OICA, Frost & Sullivan report

The OEM original equipped automotive lighting refers to lighting products procured and installed by automotive manufacturers during vehicle production, as distinguished from the aftermarket, and constitutes the core market segment for automotive lighting suppliers. From 2020 to 2025, China's passenger vehicle OEM original equipped automotive lighting market grew steadily from RMB64.6 billion to RMB89.9 billion at a CAGR of 6.8%, higher than the 6.1% CAGR of the overall Chinese automotive lighting market, mainly driven by accelerated penetration of intelligent front and rear lighting, and is projected to reach RMB125.6 billion by 2030 with a 2025-2030 CAGR of 6.9%. Meanwhile, the OEM original equipped automotive lighting market for passenger vehicles priced above RMB200,000 expanded from RMB23.3 billion to RMB35.0 billion at a CAGR of 8.5% during 2020-2025, and is expected to grow further to RMB55.2 billion by 2030 at a CAGR of 9.5% for 2025-2030, supported by rising sales of mid-to-high-end intelligent electric vehicles and faster adoption of intelligent lighting technologies.

Chinese Passenger Vehicle OEM Original Equipped Automotive Lighting Market Size by Revenue, 2020–2030E

CAGR	2020-2025	2025-2030E
Passenger Vehicle OEM Original Equipped Automotive Lighting Market	6.8%	6.9%
OEM Original Equipped Automotive Lighting Market for Passenger Vehicles Priced above RMB200,000	8.5%	9.5%

Unit: RMB Billion



Source: Expert interviews, CAAM, Frost & Sullivan report

Competitive Landscape of the Automotive Lighting Industry

Ranking of Automotive Lighting Suppliers

In 2025, the top ten global automotive lighting companies collectively held a 68.1% market share, while the top five companies in the Chinese automotive lighting market accounted for 35.2%. The Company ranked seventh globally in the automotive lighting industry by revenue, with a market share of 4.6%, making it the highest-ranked Chinese enterprise worldwide. Domestically, it ranked first in China's automotive lighting market, holding an 11.6% market share.

Global Automotive Lighting Market Share by Revenue, 2025

Ranking	Company	Country	Revenue (RMB: 100 million)	Market Share, 2025
1	Company A[(1)]	Japan	410.5	13.0%
2	Company B[(2)]	France	328.2	10.4%
3	Company C[(3)]	Germany	299.6	9.5%
4	Company D[(4)]	Italy	254.2	8.0%
5	Company E[(5)]	Japan	213.3	6.8%
6	Company F[(6)]	South Korea	206.2	6.5%
7	**The Company**	China	144.3	4.6%
8	Company H[(8)]	Austria	115.1	3.6%
9	Company G[(7)]	China	95.8	3.0%
10	Company I[(9)]	France	86.0	2.7%

Source: Annual reports of listed companies, Expert interviews, Frost & Sullivan report

Chinese Automotive Lighting Market Share by Revenue, 2025

Ranking	Company	Country	Revenue (RMB: 100 million)	Market Share, 2025
1	**The Company**	China	138.6	11.6%
2	Company G[(7)]	China	81.4	6.8%
3	Company C[(3)]	Germany	74.9	6.3%
4	Company B[(2)]	France	68.2	5.7%
5	Company D[(4)]	Italy	56.7	4.7%

Source: Annual reports of listed companies, Expert interviews, Frost & Sullivan report

In 2025, the top five companies in the global intelligent automotive lighting market collectively held a 38.0% market share, while the top five companies in the Chinese intelligent automotive lighting market accounted for 65.6% of domestic sales. As intelligent lighting technology advances and intelligent products are increasingly adopted by automotive manufacturers, the global and Chinese automotive intelligent lighting markets feature a more diversified competitive landscape, with market structure and concentration evolving rapidly. The Company ranked first both globally and in China by revenue, with market shares of 10.2% and 28.4%, respectively.

Global Intelligent Automotive Lighting Market Share by Revenue, 2025

Ranking	Company	Country	Revenue (RMB: 100 million)	Market Share, 2025
1	**The Company**	China	29.1	10.2%
2	Company D[4]	Italy	27.8	9.8%
3	Company B[2]	France	25.6	9.0%
4	Company C[3]	Germany	14.3	5.0%
5	Company G[7]	China	11.4	4.0%

Source: Annual reports of listed companies, Expert interviews, Frost & Sullivan report

Chinese Intelligent Automotive Lighting Market Share by Revenue, 2025

Ranking	Company	Country	Revenue (RMB: 100 million)	Market Share, 2025
1	**The Company**	China	29.1	28.4%
2	Company D[4]	Italy	15.7	15.3%
3	Company G[7]	China	11.4	11.1%
4	Company B[2]	France	8.8	8.6%
5	Company C[3]	Germany	2.2	2.1%

Source: Annual reports of listed companies, Expert interviews, Frost & Sullivan report

In 2025, the top five companies in China's passenger vehicle OEM original equipped automotive lighting market collectively held a 42.6% market share. The Company ranked first by revenue, with a 15.4% market share. The top five companies in China's OEM original equipped automotive lighting market for passenger vehicles priced above RMB200,000 accounted for 62.3% of the segment's total market share. The Company ranked first by revenue, capturing a 26.0% market share.

Chinese Passenger Vehicle OEM Original Equipped Automotive Lighting Market Share by Revenue, 2025

Ranking	Company	Country	Revenue (RMB: 100 million)	Market Share, 2025
1	**The Company**	China	138.6	15.4%
2	Company G[7]	China	77.5	8.6%
3	Company C[3]	Germany	68.6	7.6%
4	Company B[2]	France	53.1	5.9%
5	Company D[4]	Italy	45.4	5.1%

Source: Annual reports of listed companies, Expert interviews, Frost & Sullivan report

Chinese OEM Original Equipped Automotive Lighting Market Share by Revenue for Passenger Vehicles Priced above RMB200,000, 2025

Ranking	Company	Country	Revenue (RMB: 100 million)	Market Share, 2025
1	**The Company**	China	91.0	26.0%
2	Company G[7]	China	38.0	10.8%
3	Company C[3]	Germany	34.3	9.8%
4	Company B[2]	France	32.5	9.3%
5	Company D[4]	Italy	22.7	6.5%

Source: Annual reports of listed companies, Expert interviews, Frost & Sullivan report

Notes:

(I) Intelligent automotive lighting products primarily include HD, DLP, ISD and OLED lighting, based on industry-standard revenue estimated from vehicle production and installation volumes; (II) In certain tables, the total figure may slightly differ from the sum of individual sub-items due to rounding of each component to a specified decimal precision. This discrepancy does not affect the authenticity, accuracy or completeness of the data. (III) The country listed indicates the location of the company's headquarters. (IV) The automotive lighting product revenue data for Companies A to I is estimated based on publicly available information such as revenue reports and other accessible resources, and has been verified to the best of our ability through consultations with industry professionals and experts. Therefore, discrepancies may exist between this data and the audited financial data of the aforementioned companies. (V) Publicly available information includes financial reports of listed companies, public industry reports and similar documents.

(1) Company A was founded in 1915 and is headquartered in Japan. It is listed on the Tokyo Stock Exchange, with operations covering in automotive lighting products, automotive electronics, electronic control systems and sensor systems. (2) Company B was founded in 1923 and is headquartered in France. It is listed on Euronext Paris, with operations covering automotive lighting products, powertrain systems and intelligent driving solutions. (3) Company C was founded in 1899 and is headquartered in Germany and listed on Frankfurt Stock Exchange, with operations covering automotive lighting products, body electronics, energy management and sensor systems. (4) Company D was founded in 1919 and is an unlisted company headquartered in Italy, with operations covering automotive lighting products, electronic systems and powertrain systems. (5) Company E was founded in 1920 and is headquartered in Japan. It is listed on the Tokyo Stock Exchange, with operations covering automotive lighting products, electronic components and automotive electronics. (6) Company F was founded in 1954 and is headquartered in South Korea. It is listed on the Korea Exchange, with operations covering automotive lighting products and body control modules. (7) Company G was officially restructured as a state-owned enterprise in 2018 and is headquartered in China. It is a wholly owned subsidiary of a company listed on the Shanghai Stock Exchange, with operations covering automotive lighting products, lighting controllers and digital projection technologies. (8) Company H was founded in 1938 and is an unlisted company headquartered in Austria, with operations covering automotive lighting products and lighting controllers. (9) Company I was founded in 1946 and is headquartered in France. It is listed on Euronext Paris, with operations covering automotive lighting systems, automotive tooling/molds and powertrain systems.

Supply Relationships Between Automotive Lighting Suppliers and Automotive Manufacturers

Automotive lighting suppliers typically build deep partnerships with automotive manufacturers based on specific vehicle programs, covering the full process of product development, validation, mass production and supply, thereby ensuring long-term business stability and sustainable growth. As of 2025, the Company has established stable supply relationships for automotive lighting products with nine of the world's top ten automotive manufacturers ranked by group-level sales volume. These customers collectively accounted for approximately 50.1% of global vehicle sales in 2025, reflecting the Company's high-quality customer base and strong global supporting capabilities, and further strengthening its position as a core supplier in the global automotive lighting market.

The Impact of Raw Material Price Volatility on the Automotive Lighting Industry

The upstream raw materials for automotive lighting mainly comprise electronic components, dedicated lighting electronic parts and resins, accounting for 80%–85% of total costs. From 2023 to the first half of 2026, affected by petrochemical supply conditions, geopolitical risks, and the supply-demand dynamics of semiconductors, the procurement prices of engineering plastics such as PP and PC, alongside electronic components including LED light sources and integrated circuits, generally followed a trajectory of initial decline and subsequent volatility. Meanwhile, prices of PMMA optical materials and wiring harnesses trended upward overall. This was driven by rising demand and higher quality standards for high-transmittance optical materials, sustained copper price fluctuations, and greater complexity of wiring harnesses resulting from deepening vehicle electrification. Specifically, the average price of PP first fell from RMB7,531.0/ton in 2023, then fluctuated to RMB8,285/ton in the first half of 2026, while the average price of PMMA climbed from RMB14,574.8/ton to RMB15,624.0/ton.

Although upstream material prices fluctuate moderately, their volatility remains controllable. Going forward, key raw material prices for automotive lighting are expected to stay dynamically volatile, affected by petrochemical supply patterns, semiconductor supply-demand shifts and metal price movements. No substantial basis exists for sharp unilateral swings, and the overall impact on industry participants' costs and selling prices will remain manageable.

Raw material price fluctuations have limited impact on the historical and future final-product selling prices. The primary reason is that automotive lighting products feature high technical added value, and their pricing is predominantly affected by R&D and design, optical performance, intelligent function configuration and other factors. In addition, automotive lighting manufacturers typically sign medium and long-term cooperation agreements or annual framework pricing agreements with major raw material suppliers. Via appropriate price negotiation and cost transmission mechanisms, they cushion the impact of raw material price fluctuations on end-product prices, thereby weakening the direct transmission of raw material price volatility to the final selling prices of products.

Entry Barriers in the Automotive Lighting Industry

Customer Barriers: As key components of vehicle intelligent systems, automotive lighting products require in-depth matching with vehicle platforms and electronic and electrical architectures. Incumbent suppliers have a first-mover advantage due to close cooperation with automotive manufacturers. New entrants lack cooperative development experience and need 2 to 3 years of certification and review, making it hard to quickly achieve project awarding and mass production delivery.

Technical Barriers: Automotive lighting technology system has evolved from traditional optical and structural design to multi-disciplinary integration. Intelligent lighting products (e.g., HD, DLP) demand high light control precision, response speed and system collaboration, and deep integration with Advanced Driver Assistance Systems ("**ADAS**") and vehicle software platforms, creating a high technical threshold for new entrants to catch up.

Cost Barriers: Automotive lighting production requires dedicated lines for high-precision injection molding, vacuum coating, automated assembly, and optical inspection, with a single line investment reaching up to RMB100 million level. Such high upfront investment means only enterprises with stable orders and large-scale production capabilities can effectively dilute costs and achieve profitability, while small and medium-sized manufacturers struggle to realize economies of scale.

Certification Barriers: As critical components for driving safety, automotive lighting products must meet national technical regulations, industry standards, quality management and functional safety certifications, with complex and long procedures. Automotive manufacturers have strict requirements on reliability, consistency and safety, and suppliers must pass rigorous inspections to become qualified.

Drivers of the Automotive Lighting Market

Policy-Driven Factors: Global policies drive technological upgrading of the automotive lighting industry. Europe has gradually eased regulations on driver assistance and signal light projection, approving front headlight, reverse light and turn signal projection functions, driving upgrades in optical modules and algorithms. North America has adopted ADB technology allowing static cues such as turn arrows, while SAE standards regulate external lighting and animations, providing a framework for intelligent lighting. China has set ADB testing rules and permitted driver assistance projection, accelerating the industry's shift to intelligent and pixelated lighting. The improving regulatory framework in emerging markets also provides institutional safeguards for industry development. These new standards have raised technical thresholds, driving industry-wide upgrading and structural optimization.

Rapid Growth in NEV Sales Drives Higher Lighting Value per Vehicle: NEVs have higher flexibility in design, electrical architecture and body styling, and tend to adopt intelligent lighting products such as ISD, HD, DLP and OLED, significantly boosting per-vehicle lighting system value.

Rapid Rise of Domestic Suppliers and Strengthening Industry Leadership: Chinese domestic manufacturers have made continuous technological breakthroughs in optical design, electronic control and system integration, gradually entering high-end vehicle supply chains. They have formed leading mass production capabilities and application scales over foreign enterprises in high-end intelligent and pixelated front headlights, strengthening industry leadership.

Intelligent and Software-Defined Vehicles Accelerate Adoption, creating a New Growth Arena in Intelligent Lighting: With the development of China's automotive ADAS and Software-Defined Vehicles, intelligent lighting products supporting OTA upgrades and scenario-based interaction are rapidly penetrating, evolving from high-end optional to standard equipment across more vehicle classes, with great industry potential.

Expanding Global Market and Deepening Overseas Layout: Global automotive manufacturers are accelerating electrification, creating strong demand for intelligent lighting. Chinese enterprises leverage industrial chain advantages to expand overseas, deepening layout by building overseas production bases or acquiring foreign automotive lighting businesses.

Development Trends in the Automotive Lighting Industry

Continuous Technological Advancement: Automotive lighting technology iterates rapidly. Micro LED, OLED and other new light sources are gradually applied to mass-produced models. With enhanced intelligent control, optimized modular supply chain and rising DLP and HD lighting penetration in high-end models, lighting systems' functionality, safety and intelligence are further improved.

Diverging Market Demand: Automotive lighting demand is obviously differentiated. Traditional fuel and entry-level models maintain stable demand for mature, cost-effective traditional LED lighting focusing on functions; mid-to-high-end and NEV models value comprehensive value in styling, interaction and function integration, driving up intelligent lighting penetration.

Domestic Suppliers Accelerate Entry into Mid- to High-End Automotive Manufacturer Supply Chains: As Chinese passenger vehicles accelerate global expansion, domestic manufacturers are accelerating into mid-to-high-end supporting fields previously dominated by foreign enterprises, evolving from low-end substitution to high-end breakthrough, and shifting focus from "supporting follow-up" to "technological leadership".

Manufacturing Model Upgrade: Chinese automotive lighting enterprises upgrade production via Manufacturing Execution System ("**MES**") , digital twin, robot clusters and AI, building smart factories and flexible lines to realize multi-model simultaneous production and quick switching, improving capacity utilization and delivery efficiency.

Deepening Vertical Integration: Manufacturers are evolving from conventional lamp suppliers to providers of intelligent lighting and automotive electronics solutions. Extending upstream into light source modules, controllers, and algorithms enhances cost control and delivery stability. Business models are transforming from pure hardware supply to comprehensive solutions covering controllers, algorithms, and system integration.

Embodied Intelligence Industry Overview

Background of Development and Definition

Intelligent vehicles are highly correlated with embodied intelligence, a key physical carrier for future Physical AI, and developing embodied intelligence via the automotive sector has become an emerging industry trend driven by technological commonality and growth needs. Major automotive component suppliers are expanding into robotics by transferring core strengths in system engineering, reliability and large-scale manufacturing to create new growth drivers and competitive advantages. Meanwhile, the automotive industry's high-reliability standards, cost control capabilities and system-level engineering experience match the requirements for scalable commercialization of embodied intelligence, which is expected to accelerate industry maturation and large-scale application.

Embodied intelligence is a frontier field that integrates artificial intelligence with multiple scientific domains. Its core is that agents interact with the real environment through physical embodiments, and learn and perform tasks with the support of sensory feedback.

Market Size of the Embodied Intelligence Components Industry

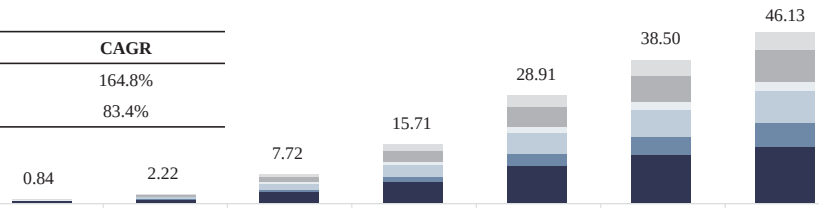
China's embodied intelligence industry is expanding rapidly, with humanoid robots as a key growth driver. From 2020 to 2023, the sector remained at the R&D stage with minimal scale; 2024-2025 saw a shift from technical validation to initial commercialization with high growth, and 2025 recorded explosive expansion with 12,750 units shipped and small-batch mass production, marking a transition from lab research to industrial deployment. From 2026 to 2030, the market is expected to enter large-scale expansion supported by domestic core component substitution, wider application scenarios, mature standards and supply chains; meanwhile, the core components and modules market will see rapid scaling, technological progress and cost reduction, evolving from demand-driven growth to full-industry-chain coordination.

Key growth drivers include rising technological maturity and cost advantages of domestic core components, increasing demand for mass-produced humanoid robots, and accelerated iteration toward high performance, high reliability and low power consumption, enabling broader application scenarios.

Chinese Humanoid Robot Core Components and Modules Market Size by Revenue, 2024–2030E

Unit: RMB Billion

Period	CAGR
2024-2025	164.8%
2025-2030E	83.4%



	2024	2025	2026E	2027E	2028E	2029E	2030E
System Modules	0.10	0.27	0.91	1.82	3.26	4.25	5.01
Structural Modules	0.15	0.40	1.39	2.87	5.29	7.16	8.65
Batteries and Wiring	0.05	0.13	0.46	0.91	1.63	2.13	2.50
Controllers	0.17	0.46	1.55	3.09	5.54	7.23	8.52
Sensors	0.05	0.16	0.68	1.57	3.42	4.97	6.42
Actuators	0.31	0.80	2.74	5.45	9.78	12.76	15.03
Overall Scale	0.84	2.22	7.72	15.71	28.91	38.50	46.13

Source: Interviews with industry experts, Frost & Sullivan report

Notes: According to the standard system framework of the National Technical Committee for Robotics Standardization, core components include actuators, sensors, controllers, batteries and wiring; modules cover structural modules and system modules. Among these, actuators consist of reducers, lead screws and motors; sensors include visual, tactile, auditory and force sensors; controllers comprise chips, controllers and encoders. Structural modules include human head modules, electronic skin, dexterous hands, trunk structures and upper and lower limb structures; system modules cover basic software, application software, as well as development and testing phases.

At present, China's market for sensors, structural modules and core components of embodied intelligence is generally in the early stage of technical verification and prototype cooperation, with no stable or quantifiable competitive landscape formed. Most enterprises remain at the stages of prototype installation, designated customer testing and small-scale technical cooperation, and a competitive market has not yet taken shape.

THE PRC LAWS, REGULATIONS AND POLICIES

We are subject to various Chinese laws, rules and regulations that affect many aspects of our business. This section provides an overview of the main Chinese laws, regulations and important policies that we consider to be relevant to our business and operations.

MAJOR REGULATORS AND POLICIES RELATING TO THE AUTOMOTIVE LAMP MANUFACTURING INDUSTRY

Our implementation of business activities within the industry is mainly supervised and managed by the NDRC and MIIT.

According to the Guidance Catalog of Key Products and Services for Strategic Emerging Industries (2016 Version) (《戰略性新興產業重點產品和服務指導目錄(2016年版)》) promulgated and implemented by the NDRC on January 25, 2017, new-type LED lighting application products as well as organic light-emitting diode (OLED) materials and devices were included in the catalog.

In accordance with the Guidance Catalog for Industrial Structure Adjustment (2024 Version) (《產業結構調整指導目錄(2024年本)》), promulgated by the NDRC on December 27, 2023, and came into effect on February 1, 2024, key automotive components such as adaptive headlamp systems have been classified as encouraged items.

LAWS AND REGULATIONS RELATING TO ESTABLISHMENT OF COMPANIES AND FOREIGN INVESTMENT

In accordance with the Company Law of the PRC (《中華人民共和國公司法》) (the "**Company Law**"), which was latest amended by the SCNPC on December 29, 2023 and came into effect on July 1, 2024, the Law applies to the establishment, operation and administration of domestic companies and foreign-invested enterprises in the PRC; where the laws regarding foreign investment provide otherwise, such provisions shall prevail.

Investment activities in the PRC by foreign investors are principally governed by the Special Administrative Measures (Negative List) for Access of Foreign Investment (2024 version) (《外商投資准入特別管理措施(負面清單)(2024年版)》) (the "**Negative List**"), which was promulgated by the MOFCOM and the NDRC on September 6, 2024 and came into effect on November 1, 2024, as well as the Catalog of Industries for Encouraging Foreign Investment 2025 version) (《鼓勵外商投資產業目錄(2025年版)》) (the "**Encouraging List**"), which was promulgated on December 15, 2025, and came into effect on February 1, 2026. The Negative List sets out special administrative measures (restricted or prohibited) in respect of the access to foreign investment in a centralized manner, and the Encouraging List sets out the encouraged industries for foreign investment.Our business as currently conducted does not fall within the scope of the Negative List and is not subject to special administrative measures.

The Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) (the "**FIL**") promulgated by the NPC, and the Implementation Regulations for the Foreign Investment Law of the PRC (《中華人民共和國外商投資法實施條例》) (the "**Implementation Regulations for FIL**"), promulgated by the State Council, are the principal laws and regulations governing foreign investment in the PRC. Pursuant to the FIL and the Implementation Regulations for FIL, the PRC adopts a foreign investment administration system of national treatment plus Negative List management. Foreign investment and domestic investment in industries outside the scope of the Negative List issued or approved by the State Council shall be treated equally.

The Measures on Reporting of Foreign Investment Information (《外商投資信息報告辦法》) was released by MOFCOM and the SAMR on December 30, 2019, and came into effect on January 1, 2020. Foreign investors directly or indirectly conducting investment activities within the territory of China shall submit the investment information through submission of initial reports, change reports, deregistration reports, annual reports etc. to the competent commerce authorities in accordance with the measures.

LAWS AND REGULATIONS RELATING TO THE COMPULSORY PRODUCT CERTIFICATION AND PRODUCT QUALITY

Pursuant to the Regulations of the People's Republic of China on Certification and Accreditation (《中華人民共和國認證認可條例》) latest amended by the State Council on July 20, 2023, and came into effect on the same day, where any product listed in the Catalogue which has not undergone certification leaves the factory or is sold, imported, or used in any other business activity without permission, the violator shall be ordered to take corrective action during a specified period, and fined not less than 50,000 yuan nor more than 200,000 yuan or if the goods value of the illegal product that has not undergone certification is less than 10,000 yuan, fined not more than two times the goods value; and any illegal proceeds shall be confiscated. Pursuant to the Catalogue Description and Definition List for Compulsory Product Certification (《強制性產品認證目錄描述與界定表》) latest amended by the SAMR on August 10, 2023, external lighting and light-signaling devices for motor vehicles fall within the scope of the Compulsory Product Certification (CCC) Catalogue.

Pursuant to the Announcement on Adjusting the Certification Modes for Certain Products in the Catalogue of Products Subject to Compulsory Product Certification (《關於調整強制性產品認證目錄內部分產品認證模式的公告》) issued by SAMR on January 7, 2026, 16 product categories, including external lighting and light-signaling devices for motor vehicles, must obtain and affix the CCC certification certificate and mark prior to manufacture, sale, import or use in other business activities, effective January 1, 2027. For products manufactured and no longer to be produced during the validity period of the self-declaration, no conversion is required and such products may continue to be sold.

Pursuant to the PRC Product Quality Law (《中華人民共和國產品質量法》) latest amended by the SCNPC on December 29, 2018 and came into effect at the same day, 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. Where a defective product causes personal injury or property damage, the aggrieved party may make a claim for compensation from the manufacturer or the seller of the product. Manufacturers 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 fines.

LAWS AND REGULATIONS RELATING TO PRODUCTION SAFETY

Pursuant to the Production Safety Law of the PRC (《中華人民共和國安全生產法》) ("**Production Safety Law**") latest amended by the SCNPC on June 10, 2021, and came into effect on September 1, 2021, entities engaged in production and business activities in the PRC shall comply with the Production Safety Law and other laws and regulations relating to production safety. To ensure production safety, entities shall strengthen the management, establish and improve responsibility systems and policies, improve conditions, promote the development of standards, and enhance the level in this aspect. Violation of the Production Safety Law may result in imposition of fines, an order to cease operation, or even assumption of criminal responsibility in case serious consequences are caused.

LAWS AND REGULATIONS RELATING TO CYBERSECURITY, DATA SECURITY AND PRIVACY PROTECTION

Pursuant to the Data Security Law of the PRC (《中華人民共和國數據安全法》), which was promulgated by the SCNPC on June 10, 2021, and came into effect on September 1, 2021, the state shall establish a data classification and tiered protection system to implement categorized and tiered safeguards for data. Entities carrying out data processing activities shall establish a sound data security management system, organize data security education and training, and take corresponding technical measures and other necessary measures to ensure data security, in accordance with the provisions of laws and regulations.

The Civil Code stipulates that the personal information of a natural person shall be protected and provides main legal basis for privacy and personal information infringement claims. On August 20, 2021, the SCNPC promulgated the PRC Personal Information Protection Law (《中華人民共和國個人信息保護法》) (effective on November 1, 2021), which requires, among others, that the processing of personal information should have a clear and reasonable purpose and should be limited to the minimum scope necessary to achieve the processing purpose, adopt a method that has the least impact on personal rights and interests, and shall not process personal information that is not directly related to the processing purpose.

According to the Cybersecurity Review Measures (《網絡安全審查辦法》), which were latest amended by the Cyberspace Administration of China and several PRC regulatory authorities on December 28, 2021 and came into effect on February 15, 2022, purchases of network products and services by critical information infrastructure operators and data processing activities by network platform operators, which affect or may affect national security, shall be subject to a cybersecurity review. Network platform operators possessing the personal information of more than 1 million users who intend to list abroad must apply to the Cybersecurity Review Office for a cybersecurity review. Where any member of the Cybersecurity Review working mechanism believes that the network products and services and data processing activities affect or may affect national security, the Cybersecurity Review Office shall report to the Central Cyberspace Affairs Commission for approval under procedures and then conduct the review in accordance with relevant regulations.

On December 8, 2022, the MIIT promulgated the Administrative Measures for Data Security in Industry and Information Technology Sectors (for Trial Implementation) (《工業和信息化領域數據安全管理辦法(試行)》) (the "**Data Security Measures**") which became effective on January 1, 2023. The data processors in the industry and information technology sectors are required by the Data Security Measures to establish a full life-circle data security management systems, designate data security management personnel, reasonably manage operation authorization and formulate responses plans and conduct emergency drills and relevant trainings.

LAWS AND REGULATIONS RELATING TO OUTBOUND DIRECT INVESTMENT

Pursuant to the Measures for the Administration of Overseas Investment (《境外投資管理辦法》) latest amended by the MOFCOM on September 6, 2014, and came into effect on October 6, 2014, outbound investment by enterprises is subject to approval or filing administered by MOFCOM and its provincial counterparts. Investment in sensitive countries, regions or industries requires approval; all other outbound investment is subject to filing.

Pursuant to the Administrative Measures for Outbound Investment by Enterprises (《企業境外投資管理辦法》) promulgated by the NDRC on December 26, 2017 and came into effect on March 1, 2018, the investing activities of enterprises in PRC such as acquiring overseas ownerships, controlling rights, operating and management rights and other relevant interests by way of investing assets and interests or providing financing and guarantees to control its overseas enterprises, either directly or indirectly, are required to obtain verification and approval or filing with the NDRC in accordance with the relevant conditions of the overseas investment projects. Outbound investment projects involving sensitive countries, regions or sectors are subject to NDRC approval. Non-sensitive projects are subject to filing: those with Chinese Mainland investment of US$300 million or above are filed with NDRC, while those below such threshold are filed with provincial counterpart of the NDRC.

Pursuant to the Notice on Further Simplify and Enhance Foreign Exchange Policy on Direct Investment (《關於進一步簡化和改進直接投資外匯管理政策的通知》) issued by the SAFE on February 13, 2015, and implemented on June 1, 2015, to cancel the administrative approval for foreign exchange registration for foreign direct investment and to grant banks the rights to directly review and handle foreign exchange registration for foreign direct investment. The SAFE and its branches shall carry out indirect supervision over foreign exchange registration for overseas direct investment through the banks.

LAWS AND REGULATIONS RELATING TO IMPORT AND EXPORT TRADE

Pursuant to the Administrative Provisions of the PRC on the Filing of Customs Declaration Entities (《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 became effective on January 1, 2022, consignees, consignors or customs declaration enterprises of imported or exported goods only need to file with the Customs, and no longer need to register with the General Administration of Customs. The filing information will be publicized through the credit publicity platform of import and export business of Customs of the PRC.

LAWS AND REGULATIONS ON INTELLECTUAL PROPERTY RIGHTS

Patent

Pursuant to the Patent Law of the PRC (《中華人民共和國專利法》) (the "**Patent Law**") latest amended by the SCNPC on October 17, 2020 and came into effect on June 1, 2021, the Implementation Rules of the Patent Law of the PRC (《中華人民共和國專利法實施細則》) latest amended by the State Council on December 11, 2023 and came into effect on January 20, 2024, there are three types of patents, namely invention, utility model and design. Invention patents are valid for 20 years, while utility model patents are valid for 10 years and design patents are valid for 15 years, all starting from the date of application. After the granting of a patent for an invention or utility model, unless otherwise provided for in the Patent Law, no entity or individual may exploit the patent without the permission of the patentee.

Trademark

Pursuant to the Trademark Law of the PRC (《中華人民共和國商標法》) latest amended by the SCNPC on April 23, 2019 and came into effect on November 1, 2019, and the Regulation on the Implementation of the Trademark Law of the PRC (《中華人民共和國商標法實施條例》) latest amended by the State Council on April 29, 2014 and came into effect on May 1, 2014, trademarks approved and registered by the Trademark Office are registered trademarks, and the trademark registrant shall have the exclusive right to use the trademark, which is protected by law. The validity period of a registered trademark is 10 years, counting from the date of approval of registration.

Copyright

Pursuant to the Copyright Law of the PRC (《中華人民共和國著作權法》) latest amended by the SCNPC on November 11, 2020 and came into effect on June 1, 2021, and the Implementation Regulations of the Copyright Law of the PRC (《中華人民共和國著作權法實施條例》) latest amended by the State Council on January 30, 2013 and came into effect on March 1, 2013, works of PRC citizens, legal persons or unincorporated organizations, whether published or not, shall enjoy copyright in accordance with law. A copyright holder shall enjoy several personal and property rights, including the right of publication, the right of authorship and the right of reproduction and the right of communication through information networks.

According to the Regulations on the Protection of Computer Software (《計算機軟件保護條例》) latest amended by the State Council on January 30, 2013 and came into effect on March 1, 2013, and the Measures for the Registration of Computer Software Copyright (《計算機軟件著作權登記辦法》) latest amended by the National Copyright Administration of the PRC on February 20, 2002 and came into effect at the same day, Chinese citizens, legal persons or unincorporated organizations shall enjoy the copyright for software they develop, regardless of whether it has been published. Software copyright arises from the date of completion of software development. The protection period of the software copyright of legal persons or unincorporated organizations shall be 50 years, ending on December 31, of the fiftieth year after the first publication of the software. Software which has not been published for 50 years since the date of completion of software development shall not be under protection.

Domain Names

According to the Measures for the Administration of Internet Domain Names (《互聯網域名管理辦法》) promulgated by the MIIT on August 24, 2017 and came into effect on November 1, 2017, the MIIT is responsible for the supervision and management of China's domain name services. No organization or individual shall impede the safe and stable operation of the Internet domain name system.

LAWS AND REGULATIONS RELATING TO ENVIRONMENTAL PROTECTION AND FIRE PREVENTION

Environment Impact Assessment

According to the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》) latest amended by the SCNPC on April 24, 2014 and came into effect on January 1, 2015, and the Law of the People's Republic of China on Environmental Impact Assessment (《中華人民共和國環境影響評價法》) latest amended by the SCNPC on December 29, 2018 and came into effect at the same day, for any construction projects that have an impact on the environment, an entity is required to produce either a report, or a statement, or a registration form of such environmental impacts depending on the seriousness of effect that may be exerted on the environment.

Solid Waste

Pursuant to the Law of the PRC on Prevention and Control of Environmental Pollution Caused by Solid Wastes (《中華人民共和國固體廢物污染環境防治法》) latest amended by the SCNPC on April 29, 2020 and implemented since September 1, 2020, any entity or individual that produces, collects, stores, transports, utilizes, or disposes solid wastes shall take measures to prevent or reduce environmental pollution caused by solid wastes, and be liable for resultant environmental pollution in accordance with the law.

Completion and Acceptance

According to the Administrative Regulations on the Environmental Protection of Construction Project (《建設項目環境保護管理條例》) latest amended by the State Council on July 16, 2017 and came into effect on October 1, 2017, upon completion of construction for which an environmental impact report or environmental impact statement is formulated, the constructor shall formulate the acceptance inspection report, and announce the acceptance inspection report pursuant to the law except for circumstances where there is a need to keep confidentiality pursuant to the provisions of the State. Where the environmental protection facilities have not undergone acceptance inspection or do not pass acceptance inspection, the construction project shall not be put into production or use.

Water Pollution and Pollutant Discharge

Pursuant to the Regulations on the Administration of Permitting of Pollutant Discharges (《排污許可管理條例》) promulgated by the State Council on January 24, 2021 and implemented since March 1, 2021, and the Catalog of Classified Administration of Pollutant Discharge License for Stationary Pollution Sources (2019 Version) (《固定污染源排污許可分類管理名錄(2019年版)》) latest amended and implemented by the Ministry of Ecology and Environment on December 20, 2019, only pollutant discharge entities subject to registration management do not need to apply for a pollutant discharge permit. Public institutions and other manufacturers which are subject to pollutant discharge permit management as stipulated by laws must apply for and obtain pollutant discharge permits. Without this permit, discharging pollutants is prohibited.

Fire Protection Design Approval and Filing

The Fire Protection Law of the PRC (《中華人民共和國消防法》) (the "**Fire Prevention Law**") was latest amended and implemented on April 29, 2021, which provides that the fire prevention design or construction of a construction project must conform to the national fire prevention technical standards (as the case may be). According to the Interim Provisions on the Administration of Fire Protection Design Review and Final Inspection of Construction Projects (《建設工程消防設計審查驗收管理暫行規定》) latest amended by the Ministry of Housing and Urban-Rural Development on August 21, 2023 and came into effect on October 30, 2023, special construction projects as defined under such Interim Provisions shall conduct fire protection design review and fire protection final inspection, construction projects other than such special construction projects shall fill acceptance of the project with competent authority.

LAWS AND REGULATIONS RELATING TO REAL ESTATES

Pursuant to the Land Administration Law of the PRC (《中華人民共和國土地管理法》) latest amended by the SCNPC on August 26, 2019 and came into effect on January 1, 2020, Registration of the ownership and the right to the use of land shall be governed by the laws and administrative regulations relating to real estate registration and the legally registered ownership and right to the use of land shall be protected by law and may not be infringed upon by any entities or individuals.

Pursuant to the Law on Administration of Urban Real Estate of the PRC (《中華人民共和國城市房地產管理法》) latest amended by the SCNPC on August 26, 2019 and came into effect on January 1, 2020, in case of house leasing, the lessor and lessee are required to enter into a written lease contract, containing such provisions as the leasing term, usage, rental and repair liabilities, as well as other rights and obligations of both parties, and go through registration and filing procedures with the real estate administration department.

According to the Administrative Measures for Commodity House Leasing (《商品房屋租賃管理辦法》), which was promulgated by the Ministry of Housing and Urban-Rural Development of the PRC on December 1, 2010 and came into effect on February 1, 2011, within 30 days after the conclusion of the house leasing contract, the parties involved in the house leasing shall carry out house leasing registration with the construction (real estate) administrative department of the people's government of a municipality directly under the central government of the PRC, city or county where the house leased is located. In the case of a violation of the above provisions, they may be ordered to make corrections within a specified time limit by the competent construction (real estate) department of the people's government of a municipality directly under the central government, city or county. If fails to do so, a fine of more than RMB1,000 but less than RMB10,000 will be imposed.

According to the Civil Code, failure of the parties to the lease contract to complete the formalities for registration in accordance with the laws and administrative regulations shall not affect the validity of the contract.

LAWS AND REGULATIONS RELATING TO LABOR AND SOCIAL INSURANCE

Pursuant to the Labor Law of the PRC (《中華人民共和國勞動法》) latest amended and implemented by the SCNPC on December 29, 2018, and the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》) latest amended by the SCNPC on December 28, 2012 and came into effect on July 1, 2013, a labor contract shall be concluded when a labor relationship is established. Employers shall establish and improve labor rules and systems in accordance with the law to safeguard employees' labor rights and fulfillment of labor obligations.

In accordance with the Social Insurance Law of the PRC (《中華人民共和國社會保險法》), which was latest amended and implemented by the SCNPC on December 29, 2018, and the Provisional Regulations on Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》), which was latest amended and implemented by the State Council on March 24, 2019, the social insurance system has been established for basic pension insurance, basic medical insurance, work-related injury insurance, unemployment insurance and maternity insurance. Enterprises shall register social insurance with the local social insurance agency and participate in social insurance. Enterprises and employees shall pay their social insurance premiums in full and in a timely manner. Employers who fail to promptly contribute social insurance premiums in full amount shall be ordered by the social insurance premium collection agency to make or supplement contributions within a stipulated period, and shall be subject to a penalty for late payment from the due date at the rate of 0.05% per day; where payment is not made within the stipulated period, the relevant administrative authorities shall impose a fine ranging from one to three times the amount of the amount in arrears.

In accordance with the Regulations on the Administration of Housing Provident Funds (《住房公積金管理條例》) which was latest amended and implemented by the State Council on March 24, 2019, enterprises shall register at the housing provident fund management center to pay housing provident funds and open housing provident fund accounts for their employees. Enterprises are required to pay housing provident funds on behalf of their employees in full and in a timely manner. If the employer fails to pay the housing fund within the prescribed time, it may be ordered to pay within a certain period, and if it still fails to pay, compulsory enforcement by the court can be applied.

Pursuant to the Notice on Implementing Measures to Further Support and Serve the Development of Private Economy (《關於實施進一步支持和服務民營經濟發展若干措施的通知》) promulgated by the SAT and became effective on November 16, 2018, tax authorities at all levels may not organize centralized collection of arrears of taxpayers including private enterprises in the previous years. According to the Notice on Steadily and Orderly Conducting Work Related to the Collection and Administration of Social Insurance Premiums (《關於穩妥有序做好社會保險費徵管有關工作的通知》) issued by the General Office of the SAT on September 13, 2018, tax authorities shall not conduct inventory checks of outstanding social insurance premiums for prior years on their own initiative. The Circular on Issuing the Comprehensive Plan for Reducing Social Insurance Premium Rates (《關於印發〈降低社會保險費率綜合方案〉的通知》) promulgated by the General Office of State Council on April 1, 2019 and came into effect on May 1, 2019 emphasized that no centralized collection of enterprises' historical social insurance contribution shall be conducted independently in the course of the reform of the social insurance premium collection system.

Pursuant to the Interpretation II of the Supreme People's Court of 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)》) enacted by the Supreme People's Court on July 31, 2025 and implemented on September 1, 2025, any agreement between an employer and an employee for the non-payment of social insurance or any employee undertaking to waive such payment shall be determined as void by the people's court. During the Track Record Period, the Company has not entered into any agreement with the relevant employees to waive such payment.

LAWS AND REGULATIONS ON TAXATION

Enterprise Income Tax

According to the EIT Law latest amended and implemented by the SCNPC on December 29, 2018, and the Regulations on the Implementation of the EIT Law of the PRC (《中華人民共和國企業所得稅法實施條例》) latest amended by the State Council on December 6, 2024 and came into effect on January 20, 2025, the "resident enterprises" are enterprises which are set up in China in accordance with law, or which are set up in accordance with the law of a foreign country (region) but which are actually under the administration of

institutions in China. The rate of enterprise income tax shall be 25%; the high-tech enterprises that need key support from the PRC government shall be subject to a reduced EIT rate of 15%.

Value-added Tax

Pursuant to the Value-Added Tax Law of the PRC (《中華人民共和國增值税法》), promulgated by the NPCSC on December 25, 2024, came into effect on January 1, 2026 and simultaneously repealed the Provisional Regulations on Value-added Tax of the PRC (中華人民共和國增值税暫行條例), all entities and individuals (including individual industrial and commercial households) that sell goods, services, intangible assets, immovable or import goods in the PRC shall be VAT taxpayers and pay VAT in accordance with the law. Unless otherwise provided for by the state, the VAT rate is 13% for the sale of goods, processing, repair and maintenance services, and leasing services of tangible movables; 9% for the sale of transportation, postal, basic telecommunications, construction and immovable leasing services, sale of immovables, the transfer of land use rights, and the sale or import of prescribed goods; and 6% for the sale of other services and intangible assets. The VAT rate for exported goods is zero, unless otherwise provided for by the State Council.

LAWS AND REGULATIONS RELATING TO FOREIGN EXCHANGE

According to the Administrative Regulations on Foreign Exchange of the PRC (《中華人民共和國外匯管理條例》) latest amended and implemented by the State Council on August 5, 2008, domestic entities and 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 administrative department of the State Council.

According to the Guidelines for Foreign Exchange Operations under the Capital Account (2024 Edition) (《資本項目外匯業務指引(2024年版)》), promulgated by the SAFE on April 3, 2024, and came into effect on May 6, 2024, for domestic companies listed overseas, the raised funds shall in principle be repatriated to China in a timely manner in either Renminbi or foreign currency. The use of such funds shall be consistent with the content of the public disclosure documents such as this Document, corporate bonds issuance documents, circulars to shareholders and resolutions of board of directors and shareholders' meetings. Domestic companies utilizing funds raised overseas for overseas direct investment, overseas securities investment, or cross-border lending shall comply with the relevant foreign exchange regulations.

LAWS AND REGULATIONS RELATING TO THE ISSUANCE AND LISTING OF SECURITIES OVERSEAS BY DOMESTIC ENTERPRISES

On February 17, 2023, the CSRC promulgated the Filing Rules and related guidelines, which came into effect on March 31, 2023. Pursuant to the Filing Rules, the PRC domestic companies (whether conducting overseas securities offerings/listings directly or indirectly) shall complete the filing formalities with the CSRC within three working days after submitting an initial public offering or listing application to the overseas regulatory authority. Non-compliance (such as failing to complete filings, concealing material facts or forging filing documents) may result in administrative penalties (including orders to rectify, warnings and fines) being imposed on the company, as well as its controlling shareholders, actual controllers and directly responsible persons-in-charge.

Pursuant to the Provisions on Strengthening the Confidentiality and Archives Administration of Overseas Securities Issuance 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》), which was jointly issued by the CSRC together with other relevant authorities on February 24, 2023 and came into effect on March 31, 2023, where a domestic enterprise provides or publicly discloses any document or material that involving state secrets and working secrets of state agencies to the relevant securities companies, securities service institutions, overseas regulatory authorities and other entities and individuals, it shall report to the competent department with the

examination and approval authority for approval in accordance with the law, and submit to the secrecy administration department of the same level for filing. The working papers formed within the territory of China by the securities companies and securities service agencies that provide corresponding services for the overseas issuance and listing of domestic enterprises shall be kept within the territory of China. Cross-border transfer shall go through the examination and approval formalities in accordance with the relevant provisions of the State.

Pursuant to the Notice on Issues Concerning Capital Management for Overseas Listing of Domestic Enterprises (《關於境內企業境外上市資金管理有關問題的通知》), which was jointly promulgated by the PBOC and the SAFE on December 26, 2025 and will become effective on April 1, 2026, a domestic enterprise shall complete the registration with the competent banks within 30 working days after the date of its initial overseas listing or the completion of the over-allotment. The proceeds raised may be remitted to the PRC or deposited overseas, provided that the use of funds shall be consistent with the relevant disclosure documents. Domestic shareholders increasing or decreasing their overseas shareholdings are also required to comply with the relevant registration and account management requirements.

LAWS AND REGULATIONS RELATING TO PRC SANCTIONS REGIME

On June 10, 2021, the SCNPC promulgated the Anti-Foreign Sanctions Law (《中華人民共和國反外國制裁法》), which came into effect at the same day. It is the governing law of China's sanctions regime, and its main purpose is to counteract "foreign discriminatory restrictive measures" imposed by foreign governments that infringe on China's national security and the lawful rights and interests of Chinese citizens and organizations. On January 9, 2021, the MOFCOM introduced Rules on Counteracting Unjustified/Extra-territorial Application of Foreign Legislation and other Measures (the "**Blocking Rules**"), which came into effect at the same day. As indicated in Article 2, the Blocking Rules aims to block the unjustified extraterritorial application of foreign laws and measures that prohibit or restrict transactions between Chinese persons and third country persons. On September 19, 2020, the MOFCOM issued the Provisions on the Unreliable Entity List (《不可靠實體清單規定》), which came into effect at the same day. According to Article 2 of these Provisions, foreign entities may be placed on the Unreliable Entity List for the following reasons: 1) endangering the national sovereignty, security or development interests of China; 2) suspending normal transactions with Chinese companies, organizations and individuals, or applying discriminatory measures against them in violation of normal market transaction principles, thereby causing serious damage to the lawful rights and interests of Chinese persons.

THE SERBIAN LAWS, REGULATIONS AND POLICIES

This section summarizes certain laws and regulations of Serbia that are of specific relevance for our subsidiary in Serbia as a foreign investor, particularly in the areas of corporate structure, foreign investment, product safety, product liability, data privacy, customs, trade, environmental protection and taxations. It is intended to provide a general overview and not to provide a complete or exhaustive description of all relevant Serbian regulations applicable to a provider of automotive lighting products. The laws of the Republic of Serbia are enacted by the National Assembly of the Republic of Serbia.

Law Regarding Corporate Structure

The establishment, organization and operation of companies in Serbia are governed by the Law on Companies (ZAKON O PRIVREDNIM DRUŠTVIMA, *"Sl. glasnik RS", br. 36/2011, 99/2011, 83/2014 - dr. zakon, 5/2015, 44/2018, 95/2018, 91/2019, 109/2021 i 19/2025*) ("**Serbia Law on Companies**"). This law sets out the general legal framework applicable to corporate entities, including rules on incorporation, corporate governance, capital structure and management.

Xingyu Serbia is established as a LLC (Limited Liability Company, in Serbian: d.o.o., abbr. for društvo sa ograničenom odgovornošću) in accordance with the Serbia Law on Companies. A LLC under Serbian law may be incorporated by one or more members, and the liability of its members for the company's obligations is generally limited to the amount of their respective capital contributions. A LLC has separate legal personality and is liable for its obligations with its entire assets. Its members do not bear personal liability for the company's obligations beyond their capital contributions, except in circumstances expressly prescribed by law. The capital of a limited liability company is divided into ownership interests rather than shares, and the company is managed by one or more directors.

Law Regarding Foreign Investments and Exchange

Foreign investors are in principle permitted to invest in Serbia on terms comparable to those applicable to domestic investors, including by establishing new companies, acquiring existing businesses or participating in joint ventures. There are generally no restrictions on foreign ownership in the manufacture of automotive lighting products.

The principal legislation governing foreign investment is the Law on Investments (ZAKON O ULAGANJIMA, "*Sl. glasnik RS", br. 89/2015 i 95/2018*) ("**Law on Investments**"). This law provides a framework for investment activities in Serbia and sets out certain fundamental principles, including equal treatment of domestic and foreign investors, freedom of investment, protection against expropriation, and the right to transfer profits and capital subject to applicable regulations. Under this law, a foreign investor may establish or acquire a company in Serbia under the same conditions as a domestic investor, provided that the statutory requirements are satisfied. Company incorporation and registration of business activities are carried out with the Serbian Business Registers Agency (SBRA).

Foreign exchange transactions in Serbia are governed by the Law on Foreign Exchange Operations (Zakon o deviznom poslovanju, *"Sl. glasnik RS"*, *br. 62/2006, 31/2011, 119/2012, 139/2014, 30/2018 and 19/2025)* ("**Law on Foreign Exchange Operations**"). This law establishes the legal framework for foreign currency transactions, cross-border payments, foreign currency accounts, and settlements related to imports and exports. Under Serbian law, companies are required to report foreign currency inflows and outflows exceeding the prescribed thresholds to the National Bank of Serbia ("**NBS**"). In addition, the law provides that certain foreign investments or loan arrangements may be subject to specific licensing or approval requirements in accordance with the applicable regulations.

Law Regarding the Industrial Sector and Product Safety

Product technical requirements and conformity assessment in Serbia are governed by the Law on Technical Requirements for Products and Conformity Assessment (ZAKON O TEHNIČKIM ZAHTEVIMA ZA PROIZVODE I OCENJIVANJU USAGLAŠENOSTI, "*Sl. glasnik RS", br. 49/2021*) ("**Law on Technical Requirements for Products and Conformity Assessment**"). This law imposes obligations on manufacturers to ensure that products, including automotive lighting products, comply with the applicable technical requirements before being placed on the market. In practice, SRPS EN standards, which are harmonized with relevant European standards, are applied in assessing conformity with the prescribed technical requirements.

General product safety matters are governed by the Law on General Product Safety (ZAKON O OPŠTOJ BEZBEDNOSTI PROIZVODA, "*Sl. glasnik RS", br. 41/2009 i 77/2019*) ("**Law on General Product Safety**"). Under Serbian law, products containing potential hazardous substances are regulated. These regulations closely follow the relevant European Union directives in this area. Accordingly, manufacturers are required to ensure that both their components and finished products comply with the restrictions on hazardous substances and product safety requirements.

Supervision over the implementation of product safety regulations is carried out by the competent market inspection authorities. Such authorities are empowered to inspect products placed on the market, technical documentation, markings, declarations of conformity and compliance with applicable safety requirements. In cases of non-compliance, regulatory measures may include bans on sale, withdrawal of products from the market and the imposition of significant monetary fines on manufacturers and responsible persons.

Law Regarding Product Liability

The Law on General Product Safety also governs product liability in Serbia. Under this law, only safe products may be placed on the market. Manufacturers and distributors are required to assess product risks, provide appropriate warnings and instructions for use, and take corrective measures where necessary, including the withdrawal or recall of products from the market if they pose a risk to consumer health and safety.

The law establishes the criteria for determining whether a product is considered safe or unsafe, as well as the obligations imposed on manufacturers and distributors. Products are required to comply with descriptions, quality standards, functionality and intended use.

Law Regarding Data Privacy

The protection of personal data in Serbia is governed by the Law on the Protection of Personal Data (ZAKON O ZAŠTITI PODATAKA O LIČNOSTI, "*Sl. glasnik RS", br. 87/2018*) ("**Law on the Protection of Personal Data**"). This law regulates the processing of personal data relating to employees, clients, suppliers and other individuals, and sets out the rights of data subjects as well as the obligations of data controllers and data processors.

For companies engaged in the manufacture of automotive lighting products, the law is applicable in connection with (i) the processing of employee personal data, including data relating to employment, payroll calculation, occupational health and safety compliance and related obligations, and (ii) the processing of consumer personal data, including data storage, access and protection. Under this law, companies are required to establish transparent and clearly defined procedures for the storage, access and protection of personal data, and to adopt a privacy policy that is accessible to employees.

Law Regarding Customs and Foreign Trade Regulations

Serbia has established a customs and foreign trade regime governing the import, export and transit of goods. The principal legislation regulating customs matters is the Customs Law (CARINSKI ZAKON, "*Sl. glasnik RS", br. 95/2018, 91/2019 - dr. zakon, 144/2020, 118/2021 i 138/2022*) ("**Serbian Customs Law**"). This law governs, among other things, customs procedures, customs valuation, classification of goods, origin of goods, customs duties and available customs reliefs. All goods are classified under the customs tariff system, and the applicable treatment depends on the tariff classification, valuation and origin of the goods.

Foreign trade activities are further regulated by the Law on Foreign Trade Operations (ZAKON O SPOLJNOTRGOVINSKOM POSLOVANJU, "*Sl. glasnik RS", br. 36/2009, 36/2011 - dr. zakon, 88/2011 i 89/2015 - dr. zakon)* ("**Law on Foreign Trade Operations**"). This law upholds the principle of free import and export while allowing restrictions where necessary to protect public security, human health, the environment or to ensure compliance with Serbia's international obligations. Depending on the nature of products, certain goods may be subject to technical requirements, particularly where electrical or electronic components or hazardous substances are involved.

Rules on the origin of goods are relevant to the application of preferential customs treatment. Where the relevant conditions are satisfied and appropriate proof of origin is provided, preferential customs rates may be applied under free trade agreements concluded by Serbia with, among others, the EU, CEFTA (Central European Free Trade Agreement), EFTA (European Free Trade Association) and certain other countries, which may reduce customs costs for eligible lighting products.

Law Regarding Environmental Regulations

Environmental matters in Serbia are governed by a set of environmental protection laws applicable to manufacturing activities.

The Law on Environmental Protection (ZAKON O ZAŠTITI ŽIVOTNE SREDINE, "*Sl. glasnik RS", br. 135/2004, 36/2009, 36/2009 - dr. zakon, 72/2009 - dr. zakon, 43/2011 - odluka US, 14/2016, 76/2018, 95/2018 - dr. zakon, 95/2018 - dr. zakon i 94/2024 - dr. zakon*) ("**Law on Environmental Protection**") establishes the fundamental principles of environmental governance, including sustainable development, the "polluter pays" principle, preventive action and the environmental responsibility of legal entities. Manufacturing companies are required to organize their operations in a manner that prevents or minimizes adverse environmental impacts and to implement appropriate technical, organizational and monitoring measures.

The Law on Environmental Impact Assessment (ZAKON O PROCENI UTICAJA NA ŽIVOTNU SREDINU, "*Sl. glasnik RS", br. 94/2024*) ("**Law on Environmental Impact Assessment**") also provides that, depending on the scale, location and nature of a project, certain production facilities may be subject to a mandatory environmental impact assessment or a screening procedure to determine whether such assessment is required. The assessment evaluates the potential impacts on air, water, soil, noise levels and human health. Approval must be obtained prior to the construction or expansion of production facilities.

The Law on Air Protection (ZAKON O ZAŠTITI VAZDUHA, "*Sl. glasnik RS", br. 51/2025*) applies to industrial processes that may generate emissions, including metal processing, coating, painting and the use of chemical substances commonly associated with automotive lighting products manufacturing. Companies are required to comply with applicable emission limit values, apply prescribed techniques and obtain relevant permits for emission sources, with monitoring and reporting obligations depending on the equipment and processes used.

Waste-related matters are governed by the Law on Waste Management (ZAKON O UPRAVLJANJU OTPADOM, "*Sl. glasnik RS", br. 109/2025*) ("**Law on Waste Management**"). This law is relevant to manufacturers of automotive lighting products due to the generation of industrial waste, packaging waste, electronic waste and potentially hazardous waste. Under this law, producers are required to properly classify waste, ensure safe storage, maintain records and transfer waste to authorized operators.

Serbia's environmental legislation continues to evolve in the context of its European Union accession process. Regulatory standards in relation to waste electrical and electronic equipment, hazardous substances, energy efficiency and emissions, are expected to become progressively more stringent.

Law Regarding Tax Regulations

Serbia has established a tax framework applicable to corporate entities. For companies conducting manufacturing and trading activities in Serbia, tax considerations primarily relate to corporate income tax and value added tax. In addition, Serbia has concluded a broad network of double taxation avoidance treaties that may be relevant to cross-border payments.

Corporate Income Tax

Corporate income tax in Serbia is governed by the Law on Corporate Income Tax (ZAKON O POREZU NA DOBIT PRAVNIH LICA, "*Sl. glasnik RS", br. 25/2001, 80/2002, 80/2002 - dr. zakon, 43/2003, 84/2004, 18/2010, 101/2011, 119/2012, 47/2013, 108/2013, 68/2014 - dr. zakon, 142/2014, 91/2015 - autentič no tumač enje, 112/2015, 113/2017, 95/2018, 86/2019, 153/2020, 118/2021 i 94/2024*) ("**Corporate Income Tax Law**"). Corporate income tax is levied on the taxable profit of legal entities. The tax base is determined by adjusting accounting profit and the corporate income tax rate is a flat rate of 15%. Resident companies are subject to corporate income tax on their worldwide income, while non-resident companies are subject to tax only on income attributable to a permanent establishment in Serbia.

The Corporate Income Tax Law also regulates transfer pricing and withholding tax matters. Payments made to associated non-resident entities, such as dividends, interest and royalties, are generally subject to withholding tax at a statutory rate of 20%, unless a lower rate or exemption applies under an applicable double taxation avoidance treaty. Serbia has entered into an extensive network of double taxation avoidance treaties, which may reduce withholding taxes on certain categories of cross-border income, including dividends, interest and royalties.

Serbia provides a range of tax incentives that may significantly reduce the effective corporate income tax burden, depending on the nature, size and location of the investment. These include accelerated tax benefits for R&D. In particular, foreign-invested enterprises that invests more than Serbian Dinar ("**RSD**") 1.0 billion in its fixed assets, and employs at least 100 employees on an indefinite-term basis during the investment period shall be exempt from corporate income tax for a period of ten years from its first profit-making year. Xingyu Serbia shall be eligible for exemption from corporate income tax for a period of ten years commencing from its first profitable year.

Value Added Tax

Value added tax (VAT) is regulated by the Value Added Tax Law (ZAKON O POREZU NA DODATU VREDNOST, "*Sl. glasnik RS", br. 84/2004, 86/2004 - ispr., 61/2005, 61/2007, 93/2012, 108/2013, 6/2014 - usklađeni din. izn., 68/2014 - dr. zakon, 142/2014, 5/2015 - usklađeni din. izn., 83/2015, 5/2016 - usklađeni din. izn., 108/2016, 7/2017 - usklađeni din. izn., 113/2017, 13/2018 - usklađeni din. izn., 30/2018, 4/2019 - usklađeni din. izn., 72/2019, 8/2020 - usklađeni din. izn., 153/2020, 138/2022, 94/2024 i 109/2025*) ("**Value Added Tax Law**"). VAT is imposed on the supply of goods and services and on the importation of goods carried out in the course of business. Foreign entities performing taxable supplies in Serbia are generally required to register for VAT and appoint a fiscal representative, regardless of turnover, unless specific statutory exemptions apply. Where a foreign supplier does not appoint a fiscal representative, VAT may be accounted for by the Serbian recipient of the goods or services.

The standard VAT rate in Serbia is 20%. A 0% VAT rate, with the right to deduct input VAT, applies to exports of goods, international transport and services directly related to exports. Certain transactions are exempt from VAT without the right to deduct input VAT, including, among others, transactions in shares and securities, insurance and reinsurance services, and the leasing of residential and business property.

OVERVIEW

The history of our Group can trace back to 2000. Envisioning the rapid growth and surging demand for automotive lighting products,our founding shareholders, Ms. Zhou and her father, Mr. Zhou Bajin (周八斤), integrated their resources to establish Changzhou Xingyu Automotive Lighting Co., Ltd. (常州星宇車燈有限公司), the predecessor of the Company, focusing on manufacturing and sales of automotive lighting products. Ms. Zhou has served as the General Manager and the Director of our Company since the establishment and as the Chairperson of our Board since 2007, and Mr. Zhou Bajin served as the supervisor and the Chairperson of the board of supervisors of the Company from 2000 to 2010. Over 25 years of development, we have become China's largest integrated provider of automotive lighting products and one of the major participants in the global automotive lighting market. According to Frost & Sullivan, in terms of revenue in 2025, we ranked first in China and seventh globally in the overall automotive lighting market, with market shares of 11.6% in China and 4.6% globally, respectively.

Our Company was converted into a joint stock limited company in October 2007, and subsequently listed on the Shanghai Stock Exchange (601799 .SH) in February 2011 ("**A Share Listing**").

OUR BUSINESS MILESTONES

The following sets out our major business development milestones since our inception and up to the Latest Practicable Date:

Year	Business Milestones
2000	Established under the name of Changzhou Xingyu Automotive Lighting Co., Ltd. (常州星宇車燈有限公司), the predecessor of our Group.
2006	We successfully obtained CNAS accreditation and Xingyu lamps laboratory has become a nationally recognized laboratory.
2007	We reformed into a joint stock company.
2008	We commenced mass production of HID lamps.
2010	Our technology center was recognized as a "National-level Technology Center" (國家級企業技術中心).
2011	Our Company became listed on the Shanghai Stock Exchange (601799.SH).
2015	We boosted the share of well-known joint venture automotive brands and mid-to-high-end vehicle models within our customer portfolio.
2016	We commenced mass production of our first LED headlamp.
2018	We established our first overseas R&D center - the Wolfsburg R&D Center in Germany.
2019	We commenced mass production of adaptive matrix LED headlamp and began the construction of our Serbian Manufacturing Base.
2021	We achieved increase in the proportion of new energy vehicle brands within our customer portfolio.

Year	Business Milestones
2022	We commenced exploration in the embodied intelligence area, and spearheaded the launch of China's first ISO standard project for automotive lighting industry.
2023	We commenced mass production of DLP intelligent projection headlamps. Our Company was awarded the title of "National Green Factory", and we established a subsidiary in North America.
2024	Our automotive lighting business, in terms of revenue, achieved the No. 1 market share in China and ranked No. 7 globally, according to Frost & Sullivan.
2025	We commenced mass production of HD intelligent projection headlamps. We received CMMM (Level 4) certificate.

OUR CORPORATE DEVELOPMENT

(1) Incorporation of Our Company in May 2000

On May 18, 2000, our Company was incorporated under the name Changzhou Xingyu Automotive Lighting Co., Ltd. (常州星宇車燈有限公司) under the laws of the PRC as a limited liability company, with an initial registered capital of RMB1.00 million. At the time of incorporation, Ms. Zhou and Mr. Zhou Bajin held 60% and 40% of our registered capital and equity interest, respectively.

(2) Conversion into a Joint Stock Company in October 2007

Our Company undertook an equity interest transfer and a capital increase in August and September 2007, respectively. In preparation for the A Share Listing, pursuant to the resolution passed at the Shareholders' meeting of our Company held on October 20, 2007, our Company was converted into a joint stock company with limited liability and renamed as Changzhou Xingyu Automotive Lighting Systems Co., Ltd. (常州星宇車燈股份有限公司). After this conversion, the shareholding structure of our Company was as follows:

Name of Shareholder	Number of Shares held	Shareholding percentage
Zhou Xiaoping	95,703,000	57.00%
Zhou Bajin	53,425,780	31.82%
Shenzhen Dongfangjiaxin Venture Investment Co., Ltd. (深圳市東方嘉信創業投資有限公司)	5,037,000	3.00%
Shenzhen Capital Group Co., Ltd. (深圳市創新投資集團有限公司)	3,358,000	2.00%
Zhang Rongqian	3,190,100	1.90%
Geng Xiaohong	3,190,100	1.90%
Xu Huiyi	1,595,050	0.95%
Wang Zhanyin	1,595,050	0.95%
Ge Zhijian	805,920	0.48%
Total	**167,900,000**	**100.00%**

(3) Listing on the Shanghai Stock Exchange in February 2011

During the Period between 2008 to 2010, our Company undertook certain share transfer and capital increase. Then in February 2011, as approved by the CSRC, our Company completed the initial public offering and listing of our A Shares on the Shanghai Stock Exchange (601799.SH), pursuant to which a total of 60,000,000 new A Shares were issued, accounting for 25.34% of our Company's then issued shares of 236,760,000 immediately following the A Share Listing.

(4) 2016 Non-public Offering

In August 2016, our Company completed a non-public offering, pursuant to which it privately placed an aggregate of 36,505,232 A shares to seven specified investors at an issue price of RMB41.09 per share, raising total gross proceeds of RMB1,499,999,982.88. Upon completion of the non-public offering, the total number of shares of our Company increased from 239,650,000 shares to 276,155,232 shares, with the newly issued shares representing 13.22% of our total issued share capital as enlarged by the non-public offering. The shareholding structure of our Company after the non-public offering was as follows:

	Before the non-public offering		After the non-public offering	
Name of Shareholder	**Number of Shares held**	**Shareholding percentage**	**Number of Shares held**	**Shareholding percentage**
Zhou Xiaoping	103,002,120	42.98%	103,002,120	37.30%
Zhou Bajin	37,535,380	15.66%	37,535,380	13.59%
Xingyu Investment	17,676,000	7.38%	17,676,000	6.40%
Seven specified investors[(2)]	0	0%	36,505,232	13.22%
Other A shareholders	81,436,500	33.98%	81,436,500	29.49%
Total	**239,650,000[(1)]**	**100.00%**	**276,155,232**	**100.00%**

Note:

(1) The number of total issued shares of the Company changed from the A Share public listing in 2011 primarily due to issuance and cancellation of restricted incentive shares of employees from 2011 till 2016.

(2) The seven specified investors include: ①Changzhou Industrial Investment Group Co. Ltd. (常州產業投資集團有限公司), a state-owned private equity company. ②Zhongrong Fund Management Co, Ltd. (now Guolian Fund Management Co, Ltd.) (中融基金管理有限公司，現國聯基金管理有限公司), a fund management limited liability company. ③Anhui Zhongan Capital Investment Fund·Co. Ltd. (安徽中安資本投資基金有限公司), a private equity fund. ④GF Securities Asset Management (Guangdong) Co. Ltd.(廣發證券資產管理(廣東)有限公司), a private equity fund. ⑤China Fortune Securities Co., Ltd. (華鑫證券有限責任公司), a securities limited liability company. ⑥Qingdao Chengtou Financial Holding Group Co., Ltd. (now Qingdao Chengtoujin Holding Group Co. Ltd.) (青島城投金融控股集團有限公司，現青島城投金控股集團有限公司), a stated-owned private equity fund. ⑦China Great Wall Asset Management Co., Ltd. (中國長城資產管理公司，現中國長城資產管理股份有限公司), a stated-owned private equity fund. All of seven specified investors are the Independent Third Parties.

(5) Issuance of Convertible Bonds

In October 2020, our Company conducted a public issuance of convertible bonds (the "**Bonds**") in the principal amount of RMB1,500,000,000 with a maturity period of six years to invest in, among others, the tooling facility of the Intelligent Manufacturing Industrial Park, etc. The Bonds were listed on the Shanghai Stock Exchange on November 16, 2020 (bond code: 113040.SH). The conversion period of the Bonds was from April 28, 2021 to October 21, 2026. The initial conversion price of the Bonds was RMB158.00 per Share, which was determined after taking the average trading price of the Bonds into account and was subject to the adjustment mechanism as disclosed in the offering circular. The Bonds were redeemed and deregistered from the Shanghai Stock Exchange on August 3, 2021. As of the redemption date, the Bonds representing a total principal amount of RMB1,492,650,000 had been converted into shares of the Company, accounting for 99.51% of the total principal amount of the Bonds.

(6) Shareholding Change in relation to our Controlling Shareholders

Mr. Zhou Bajin directly held 12.22% interest of our Company, and 40.00% in Xingyu Investment, which held 6.19% shares of our Company. Upon his departure in February 2025 and following the division of marital property and inheritance procedure, his interest in our Company were equally reallocated to Ms. Zhou, and Ms. Sun Exiao, his only child and his spouse, and the 40.00% interest of Xingyu Investment was eventually transferred to Ms. Zhou. Ms. Zhou, Xingyu Investment and Ms. Sun Exiao are regarded as a group of controlling shareholders of our Company ("**Controlling Shareholders**"). As of the Latest Practicable Date, Ms. Zhou directly held 42.00% interest of our Company and indirectly held 6.19% interest of our Company through Xingyu Investment. Ms. Sun Exiao (孫娥小) also directly held 6.11% interest of our Company. For details, see "Relationship with our Controlling Shareholders."

CAPITALIZATION OF OUR COMPANY

As of the Latest Practicable Date, the shareholding structure of our Company was as follows:

Name of Shareholder	Number of Shares held	Shareholding percentage
Zhou Xiaoping	119,977,973	42.00%
Xingyu Investment	17,676,000	6.19%
Sun Exiao	17,457,654	6.11%
Other A Shareholders.	130,567,792	45.70%
Total	**285,679,419(1)**	**100.00%**

Note:

(1) Including 2,470,765 A Shares being held as treasury Shares repurchased by our Company pursuant to the repurchase mandates approved by Shareholders, accounting for approximately 0.8649% of the total number of A Shares in issue as of the Latest Practicable Date.

OUR MAJOR SUBSIDIARIES

As of the Latest Practicable Date, we had 16 PRC and overseas subsidiaries in total, the major functions of which include, among other things, production, sales, marketing and research and development. The following table sets forth the principal business activities, date and place of establishment of our major subsidiaries as of the Latest Practicable Date:

Name of Entities	Equity Interest Attributable to our Group	Principal Business Activities	Date and Place of Establishment
Foshan Xingyu . . .	100%	R&D, manufacturing and sales of automotive lighting products	January 16, 2013 PRC
Xingyu Serbia	100%	R&D, manufacturing and sales of automotive lighting products	October 30, 2019 Republic of Serbia

MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

We had not carried out any major acquisitions, disposals or mergers during the Track Record Period and up to the Latest Practicable Date.

EMPLOYEE STOCK SCHEME

For the purpose to attract, retain and motivate the employees of the Company, and to align the interests of the Company, the Shareholders and the employees of the Company, the Company has adopted a variety of employee incentive plans and schemes since the A Share Listing in 2011. Currently we have three effective Employee Stock Schemes, i.e. the 2024 Employee Stock Scheme adopted on December 2, 2024, the 2025 Employee Stock Scheme adopted on November 20, 2025 and the 2026 Employee Stock Scheme adopted on June 10, 2026, respectively.

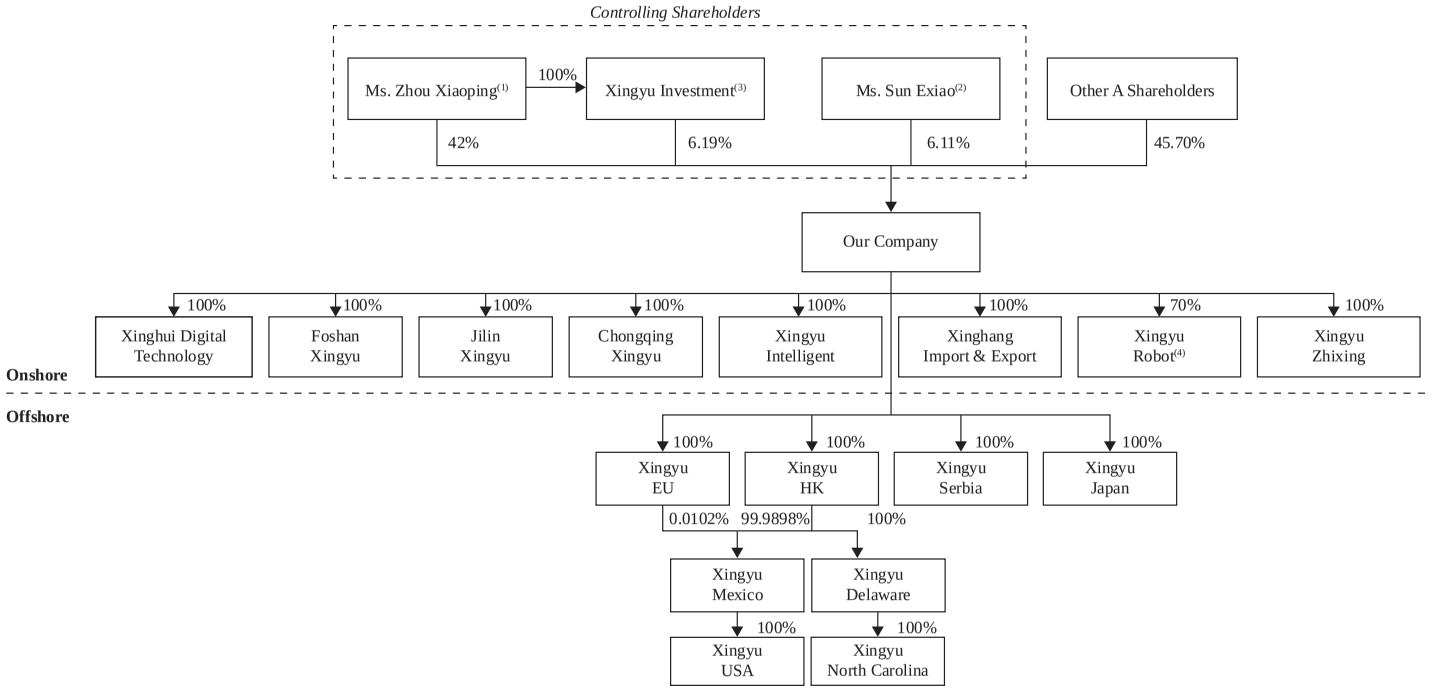
OUR LISTING ON THE SHANGHAI STOCK EXCHANGE AND REASONS FOR THE [REDACTED] ON THE STOCK EXCHANGE

Our Company is currently listed on the Shanghai Stock Exchange. Our Directors confirmed that, during the Track Record Period and up to the Latest Practicable Date, we have complied with the rules of the Shanghai Stock Exchange and other applicable securities laws and regulations of the PRC in all material respects, 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 Shanghai Stock Exchange. Our PRC legal advisor is of the view that, during the Track Record Period and up to the Latest Practicable Date, we were not subject to any material administrative penalties or regulatory measures imposed by the CSRC or the Shanghai Stock Exchange, and the Company has complied with the rules of the Shanghai Stock Exchange and other applicable securities laws and regulations of the PRC, in all material respects. Based on the independent due diligence conducted by the Sole Sponsor, nothing has come to the Sole Sponsor's attention that would cause it to disagree with the Directors' confirmation with regard to the compliance records of the Company on the Shanghai Stock Exchange during the Track Record Period and up to the Latest Practicable Date.

Our Company seeks to [**REDACTED**] on the Stock Exchange in order to advance our globalization strategy, enhance the international influence of our brand, leverage international capital markets, diversify financing channels, and support our high-quality development. See "Business — Our Strategies" and "Future Plans and [**REDACTED**]" for more details.

CORPORATE STRUCTURE IMMEDIATELY PRIOR TO THE [REDACTED]

The following chart shows the shareholding and corporate structure of our Group immediately prior to the completion of the [**REDACTED**] (assuming no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the [**REDACTED**]):

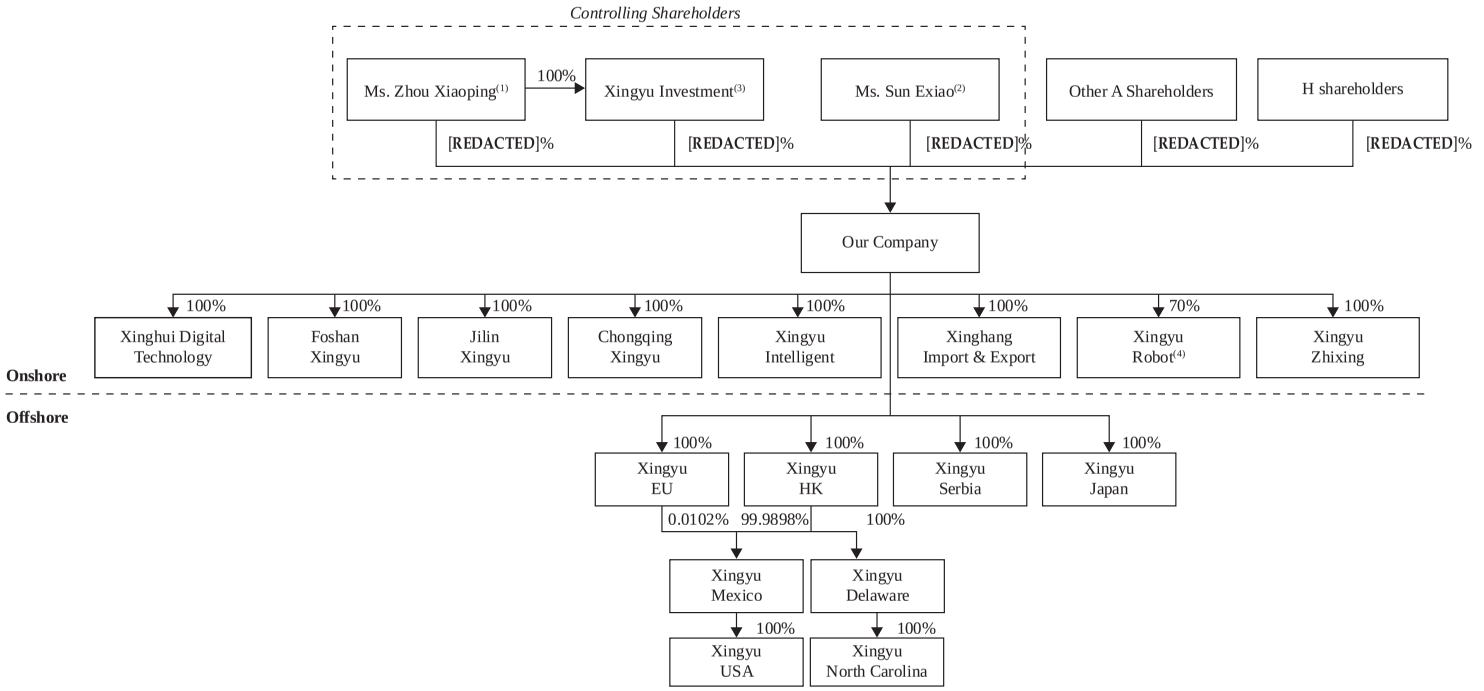


Notes:

1. Ms. Zhou is an Executive Director, the Chairperson of our Board and the General Manager of our Company.
2. Ms. Sun Exiao is the mother of Ms. Zhou and acts in concert with Ms. Zhou. See "Relationship with our Controlling Shareholders" for details.
3. As of the Latest Practicable Date, Xingyu Investment was 100% owned by Ms. Zhou, and is one of our Controlling Shareholders. Apart from holding interest in our Company, Xingyu Investment and its controlled subsidiaries have not engaged in any business that is the same or similar to our Company's principal business.
4. The Company transferred 30% equity interest in Xingyu Robot to JAKA Robotics Ltd. (節卡機器人股份有限公司, "**JAKA Robotics**") in January 2026, one supplier of our Company. As of the Latest Practicable Date, the controlling ultimate beneficial owner of JAKA Robotics is Mr. Li Mingyang, and our Company held 1.0495% interest of JAKA Robotics. As Xingyu Robot is an insignificant subsidiary newly established in October 2025, JAKA Robotics is an independent third party under Chapter 14A of the Listing Rules.

CORPORATE STRUCTURE IMMEDIATELY AFTER THE [REDACTED]

The following chart illustrates the shareholding and corporate structure of our Group immediately following the completion of the [**REDACTED**] (assuming that the [**REDACTED**] is not exercised and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the [**REDACTED**]):



Note: See "— Corporate Structure Immediately prior to the [**REDACTED**]" in this section for Notes (1) to (4).

PUBLIC FLOAT

Rules 19A.13A of the Listing Rules require that, where a new applicant is a PRC issuer with other listed shares at the time of listing, this will normally mean that the portion of H shares for which listing is sought that are held by the public, at the time of listing, must: (a) represent at least 10% of the issuer's total number of issued shares in the class to which H shares belong (excluding treasury shares); or (b) have an expected market value of not less than HK$3,000,000,000.

Our A Shares are listed on the Shanghai Stock Exchange. Immediately following the completion of the [**REDACTED**] and based on the [**REDACTED**], the [**REDACTED**] of our H Shares to be held by the [**REDACTED**] is expected to be approximately HK$[**REDACTED**] million (applying the [**REDACTED**] of HK$[**REDACTED**] per H Share), HK$[**REDACTED**] million (applying the [**REDACTED**] of HK$[**REDACTED**] per H Share) and HK$[**REDACTED**] million (applying the [**REDACTED**] of HK$[**REDACTED**] per H Share), respectively. [**REDACTED**].

To the best knowledge and belief of our Directors and on the basis of the current shareholding structure, none of the H Shares are expected to be held by our core connected person. As a result, the [**REDACTED**] H Shares will represent approximately [**REDACTED**]% of our total issued share capital immediately following completion of the [**REDACTED**] (assuming that the [**REDACTED**] is not exercised and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the [**REDACTED**], and excluding treasury shares as of the Latest Practicable Date). On such basis, we will be able to satisfy the requirements in respect of the public float upon [**REDACTED**] under Rule 19A.13A(2) of the Listing Rules.

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.

It is expected that immediately following completion of the [**REDACTED**], the [**REDACTED**] of the [**REDACTED**] on the Stock Exchange that are held by the public and are not subject to any disposal restrictions at the time of the [**REDACTED**] is not less than HK$[**REDACTED**] (based on the [**REDACTED**] and assuming the [**REDACTED**] is not exercised). Accordingly, our Company will be able to satisfy the requirements under Rule 19A.13C of the Listing Rules.

OVERVIEW

Who We Are

We supply automotive lighting products and related electronic components to automotive manufacturers worldwide, leveraging our capabilities in technology innovation and intelligent manufacturing. We are the largest provider of automotive lighting products in China and one of the major participants in the global automotive lighting market by sales revenues in 2025. As of March 31, 2026, we had established business relationships with nine of the world's top ten automotive manufacturers by vehicle sales volume calculated on a group level in 2025, demonstrating our strong market position in the global automotive lighting industry. According to Frost & Sullivan, based on sales revenue in 2025, we ranked first in China and seventh globally in the overall automotive lighting market, with market shares of 11.6% in China and 4.6% globally, respectively. According to Frost & Sullivan, based on sales revenue in 2025, we also ranked first both globally and in China in the intelligent automotive lighting market, with a market share of 28.4% in China.

As of March 31, 2026, we operated 12 manufacturing facilities in China and Serbia and maintained 16 R&D centers worldwide, serving automotive customers across major markets in Asia, Europe and Americas. We are committed to advancing the globalization of our R&D, sales and manufacturing operations. By building a robust talent ecosystem, continuously investing in technology innovation, and driving digital and intelligent transformation, we have continued to strengthen our competitive advantages in the automotive lighting market. Leveraging our accumulated capabilities across optics, mechanics, electronics, software and materials, we are also actively expanding into emerging fields such as embodied intelligence.

The following diagram presents our strong market position and key business highlights as of March 31, 2026:

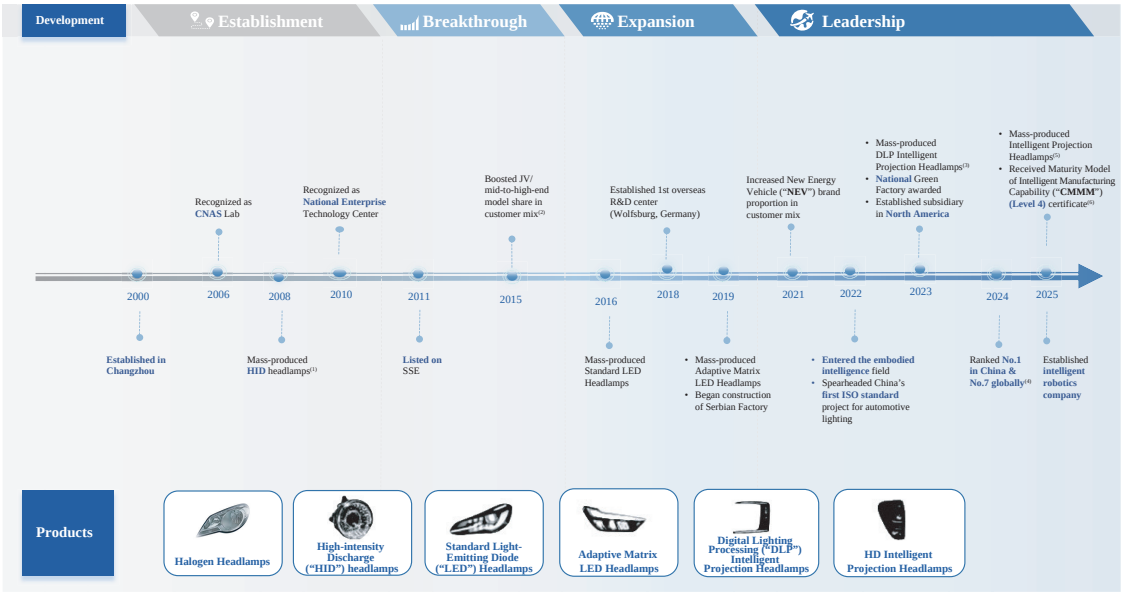
Notes:

(1) According to Frost & Sullivan, the ranking is based on sales revenue in 2025.

(2) We led and formulated the ISO/TS 5385:2022 standards in 2022, which became the first ISO standard approved in China's automotive lighting industry.

Our Key Milestones

The following diagram illustrates our key milestones since our establishment:



Notes:

(1) Refers to the mass production of our first HID headlamp.

(2) Refers to the continuous increase in the proportion of joint-venture brands/mid-to-high-end vehicle models within our customer mix.

(3) Calculated based on revenue from the automotive lighting business in 2024, according Frost & Sullivan.

Our Business and Products

We focus on the design, development, manufacturing and sales of automotive lighting products. Centered on automotive lighting, we have expanded into intelligent automotive visual systems and are exploring the application of our intelligent manufacturing capabilities in the field of embodied intelligence. Our automotive lighting products are primarily customized solutions developed based on the specific requirements and vehicle platform specifications of individual automotive manufacturers. We also offer certain modular and platform-based controller products that can be applied across multiple vehicle models of the same customer. Depending on product functionality and vehicle electronic architecture requirements, we provide either hardware-only products or integrated hardware and software solutions. Our application-layer software is mainly developed in-house, while certain basic software components or development tools are procured or licensed from third-party suppliers. Our products primarily include the following categories:

Automotive Lighting Products

Automotive lighting is an important upgrade feature in vehicle iteration and a highly recognizable component in the era of intelligent vehicles, often influencing consumer purchase decisions. Our automotive lighting portfolio includes (1) front lighting, such as standard LED headlamps, adaptive matrix LED headlamps and intelligent projection headlamps (including HD and DLP solutions), which have evolved into intelligent sensing and dynamic light distribution systems; (2) rear lighting, featuring enhanced signaling display and interaction capabilities, including programmable lighting effects and customized animations, such as through-type rear lamps, rear ISD interactive lamps and dynamic OLED rear lamps; (3) other lighting, including carpet projection lamps, intelligent ambient lighting systems and cockpit lighting products designed to enhance in-vehicle experience through dynamic brightness adjustment and integration with vehicle systems; and (4) controllers,

including HCMs, RCMs, LCUs, HD and DLP controllers and intelligent driving controllers, which centrally manage lighting functions, enable safety protection and fault diagnosis and interface with overall vehicle systems.

Embodied Intelligence

We are actively exploring opportunities in the field of embodied intelligence, with the objective of leveraging and transferring our comprehensive R&D capabilities in intelligent automotive lighting optics, intelligent manufacturing technologies, and vertically integrated resources. We are focusing on the R&D and manufacturing of core components, as well as the deployment of embodied intelligent robots in industrial application scenarios, in order to pursue growth opportunities in this emerging sector. We have completed the development and validation of the structural components of head modules, joint modules, controllers and related components, and have provided systematic optical technology solutions for "lighting," "projection" and "display." Up to the Latest Practicable Date, we have delivered the first batch of sample embodied intelligence modules to our clients.

Our Customer

Through long-term, in-depth engagement in the automotive lighting industry, we have achieved comprehensive customer coverage, spanning Chinese domestic automotive brands, renowned global automotive brands, and both conventional vehicle brands and new energy vehicle brands. With respect to Chinese domestic automotive brands, we maintain close relationships with automotive manufacturers including FAW Hongqi, Chery, Seres, Geely, JAC, BAIC New Energy, Li Auto, NIO and XPeng, contributing to the continuous development of China's automotive industry. With respect to internationally renowned automotive brands, we work with BMW, Volkswagen, Toyota, Nissan, Honda, Bentley and a well-known North American new energy vehicle manufacturer, and have received awards from customers worldwide. According to Frost & Sullivan, we have established business relationships with nine of the world's top ten automotive manufacturers by vehicle sales volume calculated on a group level in 2025, demonstrating our strong market position in the global automotive lighting industry.

Our automotive lighting design and development activities cover the full vehicle development lifecycle, including styling design, product engineering, tooling development, prototype manufacturing, testing and validation, off-tooling sample approval, trial production and the production part approval process. The development cycle for a single project typically ranges from approximately 12 to 30 months. As a result, we have strengthened long-term customer relationships and established ourselves as a certified strategic supplier to a broad range of automotive manufacturers. As the global automotive industry continues to evolve rapidly, with shorter product cycles and accelerating technological change, we believe our experience in long-term, integrated customer collaboration will continue to support our competitive position.

Our Market Opportunities

We provide automotive lighting products to automotive manufacturers. Growth in vehicle demand, together with the industry's transition toward intelligence, presents significant development opportunities for our business:

- **Continued expansion of the global automotive market:** According to Frost & Sullivan, global vehicle sales are expected to increase to 125.5 million units by 2030, representing a CAGR of 4.9% from 2025 to 2030. As the world's largest automotive market, China is expected to continue leading industry development, while North America and Europe are expected to remain the second and third-largest markets, respectively. Looking ahead, with the continued increase in new energy vehicle penetration and the advancement of vehicle intelligence and connectivity technologies driving product upgrades and optimization of consumption structures, the long-term outlook for the automotive industry remains favorable, laying a solid foundation for the sustainable

and healthy development of the automotive lighting industry. Leveraging our strong position in the automotive lighting sector and the firm execution of our globalization strategy, we are well-positioned to capture business opportunities arising from growth across automotive markets worldwide and to achieve improvements in operating performance and market share.

- **Intelligent and customized development of automotive lighting:** As the automotive industry rapidly transitions toward electrification and intelligence, automotive lighting is evolving into an intelligent visual system, supported by advancements in intelligent technologies and underlying technological iterations. According to Frost & Sullivan, the market size of intelligent automotive lighting products in China accounted for 8.6% of the total automotive lighting market. which is projected to rise sharply to 51.5% by 2030. As intelligent automotive lighting products become increasingly adopted, they are expected to provide drivers and other road users with richer intelligent experiences and interactive scenarios, thereby continuously enhancing the importance and demand for automotive lighting among automotive manufacturers and consumers. Building on the technological advantages gained through long-term R&D investment, we plan to further capture demand driven by the growth of intelligent automotive lighting and achieve increases in both average selling price and profitability.

Our Performance

Since our listing on the Shanghai Stock Exchange in 2011, our revenue has consistently recorded growth. During the Track Record Period, both our revenue and profit achieved sustained growth. Our revenue increased by 29.3% from RMB10,248.4 million in 2023 to RMB13,252.9 million in 2024. In 2025, our revenue totaled RMB15,256.7 million, representing a 15.1% increase compared to the corresponding period in 2024. For the three months ended March 31, 2025 and 2026, our revenue increased from RMB3,094.5 million to RMB3,429.9 million, representing a 10.8% growth. Our net profit amounted to RMB1,102.1 million and RMB1,408.3 million in 2023 and 2024, and RMB1,624.1 million in 2025, respectively. For the three months ended March 31, 2025 and 2026, our net profit increased from RMB322.1 million to RMB355.2 million, representing a 10.3% growth.

COMPETITIVE STRENGTHS

We are a dedicated player in the automotive lighting products industry with strong market recognition in China.

According to Frost & Sullivan, by sales revenue in 2025, we were the largest automotive lighting manufacturer in China and the seventh largest participant in the global automotive lighting market, with market shares of approximately 11.6% in China and 4.6% globally. In terms of customer collaboration, we have established stable cooperative relationships with nine of the world's top ten automotive manufacturers by vehicle sales volume on a group level in 2025. As automotive lighting products are regulated safety components of vehicles, automotive manufacturers adopt a highly prudent approach in supplier selection, comprehensively assessing suppliers' R&D capabilities, quality stability and overall service capabilities. As an automotive lighting manufacturer with a leading market position in China and a significant global presence, we have established long-term relationships with our customers based on our R&D capabilities, product quality and service efficiency. These relationships have supported higher customer retention and the continued expansion of our customer base. On the supplier side, our market position enables us to build a stable and scalable supply chain with cost efficiencies. Through long-term collaboration and joint development, we have established stable partnerships with our suppliers.

We are an industry leader in the intelligent automotive lighting sector, with substantial technological reserves and extensive project experience in advanced technologies such as HD, DLP and ISD. According to Frost & Sullivan, based on sales revenue in 2025, we ranked first globally and in China in the intelligent automotive lighting market, with a market share of 28.4% in China, significantly ahead of other market participants. Concurrently with

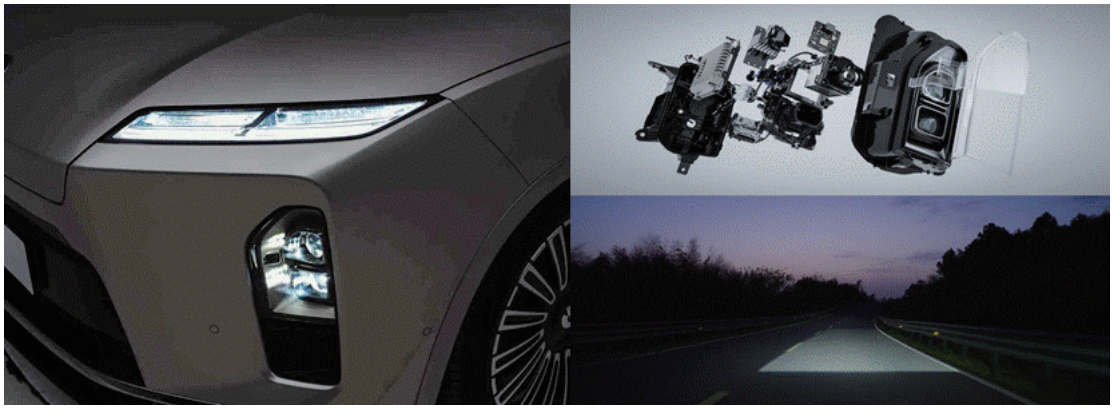
strengthening brand recognition and customer relationships, we continue to advance product and technology iteration in intelligent automotive lighting, maintaining our position at the forefront of technology innovation.

Our operating scale and industry position enable us to capture growth opportunities arising from the expansion of the global automotive lighting market. According to Frost & Sullivan, the market size of automotive lighting in China and globally is expected to reach RMB167.9 billion and RMB434.7 billion, respectively, by 2030, representing CAGRs of approximately 7.1% and 6.6% from 2025 to 2030. We believe that, as the largest automotive lighting products provider in China, we are well-positioned to fully leverage our competitive advantages and further increase our global market share.

Innovation-Driven Development and the Creation of Industry-Model Products

As the core visual interface through which vehicles interact with pedestrians and the external environment, automotive lighting has completed a strategic transformation from a single-function lighting component to a core component of vehicle intelligence. We remain dedicated to automotive lighting, driving innovation across technologies and application scenarios to deliver industry-defining benchmark products.

HD Intelligent Projection Headlamp



We have leading technological advantages in the field of HD automotive lighting. In 2025, we developed dual 10K pixel level HD headlamps for a leading Chinese new energy vehicle brand. This product features a 25,600 pixel projection interaction function, with both FOV (Field of View) and brightness reaching advanced levels, and has achieved favorable market reception.

DLP Intelligent Projection Headlamp

We are also a leading participant in the DLP automotive lighting. During the Track Record Period, we launched dual million pixel level DLP intelligent projection headlamps. These products support a range of welcome lighting effects and intelligent interactive lighting functions and were subsequently adopted across multiple premium new energy vehicle models under different automotive brands.

Through-type Lamp

We have made sustained investments in automotive lighting design and aesthetics, introducing a series of products with a strong market influence. During the Track Record Period, our through-type automotive lamps have been adopted across a number of popular vehicle models globally.

Our lighting controllers serve as core enabling components for the deployment of advanced automotive lighting functions. They are deeply integrated with vehicle electronic systems and are among a limited number of industry solutions built on a platform-based architecture that can be deployed across multiple categories of automotive lighting products. We have completed a transition from a function-defined vehicle architecture to a software-defined vehicle architecture. Leveraging our proprietary software architecture and algorithm modules, our controller product portfolio provides stable support for advanced lighting effects and intelligent interaction functions, and our intelligent driving control product further enables system-level compatibility with L2 driver assistance features. In addition, through early-stage collaboration with automotive manufacturers during vehicle platform development, we are able to align closely with vehicle electrical architectures and applicable functional safety requirements, thereby improving development efficiency, shortening development cycles and enhancing the overall value proposition of our automotive lighting solutions.

Strong End-to-end Proprietary Development Capabilities, Supported by Sustained R&D Investment and Consistent Innovation Outputs

We have built a skilled and experienced R&D team by consistently attracting and retaining talent with robust technical backgrounds. As of March 31, 2026, we had a total of 2,128 R&D personnel, representing 27.6% of our total workforce, of whom over 500 held a master's degree or above. Our top-tier talent base has become a foundation of our long-term growth.

We place strong emphasis on R&D investment. During the Track Record Period, our annual average R&D expenditure exceeded RMB700 million. As of March 31, 2026, we operated 16 R&D centers across China, Germany, Japan, the U.S. and Serbia. Our R&D activities span five core disciplines: optics, mechanics, electronics, software and materials. Based on in-depth insights into customer requirements, we develop styling concepts and co-create automotive lighting application scenarios. To address the requirements of diverse application scenarios, we also collaborate with upstream suppliers in the development of specialized polymer materials for automotive lighting applications. Our testing center is accredited by the CNAS, enabling us to conduct testing in accordance with applicable regulatory standards and customer specifications. In addition, we have been recognized as a National-level Enterprise Technology Center and a National-level Industrial Design Center, and we operate a postdoctoral research workstation accredited by the Ministry of Human Resources and Social Security of the PRC.

We continue to deliver strong R&D outcomes. As of March 31, 2026, we held more than 2,800 granted patents of which more than 500 were invention patents. As of the same date, we had also received the Silver Award of the 20th China Patent Award and the Excellence Award of the 22nd China Patent Award. We also owned more than 400 software copyrights. We place strong emphasis on both theoretical research and technological application, and have published multiple academic papers in leading journals and at Institute of Electrical and Electronics Engineers (IEEE) international conferences, covering a broad range of areas, thereby contributing to the overall technological advancement of the automotive lighting industry.

We actively participate in the formulation of industry standards in the automotive lighting sector. We serve as the Vice Chairman Institution of the Automotive Lighting Committee of the China Association of Automotive Manufacturers, Chairman Institution of Automotive Signal and Related Standards Working Group, and the first drafting entity in China for an ISO international standard in the automotive lighting industry. As of March 31, 2026, we had led and participated in the formulation and revision of 17 international, national and industry standards, underscoring our active role in shaping industry standards and technical norms.

Driving Efficiency, Quality Improvement and Cost Control Through Vertical Integration

The design, development and manufacturing of automotive lighting products involve a highly complex, multidisciplinary and systematic process. Through our vertically integrated operating model, we have established in-house capabilities across key areas, including electronics, tooling and equipment. Supported by long-term R&D and continuous innovation, we have developed broad and in-depth expertise across these areas, enabling efficient cross-functional collaboration. As a result, we are able to continuously improve production efficiency, enhance product quality and maintain effective cost control. The details are set out below:

Electronics

As an automotive lighting manufacturers in the industry with in-house electronics factories, we have established a professional electronics R&D and process engineering team of more than 400 personnel, which is deeply involved throughout the entire lifecycle of automotive lighting projects. We also operate self-developed automated assembly lines for light source modules and controllers, with 100% automated inspection implemented at critical process stages, ensuring product consistency and reliability. Through end-to-end control spanning electronics R&D, process design and in-house manufacturing, we are able to deliver optimal solutions across technology, product quality and cost efficiency.

Tooling

Leveraging over two decades of sustained investment and expertise in tooling, we have established advanced in-house tooling design and manufacturing capabilities with more than 400 team members, allowing us to work closely with downstream customers and internal teams from the early stages of product design and development and to flexibly adjust solutions as needed. During the Track Record Period, the in-house manufacturing rate of our tooling for highly technical multicolor lens and optical component molds reached as high as 90%. Compared with outsourced tooling, our in-house approach not only enables effective cost control but also reduces tooling design lead time by approximately 20% and shortens tooling production cycles by approximately 10%, resulting in higher efficiency and more reliable tooling quality.

Equipment

With over two decades of experience, we have established R&D capabilities with more than 290 R&D team members for intelligent equipment and automated production lines as of March 31, 2026, covering the full range of automotive lighting manufacturing processes. As of the Latest Practicable Date, the in-house manufacturing rate of equipment used in our automotive lighting assembly processes exceeded 90%, covering key processes such as adhesive dispensing, welding, electrical testing, dimensional inspection and vision inspection, and fully supporting the production requirements of various product types. Our in-house intelligent equipment and production lines not only help control costs but also enable smoother information exchange and process integration across different equipment, significantly improving both management efficiency and production efficiency.

Digital Intelligence Capabilities Deeply Empowering Our Operations and Management

Since 2022, we have comprehensively advanced a company-wide digital transformation, focusing on two primary initiatives: full-value-chain business process optimization and the development of digital model factories. In response to evolving market competition and our own development needs, we have continuously optimized core business processes across R&D, procurement, manufacturing, sales and services. We have established a digital technology team of nearly 100 professionals and utilized information technology to integrate data, enhance data utilization, and empower our production and operational activities. Our digital model factories have received broad recognition from relevant authorities, having been awarded honors including MIIT Intelligent Manufacturing Model Factory, National-Level Green Factory, National-Level High-quality Intelligent Manufacturing Scenarios, and have achieved CMMM (Level 4) certificate.

As a result of such initiatives, our product development cycle had been shortened by approximately 30% during the Track Record Period. Our digital and intelligent transformation across over ten manufacturing facilities has also led to a significant reduction in our inventory turnover days, from 101 days in 2023 to 82 days in 2024 to 76 days in 2025, and stabilized at 80 days in the three months ended March 31, 2026. Benefiting from Advanced Planning and Scheduling ("**APS**") system on our IoT platform, we are able to optimize production planning and resource allocation, improving production responsiveness and resource utilization. In 2025, the fulfillment rate of our overall production scheduling reached over 99.5%. Additionally, we have developed hundreds of Business Intelligence ("**BI**") dashboards and digital visualization panels which display key indicators in real time and cover full-value-chain business process. Our digital and intelligent transformation is embedded into daily workflows and supports rapid and efficient decision-making.

Building on the foundation of digital transformation, since 2025, we have actively explored the significant value of AI tools in operational management and manufacturing scenarios. We have promoted the deployment of AI applications in more than ten industrial AI use cases, and in areas such as intelligent review, machine vision inspection and automated process algorithm optimization. For example, we utilize AI-based predictive maintenance and automated evaluation of Eight Disciplines Problem Solving Reports (8D reports), upgrading quality management from reactive response to proactive prevention. The deep integration of digital transformation and AI applications has enabled us to establish advanced digital intelligence capabilities, continuously and comprehensively empowering our operational management.

Strong R&D, Sales and Manufacturing Network Serving Customers Worldwide

We collaborate with leading automotive manufacturers globally and meet the diverse needs of customers across regions through our comprehensive R&D, sales and manufacturing systems.

- **Global R&D network:** As of March 31, 2026, we operated 16 R&D centers across Germany, Japan, the U.S., Serbia and China. Our global R&D platform is supported by a unified digital collaboration system, enabling cross-regional coordination while closely tracking global automotive lighting technology trends and fully leveraging China's engineering talent base.
- **Extensive sales network:** Throughout our development, we have built a strong, stable and diversified customer base and gradually established a comprehensive overseas sales network. As of March 31, 2026, we operated a total of 24 offices and eight logistics centers across Asia, Europe and North America, enabling us to respond efficiently to customer needs.
- **International manufacturing footprint:** To further strengthen our international manufacturing capabilities and meet the growing demand from overseas customers, we commenced operations of our first overseas manufacturing base in Serbia in 2022, providing localized manufacturing support to automotive manufacturers in Europe.

Established Corporate Culture and an Experienced Management Team

While maintaining a strong focus on our core business and continuous innovation, we place significant emphasis on employee well-being and corporate social responsibility. This has enabled us to assemble a group of experienced employees who share common ideals and values, significantly enhancing team stability and cohesion, and laying a solid foundation for our long-term development.

We are led by a management team with deep expertise in the automotive lighting industry and a unique strategic vision. Our founder, Ms. Zhou Xiaoping, has dedicated over 30 years to the industry, utilizing her exceptional capabilities in strategic planning and corporate management to lead us to become a leading enterprise in China's automotive lighting sector. Ms. Zhou serves as a deputy to the 14th Jiangsu Provincial People's Congress, the Vice Chairperson of the China Association of Lighting Industry, and the Executive Vice Chairperson of the Automotive Lighting Committee of the China Association of Automotive Manufacturers. She has been honored with titles including Model Worker of Jiangsu Province and Excellent Entrepreneur of Jiangsu Province. In 2025, Ms. Zhou was awarded the Global SSL (Solid-State Lighting) Award for Outstanding Industry Development by the International SSL Alliance (ISA), in recognition of her sustained innovation and outstanding contributions to the automotive semiconductor lighting industry.

In addition to internally trained talent, our externally recruited members also possesses extensive industry experience. Under their collective leadership, we have seized the historic opportunities arising from the global development of new energy vehicles and are proactively expanding our business into the field of embodied intelligence. We will continue to leverage the management team's industry expertise and strategic insight, together with our accumulated capabilities in optics, mechanics, electronics, software and materials, to deepen our presence in automotive lighting, automotive electronics and embodied intelligence.

OUR STRATEGIES

Consolidating Our Leading Position in the Domestic Market and Expanding Our Global Market Share

With consistent dedication in automotive lighting technologies, we aim to consolidate our market position by maintaining our role as a leading automotive lighting company in China. By aligning our capabilities with the evolving requirements of our core customers, we have commenced construction of an intelligent automotive electronics and vision systems industrial center in Changzhou and are establishing additional manufacturing bases in regions such as Chongqing, thereby expanding our production capacity. The continued expansion of our nationwide manufacturing footprint is expected to enhance delivery capabilities, thereby supporting the further expansion of our market share in China's automotive lighting market.

According to Frost & Sullivan, the global automotive lighting market is expected to grow at a CAGR of 6.6% from 2025 to 2030, reaching a market size of RMB434.7 billion by 2030. Targeting overseas automotive lighting markets currently dominated by foreign-funded manufacturers, we plan to steadily increase our global market share through long-term cooperation with high-quality global customers, the establishment of a globally integrated production and operating framework, and comprehensive technology innovation. Through these initiatives, we aim to further consolidate our competitive position and achieve sustainable long-term growth in the global automotive lighting market.

Deepening Our Footprint and Enhancing International Competitiveness

We plan to continue advancing our global expansion strategy to better serve global customers through localized manufacturing and support capabilities. Serbia serves as a cornerstone of our overseas production footprint. The phase I facility of our Serbian Manufacturing Base has already commenced mass production, and we plan to further advance the construction of the phase II manufacturing facility. Through the expansion of production capacity and upgrading of manufacturing capabilities, we intend to evolve our overseas manufacturing scope from rear lighting to front lighting, thereby further increasing our market share in the European automotive lighting market. At the same time, we are actively monitoring opportunities in the North American market and plan to establish local production capacity when appropriate, which is expected to become a new growth driver for our overseas expansion strategy. In addition, we plan to expand product exports and technology solutions to regions including the Middle East, India and South America, with a view to further increasing the contribution of overseas revenue, strengthening our position as a globally recognized automotive lighting company.

Driving Innovation in Automotive Lighting Technologies

We closely monitor industry trends and continue to enhance the technological sophistication of our automotive lighting products by increasing investment in technology innovation, with a view to further strengthening the safety, intelligence, sustainability, and customization of next-generation vehicle lighting solutions. We continue to lead industry technology innovation in the following areas:

- advancing the development of next-generation lighting technologies, including Micro-LED (10K-level pixel)/DLP (million-level pixel) intelligent projection headlamp technology, Mini Light-Emitting Diode ("**Mini-LED**") ultra-high pixel intelligent display interactive lighting technology, multi-mode intelligent optical system integration technology, and perception-closed-loop intelligent headlamp technology;
- further developing advanced optical design capabilities and precision manufacturing process technologies, while strengthening the construction of high-reliability electronic control systems and software algorithm platforms;

- focusing on sustainability-oriented innovation by leading the development of environmentally friendly materials for automotive lighting applications and promoting the global transition towards more energy-efficient and environmentally sustainable automotive lighting products.

Continuously Enhancing Our Digital Intelligence Capabilities Across the Entire Value Chain

With the objective of achieving digital integration and intelligent operations across the entire value chain by 2030, we continue to build a comprehensive ecosystem of digital intelligence and to develop AI-powered business models:

- **Digital Intelligence R&D:** We are implementing digital lifecycle management in R&D collaboration by establishing platforms for intelligent management of R&D and process data, a global automotive lighting R&D data center and digital twin systems, with a view to further enhancing R&D efficiency and design quality.
- **Digital intelligence manufacturing:** We place significant emphasis on the positive impact of intelligent manufacturing on production efficiency. Through the digital and intelligent upgrading of more than ten factories, we have continuously accumulated standardized factory operating procedures and platform deployment capabilities, enabling the rapid "plug-and-play" launch of new factories and "tailor-made" deployment adapted to local conditions, thereby ensuring efficient and scalable implementation across our international manufacturing footprint.
- **Digital intelligence decision-making:** We continue to apply artificial intelligence technologies to our decision-making systems by collecting and integrating data across procurement, sales, finance, human resources and energy management, and progressively advancing the automation and intelligence of operational and management decision-making.

Advancing the Development and Innovation of Embodied Intelligence Businesses

We continue to integrate and transfer the comprehensive technological capabilities accumulated through our core automotive lighting business across optics, mechanics, electronics, software and materials, to strengthen R&D in key embodied intelligence modules, with a strategic focus on optical technologies and the upgrading of core modules.

- **Development of training scenarios for embodied robotics models:** Leveraging intelligent manufacturing scenarios within our factories, we aim to provide targeted model training environments, continuously generate high-quality training data, and accelerate the deployment of embodied intelligent robots in industrial applications, thereby empowering broader industry adoption.
- **Promoting commercialization through diversified approaches:** We are currently collaborating with leading robotics companies in the industry to jointly establish an intelligent robotics company and have partnered with relevant universities to conduct R&D on robotic sensors, thereby continuously deepening our strategic positioning in the field of embodied intelligence. Considering our existing technological capabilities and manufacturing capacity advantages, we plan to adopt a diversified approach to developing embodied intelligence, encompassing strategic cooperation, industry-university-research collaboration and equity investments. Through these initiatives, we seek to drive the delivery of core component samples and secure commercial orders, while continuously exploring innovative application scenarios in the field of embodied intelligence.

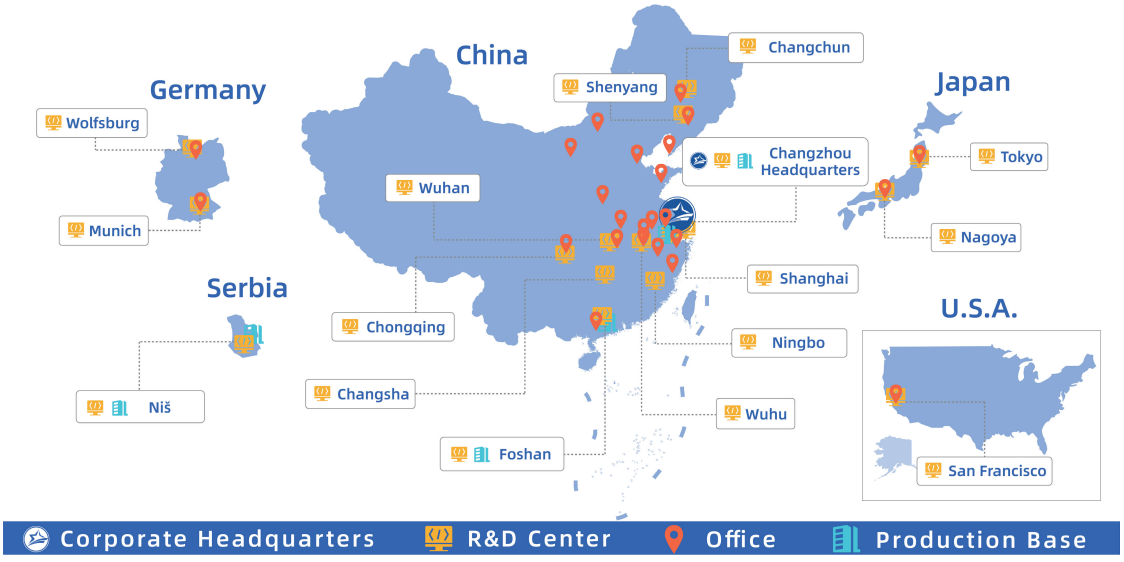
OUR BUSINESS

We are the largest automotive lighting products provider in China and a major global market player. Leveraging our decades of operating history, we have established an integrated operational footprint. As of March 31, 2026, we operated three major manufacturing bases, comprising 12 manufacturing facilities, of which 11 were located in the PRC and one in Serbia, forming a robust manufacturing network that enables us to serve key automotive markets in Asia, Europe and the Americas in an efficient manner.

Our manufacturing bases also function as localized operational support centers, integrating manufacturing facilities, warehousing facilities and logistics hubs, and are strategically positioned to serve nearby automotive manufacturer customers. To date, we have established ourselves as a strategic supplier to numerous leading domestic and international automotive manufacturers. We prioritize localized services, which we believe enable us to enhance responsiveness, streamline logistics processes, and improve precision in development and manufacturing, thereby ensuring compliance with customer specifications and requirements.

Our international manufacturing footprint supports modularized production and localized delivery, enabling us to respond flexibly and cost-effectively to automotive manufacturer development cycles while supporting the evolving needs of our customers.

The following diagram illustrates our operational footprint in and outside of China as of the Latest Practicable Date.



Note:

(1) The above illustration does not reflect the actual geographical location of the shown countries or regions.

During the Track Record Period, we were primarily engaged in the integrated R&D, manufacturing and sale of automotive lighting products widely applied across multiple automotive manufacturers. Our product offerings mainly include front lighting, rear lighting, other lighting and controllers. For further details of our revenue breakdown by product type and geographic locations, see "Financial Information — Revenue".

OUR PRODUCTS

Automotive Lighting Systems

Automotive lighting systems are a key component of overall vehicle architecture and perform critical safety functions in everyday driving scenarios. As the automotive industry continues to evolve toward greater intelligence and electrification, vehicle lighting systems have progressed from basic functional components to important technological indicators of vehicle platform upgrades. In the age of intelligent vehicles, lighting systems stand out as some of the most recognizable exterior design elements. They also function as the main interface between the vehicle's infotainment system and the outside world. Additionally, lighting plays a crucial role in consumer choices, as it directly showcases a vehicle's technological features and brand identity.

Our product portfolio comprehensively covers front lighting, rear lighting, other lighting and controllers, spanning a complete range of interior and exterior user scenarios. We are committed to providing users with a comprehensive lighting experience that integrates safety, intelligence and personalization. From a driving safety perspective, we continually enhance the illumination precision and interactive experience of front lighting products through innovations in optical design and intelligent control technologies, while optimizing the warning effectiveness and dynamic signaling performance of rear lighting products. This enables us to effectively support driving safety under various operating conditions.

We also focus on creating a comfortable and customized "third space" for users. Through variations in color and brightness of ambient lighting and other optical components, we not only deliver essential functional illumination, but also transform lighting into a medium for emotional interaction, supporting features such as multi-scenario mode switching, music-responsive lighting effects and customizable color options, and providing users with a richer and more immersive in-vehicle entertainment and lifestyle experience. We will continue to advance along the core directions of "safety, intelligence and personalization" by deepening the integration of lighting systems with vehicle electronic architecture, perception systems and human-machine interaction interfaces, promoting the evolution of lighting systems from functional execution toward intelligent interaction, supporting automotive brands in building differentiated product offerings and creating a safer and more enjoyable mobility experience for end users.

From early-stage R&D through mass production, we work closely with our customers to co-develop and design system solutions, focusing on providing environmentally friendly system solutions based on customers' needs. Such close collaboration enhances our understanding of customer requirements and fosters innovation, enabling us to deliver more effective and customized solutions, thereby improving customer satisfaction and loyalty. In addition, this collaborative development model continuously exposes us to diverse technical and market requirements, driving capability enhancement and management optimization. This enables us to gain insights into industry trends, and proactively develop new solutions and products, thereby capturing opportunities in emerging markets.

To date, we have established long-term and stable business relationships with a number of leading global automotive manufacturers. As of the Latest Practicable Date, we had established business relationships with nine of the world's top ten automotive manufacturers by vehicle sales volume calculated on a group level in 2025. In particular, we have jointly developed and mass-produced DLP-based million-pixel projection headlamps with a leading Chinese new energy vehicle manufacturer, which integrates conventional lighting functions, ADB modules and million-pixel projection modules, and enables high-precision illumination, dynamic light carpet projection, and video projection functionalities, representing a significant advancement in intelligent automotive lighting technologies. As of the Latest Practicable Date, our DLP technology had been adopted by more premium passenger vehicle models of various automotive brands.

Our Automotive Lighting Product Portfolio

Our automotive lighting product portfolio primarily comprises front lighting, rear lighting, other lighting and controllers.

- ***Front lighting.*** Our front lighting products have evolved from conventional lighting components into intelligent sensing and dynamic light distribution systems. Our representative products include standard LED headlamps, adaptive matrix LED headlamps, intelligent projection headlamps (including HD and DLP solutions) and front ISD interactive lamps.
- ***Rear lighting.*** The signaling display functions and intelligent interaction capabilities of our rear lighting products have been significantly enhanced, enabling interactive lighting signals, programmable lighting effects and customized animations, which improve vehicle recognizability and brand characteristics. Our representative products include through-type rear lamps, rear ISD interactive lamps and dynamic OLED rear lamps.
- ***Other lighting.*** Our other lighting products create a more human-centric and emotionally expressive atmosphere inside and outside the vehicle through dynamic brightness adjustment, customized welcome lighting effects and integration with vehicle body systems, which help regulate the mental state of drivers and passengers and enhance the overall experience of road users. Our representative products include carpet projection lamps, intelligent ambient lighting systems and cockpit lighting products.
- ***Controllers.*** Controllers are core components that centrally receive instructions from the vehicle and sensors, control lighting functions, provide safety protection and fault diagnosis capabilities, and interface with overall vehicle systems. Our representative products include lighting controllers such as HCMs, RCMs and LCUs, HD and DLP controllers, and intelligent driving controllers.

During the Track Record Period, the unit selling prices of our front lighting products ranged from approximately RMB170 to RMB6,700; the unit selling prices of our rear lighting products ranged from approximately RMB70 to RMB2,200; the unit selling prices of our other lighting products ranged from approximately RMB7 to RMB160; and the unit selling prices of our controllers ranged from approximately RMB70 to RMB3,600.

The list below illustrates representative automotive lighting products and their various application scenarios:

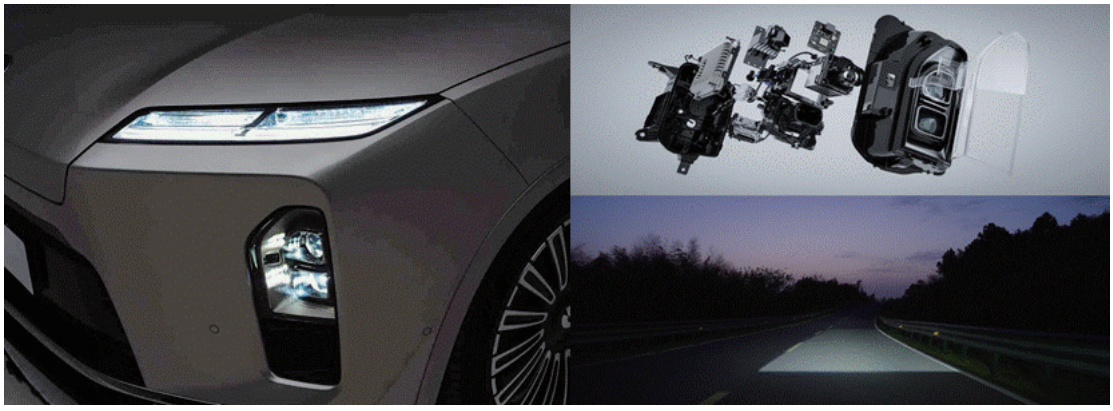
Standard LED Headlamp

Our LED headlamps use light-emitting diodes as the light source, offering lower energy consumption, longer service life and faster response compared with traditional halogen and xenon lamps. Their compact size and flexible design support customized vehicle styling, and as costs continue to decline, LED headlamps are increasingly adopted across a wide range of vehicle models.

Adaptive Matrix LED Headlamp

Our adaptive matrix LED headlamps integrate ADB technology and use cameras and sensors to monitor road conditions in real time, enabling precise control of individual LEDs to dynamically adjust beam patterns. This allows the system to maintain high-beam illumination while selectively dimming or switching off specific LEDs to reduce glare to other road users, thereby enhancing visibility and driving safety.

HD Intelligent Projection Headlamp



Our HD intelligent projection headlamps support high-definition projection and dynamic lighting functions, enhancing user experience and nighttime driving safety through features such as real-time lane illumination. The system significantly improves lighting precision to up to 25,600 pixels and enables interactive functionalities through projection imaging. It also supports OTA updates, allowing continuous feature enhancement and improved human-vehicle interaction.

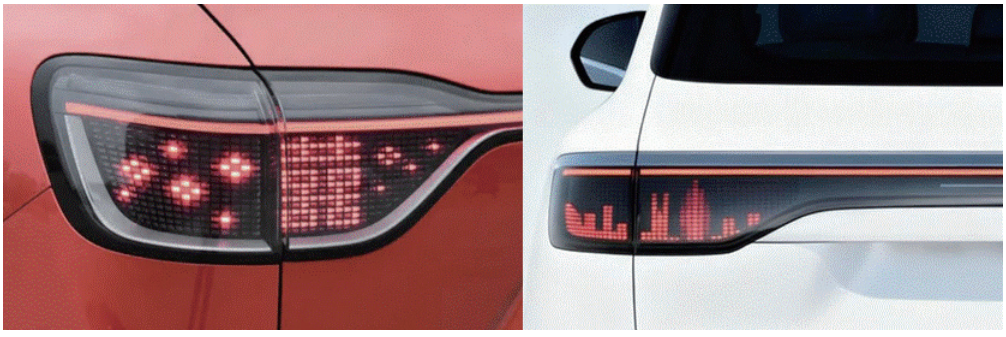
DLP Intelligent Projection Headlamp

Our DLP intelligent projection headlamps integrate advanced hardware, interactive functions and upgradeability, representing a new generation of intelligent lighting systems. Equipped with high-definition projection technology, they support features such as lane guidance, pedestrian-yield indications and customized projections, enhancing driving safety and user interaction. The system also supports OTA upgrades, enabling continuous functional expansion and reinforcing the premium and intelligent positioning of vehicle models.

Through-type Lamp

Our through-type lamps feature a continuous lighting design spanning the full width of the vehicle and integrate functions such as position lights, brake lights and turn signals. This design enhances visual impact, perceived vehicle width and nighttime recognizability, and has been widely adopted across both premium and mainstream vehicle models.

ISD Interactive Lighting Products



Our ISD interactive lighting products comprise independently controllable LED pixels capable of dynamically displaying graphics, text and animations, enabling customizable lighting patterns beyond traditional fixed designs. Integrated with vehicle electronic architecture and autonomous driving systems, they support OTA updates for continuous functional enhancement. ISD interactive lighting enables visual communication with road users, such as pedestrian-yield indications and driving prompts, thereby enhancing safety and interaction.

OLED Rear Lamp

Our OLED rear lamp products adopt an ultra-thin panel integrated molding design, creating a distinctive three-dimensional appearance while enabling pixel-level independent light control. The full surface delivers uniform illumination with no visible light granularity or dark zones, achieving smooth and transparent transitions between light and shadow, and enhancing the vehicle's sense of technological sophistication and luxury. As a digital interactive lighting system, the products support user-defined patterns and dynamic lighting effects. Scenario-based displays, including light shows and charging indicators, enable vehicles to communicate with their surroundings in real time through light as a language, transforming the lighting system into an emotional medium that embodies intelligent luxury.

Carpet Projection Lamp

Our carpet projection lamps improve user experience by providing scenario-based interaction. When users approach or leave the vehicle, the system automatically projects customized welcome light carpets and dynamic animations, enhanced with lighting and sound effects. This creates a memorable entry and exit experience, complemented by additional features.

Ambient Lighting and Interior Lighting Products

Our carpet projection lamps enhance user experience with scenario-based projection interactions. When users approach or leave the vehicle, the system automatically displays personalized welcome light carpets and dynamic animations, complemented by lighting and sound effects to craft a unique entry and exit experience, along with additional supporting features.

Controller Products

Our controller products include (1) headlamp control modules, (2) lighting control units, (3) DLP/HD controllers, and (4) intelligent driving controllers. These serve as core components for advanced automotive lighting and driver assistance functions. They support adaptive features like pixelated adaptive high beam, Adaptive Frontlight System ("**AFS**"), and Automatic Headlamp Leveling System ("**ALS**"), along with exterior interaction and information display functions. All comply with relevant regulatory and safety standards, including Automotive Safety Integrity Level B ("**ASIL-B**"). Built on scalable, platform-based architectures, our controllers enable configurable software across vehicle models, simplify development, and support OTA updates for ongoing improvements. Our DLP/HD controllers deliver power supply, communication, logic control, and diagnostic monitoring for high-resolution projection modules. Meanwhile, our intelligent driving controllers incorporate high-definition cameras and vision algorithms to enable Level 2 ADAS functions such as adaptive cruise control and lane-keeping assist, offering cost-effective solutions for passenger vehicles.

R&D

We are committed to technology innovation, which is critical to enhancing our competitiveness, creating value for our customers, and driving the growths of our sales and profitability. We have made, and will continue to make, substantial investments in R&D. In 2023, 2024, 2025 and the three months period ended March 31, 2026, our research and development expenses totaled RMB610.2 million, RMB655.5 million, RMB883.7 million and RMB229.0 million, representing 6.0%, 4.9%, 5.8% and 6.7% of our revenue for the corresponding years/period, respectively.

Our R&D System

Our global R&D system adopts a "1+N" tiered architecture that integrates technology research and product development. This system comprises (i) our R&D headquarters in Changzhou, which focuses on the overall R&D framework and capability building, and leads applied innovation and product development and introduction, and (ii) 15 R&D centers located in other cities in China as well as in Germany, Serbia, the U.S., and Japan. Such a system covers the entire innovation chain from the technology initiation stage to product development stage. This structured system enables us to rapidly translate research outcomes into high-quality products at scale and has proven highly effective in supporting our growth and enhancing our competitiveness.

Our Changzhou R&D headquarters plays a critical role in advancing core technologies with broad applications across multiple industries. In particular, the Xingyu Research Institute at our headquarters plays a pivotal role in driving innovation and technological advancement, with a focus on exploring the latest technologies, such as digital projection headlamps, flying vehicle lighting and intelligent visual interaction systems. In addition to the research institute, the Changzhou R&D headquarters has long been committed to an integrated innovation framework combining optics, mechanics, electronics, softwares and materials to enhance product performance and competitiveness.

All 16 R&D centers are interconnected through a unified digital collaboration platform, supporting real-time data sharing, cross-regional project collaboration and standardized end-to-end R&D management. The entire R&D system is coordinated through a Product Lifecycle Management ("**PLM**") system, enabling fully digitalized collaboration and control from concept development through mass production. Each regional R&D center is located near customer sites, enabling it to quickly absorb R&D results from our Changzhou R&D headquarters and respond in real-time to customer project requirements. Through their close integration with business units, these centers ensure the smooth commercialization of R&D results and the continuous alignment of products with market demand.

We not only focus on technology research but also establish production technique R&D department focusing on manufacturing process and in-house departments specialized in intelligent equipment and tooling. This enables us to form vertically integrated capabilities spanning core processes and production equipment, providing solid support for efficient product development and stable mass production.

Collaboration with third-parties

We also place significant emphasis on collaboration with universities and research institutions in China. We have actively partnered with Zhejiang University to establish a joint research program on free-form surface optics, collaborated with Changchun University of Science and Technology on optical diffraction and refraction technologies, and worked with Jiangnan University on styling design and scenario-based interaction co-creation, to further enhance the design freedom, imaging quality, richness of light-signaling expression, and intelligent interactive experience of intelligent automotive lighting systems. In addition, we work closely with national key laboratories to jointly explore new technologies in intelligent automotive lighting, diffractive projection, and self-adaptive light beam control to overcome key challenges including high-precision light distribution, complex free-form surface integration, and dynamic intelligent lighting control. Furthermore, we have been recognized as a National Industrial Design Center and a National Enterprise Technology Center and have established a "Postdoctoral Research Workstation" accredited by the Ministry of Human Resources and Social Security of the PRC, as well as several high-level research platforms, including the Jiangsu Provincial Key Laboratory of Intelligent Automotive Lighting Systems and the Jiangsu Provincial Automotive Lighting Engineering Technology Research Center.

In respect of our collaborations with automotive manufacturers and other third-parties, such arrangements are generally project-based and governed by cooperation or development agreements setting out, among others, the scope of work, development period, roles and responsibilities of each party, and confidentiality obligations. For co-development

projects with automotive manufacturer customers, we typically undertake product design and development in accordance with customer specifications, and all intellectual property rights arising from such projects are generally owned by the customers. For collaborations with third parties, including humanoid robot manufacturers, universities and research institutions, the ownership of intellectual property rights is determined in accordance with the relevant contractual arrangements and may be jointly owned or owned by us, depending on the nature of the collaboration. Such collaboration arrangements generally do not involve material profit- or loss-sharing mechanisms and fees payable to third parties are typically determined based on agreed service scope or development work. The salient terms of the agreements are set out below:

- **Duration.** The agreements are generally entered into for a fixed term or the duration of the relevant development project, typically ranging from one to two years, and may be extended or renewed upon mutual agreement of the parties.
- **Roles and responsibilities.** Depending on the nature of the project, our counterparties are generally responsible for defining technical specifications, functional requirements, vehicle integration requirements, project objectives or research scope, while we are generally responsible for product design, engineering development, testing, validation, tooling development, production preparation and technical support. In joint development projects, the parties share development responsibilities in accordance with agreed work allocation arrangements.
- **Pricing.** Consideration is generally determined on a project-by-project basis and may take the form of fixed development fees, milestone-based payments, hourly service fees or cost-sharing arrangements. Payment schedules are typically linked to the completion of specified development milestones, deliverables or project acceptance.
- **Commercial rights and intellectual property.** Intellectual property rights developed under these agreements are allocated in accordance with the specific contractual arrangements. Depending on the nature of the cooperation, (i) newly developed intellectual property may belong to us, (ii) may be jointly owned by us and our counterparties, or (iii) may belong to the customer where the development is based on customer-provided technologies, specifications or resources. For jointly owned intellectual property, either party may generally use the jointly developed technology for its own business purposes, while licensing, transferring or otherwise commercializing such intellectual property to third parties typically requires the prior written consent of the other party. Where intellectual property belongs to the customer, we are generally restricted from commercializing, licensing or supplying products incorporating such intellectual property to third parties without the customer's prior consent. Up to the latest practicable date, we have had one co-owned patent with a third-party developer.
- **Confidentiality.** The parties are generally required to keep confidential all technical, commercial and other proprietary information obtained in connection with the cooperation and may not disclose such information to third parties without prior written consent, except as required by applicable laws or regulations. Confidentiality obligations generally survive the termination or expiration of the agreements.
- **Termination.** The agreements may generally be terminated by mutual agreement of the parties, upon material breach by either party, insolvency or inability to perform contractual obligations, force majeure events or other specified termination events. Termination generally does not affect accrued rights and obligations, including confidentiality and intellectual property provisions intended to survive termination.

Our R&D Talents and Accreditation

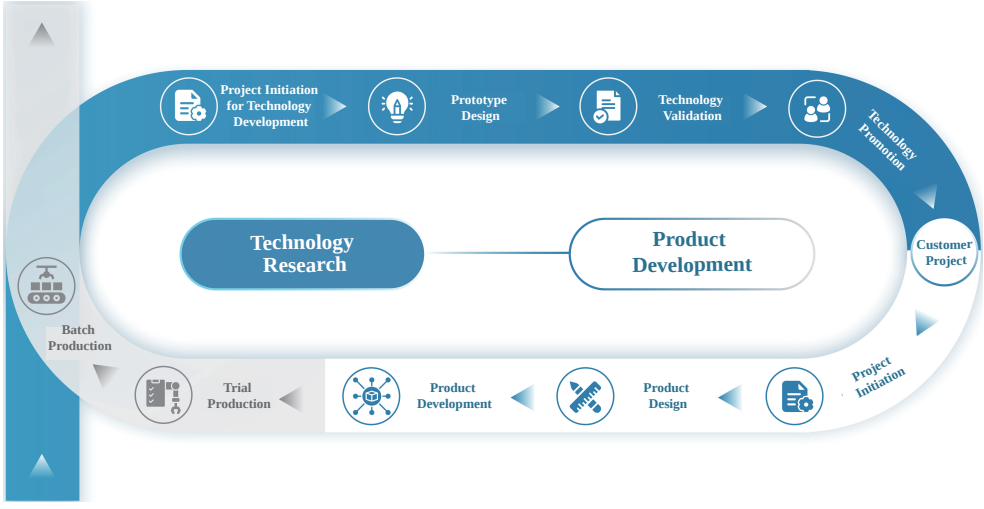
As of March 31, 2026, we employed 2,128 R&D personnel, including globally leading industry experts, more than 500 of whom held a master's degree or above. Three of our experts serving on the International Organization for Standardization/Road Vehicles Technical Committee (ISO/TC 22) actively participate each year, under the organization of the MIIT, in the Working Party on Lighting and Light-Signalling (GRE) working group meetings under UNECE/World Forum for Harmonization of Vehicle Regulations (WP.29) and submit proposals on behalf of China. We are also a member of the strategic working group of the Global Technical Regulations for Automotive Lighting and Light-Signaling (GTB), participating in research on future regulations for the automotive lighting industry. The first ISO standard project initiated by the Chinese automotive lighting industry, "Road Vehicles — Anti-fog Coatings for External Lighting Devices — Technical Requirements," which we led, was unanimously approved and formally published by the International Organization for Standardization, filling a gap in international standards in the automotive lighting field. As of March 31, 2026, we had led or participated in the formulation and revision of 17 international, national and industry standards.

Additionally, our testing center has obtained accreditation from the CNAS, allowing us to conduct a wide range of tests required by national regulations and customer specifications. As of March 31, 2026, we owned more than 2,800 patents worldwide and had initiated an international patent layout under the Patent Cooperation Treaty (PCT), thereby strengthening intellectual property protection for the commercialization of our technological achievements and supporting our market expansion efforts.

Our R&D Process

Our R&D efforts focus on outcomes with practical application potential that can be commercialized. Most R&D projects are directly aligned with specific customer vehicle models or next-generation core technologies, ensuring that our R&D results can be rapidly translated into mass-produced products or advanced manufacturing processes. This results-oriented, customer-driven R&D framework is a key driver that enables us to maintain a leading position in high-value intelligent automotive lighting products.

Our R&D process primarily comprises two key phases, technology research and product development.



During the technology research phase, (1) at the technology initiation stage, our R&D team analyses market trends and applicable regulatory standards to define product positioning and key performance targets, and formulates a technology roadmap to support project approval decisions; (2) during the prototype design stage, we carry out cross-disciplinary design covering styling, optical performance, structural configuration, electronic hardware and software systems, with integrated validation to ensure functionality and reliability; (3) in the technology validation stage, prototype products undergo comprehensive testing, including optical performance verification, environmental durability testing and mandatory certification, to ensure compliance with applicable standards; and (4) during the technology promotion stage, we engage with customers through technical exchanges and product definition discussions to secure project nominations and support continuous product iteration. During the product development phase, (1) at the project initiation stage, we translate customer requirements into detailed design specifications, establish project plans and form cross-functional teams to ensure efficient project execution; (2) during the product design stage, we complete product and system design, process planning and equipment design, with multi-department validation to ensure manufacturability and quality; and (3) in the product development stage, we coordinate with suppliers to develop molds, equipment and components, conduct trial production and OTS approval, and complete testing and certification to support mass production.

Our R&D Initiatives

Our research and development activities in automotive lighting focus on integrated lighting, electronics and perception systems with particular emphasis on precise optics, lighting control algorithms and visual interaction technologies. We address key technical challenges related to glare control, beam distribution accuracy and optical signal clarity to enhance driving safety, while actively exploring perception-close-looped intelligent lighting systems. Our R&D efforts also aim to improve light distribution uniformity, material durability and environmental resistance, as well as to enhance thermal and mechanical reliability, reduce component size and power consumption, and optimize overall cost efficiency. We are advancing several major R&D initiatives focused on next-generation intelligent automotive lighting technologies. We are undertaking iterative R&D and application of intelligent lighting systems based on DLP, Micro-LED and integrated perception fusion technologies, including the establishment of pilot production lines, development of validation tools and trial production, with a view to progressing towards commercialization of next-generation products. In parallel, we are developing weather-resistant and environmentally friendly materials to enhance product reliability and support sustainable innovation. We are also enhancing our intelligent automotive lighting software solutions and development platforms, which is expected to improve development efficiency and shorten product development cycles. These initiatives are currently at various stages of development, and we expect to achieve key milestones, including pilot production readiness, platform upgrades and material validation, progressively over the next two to three years. Up to the Latest Practicable Date, we have achieved significant milestones in our DLP and Micro-LED technologies, successfully commercializing these upgrades in our customers' latest NEV product lines in 2026.

Our R&D on Embodied intelligence

We continuously integrate and leverage the comprehensive capabilities in optics, mechanics, electronics, software and materials that we have accumulated through our core business over many years, together with our automotive-grade integrated and vertically integrated manufacturing capabilities, to strengthen our research, development and manufacturing capabilities in the field of embodied intelligence products. We have completed the development and validation of head modules and related components, and are now able to provide systematic optical solutions that encompass illumination, display and projection technologies.

Our embodied intelligence robot components primarily comprise (1) head interaction modules, which integrate OLED displays, cameras, Light Detection and Ranging ("**LiDAR**"), voice modules, central control units and concealed lighting technologies to enable perception, decision-making and interaction functions, and can be customized based on customer requirements; (2) optical modules, which utilize DLP, Micro-LED and laser projection systems to support environmental labeling, spatial guidance and multi-modal human-machine interaction, enhancing task coordination and expression capabilities of robots; and (3) robot skins and structural components, which combine In-Mold Labeling ("**IML**"), multi-color injection molding and nano-micro engraving technologies with optical and temperature sensors, lighting and heating modules to enable environmental interaction and status feedback, while surface treatment technologies and functional coatings improve durability, optical performance and appearance quality.

Up to the Latest Practicable Date, we had commenced R&D cooperation with several leading domestic humanoid robot manufacturers, providing joint development of robot head interaction modules, optical systems and related joint drive components, among which part of partners had completed prototype delivery and entered the testing or pilot phase.

Our Technologies

Through years of sustained R&D efforts, we have successfully transformed research into a series of proprietary technologies, enabling us to compete effectively in the market. Our core technologies include:

- *Micro-LED 10K-level pixel intelligent projection headlamp technology:* enables pixel-level dynamic light distribution, anti-glare high-beam functionality and road projection features, with mass-produced solutions supporting up to 25,600 pixels, significantly enhancing nighttime driving safety and interactive experiences.
- *DLP million-level pixel intelligent projection headlamp technology:* supports projection resolutions of up to 1.3 million pixels, enabling ultra-high-definition welcome animations, ground projection of navigation information, audio-visual entertainment and motion-based interactive gaming applications.
- *Mini-LED ultra-high-pixel intelligent display interactive lighting technology:* supports more than 100,000 independently controllable pixels per lamp, enabling programmable dynamic rear lighting and high-definition exterior interactive light signaling.
- *Multi-mode intelligent optical system integration technology:* deeply integrates AFS, ADB and DLP into a single headlamp module, achieving an optimal balance in a limited space, high performance and cost efficiency, and has been mass-produced and applied in multiple flagship vehicle models.
- *Perception-closed-loop intelligent automotive lighting technology:* incorporates cameras and sensors within lighting systems to enable environment-adaptive light adjustment, light-based environmental perception and deep interaction with ADAS systems, and is currently at a leading stage of market deployment within the industry.

- *Advanced optical design and precision manufacturing process technologies:* covering freeform optical design, ultra-thin light guide design, multi-color injection molding, high-efficiency anti-reflection coating and in-mold injection processes, ensuring top-tier optical performance and consistency in mass production.
- *High-reliability electronic control and software algorithm platforms:* including domain-level lighting controllers (HCM/RCM/LCU) and intelligent lighting software systems supporting OTA upgrades, enabling centralized vehicle-wide lighting control and customized lighting effect definition.

PRODUCTION

As of March 31, 2026, we operated three major manufacturing bases, comprising 12 manufacturing facilities, of which 11 were located in the PRC and one in Serbia, forming a robust manufacturing network that enables us to efficiently supply key automotive markets in Asia, Europe and the Americas. In May 2026, our Chongqing Manufacturing Base commenced trial operations, focusing on the production of front and rear lighting products to strengthen our ability to serve clients in southwestern China.

Our three manufacturing bases are located in Changzhou, Foshan and Niš, Serbia, which integrate manufacturing clusters, warehousing facilities and logistics hubs to optimize supply chain efficiency and serve nearby markets. As of March 31, 2026, our manufacturing bases were equipped with over 500 units of advanced processing equipment, of which over 300 units were injection molding machines, and were also supported by 58 advanced Surface Mount Technology ("**SMT**") production lines and over 470 specialized assembly lines. In addition, we had over 1,600 industrial and collaborative robots in operation as of March 31, 2026.

In 2023, 2024 and 2025, our total production capacity was approximately 13.8 million units, 15.0 million units and 14.5 million units of front lighting products, and 18.0 million units, 20.4 million units and 20.6 million units of rear lighting products, respectively.

As of March 31, 2026, our production workforce comprised 4,657 employees, supporting the operation of our international manufacturing network. In our overseas operations, we prioritize the employment of local personnel to form our production teams, enabling us to leverage local talent pools and contribute to the economic development of the regions in which we operate. The employment of local personnel also facilitates stronger regional relationships and ensures that our workforce is familiar with local practices and cultural nuances, thereby enhancing production efficiency and workplace harmony.

The following table sets forth certain information relating to our principal manufacturing bases as of March 31, 2026:

Manufacturing Base	Year of Commencement of Operation	Aggregate GFA	Description
		(square meter)	
PRC			
Changzhou Manufacturing Base	2000	421,733	The headquarters cluster, comprising multiple manufacturing facilities, is capable of producing front lighting, rear lighting, other lighting and controllers.
Foshan Manufacturing Base	2015	46,171	Our Southern China manufacturing base primarily responsible for producing front lighting, rear lighting and other lighting for local customers.
Serbia			
Serbian Manufacturing Base	2022	41,547	Our first overseas manufacturing facility, primarily produces rear lighting and other lighting.

The following table sets forth the production capacity and production volume by manufacturing base for the years/period indicated:

	Year ended December 31,									Three months ended March 31,		
	2023			2024			2025			2026		
Manufacturing Base	Production Capacity	Production Volume	Major Supplying Region(s)	Production Capacity	Production Volume	Major Supplying Region(s)	Production Capacity	Production Volume	Major Supplying Region(s)	Production Capacity	Production Volume	Major Supplying Region(s)
	(in thousand units)											
PRC												
Changzhou Manufacturing Base	24,656	22,183	PRC, Germany, Brazil	28,232	26,411	PRC, Germany, Brazil	27,113	24,757	PRC, Germany, Brazil	6,778	4,875	PRC, Germany, Brazil
Foshan Manufacturing Base	4,504	3,638	PRC	4,553	3,541	PRC	5,258	4,291	PRC	1,315	718	PRC
Serbia												
Serbian Manufacturing Base	2,663	299	Czech Republic, Germany, Spain	2,663	1,259	Czech Republic, Germany, Spain	2,663	1,699	Czech Republic, Germany, Spain	666	475	Czech Republic, Germany, Spain

The following table sets forth the production capacity and production volume by major product category for the years/period indicated:

	Year ended December 31,									Three months ended March 31,		
	2023			2024			2025			2026		
	Production Capacity	Production Volume	Utilization Rate	Production Capacity	Production Volume	Utilization Rate	Production Capacity	Production Volume	Utilization Rate	Production Capacity	Production Volume	Utilization Rate
	(in thousand units, except for percentages)											
PRC												
Front lighting . . .	13,807	11,051	80.0%	15,003	12,948	86.3%	14,471	12,618	87.2%	3,618	2,520	69.7%
Rear lighting	15,354	14,769	96.2%	17,782	17,004	95.6%	17,900	16,430	91.8%	4,475	3,072	68.6%
Serbia												
Rear lighting	2,663	299	11.2%	2,663	1,259	47.3%	2,663	1,699	63.8%	666	475	71.3%

Notes:

(1) Our production capacity for each year is calculated based on 300 working days, 24 daily working hours and production pace. Our production capacity for the three months ended March 31, 2026 is calculated based on 75 working days, 24 daily working hours and production pace. Working hours already account for the time required for maintenance, mold changes and equipment adjustments. The production pace is determined by process bottlenecks. For example, for headlamps and rear lamps, the injection molding capacity of the lens serves as the benchmark. Factors such as production cycle time and qualification rates are calculated according to the company's standardized production efficiency targets.

(2) Our capacity utilization rate for each year/period is calculated by dividing actual output by production capacity.

(3) Our production volume in the PRC decreased slightly in 2025, primarily due to a temporary reduction in customer orders during automotive product line iterations.

(4) The decrease in utilization rate during the three months ended March 31, 2026 was primarily attributable to seasonal factors. The first calendar quarter is typically the weakest period for automotive sales in China due to fewer effective production and sales days during the Chinese New Year holiday. In addition, automotive manufacturers generally concentrate promotional campaigns and sales incentives in the fourth calendar quarter to achieve their annual sales targets. As production volumes of automotive components generally fluctuate in line with vehicle production and sales, our production volume and corresponding utilization rate declined during the period.

During the Track Record Period and up to the Latest Practicable Date, we have continuously upgraded our existing production facilities to address growing demand and the evolving specifications and requirements of automotive lighting systems and related optoelectronic components. Key initiatives include enhancing the automation and digitalization levels of our core domestic facilities, while optimizing production processes through in-house tooling development, flexible production lines and AI-driven quality control systems.

We are in the process of establishing new manufacturing facilities at strategic locations to support localized supply chains and shorten delivery cycles for global automotive manufacturer customers. We are accelerating the intelligent automotive and vision systems industrial center project, conducting trial operations of our Chongqing Manufacturing Base, and proceeding with Phase II expansion of the Serbian Manufacturing Base to enable full-category lighting production for European automotive manufacturers. Our intelligent automotive and vision systems industrial center is designed to focus primarily on the production of our intelligent automotive lighting products and will be equipped with a higher level of digitalization and intelligent manufacturing than the rest of our manufacturing bases. It forms part of our Changzhou Manufacturing Base. See "Future Plans and [**REDACTED**]."

Project	Status	Planned Production Capacity	Size	Supplying Regions	Location
Intelligent Automotive and Vision Systems Industrial Center	• Construction works have commenced; Phase I is expected to commence production in the first half of 2027.	Phase I capacity: approximately 4.1 million front lighting products and 5.5 million rear lighting products per year.	266,132 m^2	Domestic regions in China (excluding South China)	Changzhou, China
Chongqing Manufacturing Base	• Trial operations commenced in May 2026.	Approximately 3.0 million lighting units per year, including 1.5 million front lighting products and 1.5 million rear lighting products per year.	27,803 m^2	Primarily Southwest China	Chongqing, China
Serbia Manufacturing Base Phase II	• Land acquisition is complete, and the plant is currently in planning and design stages; production is expected to start in 2028.	Preliminary planned capacity of approximately 6.0 million lighting units (subject to finalization); capacity mix among different lighting products is under evaluation	34,000 m^2	Primarily European countries	Palilula, Serbia

Production Process

All of our manufacturing facilities adhere to established production standards and procedures, ensuring consistency, quality and efficiency across our operations.

Production Standardization

We strive to achieve a high degree of standardization to ensure stable output, reliable quality and enhanced production efficiency. All of our manufacturing facilities strictly implement uniform process standards and operating procedures, ensuring consistency in product quality, uniformity and production efficiency across our operations. Through this standardized framework, we are able to rapidly introduce new products without large-scale production line modifications or heavy capital investment, significantly shortening the capacity ramp-up cycle for new vehicle programs and flexibly responding to diverse market and customer requirements, while continuously expanding our product portfolio and maintaining operational efficiency and cost advantages.

Given the high degree of similarity among the basic structure of key components, production lines can switch between different customized products with only limited tooling or program adjustments, substantially reducing changeover time. This is particularly important during rapid vehicle model iterations or product phase-outs, enabling smooth production line transitions with minimal downtime or large-scale modifications, thereby optimizing equipment utilization and mitigating risks arising from market fluctuations. At the same time, standardization facilitates the extensive application of automation equipment, allowing robots, vision inspection systems and automated assembly systems to operate stably and efficiently with reduced manual intervention. We embed the concept of "design for automated production" at the product design stage, adhere to Design for Manufacturing/Design for Assembly ("**DFM/DFA**") principles, and continuously optimize production line layouts and process equipment to meet the technical requirements of high-level automated manufacturing.

Production Automation

According to Frost & Sullivan, we have established a first-tier intelligent manufacturing systems in China's automotive lighting industry, characterized by high degree of automation, end-to-end digitalization and deep integration with Internet of Things (IoT) technologies. This system has achieved advanced levels of efficiency, consistency, and quality, and is capable of rapidly responding to the diversified and high-frequency model change requirements typical of the new energy vehicle era.

We extensively deploy automated production lines and industrial and collaborative robots across our manufacturing processes to undertake operations that are highly repetitive, require high precision, or involve demanding operating environments (such as multi-color injection molding, automated adhesive dispensing and spray painting, laser welding, friction welding and vacuum coating), significantly reducing human error and ensuring product consistency.

Production standardization, combined with automation, has substantially simplified our quality control processes through: (i) Intelligent inspection of critical processes; (ii) Application of automated production lines; (iii) End-to-end IoT monitoring; (iv) System integration and data connectivity; (v) Logistics and warehousing automation; (vi) Intelligent scheduling and resource optimization; and (vii) Implementation of industrial AI scenarios.

The above systems and equipment have obtained authoritative recognitions, including designation as an Intelligent Manufacturing Demonstration Factory by the MIIT, National-Level Excellent Intelligent Manufacturing Scenarios, an AAA-rated Excellent Enterprise under the Integrated Informatization and Industrialization Management System, and CMMM (Level 4) Certificate.

Warehousing

As of March 31, 2026, we had fully deployed automated warehousing systems across our major domestic manufacturing bases, with key components including: (1) multi-level high-bay racking systems combined with unmanned overhead rail logistics systems, and (2) AGV (automated guided vehicles) and stacker cranes, enabling fully unmanned inbound and outbound operations.

We strictly implement the first-in, first-out (FIFO) principle, with the system automatically managing inventory by batch to ensure 100% traceability of raw materials and finished products.

We have deeply integrated the WMS warehouse management system with the MES manufacturing execution system to achieve end-to-end coordinated material control from planning to execution.

Additionally, BI dashboards and digital visualization panels display key indicators in real time, including order fulfillment rates, excess inventory and slow-moving materials, which supports rapid procurement and production scheduling decisions.

Production Equipment and Machinery

In addition to procuring equipment and machinery from third-party suppliers, we also possess the capability to independently develop equipment, source components, and carry out in-house fabrication and assembly of such equipment.

The details of our equipment and machinery involved in the production process are set out below:

Equipment and machinery	Functions
Injection molding systems	Primary forming equipment used to manufacture plastic components of specific shapes from thermoplastic pellets using molding tools.
Hard-coating/anti-fog paint spraying systems	Automated industrial systems integrating precision spraying, chemical curing and functional coating technologies.
Vacuum aluminum coating surface treatment equipment	Specialized equipment that creates a vacuum environment within a sealed chamber and deposits an ultra-thin aluminum film onto plastic injection-molded substrates through physical vapor deposition (PVD), forming a mirror-like surface and enhancing reflectivity.
Laser engraving equipment	Equipment that uses high-energy laser beams to permanently engrave patterns or markings on bezels, meeting customers' customized styling requirements.
Industrial and collaborative Robots	Industrial and collaborative robots enable end-to-end automation in automotive lighting manufacturing and are core equipment for enhancing production capacity and product quality.
Automated Assembly Equipment	Automated lighting assembly lines are built around the concept of "precision coordination and closed-loop end-to-end processes", covering the full process from component feeding to finished product outbound.

We conduct thorough and timely maintenance of our production facilities. Each major piece of production equipment or machinery is subject to regular inspection, servicing and maintenance in accordance with a predetermined schedule. We have established, and will continue to update, internal maintenance procedures tailored to the specific characteristics and requirements of our production equipment or machinery. During the Track Record Period and up to the Latest Practicable Date, we did not experience any prolonged suspension of production processes or material disruptions to our business operations as a result of equipment or machinery failure or damage.

Artificial Intelligence

We have introduced artificial intelligence technologies to enhance production efficiency, product quality control and internal management capabilities. Our principal application areas include (i) precision inspection of electronic connector installation; (ii) monitoring compliance with inspection procedures; (iii) predictive maintenance of equipment; (iv) intelligent assistance for lamp styling design; (v) intelligent support for quality management system reporting; and (vi) intelligent optimization of enterprise service desks.

RAW MATERIALS AND SUPPLIERS

Raw Materials and Procurement

Our principal raw materials include electronic components (such as LEDs, chips, PCBs, capacitors and resistors), automotive lighting electronic components (such as wiring harnesses), and resin materials (such as PC, PMMA and PP). In 2023, 2024, 2025 and the three months period ended March 31, 2026, our costs of raw materials and consumables amounted to RMB6.6 billion, RMB8.9 billion, RMB10.3 billion and RMB2.3 billion, respectively, representing 81.3%, 83.0%, 84.3% and 83.5% of our total cost of sales for the corresponding years/periods. As our procurement of raw materials from suppliers is highly correlated with and subject to fluctuations in international commodity prices, including crude oil and semiconductor silicon wafers/non-ferrous metals, we have implemented comprehensive risk management strategies to mitigate the impact of such volatility.

Our supply chain management covers the entire process from demand planning to delivery. The supply chain management department conducts inquiries, bidding and price verification through the Supplier Relationship Management ("**SRM**") system, and selects suppliers by comprehensively considering factors such as price, quality and delivery timelines. We initiate periodic price negotiations for confirmed raw materials, determining reasonable prices with suppliers based on comprehensive market research and competitive bidding processes. For the development of new materials, we similarly carry out new supplier development through the SRM system, covering the full process from internal review and potential supplier assessment, system onboarding and qualification review, to new project bidding, development and mass production. Our suppliers onboarding is required to comply with the above procedures, enabling us to flexibly activate alternative materials or switch suppliers in the event of severe shortages or significant price volatility of specific raw materials.

To manage the risks associated with raw material price fluctuations, we regularly review raw material prices, benchmark them against commodity trends and market conditions and make timely adjustments. We determine production volumes based on sales volumes and use these to cover procurement requirements for our major raw materials. Procurement plans are synchronized to suppliers through the SRM system, and suppliers execute deliveries accordingly. In addition, based on inventory structure, future sales expectations and market trends, we proactively adjust safety stock levels to ensure the stability and resilience of our supply chain operations. We also collaborate with our technical teams to identify alternative materials and optimise product design, including promoting localisation of raw materials and introducing qualified second-source suppliers. We maintain ongoing commercial negotiations with suppliers to stabilise procurement costs, including arrangements such as advance price locking and periodic pricing mechanisms, and leverage centralised procurement to enhance our bargaining power. In addition, we work closely with suppliers to optimise production processes and improve cost efficiency. We also maintain communication with customers to provide early warning of significant raw material price fluctuations and, where appropriate, facilitate price adjustment discussions.

Our Suppliers

We have established stringent supplier selection, evaluation and management procedures to ensure that all suppliers meet our quality and performance standards. In selecting suppliers, we assess factors including their professional qualifications, financial condition, operating performance, industry reputation, ESG commitments and others. We also conduct regular performance evaluations of our suppliers, with a particular focus on criteria such as raw material quality, delivery performance, cost competitiveness, and, where applicable, the technical specifications of the products supplied.

Agreements with Suppliers

We typically procure raw materials from suppliers under non-exclusive supply arrangements. We actively implement supplier management policies, including maintaining two or more suppliers, securing inventory in advance and maintaining alternative suppliers, to ensure a stable supply of raw materials. We also identify potential suitable suppliers through tendering and bidding processes to ensure competitive procurement pricing and quality. We have established long-term cooperative relationships with suppliers that have sufficient raw material supply capacity and reliable supply channels.

We typically enter into framework supply agreements and periodic purchase orders with suppliers. The salient terms of our framework agreements are set out below:

- ***Duration.*** Typically two years, with periodic price lists to be agreed separately.
- ***Product specification.*** We specify the product name, manufacturer or brand, specification, price, quantity, delivery timeline and other detailed items in each purchase order we send to our suppliers.
- ***Payment and credit term.*** Payment terms and credit periods are generally specified separately in each purchase order, typically ranging from 30 to 90 days.
- ***Logistics.*** We are responsible for making timely payments to our suppliers, who are responsible for delivering qualifying products to our designated warehouses.
- ***Quality guarantee.*** Products are typically accepted in accordance with our specifications, as well as national, local and industry standards. Should any quality issues arise during the warranty period, the supplier shall be responsible for replacement.
- ***Return and replacement.*** Products that fail inspection upon receipt or are subsequently found to be defective during production may be returned or replaced. For isolated defects, suppliers are generally required to replace the defective products. For batch quality issues, suppliers are required to verify the defects, accept the return of the affected products and bear the associated losses. Suppliers are typically required to collect returned products within a prescribed period following notification, failing which the products may be disposed of and the related costs borne by the supplier.
- ***Termination.*** The agreements can generally be terminated by notice by both parties, or when one party breaches the agreement.

Major Suppliers

During the Track Record Period, our principal suppliers primarily consisted of raw material and component suppliers. In 2023, 2024, 2025 and three months ended March 31, 2026, the aggregate purchases from our five largest suppliers in each year/period accounted for approximately 22.5%, 23.4%, 25.0% and 24.6% of our total purchases, respectively, while purchases from our largest supplier accounted for approximately 9.6%, 7.8%, 8.6% and 8.4% of our total purchases, respectively.

We diversify our supplier base by engaging multiple suppliers for the same products or services and implementing strategic sourcing practices. In addition, we regularly conduct market analysis, develop supplier relationships, and formulate contingency plans to enhance supply chain resilience.

All of our five largest suppliers in each year/period during the Track Record Period are Independent Third Parties. As of the Latest Practicable Date, none of our Directors, their associates, or any of our Shareholders (who owned or, to the knowledge of Directors, had owned more than 5% of our issued share capital) had any interest in any of our five largest suppliers in each year/period during the Track Record Period.

The Directors confirm that we did not experience any material shortage of supply, raw material quality issue, disruptions, disputes, or delays in relation to the supply of suppliers, or any material breach or early termination of our contractual arrangements with suppliers during the Track Record Period and up to the Latest Practicable Date.

SALES AND MARKETING

We consistently adhere to a customer-oriented direct sales model, which enables us to more accurately forecast and meet customer demand and to provide our customers with comprehensive and attentive service. During the Track Record Period, all of our revenue was generated from direct sales. As of March 31, 2026, we had established an extensive sales and marketing network covering 24 offices, with operations spanning Asia, Europe and Americas. Outside the PRC, our products are primarily sold to countries and regions including the Czech Republic, Japan, Germany, Spain and Brazil. Currently, our overseas sales are primarily focused on rear lighting and other lighting. In line with our corporate strategy, we will continue to expand our offerings in front lighting and related electronic products.

Our relationships with customers are built on an end-to-end collaborative process, covering the stages from pre-nomination engagement, design and development, mass production to after-sales services. Prior to nomination, we actively pursue opportunities through market intelligence gathering, technical demonstrations, project assessments, and styling co-creation, and ultimately obtain projects through the request for quotation process. Following the project nomination, we establish cross-functional project teams to work closely with customers throughout the entire development cycle, covering styling design, optical/structural/electronic development, tooling fabrication, prototype production, testing and validation, and PPAP, which typically spans 12 to 30 months. Through a unified digital system, we ensure that lighting products comprehensively address customers' individualized requirements in terms of functionality, performance, cost and delivery. Upon entering the mass production phase, we form specialized teams comprising members from market, production and logistics departments to directly interface with clients, providing products for customized production in bulk. After-sales service is ensured by a project team led by the market department, which offers continuous technical and service support.

We maintain close and ongoing communication with our customers to gain a deep understanding of their practical needs and market dynamics. Leveraging our keen insights into international markets and customer trends, we are able to accurately position product directions, engage in strategic cooperation with customers, jointly advance new product development, promptly resolve technical challenges arising during production, and deliver high-quality after-sales services. At the same time, we place strong emphasis on collecting direct customer feedback and continuously optimizing our business processes and operating systems. We are committed to delivering an exceptional end-to-end service experience to customers worldwide, while continuously enhancing our industry influence and brand reputation.

Our International Footprint

Our overseas markets are critical to our business development. We have been engaged in export sales since 2005, marking the beginning of our continuous internationalization journey. By establishing overseas subsidiaries, offices, manufacturing facilities, logistics centers and R&D centers, we have gradually developed into one of the major manufacturers of automotive lighting products in the world. Today, we have established a comprehensive international network that integrates R&D, manufacturing and sales. We will continue to actively expand our footprint to pursue new business opportunities.

Our Customers

Our customers primarily include automotive manufacturers, which manufacture both NEV and internal combustion engine vehicle ("ICE") models. The table below sets forth a breakdown of our revenue by NEV and ICE vehicle models during the Track Record Period, both in absolute amounts and as a percentage of the combined total for the years/periods indicated:

	Year ended December 31,						Three months ended March 31,			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000* (unaudited)	*%*	*RMB'000*	*%*
NEV models	1,685,065	16.4	4,620,663	34.9	7,035,157	46.1	1,217,977	39.4	1,711,961	49.9
ICE vehicle models	8,563,381	83.6	8,632,271	65.1	8,221,509	53.9	1,876,533	60.6	1,717,913	50.1
Total	**10,248,446**	**100.0**	**13,252,934**	**100.0**	**15,256,666**	**100.0**	**3,094,510**	**100.0**	**3,429,874**	**100.0**

During the Track Record Period, we experienced an increasing contribution of revenue from NEV models, while revenue generated from ICE vehicle models remained relatively stable but declined as a percentage of our total revenue. We believe this trend was primarily driven by the rapid growth of the NEV market in China, increasing demand from NEV manufacturer customers for intelligent and differentiated automotive lighting solutions, as well as our continued expansion in the NEV segment.

In 2023, 2024, 2025 and the three months ended March 31, 2026, our five largest customers in each year/period accounted for approximately 68.2%, 69.5%, 64.7% and 58.6% of our total revenue, respectively, while sales to our largest customer accounted for approximately 36.6%, 23.3%, 19.5% and 17.2% of our total revenue, respectively. Our principal settlement methods include bank acceptance bills and bank transfers.

The tables below set forth the basic information of our top five customers in each year/period during the Track Record Period:

Customer	Approximate years of business relationship	Background and principle business activity	Location	Major products purchased	Credit term	For the three months ended March 31, 2026	
						Transaction amount	Percentage to total revenue
						(RMB in thousands)	*(%)*
Customer B. . . .	Over 10 years	A leading passenger vehicle company listed on the Stock Exchange.	PRC	Front lighting, rear lighting, controllers	60 days	590,326.2	17.2
Customer A. . . .	Over 10 years	A state-owned, extra large automotive enterprise group	PRC	Front lighting, rear lighting, controllers	30-60 days	554,093.2	16.2
Customer C. . . .	3 years	A leading NEV company listed on the Shanghai Stock Exchange and the Stock Exchange.	PRC	Front lighting, rear lighting, other lighting, controllers	60 days	351,999.0	10.3
Customer H. . . .	6 years	A leading Chinese automaker operating a multi-brand portfolio covering both NEV and ICE vehicle models.	PRC	Front lighting, rear lighting, controllers	60 days	303,701.6	8.9
Customer E. . . .	5 years	A globally leading electric vehicle and clean energy company, whose core businesses include the design, manufacture, and sale of electric vehicles, energy storage systems, and solar energy products, and listed on the Nasdaq Global Select Market.	USA	Rear lighting, other lighting	90 days	210,539.8	6.1

Customer	Approximate years of business relationship	Background and principle business activity	Location	Major products purchased	Credit term	Year Ended December 31, 2025	
						Transaction amount	Percentage to total revenue
						(RMB in thousands)	*(%)*
Customer A. . . .	Over 10 years	A state-owned, extra large automotive enterprise group.	PRC	Front lighting, rear lighting, controllers	30-60 days	2,970,693	19.5
Customer B. . . .	Over 10 years	A leading passenger vehicle company listed on the Stock Exchange.	PRC	Front lighting, rear lighting, controllers	60 days	2,966,328	19.4
Customer C. . . .	3 years	A leading NEV company listed on the Shanghai Stock Exchange and the Stock Exchange.	PRC	Front lighting, rear lighting, controllers	60 days	2,647,049	17.4
Customer D. . . .	4 years	A leading new-generation automotive manufacturer specializing in premium smart electric vehicles for family users, and listed on the Nasdaq Global Select Market and the Stock Exchange.	PRC	Front lighting, rear lighting	90 days	658,102	4.3
Customer E. . . .	5 years	A globally leading electric vehicle and clean energy company, whose core businesses include the design, manufacture, and sale of electric vehicles, energy storage systems, and solar energy products, and listed on the Nasdaq Global Select Market.	USA	Rear lighting	90 days	631,883	4.1

Customer	Approximate years of business relationship	Background and principle business activity	Location	Major products purchased	Credit term	Year ended December 31, 2024	
						Transaction amount	Percentage to total revenue
						(RMB in thousands)	*(%)*
Customer A. . . .	Over 10 years	A state-owned, extra large automotive enterprise group.	PRC	Front lighting, rear lighting, controllers	30-60 days	3,091,882	23.3
Customer B. . . .	Over 10 years	A leading passenger vehicle company listed on the Stock Exchange.	PRC	Front lighting, rear lighting, controllers	60 days	2,711,181	20.5
Customer C. . . .	3 years	A leading NEV company listed on the Shanghai Stock Exchange and the Stock Exchange.	PRC	Front lighting, rear lighting, controllers	60 days	2,035,740	15.4
Customer D. . . .	4 years	A leading new-generation automotive manufacturer specializing in premium smart electric vehicles for family users, and listed on the Nasdaq Global Select Market and the Stock Exchange.	PRC	Front lighting, rear lighting	90 days	816,069	6.2
Customer F. . . .	Over 10 years	A key participant in China's automotive industry, established by a leading Chinese automotive manufacturer and a leading Japanese automotive manufacturer.	PRC	Front lighting, rear lighting, other lighting	30 days	544,191	4.1

Customer	Approximate years of business relationship	Background and principle business activity	Location	Major products purchased	Credit term	Year ended December 31, 2023	
						Transaction amount	Percentage to total revenue
						(RMB in thousands)	*(%)*
Customer A. . . .	Over 10 years	A state-owned, extra large automotive enterprise group.	PRC	Front lighting, rear lighting, controllers	30-60 days	3,752,280	36.6
Customer B. . . .	Over 10 years	A leading passenger vehicle company listed on the Stock Exchange.	PRC	Front lighting, rear lighting, controllers	60 days	1,539,779	15.0
Customer F. . . .	Over 10 years	A key participant in China's automotive industry, established by a leading Chinese automotive manufacturer and a leading Japanese automotive manufacturer.	PRC	Front lighting, rear lighting, other lighting	30 days	739,409	7.2
Customer G. . . .	Over 10 years	A joint venture established by a leading Chinese automotive manufacturer and a leading Japanese automotive manufacturer.	PRC	Front lighting, rear lighting, other lighting	60 days	520,836	5.1
Customer D. . . .	4 years	A leading new-generation automotive manufacturer specializing in premium smart electric vehicles for family users, and listed on the Nasdaq Global Select Market and the Stock Exchange.	PRC	Front lighting, rear lighting	90 days	436,715	4.3

All of our five largest customers in each year/period during the Track Record Period are Independent Third Parties. As of the Latest Practicable Date, none of our Directors, their associates or any of our Shareholders (who owned or to the knowledge of Directors had owned more than 5% of our issued share capital) had any interest in any of our five largest customers in each year/period during the Track Record Period.

During the Track Record Period and up to the Latest Practicable Date, none of our customers requested to terminate their agreements with us.

Overlapping of Suppliers and Customers

Customer/ Supplier	Years/Period	Revenue	Purchases	Gross Profit Margin
		(RMB'000)	*(RMB'000)*	*(%)*
Customer A . .	2023	3,752,280	2,275	22.5
	2024	3,091,882	22,910	21.2
	2025	2,970,693	64,395	20.1
	Three months ended March 31, 2026	720,648	25,353	19.5

During the Track Record Period, Customer A was also our supplier. We primarily procured lighting controllers from Customer A for use in our automotive lighting products sold to Customer A. In accordance with Customer A's technological and procurement requirements, we purchased customer-designated controllers from Customer A and integrated them into the corresponding lighting products sold to Customer A. The procurement of these controllers was solely for the purpose of fulfilling Customer A's product specifications and did not involve any other activities.

In 2023, 2024, 2025, and the three months ended March 31, 2026, our procurement from Customer A accounted for less than 1% of our total purchases for each year/period. The average gross profit margin of products sold to Customer A is 20.8% during the Track Record Period. All procurement arrangements with Customer A were negotiated on an arm's length basis.

The Directors confirm that all sales to major customers were conducted in the ordinary and usual course of business on normal commercial terms. According to Frost & Sullivan, our procurement from and sales to customers are in line with industry practices.

Key Terms of Sales Contracts

We generally enter into framework agreements with major customers, who place orders based on actual demand under the framework agreements. Although the contract terms vary, they usually include the following key terms:

- ***Duration.*** Typically ranging from two to five years. Depending on the nature of our customers' business, certain contracts may be subject to automatic renewal.
- ***Quality control.*** The quality of our products shall be in compliance with the specific standards designated by our customers, or in compliance with applicable national, local or industry standards.
- ***Price.*** The prices of the product are generally specified in each purchase order in the case where the main sales agreement is a framework agreement.
- ***Payment terms.*** We generally grant our customers a credit period of 30 to 90 days after issuance of invoices.
- ***Confidentiality.*** We usually set confidentiality clauses with our customers and such obligation shall continue to exist for a certain period of time after the termination of the agreement.

- ***Delivery and transportation.*** Our delivery options include customer pick-up by logistics providers designated by customers and door-to-door delivery by third-party logistics providers appointed by us.
- ***Warranty.*** We usually set out warranty period depending on the products and the sales agreement. During the warranty period, our customers may request that we replace or repair defective parts and components free of charge. Following the expiration of the warranty period, we provide repair and maintenance services and supply parts and components to our customers for a fee based on the services required. Our framework agreements typically do not include minimum purchase commitments.Where defective components or potential quality issues are identified, we arrange inspection and conduct on-site repair, rework or replacement within 24 hours. In urgent cases, customers may carry out repairs themselves, and the related costs will be borne by us in accordance with the relevant agreements.
- ***Termination.*** Such agreements may generally be terminated upon prior written notice in accordance with certain conditions specified therein.

After-sale Services

We believe that the availability of high-quality after-sales services is an important consideration for customers when making purchasing decisions. Our sales network serves as the primary point of contact for customers to access after-sales services, including product delivery, return and replacement of defective products, as well as training to ensure proper installation of our products and verification of applicable usage conditions. We believe effective after-sales service enhances product value across the value chain and supports customer and end-user satisfaction. Upon receiving customer complaints, our service team typically conducts on-site assessments to identify root causes and implement timely solutions to restore product operation, followed by internal analysis and design improvements to prevent recurrence. We fulfill our "Three Guarantees (三包)" obligations and maintain recall and emergency response mechanisms, standardized return procedures and flexible replacement arrangements in accordance with customer requirements. During the Track Record Period and up to the Latest Practicable Date, we did not experience any customer returns, complaints, product recalls or product liability claims that had a material adverse impact on our reputation, operations or financial condition. We also provide regular training and performance assessments for sales personnel, implement digital traceability systems for end-to-end tracking of production and after-sales activities, and conduct customer satisfaction surveys to collect feedback and support ongoing product improvement and future collaboration opportunities.

Pricing

We take into account various factors when determining the price of our products, including customers' specific requirements, production costs, R&D investment, market scarcity of the products, degree of technological differentiation, supply chain conditions, procurement strategies and the competitive environment in the relevant sales regions (including overall market dynamics and competitors' pricing levels). Pricing is agreed with customers based on vehicle class and product category.

Marketing

We enhance our corporate visibility and brand recognition through participation in domestic and international automotive exhibitions, industry conferences and regulatory meetings, as well as through regular customer demonstrations and online and offline engagement. These initiatives allow us to present our capabilities in technology, quality, delivery and cost control. We adopt a "customer-centric" approach by engaging with customers at an early stage of pre-R&D projects through joint teams to provide integrated solutions and strengthen long-term cooperation. We also adopt targeted communication

strategies for customers across different market segments, leverage exhibition platforms to promote our latest products and technologies, and utilize corporate museums and product showrooms to facilitate deeper technical exchanges and enhance customers' understanding of our [**REDACTED**].

QUALITY CONTROL

To enhance our overall quality management standards, we have vigorously promoted and implemented quality management systems, primarily including IATF 16949 quality management systems, the automotive cybersecurity management system (ISO/SAE 21434), the functional safety system (ISO 26262) and Automotive SPICE, in order to deliver compliant products and services, satisfy customer and statutory and regulatory requirements, fulfill customer needs and expectations, thereby strengthening our competitiveness and improving overall operating performance.

In addition, we have prepared a quality manual (the "**Quality Manual**"), which sets out procedures and policies covering, among others, packaging management, control of non-conforming products, inventory management and product delivery control. We strictly adhere to the Quality Manual and, based on this, issue annual quality policies. Pursuant to these policies, each department formulates its quality improvement strategies and objectives. The quality management department tracks the implementation of such quality objectives in real time, evaluates progress and takes corresponding actions. At the same time, we have built a five-layer quality protection network that spans the entire product lifecycle, including (i) quality pre-control in design and planning phase, (ii) full cycle quality control of suppliers, (iii) full-process inspections of raw materials & components, (iv) precise quality monitoring in production and (v) post-sales quality review & continuous optimization.

Our quality policy aims to ensure continuous improvement and compliance with internal and customer standards. We designate personnel to dynamically track these objectives, investigate the causes of improvements and deteriorations and take necessary measures. We also regularly convene quality review meetings and defect reporting meetings to conduct retrospective analyses of major quality issues and prevent their occurrence or recurrence.

WAREHOUSING AND LOGISTICS

We are committed to developing an efficient and transparent logistics supply chain to ensure customer satisfaction and enhance inventory efficiency. We continuously refine and standardize warehousing and distribution systems across our self-operated warehouses located in different regions, while also effectively managing third-party logistics providers. As of the Latest Practicable Date, we operated four self-operated warehouses in the PRC and one self-operated warehouse in Serbia. In addition, we utilized 32 third-party warehouses in the PRC and one third-party warehouse in Slovenia. These warehouses are strategically located in proximity to customers to enhance service delivery and better meet customer requirements.

The principal terms of our agreements with third-party warehousing and logistics service providers are summarized as follows:

- *Term.* Typically one year.
- *Principal rights and obligations.* Generally, third-party warehousing service providers are responsible for warehousing services, including sorting, inbound handling, storage and outbound dispatch of goods in accordance with our instructions. Our third-party logistics service providers are generally responsible for arranging transportation in accordance with our dispatch requirements, ensuring the safe, timely and complete delivery of goods, providing tracking and on-site handover services, and completing system integration, receipt confirmation and settlement as required. We are generally responsible for product packaging and designate personnel to handle reconciliation, payment and coordination with such providers.

- *Payment.* Typically settled on a monthly basis.
- *Quality.* Third-party warehousing service providers are required to ensure proper warehouse management and comply with our prescribed warehouse management rules and evaluation standards. Third-party logistics providers are required to ensure compliant operations and driver management, maintaining vehicle safety and readiness, adhering to on-site loading and warehouse rules, properly securing and handling goods during transportation, and ensuring safe, timely and damage-free delivery in accordance with our requirements.
- *Termination.* We generally reserve the right to unilaterally terminate such agreements by giving one month's prior notice, depending on operational needs.

We utilize a transportation management system (TMS) that standardizes online operations from order placement to product delivery, facilitating seamless coordination from manufacturing facilities to customers. The TMS enables us to shorten supply chain cycles, reduce finished goods inventory and improve inventory turnover, while achieving information sharing and transparency among the Company, carriers and customers.

We have fully deployed and deeply integrated Warehouse Management System ("**WMS**") to standardize warehouse operations and enhance the accuracy, traceability and responsiveness of inventory management. The integration of Internet of Things (IoT) and other intelligent technologies (such as automated storage and retrieval systems) contributes to the development of smart logistics parks, thereby improving logistics efficiency and service quality.

We have also adopted a centralized bidding model to engage high-quality transportation service providers, supplemented by comprehensive management and performance indicator systems to ensure service quality. Through continuous improvement initiatives, we consistently enhance delivery timeliness and accuracy, improve customer satisfaction and control costs. During the Track Record Period and up to the Latest Practicable Date, we did not encounter any material delays or mishandling of goods that had a material adverse impact on our business operations, nor were we involved in any material disputes with our warehousing or logistics service providers.

INVENTORY MANAGEMENT

Our supply chain management is well-coordinated, with the objective of achieving synergies and optimal resource allocation across various processes, including order placement, procurement management, product manufacturing and transportation. We manage and maintain adequate inventory levels to support production. Our procurement strategies are formulated based on analyses of forecasted supply, market conditions, and anticipated fluctuations in procurement volumes and purchase prices. Based on such analyses, we set different reasonable and safe inventory levels for different categories of inventory to respond to changes in customer demand and fluctuations in raw material prices.

Our management places strong emphasis on inventory management and holds quarterly meetings to review inventory management issues encountered, propose improvement plans and objectives, and reassess such plans and objectives at subsequent quarterly meetings. In addition, we have established strict rules and standards for inventory management workflows, including (i) inventory arrangement and placement, (ii) environmental and safety requirements, (iii) storage, (iv) outbound handling, (v) handling of non-conforming products, (vi) storage and inspection, (vii) inventory administration and (viii) transfer procedures. We further achieve digitalization and standardization of inventory management through the integration of Enterprise Resource Planning ("**ERP**"), MES and WMS systems, thereby improving the efficiency and accuracy of our inventory management processes.

Our inventory turnover days for 2023, 2024, 2025 and the three months ended March 31, 2026 were 101 days, 82 days, 76 days, 80 days respectively.

INFORMATION TECHNOLOGY

With the objective of achieving end-to-end digital integration across the entire value chain and intelligent operations, we continue to advance our digital transformation, focusing on two principal directions: "end-to-end value chain business process optimization" and "digital benchmark factory development."

In terms of business processes, we promote the digitalization of R&D, operations and decision-making, and have established professional application and decision-support systems, including PLM, ERP, Customer Relationship Management ("**CRM**"), SRM, Laboratory Information Management System ("**LIMS**"), Intelligent Security System ("**ISS**") and BI.

In the area of factory digitalization, with MOM as the core, we have built a comprehensive digital manufacturing system encompassing MES, WMS, Quality Management System ("**QMS**"), Equipment Digital Operation ("**EDO**"), Energy Management System ("**EMS**") and Supervisory Control and Data Acquisition ("**SCADA**"). We actively explore the significant value of AI tools in manufacturing scenarios, continue to invest in such initiatives and have achieved a series of tangible results, promoting the application of AI across multiple areas, including operational efficiency enhancement, product visual inspection and compliance review.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any information technology system failures or outages that had a material adverse impact on our business operations.

SEASONALITY

Our operating results are subject to seasonal fluctuations during reporting years, primarily due to the seasonal concentration of sales of our downstream automotive manufacturer customers. As a result, our production and sales volumes have historically recorded moderate increases in the fourth quarter of each calendar year. This is generally in line with industry practices, as automotive manufacturers typically seek to achieve annual sales and delivery targets before year-end under calendar-year reporting cycles and may accelerate production scheduling, logistics arrangements and dealer inventory replenishment during this period. In addition, promotional activities and sales incentives are often concentrated towards year-end.

Consumer purchasing patterns may also contribute to this trend. In China, vehicle buyers often prefer to complete purchases and take delivery prior to the Chinese New Year holiday. Furthermore, fleet procurement by corporate and government customers is commonly aligned with annual budget cycles. As a result, demand for automotive components, including our products, may be relatively higher in the fourth quarter.

See "Risk Factors — Risks Relating to Our Business and Industry — Our results of operations were and may continue to be subject to period-to-period fluctuations."

INTELLECTUAL PROPERTY

We rely on proprietary technologies and manufacturing know-how to maintain our competitive position and generate intellectual property through ongoing R&D activities. It is our general policy to file patent applications in the PRC and other relevant jurisdictions for commercially significant development projects. Our intellectual property is primarily protected through patents, trademarks, trade secrets and other legal protections, covering proprietary technologies, product design and manufacturing processes.As of March 31, 2026, we held a global intellectual property portfolio comprising more than 2,800 patents, spanning key areas such as optical systems, mechanical structures, perception fusion, intelligent driving, automotive electronics and intelligent equipment. Our PRC portfolio included over 490 invention patents, 240 design patents and over 2,000 utility model patents. We also held more than 20 overseas patents, mainly invention patents, in jurisdictions including Germany, Japan and Serbia. As of the same date, we had filed over 4,400 patent applications in the PRC, over 70 overseas patent applications and over 40 active PCT applications.

As of March 31, 2026, including our brands and , we held 51 registered trademarks in the PRC and two registered trademarks overseas.

We have adopted a series of internal control policies and measures to protect our intellectual property and trade secrets. We actively apply for patents for technology innovations and safeguard our legitimate rights through patent protection. At the same time, our intellectual property team proactively takes reasonable measures to identify potential infringements of our intellectual property rights. Upon discovering any potential patent infringement by competitors, we conduct comprehensive analyses and comparisons of the competing products. Where infringement is confirmed, we generally take timely legal action, collect evidence and initiate relevant proceedings, demonstrating our proactive commitment to protecting our intellectual property and maintaining our competitive position. We rely on confidentiality agreements to protect our interests in non-patented proprietary technologies and manufacturing processes that are difficult to patent. All contracts entered into with our employees, suppliers and other strategic partners are subject to review and approval by our internal legal team to ensure that they contain adequate protective provisions against unauthorized disclosure.

To the best of our knowledge, information and belief, during the Track Record Period and up to the Latest Practicable Date, our intellectual property had not been subject to any material intellectual property claims by third parties, and we had not been involved in any material legal proceedings, disputes or claims alleging infringement of any intellectual property rights.

DATA PRIVACY AND SECURITY

PRC

During the Track Record Period and up to the Latest Practicable Date, (i) we have obtained information regarding our corporate customers, such as their name, address and contact details, and operational data in relation to our products, subject to the authorization of our customers; (ii) we have not obtained, collected, stored, and/or own any personal data except the necessary data collected from our employees during our operations; and (iii) our cross-border data transfer is limited to product information directly related to our operations across different office locations. During the Track Record Period and up to the Latest Practicable Date, we have not experienced any material information security incidents, data breaches or leakages.

We have formulated and implemented comprehensive internal policies on protecting data privacy and security to ensure data and information security and ensure compliance with all applicable PRC laws and regulations. Our internal control measures mainly include: (i) formulating detailed rules, policies and procedures governing the management, retention and periodic destruction of data and electronic documents, as well as the use of computer equipment; (ii) establishing a data security management structure covering data management, data audit, data security implementation and other relevant aspects; (iii) assigning system access rights to employees based on their individual job responsibilities and business needs, in strict compliance with the principle of least privilege; (iv) implementing data classification and tiered protection measures, maintaining a corresponding management list, and conducting regular reviews and updates of such list based on business development and data usage scenarios; (v) providing training to employees on information security rules and regulations.

Our Directors confirmed that during the Track Record Period and up to the Latest Practicable Date, we have complied in all material respects with the applicable PRC laws and regulations in relation to data privacy and security. Our PRC Legal Advisor is of the view that the confirmation of our Directors above with regard to our compliance records is accurate and reasonable.

Serbia

During the Track Record Period, (i) we processed personal data primarily in the context of our employment relationships and site security measures, including basic employee identification data, access records and video surveillance data, and, in limited cases, biometric data for access control purposes; (ii) we did not engage in any material processing of customer personal data in connection with our core business operations; (iii) we did not transfer any personal data outside the Republic of Serbia; and (iv) we were involved in cross-border transfers of operational data, which do not constitute personal data and are therefore not subject to data protection regulations in the Republic of Serbia. During the Track Record Period and up to the Latest Practicable Date, our Directors are of the view, and our Serbian Legal Advisor has confirmed, that (i) we had not received any data subject requests, regulatory inquiries or communications from the Commissioner for Information of Public Importance and Personal Data Protection; (ii) we had not experienced any material information security incidents, data breaches or leakages; and (iii) we had not been subject to any material administrative, regulatory or judicial proceeding, claim, penalty or enforcement action relating to data protection.

Our Serbian Legal Advisor has confirmed that employees' personal data was adequately protected during the Track Record Period and up to the Latest Practicable Date and that it was not made available or disclosed to third parties, except where required by law or necessary to fulfill our legal and business obligations. Employees' personal data was processed exclusively for legally permitted business purposes, including the management of the employment relationship.

Our Directors are of the view that we have adopted adequate and effective internal policies and procedures relating to personal data protection prescribed by the Law on the Protection of Personal Data of Serbia, including the appointment of a data protection officer and the preparation of relevant documentation such as a personal data protection rulebook and data protection impact assessment. Our internal control measures include assigning access rights based on job responsibilities, implementing access control and security measures for sensitive areas, and conducting internal reviews of data processing activities.

Our Directors are of the view, and our Serbian Legal Advisor has confirmed, that save for the compliance deficiencies described below, we had complied in all material respects with the applicable data privacy and data protection laws and regulations of Serbia during the Track Record Period and up to the Latest Practicable Date. Our Serbian Legal Advisor advised that we hadn't not provided sufficient supporting evidence demonstrating that certain data protection documents and procedures had been duly adopted. As a result, we may not have fully complied with certain procedural requirements under the applicable Serbian data protection laws and regulations.

On June 4, 2026, we addressed these deficiencies by adopting and implementing updated data protection documentation, including a personal data protection rulebook, the appointment of a data protection officer, a data protection impact assessment and a notice on the processing of personal data. Our Directors believe, and our Serbian Legal Advisor has confirmed, that following the implementation of the above remedial measures, the Group is expected to be in full compliance with the applicable data privacy and data protection laws and regulations of Serbia.

EXPORT CONTROLS, SANCTIONS AND TARIFFS

During the Track Record Period, our products were manufactured in China and Serbia. Our sales did not involve sanctioned countries or entities subject to blocking sanctions under the U.S. Department of the Treasury's Office of Foreign Assets Control. In addition, based on the analysis under the De Minimis Rule and the Foreign Direct Product Rule of the U.S. Export Administration Regulations (the "**EAR**"), none of our self-manufactured products are subject to the EAR. Although we conducted a sample transaction with a China-based company subject to Entity List restrictions under the Entity List Affiliates Rules maintained by Bureau of Industry and Security, this sample transaction did not constitute a violation of the EAR, as such items were not subject to EAR and occurred prior to the effective date of the Entity List Affiliates Rules. Accordingly, our sales activities are in compliance with applicable U.S. export control laws.

Additionally, we sourced certain U.S.-branded analog chips for application in vehicle lighting products and lighting controllers and U.S.-branded software through domestic agents, which were not subject to license requirements under U.S. export control laws. We also had dealings with five suppliers designated on the Entity List or subject to Entity List restrictions, which did not constitute a violation of the EAR as the EAR does not restrict procurement from Entity List entities. Therefore, our procurement activities are also in compliance with applicable U.S. export control laws.

Furthermore, U.S.-China trade tensions and unfavorable tariff arrangements had a very limited impact on our business as we did not directly import any raw materials from the U.S. Although we indirectly purchased a small quantity of U.S.-branded chips from Chinese distributors, such procurement has not been materially affected by the relevant tariffs in terms of costs. In addition, our exports to the U.S. accounted for only 0.3%, 0.2%, 0.3% and 0.1% of our total revenue in 2023, 2024, 2025, and the three months ended March 31, 2026, respectively.

In this regard, our Directors confirm that our purchases of raw materials from suppliers and sales of products to customers were not subject to any restrictions arising from applicable export controls, sanctions and tariffs during the Track Record Period. See "Risk Factor — Changes in regulations, international trade policies, tariffs and rising political tensions, may adversely impact our business and operating results."

COMPETITION

We mainly operate in the automotive lighting industry, which is relatively competitive. As technological barriers and economies of scale in the automotive lighting industry become increasingly pronounced, the global market has continued to consolidate. Leading automotive lighting manufacturers have continuously strengthened their dominant positions through technological advancement, superior product quality and cost efficiency. In contrast, smaller component manufacturers, due to limited technological reserves, smaller production scale, and relatively weaker supply chain integration capabilities, may face challenges in competing with leading manufacturers.

According to Frost & Sullivan, the number of global above-scale automotive lighting enterprises was approximately 780 in 2025, while the number of such enterprises in the PRC was approximately 195. With the development of the industry, the total number of industry players has been declining year by year and the industry concentration has been continuously increasing.

See "Industry Overview — Overview of the Automotive Lighting Industry — Competitive Landscape of the Automotive Lighting Industry — Ranking of Automotive Lighting Suppliers" and "Risk Factors — Risks Relating to Our Business and Industry — We operate in a relatively competitive industry, and we may be unable to continually maintain our market position."

Our competitive edge is attributable to factors such as extensive industry experience, strong market position and our ability to offer comprehensive solutions to our customers. Our market leadership has been further solidified by our international presence, diverse product portfolio, high-quality customer relations, robust R&D capabilities, technical expertise and our visionary management team. Therefore, we believe that we are well-positioned to maintain our leadership position and to capture future opportunities in the automotive lighting industry.

EMPLOYEES

As of March 31, 2026, we had a total of 7,501 full-time employees, of whom 6,959 were based in the PRC, and 542 were based overseas, primarily in Serbia, Germany and Japan. The table below sets forth a breakdown of our employees by function as of the same date:

	As of March 31, 2026	
Business Function	**Number of Employees**	**Percent**
		(%)
Production	4,657	62.1%
R&D	2,128	28.4%
Sales	162	2.2%
Service	100	1.3%
Management	454	6.0%
Total	**7,501**	**100.0%**

We adopt a people-oriented approach, focusing on improving employees' working environment, realizing their personal value, enhancing their quality of life and promoting their career development, all of which form an important part of our development strategy. We regard our employees as core assets and strive to enhance morale and organizational cohesion.

We have established comprehensive labor management policies that include the timely execution of employment contracts, punctual and full payment of remuneration, provision of statutory social benefits and comprehensive leave and public holiday benefits. From an internal management perspective, we have implemented a performance appraisal system that is linked to overall business objectives, under which management personnel are evaluated. We have also established training systems in compliance with local regulations, providing both on-the-job training and encouraging employees to pursue further self-improvement during their spare time to enhance individual capabilities.

In terms of corporate culture and employee care, we are committed to fostering a healthy, positive and collaborative working environment. Through the regular organization of social and recreational activities — such as employees' children talent competitions, Tai Chi competitions and sports events — we have effectively strengthened team cohesion. To further incentivize middle-to-senior management and key talent, the Company adopted the 2024 Employee Stock Scheme, the 2025 Employee Stock Scheme and the 2026 Employee Stock Scheme on December 2, 2024, November 20, 2025 and June 10, 2026, respectively. Details of the relevant Employee Stock Schemes are set out in "Appendix IV — Statutory and General Information — Employee Stock Schemes."

We also participate, in accordance with applicable laws, in the social security schemes of the jurisdictions in which we operate, providing employees with appropriate coverage. During the Track Record Period and up to the Latest Practicable Date, the Company's operations remained stable, and we did not experience any strikes, protests or other material labor disputes that resulted in serious business disruption or adversely affected our corporate image. Our labor union was established in 2007 and is primarily responsible for reviewing employee welfare policies, organizing employee representative congresses and facilitating communication and coordination regarding employee management systems. At present, our labor relations are harmonious, and no related disputes have arisen. During the Track Record Period and up to the Latest Practicable Date, we have not experienced any material work stoppages, strikes or other major labor problems.

Labor Dispatch Arrangements

Additionally, as of March 31, 2026, we employed dispatched workers, who primarily provided temporary and non-core labor services during peak seasons. As of December 31 2023, 2024, 2025 and March 31, 2026, the Company had 1,682, 3,339, 2,984 and 2,015 employees, and Foshan Xingyu had 60, 168, 120 and 26 employees engaged under labor dispatch arrangements, respectively. The proportion of dispatched workers exceeded the statutory limit of 10% of the total workforce as stipulated in the Interim Provisions on Labor Dispatch (劳務派遣暫行規定) and other applicable regulations. As of February 28, 2026, Foshan Xingyu had rectified such non-compliance by reducing the number of dispatched workers engaged, and as of May 31, 2026, the proportion of dispatched employees of the Company had been reduced to below 10%.

During the Track Record Period and up to the Latest Practicable Date, we have not received any notice of rectification from, or have been imposed any administrative penalty by, the relevant authorities as a result of such arrangements. As advised by our PRC legal advisor, pursuant to the relevant PRC laws and regulations, the competent authorities may request us to rectify such arrangements within a prescribed period. If we fail to rectify within the prescribed period, we may be subject to a fine ranging from RMB5,000 to RMB10,000 for each dispatched worker in excess of the statutory ratio.

Our PRC Legal Advisor is of the view that such labor dispatch arrangements will not have a material adverse effect on our continuous operating activities, considering that: (1) based on the interviews with the competent authorities in the locations of the Company and Foshan Xingyu are situated, such authorities confirmed that: (i) the aforesaid non-compliance in relation to labor dispatch does not constitute a material violation of laws or regulations; and (ii) the competent authorities will not normally require the Company and its relevant holding subsidiaries in the PRC to mandatorily reduce the ratio of labor dispatch workers; (2) the Company and Foshan Xingyu have not been subject to any administrative penalties in respect of labor employment during the Track Record Period; (3) as of the May 31, 2026, the Company and Foshan Xingyu have implemented remedial measures and the number of dispatched workers accounted for less than 10% of the total number of the employees thereof. Based on the due diligence conducted by the Sole Sponsor, nothing has come to the attention of the Sole Sponsor that would cause them to disagree with the view above.

We have established internal control measures to prevent future occurrence of similar matter, including designating our human resources department to regularly verify the proportion of dispatched employees and conducting regular training on relevant regulations to ensure regulatory compliance. In the event that the proportion of dispatched employees approaches 10% of our total workforce at any time, we will suspend the recruitment of new dispatched hiring.

Social Insurance and Housing Provident Funds

Pursuant to the relevant PRC laws and regulations, employers are obligated to contribute to the social insurance and housing provident funds for their employees. During the Track Record Period, we did not make full social insurance and housing provident fund contributions for certain employees in accordance with applicable local requirements. Based on the estimation of our Directors, the shortfall of our social insurance and housing provident fund contributions (including the contributions made by third-party agents) is approximately 1.4%, 1.0%, 0.8% and 0.7% of our total revenue for 2023, 2024, 2025 and the three months ended March 31, 2026, respectively.

In addition, during the Track Record Period, social insurance and housing provident fund contributions for certain of our employees were made through third-party agents and such third-party agents failed to make contributions in full. In 2023, 2024, 2025 and the three months ended March 31, 2026, the corresponding amount of social insurance contributions and housing provident fund made by such third-party agents on our behalf amounted to 5.7%, 6.1%, 7.1% and 6.5%, respectively, of our total social insurance and housing provident fund contributions for the same periods.

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 the outstanding amount plus a late payment surcharge at the daily rate of 0.05% within a prescribed time limit. As advised by our PRC legal advisor, if the relevant authorities consider that the social insurance contributions made by third-party agents for our employees do not strictly comply with the requirements under the relevant PRC laws and regulations, we may also be required to make supplementary contributions, pay late fees and/or be subject to penalties imposed by the relevant authorities for failing to fully discharge our obligations as an employer, or be ordered to rectify such non-compliance. As of March 31, 2026, the maximum potential late fees of our shortfall social insurance contributions during Track Record Period are estimated to be approximately 0.28% of our total revenue during Track Record Period. If we fail to do so within the prescribed period as requested by the relevant social insurance authorities, we may be subject to a fine ranging between one to three times of the total outstanding balance.

Pursuant to the Notice on Implementing Measures to Further Support and Serve the Development of Private Economy (《關於實施進一步支持和服務民營經濟發展若干措施的通知》), the Notice on Steadily and Orderly Conducting Work Related to the Collection and Administration of Social Insurance Premiums (《關於穩妥有序做好社會保險費徵管有關工作的通知》) and the Circular on Issuing the Comprehensive Plan for Reducing Social Insurance Premium Rates (《關於印發〈降低社會保險費率綜合方案〉的通知》), no centralized collection of enterprises' historical social insurance contribution shall be conducted independently, and tax authorities shall not conduct inventory checks of outstanding social insurance premiums for prior years on their own initiative. See "Regulatory Overview".

For the housing provident fund, our PRC Legal Advisor has also advised us that, in respect to the payment through third-party agents, the housing provident fund management center may order rectification within a prescribed time limit. If the rectification is not made within such time limit, a fine ranging from RMB10,000 to RMB50,000 may be imposed. Pursuant to relevant PRC laws and regulations, if the Company and the third-party agents fail to pay the full amount of housing provident fund as required, the housing provident fund management center may order us to make the outstanding payment within a prescribed time limit. If the payment is not made within such time limit, an application may be made to the PRC courts for compulsory enforcement.

During the Track Record Period and up to the Latest Practicable Date, we had not received any warning notice from the relevant authorities, nor were we subject to any administrative penalties or other disciplinary actions, and none of our employees had made or brought any collective complaints or whistleblowing reports relating to the contributions of social insurance and housing provident funds.

As advised by our PRC legal advisor, assuming there are no material changes in the applicable policies, laws and regulations and local enforcement requirements relating to social insurance and housing provident fund contributions, and there are no employee collective complaints or reports, the risk of us being subject to centralized collection of contributions payment or material administrative penalties in respect of above matters is relatively low.

In view of the above, considering (i) the nature and reasons for such non-compliances, (ii) our undertakings to make timely payments when required to avoid any relevant fines, (iii) the opinion of our PRC Legal Advisor, and (iv) the relevant government policies outlined above, our Directors are of the opinion that this non-compliance matter does not constitute a material nor systemic non-compliance incident, and will not have a material adverse impact on our business operations or financial condition as a whole. Based on the above, no provision has been made in relation to such matter.

In order to ensure ongoing compliance, we have adopted a number of enhanced internal control measures. We are in the process of communicating with our employees with a view to seeking their understanding and cooperation in gradually raising the applicable payment base. In addition, we are commencing remedial measures for our operations to reduce the number of our employees whose contributions are made through third-party agents, including establishing subsidiaries in the relevant regions based on employees' needs and the Company's operating conditions. We commit to promptly fulfilling our obligations as required as soon as practicable in the event that we receive the notification from the relevant government authorities, if any, to require us to rectify, make timely payments, or pay the outstanding amounts due to any deficiencies in our social insurance and housing provident funds in full cooperation with relevant competent government authorities, so that we will not receive material administrative penalties as a result of such deficiencies.

As advised by our PRC Legal Advisor, during the Track Record Period and up to the Latest Practicable Date, except for the aforesaid matters in relation to the Company's use of labor dispatch and contributions to social insurance and housing funds, we are complied with the requirements of the relevant social security schemes in the PRC in all material aspects. Our Directors are of the view, and our Serbian Legal Advisor has confirmed that, during the Track Record Period and up to the Latest Practicable Date, we have operated in compliance with the regulations of the Republic of Serbia concerning social security obligations. Based on the opinion of the PRC Legal Advisor, the confirmation of Serbian Legal Advisor and the due diligence conducted by the Sole Sponsor, nothing has come to the attention of the Sole Sponsor that would cause them to disagree with the Directors' view above.

PROPERTIES

PRC

As of the Latest Practicable Date, among all land parcels owned by the Group, we held land use rights to 13 parcels of land in the PRC, with an aggregate site area of approximately 861,661 square meters. All such parcels have been duly issued land use right certificates.

As of the Latest Practicable Date, the Group owned 17 properties located in the PRC with an aggregate gross floor area of approximately 547,559 square meters, all of which have obtained the relevant property ownership certificates. We generally use our self-owned properties as production facilities and office buildings. We also lease out some of our self-owned properties to generate rental revenue.

As of the Latest Practicable Date, we leased a total of 18 properties in the PRC, primarily for office, warehousing and production purposes, with an aggregate leased gross floor area of approximately 103,087 square meters.

As of the Latest Practicable Date, we had not obtained the registration of lease agreements for eight of our leased properties in PRC, one of which were in the process of registration. The major usages of such leased properties are storage, office and manufacturing. Pursuant to applicable PRC laws and regulations, we may be subject to a penalty ranging from RMB1,000 to RMB10,000 for each non-registered lease if we fail to rectify such non-compliance within the prescribed time frame after receiving notice from the relevant competent. The maximum potential penalty in respect of the aforesaid unregistered leases is RMB100,000.

Serbia

As of March 31, 2026, among all land parcels owned by Xingyu Serbia, we held land use rights to seven parcels of land in Serbia, with an aggregate surface area of approximately 125,200 square meters. All such parcels have obtained the relevant land use right certificates.

As of March 31, 2026, we owned nine properties located in Serbia with an aggregate gross floor area of approximately 44,300 square meters for manufacturing and R&D purposes, all of which have obtained the relevant property ownership certificates. As of March 31, 2026, we did not lease properties in Serbia.

Other overseas countries and regions

As of the Latest Practicable Date, we leased two properties in Germany, two properties in the U.S., and six properties in Japan for R&D and operational purposes.

As of December 31, 2024, 2025 and March 31, 2026, none of our individual properties had a carrying value representing 15% or more of our total assets. Pursuant to Chapter 5 of the Listing Rules of the Hong Kong Stock Exchange and paragraph 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this document is exempt from compliance with section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to the requirement to include in the valuation report referred to in paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance all interests in land or buildings.

INSURANCE

We believe that our insurance coverage is adequate and consistent with industry practices applicable to our business. Our assets, employee safety and other relevant items/risks are covered by commercial insurance policies, primarily including statutory social insurance, motor vehicle insurance, employers' liability insurance and property insurance. We will continue to review and assess our risk profile, making necessary and appropriate adjustments to our insurance programs to align with our operational needs and prevailing industry practices. During the Track Record Period, we did not make any material insurance claims in respect of our business.

However, there can be no assurance that we will not incur losses or claims that exceed the limits or scope of coverage under our insurance policies. See "Risk Factors — Risks Relating to Our Business and Industry — If we fail to maintain an effective quality management system, particularly during the production expansion, our business, reputation, financial condition and results of operations may be adversely affected" for further details.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

We have deeply integrated environmental, social and governance ("**ESG**") into our strategy, decision-making and operations, established the Social Responsibility Management Policy to systematically identify material ESG matters and formulate corresponding policies, procedures and control measures, and enhanced metrics management to support sustainable operations.

ESG Governance Structure

We have established a comprehensive ESG governance structure: the Board serves as the highest decision-making body, formulating ESG policies and strategies, assessing operational risks and overseeing target progress, and directly leading ESG initiatives through the Strategy and ESG Committee. The ESG Working Group, as the executive body, formulates and implements action plans, manages daily ESG risks, monitors and reports target progress, and drives the integration of ESG into daily business management.

ESG Risk and Opportunity Management

We have established a Risk Management Policy and continuously enhanced our risk management, internal control and materiality assessment mechanisms. Based on our industry characteristics and operational practices, we have identified several material ESG topics and formulated corresponding mitigation and response measures, as summarized below:

Material ESG Issues	Risk and Opportunity Analysis	Mitigation and Response Measures
Climate Change . . .	Climate-related physical and transition risks may result in asset impairment, increased operating costs, and changes in market preferences. Meanwhile, the development and provision of low-carbon products and services may enable the Group to better meet market demand and capture additional growth opportunities.	We are progressively improving and actively advancing our carbon neutrality targets and transition plans, establishing a comprehensive greenhouse gas emissions accounting and management system, promoting energy-saving and carbon reduction technologies and equipment upgrades, and gradually increasing the proportion of renewable energy usage. See "— Response to Climate Change" for further details.

Material ESG Issues	Risk and Opportunity Analysis	Mitigation and Response Measures
Emissions and Waste Management	Inadequate emissions and waste management may cause environmental pollution, while tightening regulations will increase compliance costs. Improving resource efficiency and promoting recycling support long-term cost reduction and responsible brand building.	We continuously improve the treatment of air emissions, wastewater and solid waste, strengthen recycling initiatives, reduce the generation of pollutants and waste at source, and mitigate environmental impacts arising from our production and operations.
Product Quality and Safety	Product quality risks may affect customer satisfaction, damage reputation and result in compliance or market access risks, whereas high-quality products can create new market opportunities.	We implement stringent quality control throughout the entire product lifecycle, from R&D to production, strengthen product quality risk assessment, identify areas for improvement and deliver high-quality products.
Sustainable Supply Chain	Raw material shortages, rising costs and delivery delays threaten business continuity and competitiveness, while deeper supply chain collaboration drives innovation and product optimization for long-term advantages.	We have established a full lifecycle supplier management system, integrated ESG considerations into supplier onboarding, procurement and evaluation processes, and built a resilient and sustainable supply chain.
Business Ethics and Anti-Corruption	Inadequate management of fraud prevention, anti-bribery, fair competition and anti-monopoly practices, as well as unethical conduct, may lead to compliance, operational and reputational risks.	We extend business ethics and anti-corruption requirements to directors, all employees and the supply chain, and strengthen whistleblowing mechanisms and whistleblower protection.

Environment

Environmental Management

We have established multiple internal environmental management policies and measures, ensuring the effective implementation of environmental management. In 2023, our Company was recognized as a National-Level Green Factory. During the Track Record Period, 100% of our major manufacturing bases obtained ISO 14001 environmental management system certification, and none of these entities were subject to any administrative penalties imposed by environmental authorities for violations of environmental laws or regulations.

Emissions

We have established internal management systems such as the Pollutant Discharge Management System to implement source control and conduct regular monitoring of wastewater, air emissions, solid waste and other emissions generated during production and operations, ensuring that emissions meet standards. We have set pollutant reduction targets to reduce air pollutant emissions, wastewater emissions and waste generation per unit output by 20% by 2050, taking 2025 as the benchmark. During the Track Record Period, we achieved improvements across key metrics. Air emissions intensity (million m^3/RMB million of revenue) decreased from 0.3 in 2023 to 0.2 in the three months ended March 31, 2026; wastewater discharge intensity (tons/RMB million of revenue) decreased from 40.5 in 2023 to 25.1 in the three months ended March 31, 2026; and 100% of hazardous waste was disposed of in compliance with applicable regulations.

Energy Management

In accordance with energy management system standards, we have issued the Energy Management Manual and related procedural documents, which set out management requirements covering the full operation of the energy management system. Among our facilities, the Qinling Road manufacturing facilities have obtained ISO 50001 energy management system certification. We plan to achieve a 30% proportion in the procurement and use of renewable energy (including green power purchase agreements and green certificates) by 2030. This target has been broken down into executable and traceable annual milestones: 16% in 2026, 19% in 2027, 22% in 2028, 26% in 2029, and 30% in 2030. During the Track Record Period, we implemented diversified measures to expand the application of renewable energy in our production and operations: (i) constructing photovoltaic power generation facilities at production plants; (ii) achieving 100% direct hydropower supply at the Serbian Manufacturing Base; and (iii) purchasing and retiring international green certificates as a supplement to further increase the proportion of green electricity usage. In 2025, our total photovoltaic power generation amounted to 18,601.2 MWh, direct hydropower supply reached 15,305.3 MWh, and retired green certificates accounted for 6,616 MWh, resulting in a clean energy utilization rate of 12.2%.

The table below sets out the energy and resource consumption of the Group during the Track Record Period:

		Year ended December 31,			Three months ended March 31,
Indicator	**Unit**	**2023**	**2024**	**2025**	**2026**
Electricity consumption . . .	MWh	223,600.3	289,287.4	332,919.4	70,732.2
Clean energy consumption . .	MWh	24,073.2	33,920.8	40,522.5	7,001.4
Clean energy utilization rate	%	10.8	11.7	12.2	9.9

Response to Climate Change

We have formulated the Carbon Emissions Management Manual, setting out our carbon policies, targets and system requirements, and incorporated climate objective achievement into senior management performance assessment and incentive mechanisms. Both Changzhou and Serbian manufacturing bases received a B rating (Management Level) in the 2025 CDP climate change assessment.

Management of Climate-related Risks and Opportunities

We have formulated the Risk and Opportunity Control Procedure under the Carbon Emission Management System, conducting annual climate risk and opportunity identification and reporting to the Board of Directors annually. We have identified physical risks such as operational disruption from extreme weather, transition risks such as compliance and market risks arising from carbon reduction policies and technological development, and green market opportunities driven by energy efficiency improvements and low-energy product R&D. The Company addresses these through flexible production scheduling, emergency reserves, investments in environmental technologies, and carbon neutrality goals.

Metrics and Targets

We actively support the objectives of the Paris Agreement. Using 2023 as the baseline year for greenhouse gas ("**GHG**") emissions, we have set the following climate-related targets: by 2030, to achieve a 40% reduction in carbon emission intensity per unit of output value; by 2040, to achieve net-zero emissions from our own operations; and by 2050, to achieve carbon neutrality across the entire value chain.

The table below sets out the Group's GHG emissions during the Track Record Period:

Indicator	Unit	Year ended December 31, 2023	2024	2025	Three months ended March 31, 2026
GHG emissions					
Scope 1 GHG emissions	tons of CO_2 equivalent	395.9	560.9	606.6	158.5
Scope 2 GHG emissions	tons of CO_2 equivalent	116,843.1	149,542.7	158,656.2	33,815.6
Scope 3 GHG emissions[(1)]	tons of CO_2 equivalent	20,317.9	14,226.2	11,434.5	/[(2)]
GHG emission intensity					
Scope 1 and Scope 2 emission intensity	tons of CO_2 equivalent/ RMB million of revenue	11.4	11.3	10.4	9.9
Scope 1, Scope 2, and Scope 3 emission intensity	tons of CO_2 equivalent/ RMB million of revenue	13.4	12.4	11.2	/

Note:

(1) Scope 3 greenhouse gas emissions cover Category 4 (upstream transportation and distribution), Category 5 (waste generated in operations),Category 6 (business travel), Category 7 (employee commuting) and Category 9 (downstream transportation and distribution). In 2023, Scope 3 emissions covered our Changzhou Manufacturing Base. In 2024, the Scope 3 boundary was expanded to our Serbian Manufacturing Base. We will progressively expand the coverage of Scope 3 emissions.

(2) As Scope 3 emissions involve extensive data collection and calculation, we engage professional hird-party service providers in the first half of each subsequent year to complete the GHG nventory for the preceding year. Accordingly, Scope 3 GHG emissions and emission intensity data for the first three months of 2026 are not disclosed.

Social

Occupational Health and Safety

We have established a Health, Safety and Environment ("**HSE**") Committee and formulated a series of policies, including the Health, Safety and Environmental Responsibility Policy, Occupational Health Management Policy and safety management system. Occupational health and safety performance is incorporated into performance assessments, and we continuously improve workplace health and safety conditions. We have obtained ISO 45001 certification for our occupational health and safety management system.

During the Track Record Period, no major injury accidents, nor any major occupational health and safety violations or irregularities, have occurred in the course of the Company's operations, and the number of fatalities is zero.

Product Responsibility

We closely follow national strategic priorities and industry development trends, and have formulated the R&D Management Manual to strengthen lifecycle management of R&D projects and enhance independent innovation capabilities. We attach great importance to the recyclability design of automotive lighting products, focusing on three major directions: post-consumer recycled materials (PCR), post-industrial recycled materials (PIR), and bio-based materials for continuous breakthroughs. We have adopted the Specification for the Use of Restricted and Prohibited Substances (《禁限用物質的使用規範》) to ensure the recyclability and harmlessness of materials, and the Technical Requirements for the Crushing

of Painted PC Waste (《帶油漆PC廢料粉碎技術要求》) to clarify standards for waste recycling and treatment, covering the core links of recyclability design. In 2025, we successfully developed 6 types of PCR materials and 2 types of PIR materials.

Anti-corruption

We have formulated policies such as the Supervision Management Policy, Internal Control Inspection and Supervision Policy, and Integrity Commitment under the Sunshine Project to strengthen process control and audit supervision. We adopt a zero-tolerance approach to misconduct and have established multiple reporting channels. We strictly protect the confidentiality of whistleblowers and prohibit any form of retaliation. During the Track Record Period, there were no litigation cases involving corruption.

Our Directors confirmed that during the Track Record Period and up to the Latest Practicable Date, we have complied with environmental, occupational health and safety and anti-bribery and anti-corruption laws and regulations in the PRC applicable to our business operations in all material aspects. Our PRC Legal Advisor is of the view that the confirmation of our Directors above with regard to our compliance records is accurate and reasonable.

Serbia

We adopt a zero-tolerance approach to misconduct and have established multiple reporting channels in our operations in Serbia. We strictly protect the confidentiality of whistleblowers and prohibit any form of retaliation all in line with the Law on the Protection of Whistleblowers During the Track Record Period, we had no legal proceedings involving corruption in Serbia.

Our Directors confirmed that during the Track Record Period and up to the Latest Practicable Date, we have complied with environmental, occupational health and safety and anti-bribery and anti-corruption laws and regulations in the Republic of Serbia applicable to our business operations in all material aspects. Our Serbian Legal Advisor is of the view that the confirmation of our Directors above with regard to our compliance records is accurate and reasonable.

LICENSES AND APPROVALS

During the Track Record Period and up to the Latest Practicable Date, we have obtained all licenses, approvals, permits and certificates that are material and necessary for our business operations in jurisdictions where we operate, and such licenses, permits, approvals and certificates are valid and subsisting.

The following table sets forth details of our material licenses and permits:

No.	Holder	Certificate Name	Issuing Authority	Validity Period
1	Company	Customs Declaration Entity Registration Certificate	Changzhou Customs	Long-term
2	Company	Pollutant Discharge Permit	Changzhou Municipal Ecology and Environment Bureau	April 3, 2026 – April 2, 2031
3	Company	Pollutant Discharge Permit	Changzhou Municipal Ecology and Environment Bureau	December 15, 2025 – December 14, 2030
4	Company	Pollutant Discharge Permit	Changzhou Municipal Ecology and Environment Bureau	June 27, 2024 – June 26, 2029
5	Foshan Xingyu	Pollutant Discharge Permit	Foshan Municipal Ecology and Environment Bureau	May 20, 2025 – May 19, 2030

No.	Holder	Certificate Name	Issuing Authority	Validity Period
6	Changzhou Xinghang Import & Export . .	Customs Declaration Entity Registration Certificate	Changzhou Customs	Long-term
7	Xingyu Serbia	Decision on the occupancy permit	City of Niš — City Administration for Construction	Not time-limited

During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material difficulties in renewing material licenses, permits or approvals above. We do not expect there to be any material legal impediment in renewing these licenses, permits, approvals and certificates as they expire in future as long as there are no material adverse changes on our business operation and we are in compliance with applicable laws, regulations, and rules.

Our Directors confirmed that during the Track Record Period and up to the Latest Practicable Date, we have complied with the rules of the Shanghai Stock Exchange and other applicable laws and regulations to our major business operation in the PRC and Serbia, in all material respects. Our PRC Legal Advisor and Serbia Legal Advisor are of the view that the confirmation of our Directors above with regard to our compliance records is accurate and reasonable.

REGULATORY COMPLIANCE AND LEGAL PROCEEDINGS

Legal Proceedings

We may, from time to time, be subject to various legal or administrative claims and proceedings arising from the ordinary course of business. Litigation or any other legal or administrative proceeding, regardless of the outcome, is likely to result in substantial costs and diversion of our resources, including our management's time and attention. As of the Latest Practicable Date, we and our major subsidiaries were not involved in any court, arbitral or administrative proceedings which we believe may be of material importance to our assets and liabilities or profits and losses, nor, so far as we are aware, are any such proceedings pending or threatened. See "Risk Factors — Risks Relating to Our Business and Industry — We, our Directors, management, employees and shareholders and their affiliates may be subject to lawsuits, contract disputes, employment-related controversies and other legal and administrative proceedings or fine."

During the Track Record Period and up to the Latest Practicable Date, we had not been and were not 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, financial condition and results of operations.

RISK MANAGEMENT AND INTERNAL CONTROL

We are exposed to various risks during our operations. We have put in place a set of internal control and risk management policies and procedures to address potential operational, financial, legal and market risks identified in relation to our operations. We also periodically review these procedures to ensure their effectiveness. Our policies and procedures relate to managing our procurement and production, as well as monitoring our sales performance and product quality.

To monitor the ongoing implementation of our risk management policies and corporate governance measures after the [**REDACTED**], we have adopted, or will continue to adopt, a number of measures. (1) We have established an Audit Committee to review and supervise our financial reporting process and internal control system. (2) We have adopted policies to ensure compliance with the Listing Rules, including in relation to risk management, connected transactions and information disclosure. (3) We organise training sessions for our Directors and senior management on the requirements of the Listing Rules and their duties as directors

of Hong Kong listed companies. (4) We also provide periodic training to our senior management and employees on professional conduct and ethics standards, and incorporate compliance requirements into our employee discipline and supervision framework. (5) We have established clear guidelines and processes for identifying, measuring and managing price and currency risks, including conducting hedging activities within a structured framework. (6) We enhance our reporting and record systems across factories, including centralising quality control and safety management systems and conducting regular inspections. (7) We have established emergency procedures to address major quality-related issues and product returns. (8) We provide enhanced training on quality assurance and product safety procedures. (9) We also distribute employee handbooks to strengthen awareness of compliance with applicable laws and regulations.

AWARDS AND RECOGNITIONS

During the Track Record Period, we received awards and recognition in respect of our products, technology and innovation. The following table sets out major awards and recognitions we received during the Track Record Period:

Year	Awards/Recognition	Awarding Entity
2023 to 2025	Gold Award, 8th, 9th and 10th Lingxuan Award in Mass-Produced Electronic and Electrical Category	Lingxuan Award Organizing Committee
2025	Best Practice in Internal Control for Listed Companies in 2025	China Association for Public Companies
2023	Best Practices in Corporate Governance for Listed Companies in 2023	China Association for Public Companies
2023 and 2025	Top 10 Enterprises of Electrical Luminary Industry in China Light Industries	China National Light Industry Council, China Electrical Luminary Association
2025	Maturity Model of Intelligent Manufacturing Capability (Level 4) Certificate	Shanghai Computer Software Technology Development Center
2024	National May Day Labor Certificate	All-China Federation of Trade Unions
2024	Gold Award, 11th China LED Pioneer Award	11th China LED Pioneer Award Organizing Committee
2024	Contract-Honoring and Creditworthy Enterprise Publicity Certificate	Jiangsu Provincial Enterprise Credit Management Association
2024	Grand Prix in the Mass Production Category of the 9th China Auto Parts Industry Awards	World New Auto Technology Collaboration Ecosystem Association

Year	Awards/Recognition	Awarding Entity
2024	Integration of Informatization and Industrialization Management System Certificate	Twofold Integration Management System Assessment Working Committee
2024	CNAS Laboratory Accreditation Certificate	the CNAS
2023	National Intellectual Property Demonstration Enterprise (Oct 2022 - Sep 2025)	National Intellectual Property Administration
2023	National Industrial Design Center (2024-2027)	MIIT
2023	Green Factory	MIIT
2023	2023 Ministry of Industry and Information Technology Intelligent Manufacturing Model Factory	MIIT
2023	Top 100 Science & Technology Enterprises in China Light Industry	China National Light Industry Council
2023	Chinese Red Cross Dedication Medal	Red Cross Society of China
2023	High-Tech Enterprise	Jiangsu Provincial Department of Science and Technology; Jiangsu Provincial Department of Finance; State Taxation Administration Jiangsu Provincial Taxation Bureau
2023	2022 Jiangsu Provincial Science and Technology Award Third Prize	Jiangsu Provincial People's Government
2021	National Manufacturing Single Champion Demonstration Enterprise	Ministry of Industry and Information Technology of the People's Republic of China; China Federation of Industrial Economics

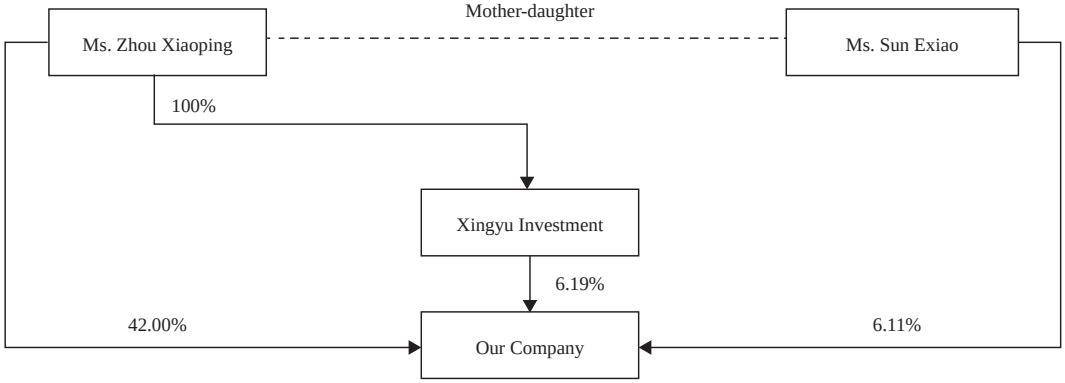
OUR CONTROLLING SHAREHOLDERS

Ms. Zhou Xiaoping (周曉萍) and Mr. Zhou Bajin (周八斤) were the founding shareholders of our Company, and Ms. Zhou served as the Chairperson of our Board, an Executive Director, and the General Manager, responsible for the overall strategic planning, operation and management of the Group. In February 2010, Xingyu Investment was established by Ms. Zhou and Mr. Zhou Bajin, holding 60% and 40% interest respectively, with Ms. Zhou serving as the sole director.

From the beginning of the Track Record Period to February 2025, Ms. Zhou directly held 35.89% interest of our Company and indirectly held 6.19% of the interest of our Company through Xingyu Investment with Mr. Zhou Bajin. Mr. Zhou Bajin also directly held 12.22% interest of our Company.

In February 2025, Mr. Zhou Bajin passed away. Following the division of marital property, inheritance procedure and share transfer, his 12.22% interest of our Company was equally reallocated to Ms. Zhou and Ms. Sun Exiao, and 40% interest of Xingyu Investment was eventually transferred to Ms. Zhou.

As of the Latest Practicable Date, Ms. Zhou directly held 42.00% of the total issued share capital of our Company and indirectly held 6.19% interest of our Company through Xingyu Investment. Ms. Sun Exiao (孫娥小) also directly held 6.11% interest of our Company. The shareholding status of the relationship among Ms. Zhou, Ms. Sun Exiao, Xingyu Investment and our Company was as follows:



Ms. Zhou is the only child of Ms. Sun Exiao, which causes Ms. Sun Exiao to be presumed as the person acting in concert with Ms. Zhou under the Takeovers Code. Consequently, Ms. Zhou, Xingyu Investment and Ms. Sun Exiao, are regarded as a group of controlling shareholders of our Company. As of the Latest Practicable Date, Ms. Zhou and other controlling shareholders, directly and indirectly, controlled 54.3% of the voting rights of our Company. Immediately following the completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised), Ms. Zhou and other controlling shareholders will, directly and indirectly continue to control [**REDACTED**]% of the voting rights of our Company.

INTERESTS OF OUR CONTROLLING SHAREHOLDERS IN OTHER BUSINESSES

Our Controlling Shareholders confirmed that as of the Latest Practicable Date, apart from the business of our Company, they did not have any interest in other business, which competes or is likely to compete, directly or indirectly, with our business, which would require disclosure under Rule 8.10 of the Listing Rules.

NON-COMPETITION UNDERTAKINGS

Ms. Zhou has executed certain non-competition undertakings in January 2011 (which was restated at each annual and semi-annual report) (the "**Non-Competition Undertaking**") that, in favor of the interest of our Company and our Shareholders, pursuant to which Ms. Zhou has undertaken that:

(a) as of the date of the Non-competition Undertaking, Ms. Zhou, as well as the enterprises controlled and invested by her, did not engage in any business or activity in any form that constitute or may constitute direct or indirect competition with the principal business of our Group.

(b) as long as our Company is publicly listed on the PRC domestic stock exchange, Ms. Zhou will take effective measures, and will also ensure that the enterprises controlled and invested by Ms. Zhou to take effective measures, not to take the following actions within the PRC: (i) engage in any business or activity in any form, directly or indirectly, that constitute or may constitute direct or indirect competition with the principal business of our Group, or hold any equity interest in any business; (ii) support any party other than our Group in any form in its engaging in any business or activity that compete or may compete with the principal business currently or hereafter conducted by our Group; and (iii) intervene in any other manner, whether directly or indirectly, in any business or activity that compete or may compete with the principal business currently or hereafter conducted by our Group.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Our Directors consider that we are capable of carrying on our business independently from our Controlling Shareholders and/or their respective close associates upon [**REDACTED**], taking into consideration the factors below:

Management Independence

Our Company is managed by our Board and senior management. Upon [**REDACTED**], our Board will consist of nine Directors comprising four Executive Directors, one Non-Executive Director and four Independent Non-Executive Directors. We believe that our Directors and senior management are able to perform their roles in our Company independently and our Company is capable of managing its business independently from our Controlling Shareholders and their respective close associates for the following reasons:

(i) Ms. Zhou as the Chairperson of our Board, an Executive Director and our General Manager, devotes substantially all her time to discharge her duties of her positions at our Group;

(ii) each of our Directors is aware of the fiduciary duties as a Director which require, among other things, that they act for the benefit and in the best interests of our Company and does not allow their personal interests to interfere with our Company's best interest;

(iii) our daily management and operation are carried out by our Executive Directors and senior management, all of whom have substantial experience in the industry in which our Company is engaged, and will therefore be able to make business decisions that are in the best interest of our Group;

(iv) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group and our Directors or their respective close associates, the interested Directors shall abstain from voting on such matter and shall not be counted in the quorum present at the relevant meetings of the Board of Directors;

(v) we will have four Independent Non-Executive Directors upon [**REDACTED**], comprising more than one-third of our Board of Directors, to provide a balance of the number of our Board of Directors and with a view to ensure that the decisions of our Board of Directors are made only after due consideration of independent and impartial opinions. We believe our Independent Non-Executive Directors individually and collectively possess the requisite knowledge and experience to provide professional and experienced advice to our Company. Our Directors are of the view that our Independent Non-Executive Directors are able to protect the interests of our Company and our Shareholders as a whole;

(vi) as an A-share listed company, we have formulated and adopted a comprehensive internal control and management system in compliance with the relevant requirements of the rules of the Shanghai Stock Exchange. We have established clear reporting lines among the management team of our Company and between our management team and the Board; and

(vii) we have adopted corporate governance measures and sufficient and effective control mechanisms to manage conflicts of interest, if any, between our Group and our Controlling Shareholders, which would support our independent management. See "— Corporate Governance" for further details.

Based on the above, our Directors are of the view that our Board of Directors, together with our senior management, are able to perform their managerial roles in our Group independently from our Controlling Shareholders and/or their respective close associates.

Operational Independence

Our Group have full powers to make all decisions regarding, and to carry out, our own business operations, and do not rely on our Controlling Shareholders and their respective close associates for our business development, staffing, logistics, administration, finance, internal audit, IT, sales and marketing, or company secretarial functions. We have established our own organizational structure, and each department is specialized and assigned to specific areas of responsibilities. We have independent access to our suppliers and customers. We are in possession of all relevant licenses, certificates, facilities and intellectual property rights necessary to carry on and operate our principal business and we have sufficient operational capacity in terms of capital and employees to operate independently.

Based on the above, our Directors believe that we are able to operate independently of our Controlling Shareholders and/or their respective close associates.

Financial Independence

Our Group has an independent financial system and makes financial decisions according to our own business needs. We have our own internal control and accounting system and finance department to perform independent treasury function on cash receipts and payments, independent accounting and reporting functions and independent internal control function. Neither our Controlling Shareholders nor their respective close associates intervene with our use of funds. We have adequate internal resources and credit profile to support our daily operation, and we are capable of obtaining financing from independent third parties without relying on any guarantee or security provided by our Controlling Shareholders or their respective close associates. As of the Latest Practicable Date, we did not have any outstanding borrowing or guarantee from our Controlling Shareholders or any of their respective close associates.

Based on the above, our Directors are of the view that we are able to maintain financial independence from our Controlling Shareholders and/or their respective close associates.

CORPORATE GOVERNANCE

Our Company will comply with the provisions of the Corporate Governance Code in Appendix C1 to the Listing Rules (the "**Corporate Governance Code**"), which set out principles of good corporate governance. Our Directors recognize the importance of good corporate governance in protection of our Shareholders' interests. We would adopt the following measures to safeguard good corporate governance standards and to avoid potential conflicts of interest between our Company and our Controlling Shareholders.

(a) where a Board meeting is held for the matters in which any Director or his/her respective close associates has a material interest, such Director(s) shall abstain from voting on the relevant resolutions and shall not be counted in the quorum for the voting;

(b) where a Shareholders' general meeting is to be held for considering proposed transactions in which our Controlling Shareholders or any of their respective associates has a material interest, our Controlling Shareholders or their respective close associates will not vote on the resolutions and shall not be counted in the quorum in the voting;

(c) as part of our preparation for the [**REDACTED**], we have amended our Articles of Association to comply with the Listing Rules which will become effective upon [**REDACTED**]. In particular, our Articles of Association provides that, a Director shall be abstained from voting on any resolution approving any contract, transaction or arrangement in which such Director or any of his/her respective close associates has a material interest nor shall such Director be counted in the quorum present at the Board meeting;

(d) our Company has established internal control mechanisms to identify connected transactions. Upon [**REDACTED**], if our Company enters into connected transactions with our Controlling Shareholders and/or any of their respective close associates, our Company will comply with the applicable Listing Rules;

(e) we commit that our Board shall include a balanced composition of Executive Director and Non-Executive Directors (including Independent Non-Executive Directors). We will have four Independent Non-Executive Directors upon [**REDACTED**], and we believe our Independent Non-Executive Directors (i) possess sufficient experiences, (ii) are free of any business or other relationship which could interfere in any material manner with the exercise of their independent judgment, and (iii) will be able to provide an impartial and external opinion to protect the interests of our Shareholders as a whole. For details of the Independent Non-Executive Directors, see "Directors and Senior Management";

(f) where our Directors reasonably request the advice of independent professionals, such as financial advisors, the appointment of such independent professionals will be made at our Company's expenses; and

(g) we have appointed Somerley as our Compliance Advisor to provide advice and guidance to us in respect of compliance with the Listing Rules, including various requirements relating to corporate governance.

Based on the above, our Directors are satisfied that sufficient corporate governance measures have been put in place to manage conflicts of interest between our Company and our Controlling Shareholders, and to protect minority Shareholders' interests upon [**REDACTED**].

OVERVIEW

Upon [**REDACTED**], certain transactions entered into between us and our connected persons (as set out below) will constitute fully exempt continuing connected transactions of our Company under Chapter 14A of the Listing Rules.

CONNECTED PERSONS

Name of our connected persons	Connected relationship
Xingyu Investment	Xingyu Investment is one of our Controlling Shareholders
Xingyi Investment	Xingyi Investment is a company wholly owned by Ms. Zhou Xiaoping, one of our Controlling Shareholders

OUR CONTINUING CONNECTED TRANSACTIONS

Nature of transaction	Counterparty	Applicable Listing Rules	Waiver Sought	Annual Cap
Fully exempt continuing connected transactions				
1. Lease of office facility	Xingyu Investment	14A.76(1)	N/A	N/A
2. Lease of office facility	Xingyi Investment	14A.76(1)	N/A	N/A

FULLY EXEMPT CONTINUING CONNECTED TRANSACTIONS

We have entered into the following transactions with our connected persons on normal commercial terms, which will continue after the [**REDACTED**]:

(1) On December 31, 2025, our Company entered into a lease agreement of properties with Xingyu Investment (the "**Xingyu Lease Agreement**"). Pursuant to the Xingyu Lease Agreement, Xingyu Investment leased certain property from our Company for the use of office for a period of three years since January 1, 2026. The rent was fixed at RMB9,600 per year (tax inclusive) in consistent with the local market price of similar property; and

(2) On December 31, 2025, our Company entered into a lease agreement of properties with Xingyi Investment (the "**Xingyi Lease Agreement**", together with the Xingyu Lease Agreement, the "**Lease Agreements**"). Pursuant to the Xingyi Lease Agreement, Xingyi Investment leased certain property from our Company for the use of office for a period of three years since January 1, 2026. The rent was fixed at RMB9,600 per year (tax inclusive) in consistent with the local market price of similar property.

As the applicable percentage ratios related to the continuing connected transactions under the Lease Agreements calculated, on an aggregate basis, under Chapter 14A of the Listing Rules will be less than 0.1%, the above leases will be fully exempt from all of the reporting, annual review, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules pursuant to Rule 14A.76(1) of the Listing Rules.

CONFIRMATION FROM OUR DIRECTORS

Our Directors (including our Independent Non-Executive Directors) are of the view that: (i) the continuing connected transactions under the Lease Agreements have been and/or will be entered into in our ordinary and usual course of business on normal commercial terms, the price is and will be no more favorable to the connected persons than the prevailing market price of the rent of similar property in the vicinity and similar office facilities, on terms that are fair and reasonable, and in the interests of our Company and our Shareholders as a whole, and (ii) the Company will comply with the relevant requirement under Chapter 14A of the Listing Rules.

BOARD OF DIRECTORS

Our Board will consist of nine Directors, including four Executive Directors, one Non-Executive Director and four Independent Non-Executive Directors upon [**REDACTED**]. Our Directors are appointed for a term of three (3) years and are eligible for re-election upon expiry of their term of office. The Independent Non-Executive Directors shall not hold office for more than six (6) consecutive years pursuant to the relevant PRC laws and regulations. The following table sets forth certain information regarding our Directors.

Name	Age	Date of joining our Group	Date of appointment as a Director	Position	Responsibilities	Relationship with other Directors and senior management
Ms. Zhou Xiaoping (周曉萍)	65	May, 2000	May 18, 2000	Executive Director, Chairperson of our Board and General Manager	Overall strategic planning, operation and management	Mr. Zhou Yuheng's mother
Mr. Zhou Yuheng (周宇恆)	40	April, 2013	April 10, 2025	Executive Director, Deputy Chairperson of our Board and Vice General Manager	Business operation, information technology and digital transformation	Ms. Zhou Xiaoping's son
Mr. Li Shujun (李樹軍)	47	November, 2015	January 15, 2026 (Executive Director effective upon [**REDACTED**])	Executive Director and Executive Vice General Manager	Business operation and human resource management	None
Mr. Xu Huiyi (徐惠儀)	58	May, 2000	April 15, 2022	Executive Director (Employee Director)	Marketing and customer relationship	None
Mr. Wang Shihai (王世海)	49	February, 2010	April 10, 2025	Non-Executive Director	Recommendations and expert judgment to the Board	None
Mr. Ma Peilin (馬培林)	59	April, 2022	April 15, 2022	Independent Non-Executive Director	Independent opinion and judgment to our Board	None
Ms. Han Jian (韓踐)	53	April, 2022	April 15, 2022	Independent Non-Executive Director	Independent opinion and judgment to our Board	None
Mr. Li Xiang (李翔)	48	April, 2022	April 15, 2022	Independent Non-Executive Director	Independent opinion and judgment to our Board	None
Ms. Ng Wing Yan Claudia (伍穎恩)	45	January 15, 2026 (effective upon [**REDACTED**])	January 15, 2026 (effective upon [**REDACTED**])	Independent Non-Executive Director	Independent opinion and judgment to our Board	None

Save that Ms. Zhou Xiaoping and Mr. Zhou Yuheng are mother and son, none of our Directors and members of senior management is related to other Directors or members of senior management.

Executive Directors

Ms. Zhou Xiaoping (周曉萍), aged 65, is an Executive Director, the Chairperson of our Board and the General Manager of our Company. She is primarily responsible for the overall strategic planning, operation and management of our Group.

As a founder of our Group, Ms. Zhou has over 30 years of experiences in the automotive lighting industry, tracing back to her position as the factory director in Changzhou Xingyu Car Lighting Factory (常州市星宇車燈廠) in 1993. Our Company was founded by Ms. Zhou together with Mr. Zhou Bajin in May 2000. Since then Ms. Zhou served as the General Manager and the Director, and as the Chairperson of our Board from 2007 to date. Ms. Zhou is one of our Controlling Shareholders and also the chairperson of the Strategy and ESG Committee of our Company.

Ms. Zhou holds or has held the following directorship and senior management roles in the companies within our Group as below:

Company	Principal Business	Role	Period of Service
Xingyu HK	Investment	Executive director	Since November 2013 to date
Jilin Xingyu	Manufacturing and sales of automotive lighting products	Chairperson of the board and general manager	Since April 2013 to April 2023

Ms. Zhou was a director and a member of senior management of companies at the time of or within one year before their respective dissolution or deregistration as below:

Company Name	Place of Incorporation	Principal Business	Position	Means of Termination	Date of Deregistration	Reasons for Deregistration
Shanghai Ruimian Industrial Co., Ltd. (上海瑞冕實業有限公司)	PRC	Consultancy services	Executive director	Deregistration	July 29, 2020	Cessation of business operations
Changzhou Patron Automotive Safety System Co., Ltd. (常州帕特隆汽車安全系統有限公司)	PRC	Automotive electronic components manufacturing	Director and general manager	Deregistration	August 24, 2016	Cessation of business operations

Ms. Zhou obtained her bachelor's degree in medicine from Norman Bethune University of Medical Science (白求恩醫科大學) in 1990 (which was merged into Jilin University (吉林大學) in 2000), and was awarded the master's degree in business administration from China Europe International Business School (中歐國際工商學院) in July 2006. In July 2021, Ms. Zhou also obtained her master's degree in business administration from Tsinghua University (清華大學).

Ms. Zhou has also served as a deputy of the 14th Jiangsu Province People's Congress (江蘇省第十四屆人大代表) since January 2023, and as the chairperson of Changzhou Xinbei District Association of Industry and Commerce (常州市新北區工商業聯合會) since October 2003.

Mr. Zhou Yuheng (周宇恆), aged 40, is an Executive Director and a Vice General Manager of our Company. He joined our Group in 2013 and served as a Vice General Manager since 2019 to date. He was appointed as a Director in April 2025 and as the deputy chairperson of Board in September 2025. Mr. Zhou is primarily responsible for business operation, information technology and digital transformation of our Group.

Prior to joining our Group, Mr. Zhou served as client manager at China Construction Bank Corporation Jiangsu Branch (中國建設銀行江蘇分行) from 2012 to 2013.

Mr. Zhou Yuheng also holds the following directorship and senior management roles in the companies within our Group as below:

Company	Principal Business	Role	Period of Service
Xingyu Intelligent	Has not yet commenced substantive operations	Executive director and general manager	Since June 2016 to date
Xinghui Digital Technology	Software development and information technology services	Executive director	Since October 2024 to date
Chongqing Xingyu	Manufacturing and sales of automotive lighting products	Director	Since September 2025 to date
Xingyu Robot	R&D, manufacturing and sale of intelligent robots	Executive director	Since October 2025 to date

Mr. Zhou obtained a bachelor's degree majoring in automation from Shanghai Jiao Tong University (上海交通大學) in July 2008 and a master's degree in management from the University of Sheffield of the United Kingdom in 2010.

Mr. Li Shujun (李樹軍), aged 47, is the Executive Vice General Manager of our Company, and he was appointed as an Executive Director on January 15, 2026 taking effect upon [**REDACTED**]. He is primarily responsible for business operation and human resource management.

Mr. Li Shujun joined our Group in November 2015. He has served as the Chief Financial Officer from April 2016 to May 2024, as the Board Secretary from April 2016 to April 2022, and as a Vice General Manager from August 2019 and as an Executive Vice General Manager from February 2024 to date.

Mr. Li Shujun is an accounting expert and holds certificates of Certified Public Accountant ("**CPA**") of PRC, and of the Institute of Chartered Accountants in England and Wales. Prior to his joining to our Group, Mr. Li worked as the chief financial officer and the board secretary of Inner Mongolia Manshi Coal Group Co., Ltd. (內蒙古滿世煤炭集團股份有限公司) from 2010 to 2015. From March 2015 to October 2015, he served as the chief financial officer at Manshi Investment Group Co., Ltd. (滿世投資集團有限公司). Mr. Li also worked as the independent director of IAT Automobile Technology Co., Ltd. (阿爾特汽車技術股份有限公司) (300825.SZ) from 2017 to 2023.

Mr. Li Shujun was a supervisor of the following company at the time of or within one year before its dissolution or deregistration as below:

Company Name	Place of Incorporation	Principal Business	Position	Means of Termination	Date of Deregistration	Reasons for Deregistration
Jiangsu Xuyi Manshi Solar Power Technology Co., Ltd. (江蘇盱眙滿世太陽能科技有限公司)	PRC	Manufacturing and sales of solar power generation battery modules and thin-film solar curtain walls	Supervisor	Deregistration	May 16, 2016	Cessation of business operations

Mr. Li Shujun obtained his master's degree in professional accountancy from the Chinese University of Hong Kong (香港中文大學) in November 2019.

Mr. Xu Huiyi (徐惠儀), aged 58, is an Executive Director of our Group. He is primarily responsible for marketing and customer relationships. He was appointed as our employee Director in October 2025.

Mr. Xu has extensive experiences in the automotive lighting industry and has been working in the area for over 30 years. Mr. Xu joined Changzhou Xingyu Car Lighting Factory (常州市星宇車燈廠) and worked as a technician specialist and later as the deputy factory director. Mr. Xu served for our Company since its incorporation in 2000. He took multiple positions from 2000 to date as the head of marketing department, the assistant to General Manager, the Vice General Manager and the Director of our Company.

Mr. Xu also holds the following directorship and senior management role in the company within our Group as below:

Company	Principal Business	Role	Period of Service
Jilin Xingyu	Manufacturing and sales of automotive lighting products	Director, executive director and general manager	Since April 2013 to date

Mr. Xu graduated from the School of Continuing Education at Beijing Normal University (北京師範大學繼續教育學院) in May 2002, majoring in applied English.

Non-Executive Directors

Mr. Wang Shihai (王世海), aged 49, is a Non-Executive Director. He was appointed as a Director on April 10, 2025.

Mr. Wang has extensive experience in investment and financing. He serves as vice president, executive director and managing director at CS Capital Co., Ltd. (國投招商投資管理有限公司) and at SDIC Fund Management Co., Ltd. (國投創新投資管理有限公司) from 2009 to date. Mr. Wang also served as an independent director of Beijing GeoEnvicon Engineering & Technology, Inc (北京高能時代環境技術股份有限公司) (formerly known as the Institute of High Energy Physics of the Chinese Academy of Science (中國科學院高能物理研究所)) (603588.SH) from 2016 to 2022.

Mr. Wang Shihai holds the following director roles in public listed companies and companies currently undergoing an IPO process below:

Company	Principal Business	Role	Period of Service
Ningbo Physis Technology Co., Ltd. (寧波菲仕技術股份有限公司)	Manufacturing and sales of electronic machinery and equipment	Director	Since January 2016 to the date
Suzhou Leaderdrive Technology Co., Ltd. (蘇州綠的諧波傳動科技股份有限公司) (688017.SH)	General equipment manufacturing	Director	Since June 2016 to date

Mr. Wang obtained his bachelor's degree in investment economics from Shandong University of Finance and Economics (山東財經學院, now known as "山東財經大學") in July 1999 and his master's degree in business administration from Shanghai Jiao Tong University (上海交通大學) in June 2006. Mr. Wang obtained qualification for private equity fund practitioner from Asset Management Association of China (中國證券投資基金業協會) in November 2023.

Independent Non-Executive Directors

Mr. Ma Peilin (馬培林), aged 59, is an Independent Non-Executive Director of our Company since April 15, 2022.

Mr. Ma has extensive experience in business management. From September 1992 to date, Mr. Ma served various positions in Shuangliang Group Co., Ltd. (雙良集團有限公司) and its subsidiaries as the accounting manager, chief financial officer, director and chief executive officer. During the period from 2000 to 2025, Mr. Ma also served various positions as the director, the vice chairperson of board of directors and the chairperson of supervisory board of Shuangliang Eco-Energy Systems Co., Ltd. (雙良節能系統股份有限公司) (600481.SH). Mr. Ma also acts or had acted as directors or independent directors in several companies in various areas.

Mr. Ma was a director, supervisor and/or general manager of the companies at the time of or within one year before their respective dissolution or deregistration as shown in the table below:

Company Name	Place of Incorporation	Principal Business	Position	Means of Termination	Date of Deregistration	Reasons for Deregistration
Jiangsu Lishide Chemical Industry Co., Ltd. (江蘇利士德化工有限公司)	PRC	Chemical product manufacturing	Director	Deregistration	November 15, 2017	Cessation of business operations
Jiangsu Shuangliang Heavy Industry Equipment Co., Ltd. (江蘇雙良重工裝備有限公司)	PRC	Production of non-standardized coke equipment	Director	Deregistration	July 25, 2013	Cessation of business operations
Shenzhen Zhongtuo Investment Co., Ltd. (深圳市中拓投資有限公司)	PRC	Industrial investment management	Supervisor	Revocation	February 1, 2005	Business license revoked for failure to complete the annual inspection
Zhongshi Industrial Co., Ltd. (中實實業有限公司)	PRC	Sales of machinery and equipment	Supervisor	Revocation	December 10, 2001	Business licence revoked for failure to complete the annual inspection
Guangxi Qianliang Mining Co., Ltd. (廣西乾良礦業有限公司)	PRC	Investment in mining business	Executive director and general manager	Deregistration	April 8, 2025	Cessation of business operations
Inner Mongolia Deyin Runsheng New Energy Technology Co., Ltd. (內蒙古德銀潤生新能源科技有限公司.)	PRC	New energy technology R&D and consultation	Executive director and general manager	Deregistration	September 19, 2019	Cessation of business operations
Jiangsu Shuangliang Technology Service Co., Ltd. (江蘇雙良技術服務有限公司)	PRC	Air-conditioner, boiler, parking equipment testing and maintenance	Director	Deregistration	September 14, 2007	Cessation of business operations

From 1999 to 2001 and from 2001 to 2005, Mr. Ma served as the supervisor of Zhongshi Industrial Co., Ltd. (中實實業有限公司) (the "**Zhongshi Industrial**") and Shenzhen Zhongtuo Investment Co., Ltd. (深圳市中拓投資有限公司) (the "**Zhongtuo Investment**"). The business licenses of both entities were revoked on December 10, 2001 and February 1, 2005, respectively, due to the failure to complete the required annual compliance inspection, and neither entity had been deregistered as of the Latest Practicable Date. Mr. Ma confirms that (i) both entities were solvent immediately prior to the revocation of their business license; (ii) he did not commit any wrongdoing and did not bear any personal liability in connection with the revocation of both entities, (iii) as he did not participate in nor was responsible for any operations or deregistration procedures of such entities after their business license revocation in 2001 and 2005 respectively, he is not aware of any continuous business operations of Zhongtuo Investment or Zhongshi Industrial after the revocation of their business licenses.

Mr. Ma obtained his bachelor's degree in economy from Inner Mongolia University of Finance and Economics (內蒙古財經學院) in July 1990 and was awarded the master's degree in business administration from China Europe International Business School (中歐國際工商學院) in July 2006. He also obtained the Accounting Practice Qualification Certificate in 1997.

Ms. Han Jian (韓踐), aged 53, is an Independent Non-Executive Director of our Company since April 15, 2022.

Ms. Han joined our Group in April 2022. Before that, she worked in Peking University (北京大學). She also has been a professor of management at China Europe International Business School (中歐國際工商學院). Ms. Han served as an independent director of Midea Group Co., Ltd. (美的集團) (000333.SZ, 00300.HK) from September 2018 to July 2024 and also as an independent director of Dada Nexus Limited (達達集團有限公司)[(1)] from August 2022 to June 2025. Currently Ms. Han holds the following independent director roles in the companies below:

Company	Principal Business	Role	Period of Service
Beijing Zhidemai Technology Co., Ltd. (北京值得買科技股份有限公司) (300785.SZ)	Internet lifestyle services	Independent director	Since May 2025 to date
Jinmao Property Services Co., Limited (金茂物業服務發展股份有限公司) (00816.HK)	Real property management services	Independent non-executive director	Since March 2022 to date
Infore Environment Technology Group Co.,ltd.(盈峰環境科技集團股份有限公司) (000967.SZ)	Equipment production and manufacturing	Independent non-executive director	Since February 2026 to date

Note:

(1) Dada Nexus Limited has completed the privatization process in June 2025.

Ms. Han received a bachelor's degree in British and American Literature from Renmin University of China (中國人民大學) in July 1995, and a doctoral degree from Cornell University in January 2005. She has served on the expert council of the World Economic Forum (WEF).

Mr. Li Xiang (李翔), aged 48, is an Independent Non-Executive Director of our Company since April 15, 2022.

Mr. Li Xiang obtained his CPA in PRC from the China Institute of Certified Public Accountants (中國註冊會計師協會) in 2009. He has more than 20 years of academic experience in the accounting and financial management. Mr. Li worked at Nanjing University (南京大學) from 2005 to 2019, and subsequently served as a professor of accounting as well as the dean of the school of accountancy at Nanjing University of Finance and Economics (南京財經大學).

Mr. Li Xiang also has served as an independent director in several public listed companies, including, among others, an independent director of Jiangsu Provincial Agricultural Reclamation and Development Co., Ltd. (江蘇省農墾農業發展股份有限公司) (601952.SH) from 2015 to 2022, an independent director of Oriental Energy Co., Ltd. (東華能源股份有限公司) (002221.SZ), from 2016 to 2019, an independent director of Estun Automation Co., Ltd. (南京埃斯頓自動化股份有限公司) (002747.SZ) from 2017 to 2023, an independent director of Getein Biotech, Inc. (基蛋生物科技股份有限公司) (603387.SH) from 2017 to 2020, an independent director of Nanjing Hicin Pharmaceutical Co., Ltd. (南京海辰藥業股份有限公司) (300584.SZ) from 2019 to 2025, an independent director of Nanjing Vazyme Biotech Co., Ltd. (南京諾唯贊生物科技股份有限公司) (688105.SH) from June 8, 2026 to date.

Mr. Li Xiang was a general partner and/or a director of the entities at the time of or within one year before their respective dissolution or deregistration as shown in the table below:

Company Name	Place of Incorporation	Principal Business	Position	Means of Termination	Date of Deregistration	Reasons for Deregistration
Nanjing Shenruixiang Enterprise Management Consulting Center (General Partnership) (南京深睿想企業管理諮詢中心(普通合夥))	PRC	Enterprise management consultancy	General partner	Deregistration	June 13, 2022	Cessation of business operations
Nanjing Airuisituo Enterprise Management Consulting Co., Ltd. (南京艾睿斯拓企業管理諮詢有限公司)	PRC	Enterprise management consultancy	Executive director	Deregistration	August 15, 2022	Cessation of business operations

Mr. Li Xiang obtained a doctor's degree in accountancy from Nanjing University in September 2005.

Ms. Ng Wing Yan Claudia (伍穎恩), aged 45, was appointed as an Independent Non-Executive Director of our Company on January 15, 2026, taking effect upon [**REDACTED**].

Ms. Ng has approximately 20 years of work experience in both foreign-invested enterprises and state-owned enterprises, and has extensive experience in corporate governance, strategic planning and operations, environmental, social and governance management and human resources management. Ms. Ng worked at Cisco Systems (China) Networking Technology Co., Ltd. (思科系統(中國)網絡技術有限公司) for 14 years, with her last position as a managerial role. Ms. Ng currently holds positions in the following publicly listed companies and company currently undergoing an IPO process:

Company	Principle Business	Position	Period of Service
Shandong Hi-Speed New Energy Group Limited (1250.HK) (山高新能源集團有限公司)	Clean energy power generation	Board Secretary, co-president of the Hong Kong Office and member of the Sustainability Committee	Since 2022 to date
BII Railway Transportation Technology Holdings Company Limited (1522.HK) (京投軌道交通科技控股有限公司) . .	Rail transit construction and operations	Independent non-executive director	Since April 2025 to date
Sigenergy Technology Co., Ltd. (思格新能源(上海)股份有限公司) . .	Clean energy power generation	Independent non-executive director	Since February 2025 to date

Ms. Ng obtained a Bachelor of Laws degree from The University of Hong Kong (香港大學) in December 2003, a Postgraduate Certificate in Laws (PCLL) from The University of Hong Kong in June 2004, a Master of Laws degree from Tsinghua University (清華大學) in July 2007, and a Master of Business Administration degree from The Chinese University of Hong Kong (香港中文大學) in November 2018.

Each of Ms. Zhou Xiaoping, Mr. Li Shujun, Mr. Ma Peilin and Mr. Li Xiang, who has previously held positions in entities that were subsequently deregistered as listed above, individually confirm that, to her/his respective best knowledge, (i) the relevant deregistered company was solvent immediately prior to its deregistration; and (ii) he/she did not commit any wrongdoing and did not bear any personal liability in connection with the deregistration of the relevant company.

SENIOR MANAGEMENT

The following table sets out certain information regarding the senior management of our Group.

Name	Age	Date of joining our Group	Date of appointment as a senior management member	Position	Responsibilities	Relationship with other Directors and Senior management
Ms. Zhou Xiaoping (周曉萍)	65	May, 2000	May, 2000	Executive Director, Chairperson of our Board and General Manager	Overall strategic planning, operations and management	Mr. Zhou Yuheng's mother
Mr. Zhou Yuheng (周宇恆)	40	April, 2013	August 26, 2019	Executive Director, Deputy Chairperson of our Board and Vice General Manager	Business operation, information technology and digital transformation	Ms. Zhou Xiaoping's son
Mr. Li Shujun (李樹軍)	47	November, 2015	August 26, 2019	Executive Director and Executive Vice General Manager	Business operation and human resource management	None
Mr. Liu Shuting (劉樹廷)	50	June, 2015	April 15, 2016	Vice General Manager	Production quality management, environment, health and safety management	None
Mr. Lin Shudong (林樹棟)	48	June, 2021	April 15, 2022	Vice General Manager	R&D, technology, head of research institute	None
Mr. Chen Liujun (陳留俊)	45	March, 2001	August 26, 2019	Vice General Manager	Production, quality management and logistics management	None
Mr. Li Gang (李鋼)	47	February, 2003	April 10, 2025	Vice General Manager	Marketing and project management	None
Mr. Cao Jin (曹進)	45	February, 2023	April 10, 2025	Vice General Manager	Production technologies, intelligent equipment and toolings	None
Mr. Gao Peng (高鵬)	43	September, 2021	April 15, 2022	Vice General Manager, Chief Financial Officer, Board Secretary	Finance, capital market and legal affairs management	None

Ms. Zhou Xiaoping (周曉萍), aged 65, is an Executive Director, the Chairperson of our Board and the General Manager of our Company. See "— Directors — Executive Directors" in this section for her biographical details.

Mr. Zhou Yuheng (周宇恆), aged 40, is an Executive Director and a Vice General Manager of our Company. See "— Directors — Executive Directors" in this section for his biographical details.

Mr. Li Shujun (李樹軍), aged 47, is the Executive Vice General Manager of our Company and he was appointed as an Executive Director taking effect upon [**REDACTED**]. See "— Directors — Executive Directors" in this section for his biographical details.

Mr. Liu Shuting (劉樹廷), aged 50, is a Vice General Manager of our Company. He joined our Group in June 2015.

Mr. Liu has over 20 years of experience in automotive industry. Mr. Liu worked at China First Automobile Co., Ltd. (中國第一汽車股份有限公司) from 1999 to 2015 and also served at Tianjin FAW Toyota Motor Co., Ltd (now FAW Toyota Motor Co., Ltd.) (天津一汽豐田汽車有限公司，現一汽豐田汽車有限公司). From April 2016 to now, he has served as a Vice General Manager at our Company.

Mr. Liu obtained his bachelor's degree in engineering from Wuhan Automotive Industrial University (武漢汽車工業大學) (which was merged into Wuhan University of Technology (武漢理工大學)) in June 1999.

Mr. Lin Shudong (林樹棟), aged 48, is a Vice General Manager of our Company. Joining our Group in 2021, he is now also the head of our research institute. Mr. Lin is an engineer and has been consistently involved in R&D and technology area. From 2002 to 2021, he worked as the professional and technician staff of FAW-Volkswagen Automotive Co., Ltd (一汽–大衆汽車有限公司).

Mr. Lin obtained his bachelor's degree in engineering from Harbin Institute of Technology (哈爾濱工業大學) in July 2002.

Mr. Chen Liujun (陳留俊), aged 45, is a Vice General Manager of our Company. He spent his whole career life with our Group to date. Mr. Chen joined our Group in 2001. He worked as the deputy director of production department from 2010 to 2014, the rear light factory director from 2014 to 2017, and an assistant to General Manager from 2017 to 2019. Mr. Chen has served as our Vice General Manager from 2019 to date.

Mr. Chen obtained his bachelor's degree in business management from Nanjing Agricultural University (南京農業大學) in January 2014.

Mr. Li Gang (李鋼), aged 47, is a Vice General Manager of our Company. He joined our Group and performed as head of product development, technical director and head of marketing from 2003 to 2009. He then served as Acting Team Leader of the Lighting Division, Electronic and Electrical Department (EPE), R&D Center in SAIC Volkswagen Automotive, Co., Ltd (上汽大眾汽車有限公司) from 2009 to April 2012. In 2012, Mr. Li rejoined our Company.

Mr. Li obtained an associate's degree in mechanical manufacturing technology and equipment (mold design and manufacturing) from Changzhou Institute of Technology (常州工學院) in July 2000, and obtained a bachelor's degree in business management from Jiangsu University (江蘇大學) in July 2005.

Mr. Cao Jin (曹進), aged 45, is a Vice General Manager of our Company. He joined our Group in 2023. Before joining our Group, he served as the intelligent manufacturing chief engineer and technology development department director in Shanghai Haili (Group) Co., Ltd. (上海海立(集團)股份有限公司) (600619.SH).

Mr. Cao obtained a bachelor's degree in engineering from Hefei University of Technology (合肥工業大學) in June 2000, a master's degree in engineering from Shanghai Jiao Tong University (上海交通大學) in December 2006 and a doctor's degree in engineering from Shanghai Jiao Tong University (上海交通大學) in June 2017.

Mr. Gao Peng (高鵬), aged 43, is a Vice General Manager, the chief financial officer of our Company and the secretary to our Board. Mr. Gao is an expert in financing and investment area and joined our Group in September 2021. Before joining our Group, he worked as the senior executive director in the investment banking department of Guotai Junan Securities Co., Ltd. (now Guotai Haitong Securities Co., Ltd.) (國泰君安證券股份有限公司，現國泰海通證券股份有限公司, 601211.SH, 2611.HK) from July 2008 to September 2021. Mr. Gao also serves as a director of SDIC Merchant Investment Management Co., Ltd. (國投招商投資管理有限公司).

Mr. Gao obtained a bachelor's degree in economics and trade from Beijing Normal University (北京師範大學) in July 2005 and a master's degree in economics from the same university in July 2008.

INTERESTS OF DIRECTORS AND SENIOR MANAGEMENT

Saved as disclosed above, none of our Directors and senior management had been a director of any public company the securities of which were listed on any securities market in Hong Kong or overseas in the three years immediately preceding the date of this document.

Saved as disclosed above, as of the Latest Practicable Date, none of our Directors or senior management was related to other Directors or senior management of our Company.

JOINT COMPANY SECRETARIES

Mr. Gao Peng (高鵬), aged 43, is one of the joint company secretaries of the Company. For the biographical details of Mr. Gao, see "— Senior Management" above.

Mr. Au Wai Keung (區偉強) is one of the joint company secretaries of the Company. He is a director at Arion & Associates Limited, which is a company providing corporate accounting and corporate secretarial services in Hong Kong. He has over 15 years of experience in company secretarial practice, accounting and has been serving as the company secretary of several listed companies in Hong Kong.

Mr. Au is a fellow member of both the Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Accountants in England and Wales. He received a bachelor's degree of social science from the Chinese University of Hong Kong (香港中文大學) and a master's degree in business administration from the City University of Hong Kong (香港城市大學).

BOARD COMMITTEES

Our Board delegates certain responsibilities to various committees. In accordance with the relevant PRC laws and regulations and the Corporate Governance Code and the Listing Rules, our Company has formed four (4) Board committees, namely the Audit Committee, the Remuneration and Evaluation Committee, the Nomination Committee, and the Strategy and ESG Committee.

Audit Committee

We have 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 Audit Committee consists of three (3) Directors, namely Mr. Li Xiang, Mr. Ma Peilin and Mr. Wang Shihai. Mr. Li, being the Independent Non-Executive Director of our Group, is the chairperson of the Audit Committee and holds the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal controls system of our Group.

Remuneration and Evaluation Committee

We have established the Remuneration and Evaluation Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the Corporate Governance Code set out in Appendix C1 to the Listing Rules. The Remuneration and Evaluation Committee consists of three (3) Directors, namely Ms. Han Jian, Mr. Li Xiang and Mr. Zhou Yuheng, with Ms. Han serving as the chairperson of the Remuneration and Evaluation Committee. The primary duties of the Remuneration and Evaluation Committee are to review and make recommendations to the Board on the terms of remuneration packages, bonuses and other compensation payable to our Directors and other senior management.

Nomination Committee

We have established the Nomination Committee with written terms of reference in compliance with the Code on Corporate Governance in Appendix C1 to the Listing Rules. The Nomination Committee consists of three (3) Directors, namely Mr. Ma Peilin, Ms. Han Jian and Mr. Xu Huiyi, with Mr. Ma serving as the chairperson of the Nomination Committee. The nomination committee is mainly responsible for identifying, screening and recommending to the Board of Directors qualified candidates to serve as the Directors and monitoring the procedures for evaluating the performance of our Board of Directors.

Strategy and ESG Committee

We have established the Strategy and ESG Committee. The Strategy and ESG Committee consists of three (3) Directors, namely Ms. Zhou Xiaoping, Mr. Wang Shihai and Ms. Han Jian, with Ms. Zhou serving as the chairperson of the Strategy and ESG Committee. The primary duties of the Strategy and ESG Committee are to make recommendations to our Board on the long-term development strategy and major investments and projects of our Company.

CORPORATE GOVERNANCE

We aim to implement a high standard of corporate governance, which we believe is crucial to safeguard the interests of our Shareholders. To accomplish this, we expect to comply with the Corporate Governance Code set out in Appendix C1 of the Listing Rules after the [**REDACTED**], except that Ms. Zhou Xiaoping will serve as both our Chairperson of our Board and the General Manager as discussed below.

Pursuant to code provision C.2.1 of Part 2 of the Corporate Governance Code, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from the requirement that the responsibilities between the chairman of the board and the general manager should be segregated and should not be performed by the same individual. We do not have a separate Chairperson of our Board and General Manager. Ms. Zhou currently performs these two roles. As the founder of our Group, Ms. Zhou has an in-depth understanding of our Group's operations and development history. She is instrumental to our growth, strategy and business operations. Taking into account the continuation of management and the implementation of our business strategies, the Board believes that vesting both roles in the same person has the benefit of ensuring consistent leadership within our Group and enables more effective and efficient overall strategic planning for our Group and will not impair the balance of power and authority between the Board and the management of our Company, given that: (a) there are sufficient balances in the Board, as a decision to be made by our Board requires approval by at least a majority of our Directors, and our Board comprises four independent non-executive Directors; (b) Ms. Zhou and the other Directors are aware of and undertake to fulfill their fiduciary duties as Directors, which require them to act for the benefit and in the best interests of our Company; and (c) the balance of power and authority is ensured by the operations of the Board which comprises experienced and high caliber individuals who meet regularly to discuss issues affecting the operations of our Company. Moreover, the overall strategic and other key business, financial, and operational policies of our Group are made collectively after thorough discussion at both Board and senior management levels. The Board will continue to review and consider splitting the roles of the chairman of the board and the general manager of the Company if and when it is appropriate taking into account the circumstances of the Group as a whole.

BOARD DIVERSITY POLICY

Our Board will adopt a board diversity policy in order to increase the diversity at the Board level. Pursuant to the board diversity policy, in reviewing and assessing suitable candidates to serve as a director of our Company, the Nomination Committee will consider a 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 will consist of three female Directors and six male Directors with supermajority holding master or even higher degrees upon [**REDACTED**]. Our Directors have a balanced mix of knowledge and skills, including overall management and strategic development, quality assurance and control, finance and accounting and corporate governance in addition to industry experience relevant to our Group's operations and business. They obtained degrees in various majors including economics, accounting, business management, and engineering. This diverse academic background allows the Board to approach challenges and opportunities from multiple angles, fostering innovative solutions and comprehensive strategies. We will have four Independent Non-Executive Directors with different backgrounds, representing over one third of the members of our Board upon [**REDACTED**]. Furthermore, our Board has a diverse age and gender representation. Taking into account our existing business model and specific needs as well as the different background of our Directors, the composition of our Board satisfies our board diversity policy.

CONFIRMATION FROM OUR DIRECTORS

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, 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 has confirmed (i) his/her independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules, (ii) he/she has no past or present financial or other interest in the business of the Company or its subsidiaries or any connection with any core connected person of the Company under the Listing Rules as of the Latest Practicable Date, and (iii) that there are no other factors that may affect his/her independence at the time of his/her appointments.

To the best of the knowledge, information and belief of our Directors, having made all reasonable enquiries, there was no other matter with respect to our Directors that needs to be brought to the attention of our Shareholders and there was no information relating to our Directors that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules as of the Latest Practicable Date.

Save as disclosed in the section headed "Relationship with our Controlling Shareholders" and "Appendix IV — Statutory and General Information — Disclosure of Interests" in this Document, none of the Directors and their respective associates has any business or interest, apart from our business, which competes or may compete, either directly or indirectly, with our business which would require disclosure under Rule 8.10(2) of the Listing Rules.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Our Directors and senior management receive their remuneration from our Group in the form of salaries, bonuses, contributions to social security plans and housing provident fund plans, share-based compensation and other benefits.

For the years ended December 31, 2023, 2024, 2025 and the three months ended March 31, 2026, the aggregate amount of remuneration paid or payable to our Directors amounted to approximately RMB2.7 million, RMB2.7 million, RMB3.5 million and RMB0.7 million, respectively.

For the years ended December 31, 2023, 2024, 2025 and the three months ended March 31, 2026, the total emoluments paid to the five highest paid individuals by us (excluding the emolument amount to one director who is one of the five highest paid individuals) amounted to RMB5.0 million, RMB5.1 million, RMB5.6 million and RMB1.7 million, respectively.

No remuneration was paid by us to our Directors or our five highest paid individuals as an inducement to join or upon joining our Group during the Track Record Period. No compensation was paid to, or receivable by, our Directors or past directors during the Track Record Period for the loss of office as director 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. Furthermore, none of our Directors had waived or agreed to waive any remuneration during the Track Record Period.

Save as disclosed above and in "Financial Information", "Appendix I — Accountants' Report", no other payments have been paid or are payable in respect of the Track Record Period to our Directors and senior management by our Group.

For additional information on our Directors' remuneration during the Track Record Period as well as information on our five highest paid individuals, see Note 13 to the Accountants' Report included in Appendix I to this Document.

COMPLIANCE ADVISOR

Our Company appointed Somerley 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 Listing Rules and other applicable laws, rules, codes and guidelines. Pursuant to Rule 3A.23 of the Listing Rules, the compliance advisor will advise us in the following circumstances:

- before the publication of any regulatory announcement, circular or financial report;
- 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;
- 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, developments or results deviate from any forecast, estimate, or other information in this Document; and
- where the Stock Exchange makes an inquiry to our Company regarding unusual movements in the price or [**REDACTED**] volume of our [**REDACTED**], the possible development of a false market in our securities, or any other matters in accordance with Rule 13.10 of the Listing Rules.

The term of the appointment of the compliance advisor will commence on the [**REDACTED**] and end on the date when our Company complies with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the [**REDACTED**] and such appointment may be subject to extension by mutual agreement.

To the best of our Directors' knowledge, as of the Latest Practicable Date and immediately following the completion of the [**REDACTED**] and assuming no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the [**REDACTED**], only the following persons will have an interest in the Shares or the underlying Shares which would fall to be disclosed to us and the Stock Exchange 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 nominal value of any class of our share capital carrying rights to vote in all circumstances at shareholders' general meetings of our Company:

			As of the Latest Practicable Date		Immediately following the completion of [REDACTED]		
Name of Shareholder	Nature of Interest	Description of Shares	Number of Shares	Approximate percentage of shareholding in our Company[(1)]	Number of Interest	Approximate percentage of shareholding in our A Shares[(1)]	Approximate percentage of shareholding in our Company[(1)]
Ms. Zhou Xiaoping	Beneficial Owner	A Shares	119,977,973	42.00%	119,977,973	42.00%	[**REDACTED**]%
	Interest in controlled corporation[(2)]	A Shares	17,676,000	6.19%	17,676,000	6.19%	[**REDACTED**]%
	Interest held jointly with other persons[(3)]	A Shares	17,457,654	6.11%	17,457,654	6.11%	[**REDACTED**]%
Xingyu Investment	Beneficial Owner[(2)]	A Shares	17,676,000	6.19%	17,676,000	6.19%	[**REDACTED**]%
Ms. Sun Exiao	Beneficial Owner	A Shares	17,457,654	6.11%	17,457,654	6.11%	[**REDACTED**]%
	Interest held jointly with other persons[(3)]	A Shares	119,977,973	42.00%	119,977,973	42.00%	[**REDACTED**]%

Notes:

(1) The calculation is based on the total number of 285,679,419 A Shares in issue as of the Latest Practicable Date, which included [2,470,765] A Shares held in our Company's treasury stock account.

(2) The entire equity interest in Xingyu Investment is held by Ms. Zhou. By virtue of the SFO, Ms. Zhou is deemed to be interested in the Shares held by Xingyu Investment.

(3) Ms. Zhou is the only child of Ms. Sun Exiao. By virtue of the Takeovers Code, Ms. Zhou and Ms. Sun Exiao are presumed to be acting in concert with each other. For details, see "Relationship with our Controlling Shareholders".

Save as disclosed above and in the section headed "Appendix IV — Statutory and General Information — Further Information about Our Directors and Senior Management — Disclosure of Interests" to this document, our Directors are not aware of any person who will, immediately following the completion of the [**REDACTED**] and assuming the [**REDACTED**] is not exercised, have an interest or a short position in the Shares or underlying Shares which (i) will be required to be disclosed to our Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or (ii) will be, directly or indirectly, interested in 10% or more of any class of share capital carrying rights to vote in all circumstances at shareholders' general meetings of our Company.

BEFORE THE COMPLETION OF THE [REDACTED]

As of the Latest Practicable Date, the total issued share capital of our Company was RMB285,679,419, comprising 285,679,419 A Shares (including 2,470,765 A Shares held in our Company's treasury stock account) of nominal value RMB1.00 each, which are all listed on the main board of the Shanghai Stock Exchange.

UPON THE COMPLETION OF THE [REDACTED]

Immediately following completion of the [**REDACTED**], assuming that (i) the [**REDACTED**] is not exercised, and (ii) no changes are made to our issued share capital between the Latest Practicable Date and the [**REDACTED**], the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage of total share capital
A Shares in issue	285,679,419	[**REDACTED**]%
H Shares to be issued pursuant to the [**REDACTED**]	[**REDACTED**]	[**REDACTED**]%
Total	[**REDACTED**]	**100.0%**

Immediately following completion of the [**REDACTED**], assuming that (i) the [**REDACTED**] is fully exercised, and (ii) no changes are made to our issued share capital between the Latest Practicable Date and the [**REDACTED**], the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage of total share capital
A Shares in issue	285,679,419	[**REDACTED**]%
H Shares to be issued pursuant to the [**REDACTED**]	[**REDACTED**]	[**REDACTED**]%
Total	[**REDACTED**]	**100.0%**

OUR SHARES

Upon the completion of the [**REDACTED**], the shares of our Company will consist of A Shares and H Shares, both of which are ordinary shares in our share capital and are considered as one class of Shares. Shanghai-Hong Kong Stock Connect has established a stock connect mechanism between PRC and Hong Kong. Our A Shares can be [**REDACTED**] for and [**REDACTED**] by PRC [**REDACTED**], qualified foreign [**REDACTED**] or qualified foreign strategic [**REDACTED**] and must be traded in RMB. As our A Shares are eligible securities under the Northbound Trading Link, they can also be [**REDACTED**] for and [**REDACTED**] by Hong Kong and other overseas [**REDACTED**] pursuant to the rules and limits of Shanghai-Hong Kong Stock Connect. Our H Shares can be [**REDACTED**] for or [**REDACTED**] by Hong Kong and other overseas [**REDACTED**] and qualified domestic [**REDACTED**]. If our H Shares are eligible securities under the Southbound Trading Link, they can also be [**REDACTED**] for or [**REDACTED**] by mainland Chinese [**REDACTED**] in accordance with the rules and limits of Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect.

A Shares and H Shares will rank *pari passu* with each other in all respects and, in particular, will rank equally for all 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 RMB. In addition to cash, dividends may also be distributed in the form of Shares. Holders of our H Shares will receive share dividends in the form of H Shares, and holders of our A Shares will receive share dividends in the form of A Shares.

NO CONVERSION OF OUR A SHARES INTO H SHARES FOR [REDACTED] AND [REDACTED] ON THE STOCK EXCHANGE

A Shares and H Shares are generally neither interchangeable nor fungible, and the market prices of our A Shares and 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 [**REDACTED**] 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.

APPROVAL FROM HOLDERS OF A SHARES REGARDING THE [REDACTED]

We have obtained approval from our A Shareholders to issue H Shares and seek the [**REDACTED**] of the H Shares on the Stock Exchange. Such approval was obtained at the general meeting of our Company held on January 15, 2026 and is subject to the following conditions:

(i) *Size of the* [**REDACTED**]. The proposed number of H Shares to be issued initially shall not exceed approximately (x) [**REDACTED**]% of the total issued number of shares as enlarged by the H Shares to be issued pursuant to the [**REDACTED**] (before exercise of the [**REDACTED**]), and (y) [**REDACTED**]% of the total number of H Shares if the [**REDACTED**] is exercised.

(ii) *Method of Issuance*. The method of [**REDACTED**] shall be by way of [**REDACTED**] for [**REDACTED**] in Hong Kong and an [**REDACTED**] to institutional and [**REDACTED**].

(iii) *Target* [**REDACTED**]. The H Shares shall be issued to [**REDACTED**] in Hong Kong, and international [**REDACTED**], qualified domestic [**REDACTED**] and other domestic eligible [**REDACTED**] entitled to invest in securities abroad pursuant to relevant PRC laws and regulations in the [**REDACTED**].

(iv) [**REDACTED**] *Basis*. The [**REDACTED**] of the H Shares will be determined, among others, after due consideration of the interests of existing Shareholders of our Company, the acceptance of [**REDACTED**] and issuance risks and in accordance with the international practices through the demands for orders and book-building process using a [**REDACTED**] method, subject to the domestic and international capital market conditions and by reference to the valuation level of comparable companies in domestic and overseas markets.

(v) *Valid Period*. The issue and [**REDACTED**] of H Shares on the Hong Kong Stock Exchange shall be completed within 24 months from the date when the general meeting was held on January 15, 2026.

There is no other approved [**REDACTED**] plan for our Shares except the [**REDACTED**].

SHAREHOLDERS' GENERAL MEETING

For details of circumstance under which our shareholders' general meeting is required, see "Appendix III — Summary of the Articles" of this Document for details of circumstances under which our shareholders' general meeting is required.

You should read the following discussion and analysis in conjunction with our audited consolidated financial statements included in the Accountants' Report set out in Appendix I to this document, together with the accompanying notes. Our financial information has been prepared in accordance with IFRS Accounting Standards, which may differ in material aspects from generally accepted accounting principles in other jurisdictions.

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance. These statements are based on assumptions and analysis in light of our experience and perception of historical events, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, whether actual outcomes and developments will meet our expectations and predictions depends on a number of risks and uncertainties. In evaluating our business, you should carefully consider all of the information provided in this document, including the sections headed "Risk Factors" and "Business."

Unless the context otherwise requires, financial information described in this section is described on a consolidated basis.

OVERVIEW

We are the largest provider of automotive lighting products in China and one of the major participants in the global automotive lighting market by sales revenues in 2025, according to Frost & Sullivan. We are dedicated to the manufacturing, sales and services of automotive lighting products designed to deliver safety-oriented, interactive and intelligent user experiences while supporting diverse in-vehicle applications and customized functions, leveraging our capabilities in technology innovation and intelligent manufacturing.

We achieved sustained growth in our revenue and profit during the Track Record Period. Our revenue increased by 29.3% from RMB10,248.4 million in 2023 to RMB13,252.9 million in 2024, and further increased by 15.1% to RMB15,256.7 million in 2025. Our revenue also increased by RMB335.4 million, or 10.8%, from RMB3,094.5 million in the three months ended March 31, 2025 to RMB3,429.9 million in the three months ended March 31, 2026. Our gross profit increased by 20.7% from RMB2,096.3 million in 2023 to RMB2,529.3 million in 2024, and further increased by 18.1% to RMB2,987.2 million in 2025. Our gross profit increased from RMB583.2 million in the three months ended March 31, 2025 to RMB663.5 million in the three months ended March 31, 2026. In 2023, 2024 and 2025, our gross profit margin was 20.5%, 19.1% and 19.6% respectively, and was 18.8% and 19.3% for the three months ended March 31, 2025 and March 31, 2026 respectively.

BASIS OF PREPARATION

The International Accounting Standards Board ("**IASB**") has issued a number of new and revised IFRS Accounting Standards. For the purpose of preparing this historical financial information, we have adopted all applicable new and revised IFRS Accounting Standards to the Track Record Period. The new and revised accounting standards and interpretations issued but not yet effective for the accounting period beginning on January 1, 2025 are set out in Note 2 to the Accountants' Report in Appendix I.

The historical financial information has been prepared under the historical cost convention except for equity investments designated at FVTOCI, debt investments at FVTOCI, financial assets at FVTPL and financial liabilities at FVTPL which have been measured at fair value at the end of each period during the Track Record Period and in the period covered by the interim comparative financial information.

KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Specific Factors

Industry Development and Downstream Market Demand

Our business focuses on the R&D, production and sales of automotive lighting products, which are expected to continue to be affected by the changes in the automotive market and the demands of our customers.

The automotive lighting industry has demonstrated steady growth in recent years. According to Frost & Sullivan, from 2020 to 2025, the global automotive lighting market expanded from RMB246.6 billion to RMB316.0 billion, growing at a CAGR of 5.1%. Over the same period, China's market increased from RMB88.7 billion to RMB119.4 billion at a CAGR of 6.1%. As electrification and intelligence deepen across the global and Chinese automotive sectors, intelligent lighting adoption is set to accelerate. The global and China market is projected to reach RMB434.7 billion and RMB167.9 billion by 2030. Capitalizing on our strong technology capacity and strong market position that allow us to effectively capture market opportunities brought up by the growing market demand, especially on intelligent lighting products, we derived total revenue of RMB10.2 billion, RMB13.3 billion and RMB15.3 billion in 2023, 2024 and 2025 respectively.

The industry we operate is also relatively competitive. As technological barriers and economies of scale in the automotive lighting industry become increasingly pronounced, the PRC and global markets have continued to consolidate. Meanwhile, competition of the automotive lighting industry may put pressure on our revenue and profits and adversely affect our profit margins. To solidify and deepen our relationship with our customers, we maintain a robust PRC and international network encompassing R&D centers, production bases as well as sales offices, which is essential for securing and expanding our presence in both the domestic and international markets. As a result, we are well-positioned to reinforce our market leadership and capitalize on emerging business opportunities by leveraging our strong brand recognition, diverse product mix, advanced technology, lean production and high-quality customer base. Going forward, we believe that we are well-positioned to capture future market opportunities to achieve continuous growth.

Ability to Maintain and Engage Customers and Seize Market Opportunities

Our business growth is driven by our ability to expand our customer base and maintain our relationships with existing customers. We serve high-quality automotive manufacturers globally. We optimize resource allocation efficiently across various regions, enabling us to provide automotive manufacturers with superior R&D, supply chain and production solutions both in China market and overseas, while also ensuring rapid and effective local response. According to Frost & Sullivan, we have established business relationships with nine of the world's top ten automotive manufacturers by vehicle sales volume calculated on a group level in 2025.

Our future growth will depend on our abilities to identify and capitalize on major market opportunities, including the increasing penetration of NEVs, the rising market share of Chinese domestic brands, and the international expansion of Chinese automotive manufacturers. By leveraging our competitive advantages in localization and our network of synergistic factories, we have successfully strengthened our presence in the Chinese market, with particular focus on leading domestic brands and NEV manufacturers. Our continued R&D investment and deep involvement in automotive lighting products and relevant components has also enabled us to substantially expand our product portfolio and secure orders.

R&D Capabilities and Product Upgrades

Our R&D capabilities are fundamental and crucial to our business operations and financial performance. We officially took the lead in initiating and releasing China's first ISO standard project for automotive lighting. Our research and development expenses amounted to RMB610.2 million, RMB655.5 million, RMB883.7 million, RMB186.0 million and RMB229.0 million in 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively, accounting for 6.0%, 4.9%, 5.8%, 6.0% and 6.7% of our revenue for the relevant year/period. We are committed to long-term investment in R&D activities and our historical R&D investment continue to translate into commercial success, allowing us to benefit from economies of scale in R&D activities.

Our R&D capabilities span five core fields: optics, mechanics, electronics, software and materials. Guided by in-depth insights into client needs, we carry out creative styling design and co-creation of automotive lighting application scenarios. Through rigorous optical system design and simulation, and under the drive of parameterized software algorithms, these solutions are integrated into precision-engineered structural components to deliver intelligent automotive lighting solutions that support illumination, projection-based interaction and display functions. To address the requirements of diverse application scenarios, we also collaborate with upstream suppliers to develop specialized polymer materials tailored for automotive lighting applications.

We have made, and will continue to make, significant investments in people, technology and R&D, to reinforce the leadership in our technology and gross profit margin, thereby solidifying our market leadership and providing great customer experience. Going forward, we expect to continue to invest in R&D and recruit top technical talent, focusing on innovation strategies and emerging fields to enhance our competitiveness and deliver superior products and experiences to our customers.

Our Ability to Control Costs and Improve Operational Efficiency

Our ability to manage costs and enhance efficiency will impact the results of our operations. The design, development and manufacturing of automotive lighting products constitute a highly complex, multidisciplinary and systematic process. Through our vertically integrated operating model, we have established in-house capabilities across key areas. As one of the few automotive lighting manufacturers in the industry with in-house electronics factories, we have established (i) professional electronics R&D and process engineering teams throughout the entire lifecycle of automotive lighting projects, (ii) advanced automated assembly lines with 100% automated inspection implemented at critical process stages, (iii) advanced in-house tooling design and manufacturing capabilities, with in-house manufacturing rate for highly technical multicolor lampshade and optical component molds reaching 95%, significantly exceeding the industry average. As of the Latest Practicable Date, the in-house manufacturing rate of equipment used in our automotive lighting assembly processes exceeded 90%, fully supporting the production requirements of various product types and realizing cost efficiency.

In terms of business processes, we promote the digitalization of R&D, operations and decision-making, and have established a full-scale digital system. Its core value lies in optimizing resource allocation, improving cross-departmental efficiency, supporting production, operation and management decision-making and controlling operating costs.

During the Track Record Period, the cost of sales remain at a stable level, accounting for 79.5%, 80.9% and 80.4% of our total revenue for 2023, 2024 and 2025, respectively, and accounting for 81.2% and 80.7% for the three months ended March 31, 2025 and March 31, 2026, respectively. As we further expand our production, we will continue to implement various cost control measures and maintain the high efficiency and stability with respect to supply chain, production, R&D and other process. We will also actively leverage our vertically integrated operating model of in-house design and production capacities to further unleash economies of scale, thereby sustaining high revenue growth.

Our Management of Trade and Bills Receivables

Our capability to manage the level of trade and bills receivables will affect our cash level and liquidity as well as our financial condition. We value the managing of receivables and have established a comprehensive and effective system for management and tracking our trade and bills receivables, along with a corresponding customer credit management and assessment regime. This system integrates preventive controls, such as credit assessment, with active process management. For example, our senior management regularly reviews the recoverability of our outstanding balances, and we have a dedicated department responsible for continually monitoring the credit profiles as well as operating and financial condition of our customers. Our trade receivables turnover days in 2023, 2024, 2025 and the three months ended March 31, 2026 were 77 days, 103 days, 106 days and 112 days, respectively. We believe that as we continue to strengthen our customer partnerships and enhance our receivables management mechanisms, we will maintain efficient receivables management, thereby supporting our business liquidity.

Inventory Management

Effective inventory management is essential for maintaining the sustainability and flexibility of our production, as well as enabling us to swiftly respond to fluctuations in market demand. We formulate procurement strategies based on supply forecasts, market analysis, and the estimates of fluctuations in procurement years and prices, and regularly monitor the inventory balance and consumption, enabling us to maintain a reasonable and safe inventory level to respond to changes in customer demand and raw material price fluctuations.

The integration of our supply chain, production bases and warehouses allows us to manage our inventory with flexibility and adaptability, thereby reducing overstocking costs and enhancing the efficiency of inventory management, which in turn enables us to respond swiftly to the needs of customers in different regions. Our inventory turnover days in 2023, 2024, 2025 and the three months ended March 31, 2026 were 101 days, 82 days, 76 days and 80 days, respectively.

We further achieve digitalization and standardization of inventory management through the integration of ERP, MES and WMS systems, thereby improving the efficiency and accuracy of our inventory management processes.

General Factors

Our business and results of operations have been, and are expected to continue to be, materially affected by a number of factors, many of which are beyond our control, including the following: (i) development of macroeconomic conditions; (ii) government policies and regulations in relation to the automotive lighting; (iii) evolving consumption patterns and habits in China and globally; (iv) continuous growth and evolving competitive landscape of the automotive lighting products and automotive industry; and (v) technology development of intelligent driving and automated driving in recent years, which contributed to the growing demand for automotive electronics and intelligent automotive lighting products.

MATERIAL ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

We have identified certain accounting policies that are material to the preparation of our financial information. See Notes 3 and 4 to the Accountants' Report in Appendix I to this Document for details of our material accounting policies, judgments and estimates, which are critical and/or involve the most important estimates and judgments we used in preparing our financial statements.

DESCRIPTION OF MAJOR COMPONENTS OF OUR RESULTS OF OPERATIONS

The following table sets forth our consolidated statements of profit or loss with line items in absolute amounts and as percentages of our revenue for the year/period indicated.

	Year ended December 31,						Three months ended March 31,			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000* (unaudited)	*%*	*RMB'000*	*%*
REVENUE	**10,248,446**	**100.0**	**13,252,934**	**100.0**	**15,256,666**	**100.0**	**3,094,510**	**100.0**	**3,429,874**	**100.0**
Cost of sales	(8,152,112)	(79.5)	(10,723,601)	(80.9)	(12,269,446)	(80.4)	(2,511,317)	(81.2)	(2,766,371)	(80.7)
GROSS PROFIT	**2,096,334**	**20.5**	**2,529,333**	**19.1**	**2,987,220**	**19.6**	**583,193**	**18.8**	**663,503**	**19.3**
Other income	145,988	1.4	196,758	1.4	172,097	1.1	40,228	1.3	44,418	1.3
Other gains and losses, net	(5,933)	(0.1)	(28,237)	(0.2)	3,394	0.0	(1,338)	(0.0)	(11,674)	(0.3)
Investment income	56,388	0.6	47,201	0.3	44,094	0.3	9,972	0.3	8,860	0.3
(Allowance for)/reversal of ECL on financial assets at amortized cost	(98,501)	(1.0)	(56,957)	(0.4)	(288)	(0.0)	18,777	0.6	23,806	0.7
Selling expenses	(46,828)	(0.5)	(55,787)	(0.4)	(62,495)	(0.4)	(11,309)	(0.4)	(10,739)	(0.3)
Administrative expenses	(332,760)	(3.2)	(377,980)	(2.9)	(440,178)	(2.9)	(86,933)	(2.8)	(103,817)	(3.0)
Research and development expenses	(610,244)	(6.0)	(655,493)	(4.9)	(883,712)	(5.8)	(185,966)	(6.0)	(228,990)	(6.7)
Finance costs	(1,352)	0.0	(6,410)	0.0	(6,903)	0.0	(4,373)	(0.1)	(3,548)	(0.1)
PROFIT BEFORE TAX	**1,203,092**	**11.7**	**1,592,428**	**12.0**	**1,813,229**	**11.9**	**362,251**	**11.7**	**381,819**	**11.2**
Income tax expenses	(100,961)	(0.9)	(184,145)	(1.4)	(189,145)	(1.2)	(40,138)	(1.3)	(26,662)	(0.8)
PROFIT FOR THE YEAR/PERIOD	**1,102,131**	**10.8**	**1,408,283**	**10.6**	**1,624,084**	**10.7**	**322,113**	**10.4**	**355,157**	**10.4**

Non-IFRS Measures

To supplement our consolidated financial statements which are presented under IFRS, we also use adjusted net profit (non-IFRS measure) and adjusted EBITDA (non-IFRS measure) as additional financial measures, which are not required by, or presented in accordance with IFRS.

We believe that such non-IFRS measures facilitate comparisons of operating performance from period to period and company to company by eliminating potential impact of certain items. We believe that such measures provide useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, our presentation of the adjusted net profit (non-IFRS measure) and adjusted EBITDA (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of such non-IFRS measures has limitations as analytical tools, and you should not consider them in isolation from, or as a substitute for analysis of, our results of operations or financial condition as reported under IFRS.

We define adjusted net profit (non-IFRS measure) as illustrated in the following table. The terms "adjusted net profit" and "adjusted EBITDA" are not defined under IFRS, and such terms may not be comparable to other similarly-named measures used by other companies.

We define our adjusted net profit (non-IFRS measure) as net profit adjusted by adding back (i) share-based payment expense relates to the grant of shares under Employee Stock Schemes and is a non-cash expense, and (ii) [**REDACTED**] expense relates to the [**REDACTED**] of the Company.

	Year ended December 31,			Three months ended March 31,	
	2023	**2024**	**2025**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Profit for the year/period	**1,102,131**	**1,408,283**	**1,624,084**	**322,113**	**355,157**
Add back:					
Share-based payment	–	1,626	22,605	5,110	8,766
[**REDACTED**] expense	–	–	966	–	622
Adjusted net profit (non-IFRS measure)	**1,102,131**	**1,409,909**	**1,647,655**	**327,223**	**364,545**
Add back:					
Finance costs	1,352	6,410	6,903	4,373	3,548
Income tax expense	100,961	184,145	189,145	40,138	26,662
Depreciation of property, plant and equipment	416,351	501,645	566,237	133,973	152,143
Depreciation of right-of-use assets	25,224	24,265	24,697	15,370	6,358
Amortization of intangible assets	17,692	34,736	43,789	602	11,307
Less:					
Interest income from bank deposits	(17,933)	(14,290)	(9,567)	(2,183)	(1,399)
Adjusted EBITDA (non-IFRS measure)	**1,645,778**	**2,146,820**	**2,468,859**	**519,496**	**563,164**
Adjusted EBITDA margin (non-IFRS measure)	**16.1%**	**16.2%**	**16.2%**	**16.8%**	**16.4%**

Revenue

During the Track Record Period, our revenue was derived from the sales of automotive lighting products and others. We experienced a steady revenue growth during the Track Record Period. In 2023, 2024 and 2025, our revenue for such relevant years are RMB10,248.4 million, RMB13,252.9 million and RMB15,256.7 million, respectively. For the three months ended March 31, 2025 and 2026, our revenue also increased from RMB3,094.5 million to RMB3,429.9 million.

Revenue by Product Category

The following tables set forth the breakdown of our revenue by (i) each product category and (ii) intelligent and non-intelligent products for the years/periods indicated:

	Year ended December 31,						Three months ended March 31,			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000* (unaudited)	*%*	*RMB'000*	*%*
Automotive Lighting Products										
Front lighting	5,242,916	51.2	7,223,256	54.5	8,040,376	52.7	1,584,755	51.2	1,941,494	56.6
Rear lighting	3,433,768	33.5	4,442,853	33.5	5,546,860	36.4	1,154,405	37.3	1,154,336	33.7
Other lighting	904,826	8.8	757,737	5.7	628,189	4.1	158,471	5.1	137,924	4.0
Controllers	34,503	0.3	76,854	0.6	215,500	1.4	29,002	1.0	57,504	1.7
Sub-total	**9,616,013**	**93.8**	**12,500,700**	**94.3**	**14,430,925**	**94.6**	**2,926,633**	**94.6**	**3,291,258**	**96.0**
Others [(1)]	632,433	6.2	752,234	5.7	825,741	5.4	167,877	5.4	138,616	4.0
Total	**10,248,446**	**100.0**	**13,252,934**	**100.0**	**15,256,666**	**100.0**	**3,094,510**	**100.0**	**3,429,874**	**100.0**

	Year ended December 31,						Three months ended March 31,			
	2023		2024		2025		2025		2026	
	Revenue RMB'000	*%*	*Revenue RMB'000*	*%*	*Revenue RMB'000*	*%*	*Revenue RMB'000* (unaudited)	*%*	*Revenue RMB'000*	*%*
Automotive Lighting Products										
Intelligent automotive lighting	29,123	0.3	1,742,651	13.1	2,573,354	16.9	279,067	9.0	672,415	19.6
Non-intelligent automotive lighting	9,552,387	93.2	10,681,195	80.6	11,642,071	76.3	2,618,564	84.6	2,561,339	74.7
Controller	34,503	0.3	76,854	0.6	215,500	1.4	29,002	1.0	57,504	1.7
Sub-total	**9,616,013**	**93.8**	**12,500,700**	**94.3**	**14,430,925**	**94.6**	**2,926,633**	**94.6**	**3,291,258**	**96.0**
Others[(1)]	632,433	6.2	752,234	5.7	825,741	5.4	167,877	5.4	138,616	4.0
Total	**10,248,446**	**100.0**	**13,252,934**	**100.0**	**15,256,666**	**100.0**	**3,094,510**	**100.0**	**3,429,874**	**100.0**

Note (1): Others mainly represent sales of raw materials, warning triangles, and other automotive components.

The following tables set forth the breakdown of our sales volume and average selling price of our key products by (i) each product category, and (ii) intelligent and non-intelligent products for the years/periods indicated:

	Year ended December 31,						Three months ended March 31,			
	2023		2024		2025		2025		2026	
	Sales Volume (units (in thousands))	Average selling price[1] (RMB/unit)	Sales Volume (units (in thousands))	Average selling price[1] (RMB/unit)	Sales Volume (units (in thousands))	Average selling price[1] (RMB/unit)	Sales Volume (units (in thousands))	Average selling price[1] (RMB/unit)	Sales Volume (units (in thousands))	Average selling price[1] (RMB/unit)
							(unaudited)			
Automotive Lighting Products										
Front Lighting	11,071	473.6	12,592	573.6	13,085	614.5	2,926	541.6	3,063	633.6
Rear Lighting	15,858	216.5	17,488	254.1	19,043	291.3	4,272	270.2	3,831	301.3
Other Lighting	43,009	21.0	37,744	20.1	27,403	22.9	8,319	19.0	5,635	24.5
Controllers[2]	108	320.2	536	143.4	1,340	160.8	191	151.8	348	165.2
Total	**70,046**		**68,360**		**60,871**		**15,708**		**12,877**	

	Year ended December 31,						Three months ended March 31,			
	2023		2024		2025		2025		2026	
	Sales Volume (units (in thousands))	*Average selling price[1] (RMB/unit)*	*Sales Volume (units (in thousands))*	*Average selling price[1] (RMB/unit)*	*Sales Volume (units (in thousands))*	*Average selling price[1] (RMB/unit)*	*Sales Volume (units (in thousands))*	*Average selling price[1] (RMB/unit)*	*Sales Volume (units (in thousands))*	*Average selling price[1] (RMB/unit)*
							(unaudited)			
Automotive Lighting Products										
Intelligent automotive lighting	7	4,141.0	479	3,636.8	1,583	1,625.8	86	3,260.8	295	2,282.5
Non-intelligent automotive lighting	69,931	136.6	67,345	158.6	57,948	200.9	15,431	169.7	12,234	209.3
Controllers[2]	108	320.2	536	143.4	1,340	160.8	191	151.8	348	165.2
Total	**70,046**		**68,360**		**60,871**		**15,708**		**12,877**	

Note:

(1) Average selling price is stated net of taxes.

(2) We provide a variety of controllers across a wide price range.

During the Track Record Period, our revenue growth was mainly driven by the following:

- The sales of automotive lighting products, which are our major products, representing 93.8% to 96.0% of our total revenue.
- Our automotive lighting products primarily include front lighting, rear lighting, other lighting and controllers, generating the increases from RMB9,616.0 million in 2023 to RMB12,500.7 million in 2024, with a year-on-year growth of 30.0%, and further increased to RMB14,430.9 million in 2025, indicating a continuous yearly growth of 15.4%. Our revenue generated from automotive lighting products increased by 12.5% from RMB2,926.6 million in the three months ended March 31, 2025 to RMB3,291.3 million in the three months ended March 31, 2026.
- Along with the rapid development of the NEV market and the growing demand of intelligent automotive lighting components, we experienced (i) a shift in product mix towards intelligent automotive lighting products with higher average selling prices, and (ii) an increase in sales volume of intelligent automotive lighting products. The unit price of intelligent front lighting products typically ranged from RMB1,800 to RMB6,700, whereas the unit price of conventional front lighting products typically ranged from RMB170 to RMB2,400, reflecting a lower price spectrum compared to intelligent front lighting products. The unit price of intelligent rear lighting products ranged from approximately RMB480 to RMB2,200, also much higher than the unit price of conventional rear lighting products that ranged from approximately RMB70 to RMB1,900. With respect to the products mix, the contribution of intelligent automotive lighting products by revenue significantly increased from 0.3% in 2023 to 13.1% in 2024, and further increased to 16.9% in 2025 and from 9.0% in the three months ended March 31, 2025 to 19.6% in the three months ended March 31, 2026. As we focused more on production of intelligent automotive lighting products, the volume of our other lighting products slightly decreased, but the revenue generated by non-intelligent automotive lighting products still realized consistent increase from 2023 to 2025, by 11.8% from 2023 to 2024 and by 9.0% from 2024 to 2025, driven by the slight increase of price and the demand in traditional automotive lighting market. The revenue generated by non-intelligent automotive lighting products slightly decreased 2.2% comparing the three months periods ended March 31, 2025 and 2026, mainly due to the decrease of sales volume of certain types of non-intelligent rear lights and small lights affected by the sales decline of relevant types of vehicles by our customers.
- The growth in our automotive lighting revenue also reflected structural differences between our business positioning and that of certain industry peers. The development of the automotive lighting market during the Track Record Period was primarily driven by the rapid growth of NEVs and increasing penetration of intelligent vehicle technologies, particularly in China. In 2025, China's NEV sales reached approximately 16.5 million units, representing year-on-year growth of 27.9%, significantly outpacing the overall automotive market growth rate.
- We benefited from our early technological investment and accumulated project experience in intelligent automotive lighting products. According to Frost & Sullivan, we held approximately 28.4% market share in China's intelligent automotive lighting market in 2025, enabling us to capture growth opportunities arising from the increasing adoption of intelligent lighting systems by domestic automotive manufacturers.
- Our revenue growth was further supported by our customer mix, which includes fast-growing domestic automotive brands and NEV manufacturers, such as Seres,

NIO, Xpeng, Li Auto, and a leading American NEV manufacturer. These manufacturers have actively adopted intelligent lighting technologies to enhance vehicle differentiation and user experience. By contrast, certain comparable automotive lighting manufacturers are more closely aligned with specific downstream automotive manufacturers or regional markets and may therefore be more affected by fluctuations in the sales performance of such customers. For example, automotive lighting suppliers associated with joint-venture brands or overseas manufacturers experienced weaker demand in China during the period due to declining vehicle sales among such brands. In addition, some global lighting manufacturers have historically focused on conventional lighting products or have been slower to expand into intelligent lighting applications due to constraints arising from vehicle platform architectures and customer product strategies.

Analysis on annual changes regarding sales volume and average selling price per unit ("**ASP**"):

(1) ASP for intelligent automotive lights and non-intelligent automotive lights:

During the Track Record Period, the ASP of non-intelligent automotive lighting products, including conventional front lights, rear lights and other lights, presented a steady and sustained growth from RMB136.6 in 2023 to RMB200.9 in 2025, and slightly increased to RMB209.3 in the three months ended March 31, 2026, mainly resulting from growing customer demands for more diversified conventional automotive lighting products with complex functionality and high performance.

The ASP for intelligent automotive lighting products, which are composed of intelligent front lights and intelligent rear lights, showed a decrease from 2023 to 2025 (from RMB4,141.0 to RMB1,625.8), and slightly increased to RMB2,282.5 in the three months ended March 31, 2026. The high ASP for intelligent automotive lights in 2023 was mainly because we priced in the cost incurred on R&D, testing, samples in our first year in developing stage of intelligent lighting products, before mass production, which were borne by the customers in the year. We have realized mass production for intelligent automotive lighting products since 2024, leading to the decrease of ASP from 2023 to 2024. Further, in 2024, the sales volume ratios of intelligent front lights and intelligent rear lights were approximately 67% and 33% of the total sales volume of intelligent automotive lights, which reversed to 30% and 70% for intelligent front lights and intelligent rear lights in 2025 after our commencement of mass production of intelligent rear lighting products. Given the ASP for intelligent front lights is much higher (approximately RMB1,800 to RMB6,700) compared to the ASP for intelligent rear lights (approximately RMB480 to RMB2,200), the overall ASP for intelligent automotive lighting products showed a decreasing trend from 2024 to 2025. During the three months ended March 31, 2026, when our sales volume of the intelligent front lights increased to over 50% of sales of all intelligent automotive lighting products, the ASP for intelligent automotive lighting products was driven higher than the ASP in 2025 since the intelligent front lights carried a higher ASP compared to the intelligent rear lights.

(2) ASP for major automotive lighting products:

The ASP for both front lighting and rear lighting products increased annually during the Track Record Period (the ASP of front lights increased from RMB473.6 to RMB633.6, and the ASP of rear lights increased from RMB216.5 to RMB301.3), mainly resulting from: (i) the significant increase in revenue contributed by intelligent lighting products in line with our product mix changes during the Track Record Period, and (ii) the steady and sustained growth of ASP for conventional front and rear lighting products.

The ASP for other lighting products remained steady from 2023 to 2024, and increased slightly in 2025 and in the three months ended March 31, 2026 as a result of increase in sales of technology-intensive and high-value small lights from our customers due to growing customer demand.

Our sales of controllers in 2023 were very limited and focused on several high-value types of controllers only, resulting in higher ASP of the year. In 2024, we offered more diversified types of controller products in a broad price range, resulting in the decrease of the ASP accordingly. In 2025 and the three months ended March 31, 2026, the ASP of our controller remained stable at RMB160.8 and RMB165.2, respectively.

(3) Sales volume decrease for other lighting products and non-intelligent automotive lighting products:

Contrary to the increase of sales volumes of other major products, the sales of our other lighting products showed a decreasing trend during the Track Record Period, mainly attributable to (i) the decrease in demand of interior lights, (ii) the reduction in sales of fog lights since front fog lights were no longer statutorily required and relevant function has been partially combined in front lights. The reduction of sales volume of non-intelligent lighting products mainly resulted from the reduction of sales of other lighting products.

Revenue by Geographic Location

The following table sets forth the breakdown of our revenue by geographic countries, both in absolute amounts and as a percentage of our total revenue for the years/periods indicated:

	Year ended December 31,						Three months ended March 31,			
	2023		2024		2025		2025		2026	
	Revenue		Revenue		Revenue		Revenue		Revenue	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000* (unaudited)	*%*	*RMB'000*	*%*
The PRC	9,902,650	96.6	12,733,379	96.1	14,599,245	95.7	2,921,876	94.4	3,234,841	94.3
Others:	345,796	3.4	519,555	3.9	657,421	4.3	172,634	5.6	195,033	5.7
– Germany	146,235	1.4	239,273	1.8	299,971	2.0	64,642	2.0	112,316	3.3
– Czech Republic	34,483	0.3	84,462	0.6	143,501	0.9	32,589	1.1	40,545	1.2
– Brazil	61,318	0.6	51,703	0.4	16,852	0.1	7,802	0.3	3,667	0.1
– Serbia	8,915	0.1	18,423	0.1	29,082	0.2	6,189	0.2	7,089	0.2
– Other countries[(1)]	94,845	1.0	125,694	1.0	168,015	1.1	61,412	2.0	31,416	0.9
Total	**10,248,446**	**100.0**	**13,252,934**	**100.0**	**15,256,666**	**100.0**	**3,094,510**	**100.0**	**3,429,874**	**100.0**

Note (1): Others comprise countries not listed above, mainly from Europe, Americas and Asia (excluding the PRC).

We recorded revenue from the PRC and overseas. Throughout the Track Record Period, our revenue from both the PRC and overseas has consistently increased, primarily due to our continuous penetration in the market in the PRC and ongoing international expansion.

The following tables set forth the sales volume and average selling price in the PRC and overseas countries:

	Year ended December 31,						Three months ended March 31,			
	2023		2024		2025		2025		2026	
	Sales Volume[(1)] (units (in thousands))	*Average selling price[(2)] (RMB/unit)*	*Sales Volume[(1)] (units (in thousands))*	*Average selling price[(2)] (RMB/unit)*	*Sales Volume[(1)] (units (in thousands))*	*Average selling price[(2)] (RMB/unit)*	*Sales Volume[(1)] (units (in thousands))*	*Average selling price[(2)] (RMB/unit)*	*Sales Volume[(1)] (units (in thousands))*	*Average selling price[(2)] (RMB/unit)*
PRC	65,001	142.2	61,061	194.8	53,501	255.0	13,890	196.7	10,604	287.2
Overseas countries	4,938	68.3	6,763	78.3	6,029	95.3	1,627	101.8	1,925	97.7
Total	**69,939**		**67,824**		**59,530**		**15,517**		**12,529**	

Notes:

(1) Because no controllers are sold overseas, the sales volumes and average selling prices listed hereunder cover the front lights, rear lights and other lights only.

(2) Average selling price is stated net of taxes

We only sell intelligent automotive lighting products in the PRC and around 95% of our revenue was generated from the sales in Chinese Mainland. The ASP for our products in the PRC showed an annual increase trend during the Track Record Period, which is consistent with the overall sales performance of our major automotive lighting products, mainly attributable to our product mix adjustment, increase of high-value intelligent lighting products and steady increase of conventional lighting products. See our analysis on annual changes regarding sales volume and ASP above.

The ASP for overseas sales was much lower than that in the PRC; this is because our overseas sales focused on conventional lower-value rear lights and other lights during the Track Record Period, without sales of high-value intelligent automotive lighting products. The ASP for overseas sales still presented a slight increasing trend from 2023 to 2025, mainly resulting from the year-to-year increasing demand for complex conventional rear lights and other lighting products.

Cost of Sales

Our cost of sales mainly consists of (i) raw materials and consumables used, (ii) employee benefit expenses, and (iii) depreciation and amortization. During the Track Record Period, our cost of sales grew in line with our revenue. The following table sets forth our cost of sales by nature for the years/periods indicated:

	Year ended December 31,						Three months ended March 31,			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000* (unaudited)	*%*	*RMB'000*	*%*
Cost of Sales										
Raw materials and consumables used	6,626,752	81.3	8,901,778	83.0	10,347,207	84.3	2,103,867	83.8	2,309,537	83.5
Employee benefit expenses	636,431	7.8	671,308	6.3	704,223	5.7	152,290	6.1	165,278	6.0
Depreciation and amortization	361,233	4.4	435,007	4.1	494,274	4.0	115,235	4.6	134,762	4.9
Others [(1)]	527,696	6.5	715,508	6.6	723,742	6.0	139,925	5.5	156,794	5.6
Total	**8,152,112**	**100.0**	**10,723,601**	**100.0**	**12,269,446**	**100.0**	**2,511,317**	**100.0**	**2,766,371**	**100.0**

Note (1): Others primarily consist of utility fees, storage and shipping fees and service fees.

Our cost of sales amounted to RMB8,152.1 million, RMB10,723.6 million, RMB12,269.4 million, RMB2,511.3 million and RMB2,766.4 million in 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively, representing 79.5%, 80.9%, 80.4%, 81.2% and 80.7% of our revenue for the respective years. Our cost of sales as a percentage of revenue was maintained at a consistent and steady level during the Track Record Period.

Gross Profit and Gross Profit Margin

Our gross profit was RMB2,096.3 million, RMB2,529.3 million and RMB2,987.2 million in 2023, 2024 and 2025, RMB583.2 million and RMB663.5 million for the three months period ended March 31, 2025 and 2026, respectively. Our gross profit margin was 20.5%, 19.1% and 19.6% in 2023, 2024 and 2025, 18.8% and 19.3% for the three months period ended March 31, 2025 and 2026, respectively.

The following table sets forth a breakdown of our gross profit and gross profit margin by (i) each product category and (ii) intelligent and non-intelligent products for the years/periods indicated:

	Year ended December 31,						Three months ended March 31,			
	2023		2024		2025		2025		2026	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(unaudited)			
Automotive Lighting Products										
Front lighting	1,111,770	21.2	1,502,923	20.8	1,734,470	21.6	334,779	21.1	388,141	20.0
Rear lighting	770,897	22.5	842,900	19.0	1,027,962	18.5	196,291	17.0	213,784	18.5
Other lighting	137,279	15.2	105,860	14.0	77,423	12.3	23,832	15.0	37,473	27.2
Controllers	8,918	25.8	28,913	37.6	60,257	28.0	7,631	26.3	15,371	26.7
Subtotal	**2,028,864**	**21.1**	**2,480,596**	**19.8**	**2,900,112**	**20.1**	**562,533**	**19.2**	**654,769**	**19.9**
Others[(1)]	67,470	10.7	48,737	6.5	87,108	10.5	20,660	12.3	8,734	6.3
Total	**2,096,334**	**20.5**	**2,529,333**	**19.1**	**2,987,220**	**19.6**	**583,193**	**18.8**	**663,503**	**19.3**

	Year ended December 31,						Three months ended March 31,			
	2023		2024		2025		2025		2026	
	Gross profit	Gross margin	Gross profit	Gross margin	Gross profit	Gross margin	Gross profit	Gross margin	Gross profit	Gross margin
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(unaudited)			
Automotive Lighting Products										
Intelligent automotive lighting	7,296	25.1	340,680	19.5	507,008	19.7	57,902	20.7	134,148	20.0
Non-intelligent automotive lighting	2,012,650	21.1	2,111,003	19.8	2,332,847	20.0	497,000	19.0	505,250	19.7
Controller	8,918	25.8	28,913	37.6	60,257	28.0	7,631	26.3	15,371	26.7
Sub-total	**2,028,864**	**21.1**	**2,480,596**	**19.8**	**2,900,112**	**20.1**	**562,533**	**19.2**	**654,769**	**19.9**
Others[(1)]	67,470	10.7	48,737	6.5	87,108	10.5	20,660	12.3	8,734	6.3
Total	**2,096,334**	**20.5**	**2,529,333**	**19.1**	**2,987,220**	**19.6**	**583,193**	**18.8**	**663,503**	**19.3**

Note (1): Others mainly represent sales of raw materials, warning triangles and other automotive components.

The changes in gross profit margin during the Track Record Period were subject to a variety of factors, including but not limited to industry competition, revenue contribution of intelligence automotive lighting products, cost controls measures and others.

(1) Analysis on annual changes of gross profit margin by major products

(a) Front lighting products: The gross margin of the front lighting products remained relatively stable during the Track Record Period, also showing a slight increase from 20.8% in 2024 to 21.6% in 2025. The gross margin of the front lighting products decreased from 21.1% for the three months ended March 31, 2025 to 20.0% for the same period in 2026, because in the first three months of 2026, the intelligent front lights accounted for a higher proportion of the revenue and gross profit generated from front lighting products, while the cost of sales for intelligent front lights was higher, leading to a slightly decreasing overall gross margin for the front lighting products.

(b) Rear lighting products: The gross margin of the rear lighting products showed decrease during the Track Record Period, from 22.5% in 2023 to 19.0% in 2024, further slightly decreased to 18.5% in 2025, and remained stable at 18.5% for the three months ended March 31, 2026. In 2023, we have limited intelligent rear lighting products, mostly samples and testing products at R&D stage, carrying higher price and gross profit margin. Along with the adjustment of products structure and volume production of intelligent lighting products in 2024, both the price and the gross profit margin of intelligent rear lighting products reduced. Further, increasing customer requests on more diversified and complex functions and structure resulted in higher production cost, narrowing down the gross profit margin generated from conventional rear lighting products. Accordingly, the gross profit margin of rear lights reduced in 2024. In 2025, the gross profit margin for conventional rear lights remained stable, while more diversified intelligent rear lighting products were developed and produced, including new rear lighting products with comparatively lower gross profit margin under market competition pressure. The 2025 gross profit margin of rear lighting products showed a slight reduction compared to the 2024 ratio.

(c) Controllers: The gross profit margin for our controller products increased from 25.8% in 2023 to 37.6% in 2024, primarily contributed to our increasingly effective cost control through qualification yield improvement and manufacturing process optimization. In 2025, along with the adjusted products structure, we needed more diversified controller products pursuant to various customers' demands. The cost and gross profit margin varied significantly among different types of controllers, leading to comparatively higher cost of sales and the decrease of the gross profit margin for controllers to 28.0% in 2025, although the revenue and sales volume increased. The gross margin for controllers remained at stable level of 26.3% and 26.7% for the three months periods ended March 31, 2025 and 2026, respectively.

(d) Other lighting products: Other lighting products presented a reducing trend on gross profit margin during the Track Record Period, showing 15.2%, 14.0% and 12.3% in 2023, 2024 and 2025 respectively. The decrease in 2024 was mainly attributable to the lower price of small lights in the year. The further decrease in 2025 mainly related to changes in customer demands and small light products adjustments, more small lights carrying lower gross profit margin sold in the year. The gross profit margin of other lighting products increased to 27.2% for the three months ended March 31, 2026, much higher than the 2025 gross profit margin and the gross margin for the first three months in 2025. In the first three months of 2026, our products under the category of other lighting products experienced a structure optimization, adding several high-margin other lighting products. Although the overall sales of other lighting products reduced, but the gross profit margin was driven higher by such high-margin other lighting products in 2026.

(2) Analysis on annual changes of gross profit margin by intelligent and non-intelligent automotive lighting products

(a) Intelligent automotive lighting products: The gross profit margin for intelligent automotive lighting products reduced from 25.1% in 2023 to 19.5% in 2024. Given year 2023 being the early R&D stage for our intelligent automotive lighting products, the price of our intelligent lighting products in 2023 included early-stage development cost, relevant sample and testing price, represented by the high unit price of intelligent lighting products for the year and accordingly yield a higher 2023 gross profit margin. The intelligent automotive lighting products realized volume production in 2024, leading to a lower but ordinary gross profit margin of 19.5%. The gross profit margin of intelligent automotive lighting products remained at 19.7% in 2025 and 20.0% for the three months ended March 31, 2026.

(b) Non-intelligent automotive lighting products: The gross profit margin of non-intelligent automotive lighting products slightly reduced from 21.1% in 2023 to 19.8% in 2024, and then remained relatively stable at 20.0% in 2025 and 19.7% for the three months ended March 31, 2026. The reduction in 2024 was mainly attributable to the lower gross profit margin of conventional rear lights and other lighting products.

Administrative Expenses

Our administrative expenses primarily include (i) employee benefit expenses for our administrative staff, (ii) taxes and surcharges, (iii) depreciation and amortization, (iv) service fee, repair fee and consultancy fee, and (v) office, business development and traveling expenses. In 2023, 2024, 2025, the three months period ended March 31, 2025 and 2026, our administrative expenses amounted to RMB332.8 million, RMB378.0 million, RMB440.2 million, RMB86.9 million and RMB103.8 million, respectively, accounting for 3.2%, 2.9%, 2.9%, 2.8% and 3.0%, of our revenue for the relevant years/periods. The following table sets forth a breakdown of our administrative expenses by nature for the years/periods indicated:

	Year ended December 31,						Three months ended March 31,			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(unaudited)			
Administrative Expenses										
Employee benefit expenses	161,440	48.6	171,257	45.4	184,420	41.9	42,964	49.4	49,176	47.4
Taxes and surcharges	55,967	16.8	63,289	16.7	77,606	17.6	16,323	18.8	22,327	21.5
Depreciation and amortization	46,589	14.0	54,926	14.5	67,650	15.4	15,425	17.7	18,643	18.0
Service fees, repair fees and consultancy fees	21,322	6.4	23,768	6.3	24,716	5.6	3,751	4.3	4,513	4.3
Office, business development and traveling expenses	17,025	5.1	19,803	5.2	26,103	5.9	3,142	3.6	3,024	2.9
Utility costs	6,061	1.8	5,718	1.5	5,783	1.3	2,168	2.5	952	0.9
Material consumption	3,313	1.0	3,345	0.9	3,003	0.7	728	0.9	286	0.3
Others[(1)]	21,043	6.3	35,874	9.5	50,897	11.6	2,432	2.8	4,896	4.7
Total	**332,760**	**100.0**	**377,980**	**100.0**	**440,178**	**100.0**	**86,933**	**100.0**	**103,817**	**100.0**

Note (1): Others mainly represent bank charges, rental expenses and property management fees, donation and security fees.

Selling Expenses

Our selling expenses primarily include (i) employee benefit expenses for our sales staff, (ii) material consumption, (iii) service expenses, and (iv) business development, marketing and traveling expenses. In 2023, 2024, 2025, the three months period ended March 31, 2025 and 2026, our selling expenses amounted to RMB46.8 million, RMB55.8 million, RMB62.5 million, RMB11.3 million and RMB10.7 million, respectively, accounting for 0.5%, 0.4%, 0.4%, 0.4% and 0.3%, of our revenue for the relevant years/periods. The following table sets forth a breakdown of our selling expenses by nature for the years/periods indicated:

	Year ended December 31,						Three months ended March 31,			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000* (unaudited)	*%*	*RMB'000*	*%*
Selling Expenses										
Employee benefit expenses	25,954	55.4	24,596	44.1	23,627	37.8	6,679	59.1	6,131	57.1
Material consumption	8,169	17.4	11,611	20.8	18,121	29.0	155	1.4	466	4.3
Service expenses	2,809	6.0	7,399	13.3	9,284	14.9	1,255	11.1	1,876	17.5
Business development, marketing and traveling expenses	7,010	15.0	5,962	10.7	5,763	9.2	743	6.6	785	7.3
Depreciation and amortization	230	0.5	1,302	2.3	1,523	2.4	1,201	10.6	405	3.8
Rental and storage expenses	1,067	2.3	2,771	5.0	1,212	1.9	998	8.8	438	4.1
Others[(1)]	1,589	3.4	2,146	3.8	2,965	4.8	278	2.4	638	5.9
Total	**46,828**	**100.0**	**55,787**	**100.0**	**62,495**	**100.0**	**11,309**	**100.0**	**10,739**	**100.0**

Note (1): Others mainly represent office expenses, repair fees and utility costs.

We have a concentration of customers primarily include automotive manufacturers, which enabled us to precisely position and service our key target customers and kept our selling expenses as a percentage at a lower level.

Research and Development Expenses

Our research and development expenses primarily include (i) employee benefit expenses for our R&D staff, (ii) raw materials and consumables used, (iii) depreciation and amortization, and (iv) sample fees and testing fees. In 2023, 2024, 2025, the three months period ended March 31, 2025 and 2026, our research and development expenses amounted to RMB610.2 million, RMB655.5 million, RMB883.7 million, RMB186.0 million and RMB229.0 million, respectively, accounting for 6.0%, 4.9%, 5.8%, 6.0% and 6.7% of our revenue for the relevant years/periods. The following table sets forth a breakdown of our research and development expenses by nature for the years/periods indicated:

	Year ended December 31,						Three months ended March 31,			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000* (unaudited)	*%*	*RMB'000*	*%*
Research and Development Expenses										
Employee benefit expenses	355,744	58.3	390,555	59.6	466,294	52.8	110,686	59.5	125,505	54.8
Raw materials and consumables used	108,615	17.8	89,653	13.7	176,164	19.9	35,876	19.3	51,944	22.7
Depreciation and amortization	48,490	7.9	64,479	9.8	71,198	8.1	16,829	9.1	15,981	7.0
Sample fees and testing fees	41,372	6.8	44,047	6.7	77,008	8.7	11,808	6.3	23,081	10.1
Service and consultancy fees	11,174	1.8	19,596	3.0	42,921	4.8	1,995	1.1	569	0.2
Traveling and office expenses	16,237	2.7	17,697	2.7	19,441	2.2	3,564	1.9	4,201	1.8
Others[(1)]	28,612	4.7	29,466	4.5	30,686	3.5	5,208	2.8	7,709	3.4
Total	**610,244**	**100.0**	**655,493**	**100.0**	**883,712**	**100.0**	**185,966**	**100.0**	**228,990**	**100.0**

Note (1): Others mainly represent repair fee, rental expenses and property management fees.

Allowance for/(reversal of) ECL on Financial Assets at Amortized Cost

Our allowance for ECL on financial assets at amortized cost arisen from trade and bills receivables, deposits and other receivables. In 2023, 2024 and 2025, we recognized ECL amounted to RMB98.5 million, RMB57.0 million and RMB0.3 million, respectively. For the three months periods ended March 31, 2025 and 2026, we reversed ECL amounted to RMB18.8 million and RMB23.8 million, respectively.

Other Income

The following table sets forth a breakdown of our other income by nature for the years/periods indicated:

	Year ended December 31,			Three months ended March 31,	
	2023	**2024**	**2025**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Other Income					
Government grants	118,162	174,994	158,470	36,336	41,178
Interest income from bank deposits	17,933	14,290	9,567	2,183	1,399
Others[(1)]	9,893	7,474	4,060	1,709	1,841
Total	**145,988**	**196,758**	**172,097**	**40,228**	**44,418**

Note (1): Others mainly represent compensations received from suppliers.

Government grants mainly comprise (i) subsidies and rewards related to the construction of manufacturing facilities and R&D centers and the operation of high-technology projects, and (ii) various forms of VAT refunds. A portion of these subsidies and rewards are granted with specific conditions, primarily requiring the use of funds for designated project construction, research initiatives, or employment support initiatives. During the Track Record Period and up to the Latest Practicable Date, we have satisfied all material conditions attached to the government grants we received, and there are no outstanding compliance matters or grants received with unfulfilled conditions. Certain of these subsidies and rewards are non-recurring, but we consistently obtained government grants based on our continuous construction and/or development of intelligent projects, and such granting of subsidies and rewards by government is consistent with our persist efforts in R&D investment and upgrading of our technology and products.

Interest income from bank deposits mainly comprises interest income on our term deposits classified as financial assets at amortized cost calculated using the effective interest method.

Other Gains and Losses, Net

The following table sets forth a breakdown of our other gains and losses, net by nature for the years/periods indicated:

	Year ended December 31,			Three months ended March 31,	
	2023	**2024**	**2025**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Other Gains and Losses, Net					
Exchange (losses)/gains, net	(2,308)	(13,958)	7,364	(271)	(11,090)
Loss on disposal of property, plant and equipment	(889)	(13,002)	(1,100)	(481)	(209)
Gain/(loss) on disposal of right-of-use assets	–	1,296	(259)	–	–
Others[(1)]	(2,736)	(2,573)	(2,611)	(586)	(375)
Total	**(5,933)**	**(28,237)**	**3,394**	**(1,338)**	**(11,674)**

Note (1): Others mainly represent non-operation expenditure.

Finance Costs

Our finance costs consist of (i) interest on discounted bills receivables, and (ii) interest on lease liabilities. We recorded finance costs of RMB1.4 million, RMB6.4 million and RMB6.9 million in 2023, 2024 and 2025, respectively; also recorded finance cost of RMB4.4 million and RMB3.5 million for the three months periods ended March 31, 2025 and 2026.

Income Tax Expenses

Our income tax expenses comprise current income tax and deferred income tax. In 2023, 2024 and 2025, our income tax expenses amounted to RMB101.0 million, RMB184.1 million and RMB189.1 million, respectively. For the three months periods ended March 31, 2025 and 2026, our income tax expenses were RMB40.1 million and RMB26.7 million respectively. We are subject to varying tax rates in different jurisdictions. See Note 12 of the Accountants' Report in Appendix I to this document.

PRC Enterprise Income Tax

Under the EIT Law and Implementation Regulation of the EIT Law, the statutory tax rate of our Group is 25% for the Track Record Period except that the Company is eligible for preferential taxation of paying a rate of 15%, and certain of our subsidiaries operating in the PRC are eligible for certain tax holidays and concessions and were exempted from enterprise income taxes during the Track Record Period. Details are as follows:

During the Track Record Period, the Company has been continuously qualified as a high-tech enterprise and enjoyed a preferential EIT rate of 15%, and our subsidiaries in the PRC are subject to the PRC corporate income tax at the rate of 25%.

According to the relevant PRC laws and regulations, enterprises engaging in research and development activities are entitled to claim 200% of their research and development expenses incurred as tax deductible expenses when determining their assessable profits for that period.

Hong Kong Profits Tax

Hong Kong profits tax is calculated at 16.5% on the estimated assessable profit during the Track Record Period.

Serbia Corporate Income Tax

According to Serbian Corporate Income Tax Law, foreign-invested enterprises with fixed asset investments of RSD1 billion and creating more than 100 new jobs during the investment period are exempt from the Corporate Income Tax for 10 years from its first profit-making year. Xingyu Serbia operating in the Republic of Serbia is eligible for the concession.

Taxation arising in other jurisdiction is calculated at the rates prevailing in the relevant jurisdictions.

RESULTS OF OPERATIONS

Comparison between three months periods ended March 31, 2025 and March 31, 2026

Revenue

Our revenue increased by 10.8% from RMB3,094.5 million in three months ended March 31, 2025 to RMB3,429.9 million in three months ended March 31, 2026, primarily attributable to the increase in revenue generated from our major products, the automotive lighting products.

Our revenue from automotive lighting products increased by 12.5% from RMB2,926.6 million to RMB3,291.3 million in the three months ended March 31, 2025 and 2026, respectively, primarily due to the increase of front lights products, especially intelligent front lighting products in 2026.

Cost of Sales

Our cost of sales increased by 10.2% from RMB2,511.3 million in three months ended March 31, 2025 to RMB2,766.4 million in three months ended March 31, 2026, which was generally in line with our growth in revenue.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased by 13.8% from RMB583.2 million to RMB663.5 million for the three months periods ended March 31, 2025 and 2026, mainly attributable to the increase of intelligent lighting products. Our gross profit margin increased slightly from 18.8% in the three months ended March 31, 2025 to 19.3% in the three months ended March 31, 2026.

From the three months ended March 31, 2025 to the same period of 2026, the products structure optimization for other lighting products led to a much higher gross profit margin for other lighting products. Meanwhile, although the front lighting products showed a slightly decreasing gross margin, the rear lighting products kept a higher gross margin at the end of 2025 and early 2026 compared with the three months ended March 31, 2025. Such factors collectively led to the slight increase from 18.8% in three months ended March 31, 2025 to 19.3% in three months ended March 31, 2026.

Administrative Expenses

Our general and administrative expenses increased by 19.4% from RMB86.9 million in the three months ended March 31, 2025 to RMB103.8 million in the three months ended March 31, 2026, primarily due to (i) the increase in employee benefit expenses resulting from the increase in the number of administrative staff driven by our business expansion, (ii) the increase of taxes and surcharges reflecting the expansion of our business, and (iii) the increase in depreciation and amortization driven by increasing land amortization of our intelligent automotive electronics and vision systems industrial center project in Changzhou and our

newly purchased fixed assets and digital system. Our general and administrative expenses as a percentage of revenue for the three-months period ended March 31, 2025 and 2026 remained relatively stable at 2.8% and 3.0%, respectively.

Selling and Marketing Expenses

Our selling and marketing expenses decreased by 5.0% from RMB11.3 million in the three months ended March 31, 2025 to RMB10.7 million in the three months ended March 31,2026, primarily due to (i) the decreasing rental and storage expenses and depreciation as a result of ending of certain storage leases and rental free-period of certain warehouse, and (ii) the decreasing employee benefit expenses as the number of sales staff slightly reduced upon internal organization structure adjustment at the beginning of 2026, which were partially offset by (i) the increase in service expenses to facilitate the sales resulting from to a larger customer base, and (ii) the increase in material consumption, service fees and other consulting fees, as a result of business expansion.

R&D Expenses

Our R&D expenses increased by 23.1% from RMB186.0 million in the three months ended March 31, 2025 to RMB229.0 million in the three months ended March 31, 2026, primarily attributable to the increase in (i) raw materials and consumables used in R&D activities, (ii) the number of our R&D staff to support our R&D activities and their salary and remunerations, and (iii) sample fees and testing fees related to R&D activities, all resulting from the increasing number of our products under R&D process and demonstrating our continuous efforts in developing new products, upgrading product performance and our dedication in technology innovation.

Other Income

Our other income increased slightly by 10.4% from RMB40.2 million in the three months ended March 31, 2025 to RMB44.4 million in the three months ended March 31, 2026, changes mainly due to the increase of governmental grants income recognized by us as the result of tax.

Other Losses, Net

We recorded other losses, net of RMB1.3 million in the three months ended March 31, 2025 and other losses, net of RMB11.7 million in the three months ended March 31, 2026, mainly due to the exchange rate fluctuations between foreign exchange project settlement rate and the reporting rate at the end of the financial period.

Exchange differences arising on the settlement of monetary items and the retranslation of monetary items are recognized in profit or loss in the relevant period. EUR and RSD are the major foreign currencies related to our operations. EUR to RMB exchange rate went upward in the first three months in 2025 and fell sharply in the first three months in 2026, causing the increase of our exchange losses in the three months of 2026.

Finance Costs

Our finance costs decreased by 18.9% from RMB4.4 million in the three months ended March 31, 2025 to RMB3.5 million in the three months ended March 31, 2026, mainly due to we did not discount our bill receivables as much as previous period as no cash flow demand.

Income Tax Expense

Our income tax expense decreased by 33.6% from RMB40.1 million in the three months ended March 31, 2025 to RMB26.7 million in the three months ended March 31, 2026, primarily benefiting from our increasing deductible R&D expenses. Our income tax expense as a percentage of our profit before income tax decreased from 11.1% in the three months ended March 31, 2025 to 7.0% in the three months ended March 31, 2026.

Profit and Total comprehensive income for the period

As a result of the foregoing, our net profit increased by 10.3% from RMB322.1 million in the three months ended March 31, 2025 to RMB355.2 million in the three months ended March 31, 2026.

Comparison between December 31, 2024 and December 31, 2025

Revenue

Our revenue increased by 15.1% from RMB13,252.9 million in 2024 to RMB15,256.7 million in 2025, primarily driven by the growth of our automotive lighting business.

Revenue generated from the automotive lighting products increased by 15.4% from RMB12,500.7 million in 2024 to RMB14,430.9 million in 2025, mainly attributable to (i) the increase in sales volume and (ii) a shift in product mix towards intelligent automotive lighting products with higher average selling prices. The revenue contribution of intelligent automotive lighting products increased from 13.1% in 2024 to 16.9% in 2025, reflecting the increasing adoption of higher-specification lighting systems.

Sales volume of intelligent automotive lighting products increased from 0.48 million units in 2024 to 1.58 million units in 2025, representing a growth of 230.5%, primarily due to the commencement of mass production of intelligent rear lighting products such as ISD and OLED solutions. Although intelligent rear lighting products generally carry lower average selling prices than intelligent front lighting products, the significant increase in its sales volume, together with the overall higher value of intelligent lighting systems compared with conventional products, contributed to revenue growth. The revenue generated by non-intelligent automotive lighting products continuously realized an increase of 9.0% from 2024 to 2025, driven by the slight increase of price and the demand in traditional automotive lighting market.

Cost of Sales

Our cost of sales increased by 14.4% from RMB10,723.6 million in 2024 to RMB12,269.4 million in 2025, which was generally in line with our growth in revenue.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased by 18.1% from RMB2,529.3 million in 2024 to RMB2,987.2 million in 2025. The overall gross profit margin slightly increased from 19.1% in 2024 to 19.6% in 2025, mainly attributable to the increase in front lighting products.

During the Track Record Period, the increasingly complex functions and structures of automotive lighting products resulted in higher ASP for overall products. Meanwhile, such function and structure complexity also led to increase in production cost, e.g. materials and process cost, leading to the reduction of gross profit margin. Consequently, although the overall ASP of our major products increased in 2025, the gross profit margin for other lights and controllers still dropped. Please see Description of Major Components of Our Results of Operations — Gross Profit and Gross Profit Margin — Analysis on annual changes of gross profit margin by major products, and by intelligent and non-intelligent automotive lighting products. The increase of gross profit margin of front lighting products, especially intelligent lighting products, in 2025, led to the slight increase of gross profit margin in 2025.

Administrative Expenses

Our administrative expenses increased by 16.5% from RMB378.0 million in 2024 to RMB440.2 million in 2025, primarily due to (i) the increase in employee benefit expenses resulting from the increase in the number of administrative staff driven by our business expansion, (ii) the increase of taxes and surcharges reflecting the expansion of our business, and (iii) the increase in depreciation and amortization driven by our newly purchased fixed assets and digital system.

Selling Expenses

Our selling expenses increased by 12.0% from RMB55.8 million in 2024 to RMB62.5 million in 2025, primarily due to the increase in material consumptions as a result of business expansion.

Research and Development Expenses

Our research and development expenses increased by 34.8% from RMB655.5 million in 2024 to RMB883.7 million in 2025, primarily attributable to the increases in (i) raw materials and consumables used in R&D activities, (ii) the number of our R&D staff to support our R&D activities and their salary and remunerations, which was mainly due to the establishment of two new R&D sub-centers and an increase in ongoing R&D projects during 2025, and (iii) sample fees and testing fees related to R&D activities, all demonstrating our consistent focus and dedication on R&D efforts that support the expansion and innovation of technology upgrading and enhancement of intelligent product performance, as well as our ongoing efforts to strengthen our competitive advantage in technology area.

Other Income

Our other income reduced slightly from RMB196.8 million in 2024 to RMB172.1 million in 2025.

Other Gains and Losses, Net

We recorded other losses, net of RMB28.2 million in 2024 and other gains, net of RMB3.4 million in 2025. We recorded other gains in 2025 mainly caused by the foreign exchange rate fluctuations between foreign exchange project settlement rate and the reporting rate at the end of financial period. In 2024, we recorded losses primarily (i) due to exchange rate fluctuations and (ii) from the disposal of certain idle assets.

Exchange differences arising on the settlement of monetary items and the retranslation of monetary items are recognized in profit or loss in the relevant period. EUR and RSD are the major foreign currencies related to our operations. Both EUR and RSD depreciated from 2023 to 2024 and appreciated in 2025, showing consistent fluctuation curve of our exchange gains and losses during the Track Record Period.

Finance Costs

Our finance costs increased by 7.7% from RMB6.4 million in 2024 to RMB6.9 million in 2025, mainly due to increases in our discounting of bills when market interest rates were favorable.

Income Tax Expenses

Our income tax expenses increased by 2.7% from RMB184.1 million in 2024 to RMB189.1 million in 2025. Our income tax expense as a percentage of our profit before tax remained stable at 11.6% in 2024 and 10.4% in 2025.

Profit and Total Comprehensive Income for the Year

As a result of the foregoing, our net profit increased by 15.3% from RMB1,408.3 million in 2024 to RMB1,624.1 million in 2025.

Comparison between year 2024 and 2023

Revenue

Our revenue increased by 29.3% from RMB10,248.4 million in 2023 to RMB13,252.9 million in 2024, primarily due to the significant growth of our businesses.

Our revenue from automotive lighting products increased by 30.0% from RMB9,616.0 million in 2023 to RMB12,500.7 million in 2024, primarily because of growths in sales volume and average selling price in intelligent automotive lighting products, and in particular, our front lighting products, such as DLP lights, upon their mass delivery in 2024. Sales volume of intelligent automotive lighting products increased from 7 thousand units in 2023 to 0.48 million units in 2024. The aggregate contribution of intelligent automotive lighting products significantly increased from 0.3% in 2023 to 13.1% by revenue in 2024. These were driven by: (i) the sustained growth of NEV market which drove an explosive growth in demand for intelligent lighting products; (ii) our continuous efforts in technology and product innovation and upgrading, and in particular, our strengthened and in-depth cooperation with both existing and new customers in the PRC and worldwide through participation in the early R&D and design stages of the automotive lighting products for their vehicle models; and (iii) our enhanced ability to quickly integrate our production capabilities to fit in more comprehensive production demands of intelligent automotive lighting products. Our non-intelligent automotive lighting products also realized consistent increase at 11.8% from 2023 to 2024 driven by the demand in traditional automotive market demand.

Cost of Sales

Our cost of sales increased by 31.5% from RMB8,152.1 million in 2023 to RMB10,723.6 million in 2024, which was generally in line with our growth in revenue.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased by 20.7% from RMB2,096.3 million in 2023 to RMB2,529.3 million in 2024. Our gross profit margin decreased from 20.5% in 2023 to 19.1% in 2024. In particular:

The gross profit increased 20.7% from 2023 to 2024, mainly due to (i) our rapid response to market demand and adjustment of our products portfolio, including the adaption and upgrading to NEV demands and introduction of more high-end products, which carried higher average price and sales volume, and (ii) our successful maintaining and attracting existing customers and NEV customers by offering intelligent automotive lighting product portfolio.

Simultaneously, our gross profit margin slightly decreased from 20.5% in 2023 to 19.1% in 2024. During the Track Record Period, the increasingly complex functions and structures of automotive lighting products resulted in higher ASP for overall products , mostly attributable to the ASP increase of the front lighting products and rear lighting products. But the ASP for intelligent lighting products (both intelligent front lights and intelligent rear lights) reduced (please see above for the analysis on ASP), and the ASP of other lighting products and controllers also reduced. Meanwhile, such function and structure complexity also led to increase in production cost, typically involving higher raw materials costs for the procurement of more structurally complex and higher-value components, more processing cost, leading to the reduction of gross profit margin. The reduction of gross profit margin in 2024 was mainly due to the drop of gross profit margin in intelligent lighting products, non-intelligent rear lights and other lighting products. Please see Description of Major Components of Our Results of Operations — Gross Profit and Gross Profit Margin — Analysis on annual changes of gross profit margin by major products, and by intelligent and non-intelligent automotive lighting products.

Administrative Expenses

Our administrative expenses increased by 13.6% from RMB332.8 million in 2023 to RMB378.0 million in 2024, primarily due to (i) the increase in employee benefit expenses resulting from the increase in the number of administrative staff to support our business expansion, (ii) the increase in depreciation and amortization driven by our new office and administration facilities and software, and (iii) the increase of taxes and surcharges reflecting the expansion of our business.

Selling Expenses

Our selling expenses increased by 19.1% from RMB46.8 million in 2023 to RMB55.8 million in 2024, primarily due to (i) the increase in service expenses to facilitate our sales resulting from to a larger customer base, (ii) the increase in material consumption as a result of business expansion, and (iii) the increase in rental and storage expenses.

Research and Development Expenses

Our research and development expenses increased by 7.4% from RMB610.2 million in 2023 to RMB655.5 million in 2024, primarily attributable to the increases in (i) the number of our R&D staff to support our R&D activities and their salary and remunerations, and (ii) the depreciation and amortization driven by purchase of R&D equipment and software, demonstrating our consistent and dedicated R&D efforts to support the innovation of our product and to enhance the competitive advantage of our products. Our research and development expenses as a percentage of revenue decreased from 6.0% in 2023 to 4.9% in 2024, primarily because the growth in our research and development expenses was outpaced by our revenue growth from 2023 to 2024.

Other Income

Our other income increased by 34.8% from RMB146.0 million in 2023 to RMB196.8 million in 2024, primarily due to the increases in governmental subsidies and rewards granted to us in 2024 with respect to our construction of the manufacturing facilities and R&D centers.

Other Losses, Net

Our other losses, net increased from RMB5.9 million in 2023 to RMB28.2 million in 2024, mainly due to (i) the relatively high loss caused by the foreign exchange rate fluctuations between foreign exchange project settlement rate and the reporting rate at the end of financial period, and (ii) losses from the disposal of certain idle assets, in 2024.

Finance Costs

Our finance costs increased by 374.1% from RMB1.4 million in 2023 to RMB6.4 million in 2024, mainly because we discounted the bills when the market interest rates were favorable.

Income Tax Expenses

Our income tax expenses amounted to RMB101.0 million in 2023 and increased to RMB184.1 million in 2024. Our income tax expenses as a percentage of our profit before income tax increased from 8.4% in 2023 to 11.6% in 2024 mainly because R&D-related tax benefits accounted for a lower portion of profit before income tax in 2024.

Profit and Total Comprehensive Income for the Year

As a result of the foregoing, our net profit increased by 27.8% from RMB1,102.1 million in 2023 to RMB1,408.3 million in 2024.

DISCUSSION OF CERTAIN COMPONENTS OF CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Non-current Assets and Non-current Liabilities

The following table sets forth the components of our non-current assets and non-current liabilities as of the dates indicated:

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS				
Property, plant and equipment	3,879,971	4,033,788	4,117,356	4,278,679
Right-of-use assets	425,408	377,846	479,280	471,629
Intangible assets	70,097	84,961	81,099	71,307
Financial assets at FVTOCI	335,844	353,556	656,374	621,058
Financial assets at fair value through profit or loss ("**FVTPL**")	–	–	70,000	70,000
Prepayments	76,606	109,267	326,320	341,308
Deferred tax assets	21,433	27,668	17,014	24,329
Total non-current assets	**4,809,359**	**4,987,086**	**5,747,443**	**5,878,310**
NON-CURRENT LIABILITIES				
Lease liabilities	24,350	10,850	14,304	11,283
Deferred income	634,820	559,682	522,033	501,683
Deferred tax liabilities	24,014	42,945	56,394	75,023
Total non-current liabilities	**683,184**	**613,477**	**592,731**	**587,989**

Property, Plant and Equipment

Our property, plant and equipment consist of (i) plant and machinery, (ii) buildings, (iii) office equipment, (iv) motor vehicles, (v) construction in progress, and (vi) others. The following table sets forth a breakdown of our property, plant and equipment as of the dates indicated:

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Building	1,265,401	1,483,615	1,580,580	1,618,697
Plant and machinery	1,665,210	1,913,615	1,866,125	1,952,874
Office equipment	164,131	190,859	331,847	330,976
Motor vehicle	4,753	5,070	6,306	6,644
Construction in progress	732,413	375,155	255,291	284,188
Others	48,063	65,474	77,207	85,300
Total	**3,879,971**	**4,033,788**	**4,117,356**	**4,278,679**

Our property, plant and equipment increased from RMB3,880.0 million in 2023 to RMB4,033.8 million in 2024, primarily due to the establishment of new components and electronics facilities at the Intelligent Manufacturing Industrial Park to enhance our in-house production of automotive lighting components, as well as the purchase of additional production equipment, including injection molding machines and SMT machines, for new projects. A further slight increase to RMB4,117.4 million in 2025 resulted from continuous investment in the existing construction and R&D projects. As of March 31, 2026, our property, plant and equipment increased to RMB4,278.7 million, primarily attributable to the increasing investment in the construction of the Intelligent Manufacturing Industrial Park and purchase of more machinery and equipment along with our business expansion.

Right-of-use assets

Our right-of-use assets included the lease contracts for (i) leasehold lands, and (ii) leased properties. The following table sets forth a breakdown of our right-of-use assets as of the dates indicated:

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Leasehold lands	386,298	350,871	452,632	448,496
Leased properties	39,110	26,975	26,648	23,133
Total	**425,408**	**377,846**	**479,280**	**471,629**

Our right-of-use assets primarily consist of land use right and long-term leases. Our right-of-use assets decreased from RMB425.4 million as of December 31, 2023 to RMB377.8 million as of December 31, 2024 primarily due to depreciation of right-of-use assets, followed by an increase to RMB479.3 million as of December 31, 2025, primarily due to a new lease of land for our intelligent automotive electronics and vision systems industrial center project in Xinbei District of Changzhou. As of March 31, 2026, our right-of-use assets remained stable at RMB471.6 million.

Deferred Income

The deferred income represents the government grants we received related to assets, which will be recognized in profit or loss over the expected useful life of the relevant asset by equal annual instalments subject to the conditions and terms of such government grants. Our deferred income was RMB634.8 million as of December 31, 2023, RMB559.7 million as of December 31, 2024, RMB552.0 million as of December 31, 2025, and RMB501.7 million as of March 31, 2026. We recorded a higher amount in deferred income for 2023, primarily due to certain large amount government grants received in 2023.

Net Current Assets

	As of December 31,			As of March 31,	As of May 31,
	2023	2024	2025	2026	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)
CURRENT ASSETS					
Inventories	2,245,407	2,629,252	2,575,032	2,317,970	2,364,490
Trade and bills receivables	4,398,136	6,108,933	7,149,614	7,000,450	6,610,401
Prepayments, deposits and other receivables	59,898	72,818	55,162	80,848	107,390
Financial assets at FVTPL	1,156,956	1,122,399	1,444,626	1,726,947	1,093,351
Cash and cash equivalents and restricted bank deposits	2,104,662	2,023,579	2,373,349	2,109,384	2,280,047
Total current assets	**9,965,059**	**11,956,981**	**13,597,783**	**13,235,599**	**12,455,679**
CURRENT LIABILITIES					
Trade and bills payables	3,939,537	5,139,349	6,258,045	5,960,705	5,899,862
Accruals and other payables	862,938	854,548	858,153	805,709	723,395
Contract liabilities	7,465	3,381	36,580	4,028	6,709
Lease liabilities	12,972	16,789	13,083	12,106	16,487
Provisions	59,249	72,495	101,739	127,886	120,293
Tax payables	72,869	66,763	86,646	42,465	4,920
Total current liabilities	**4,955,030**	**6,153,325**	**7,354,246**	**6,952,899**	**6,771,666**
NET CURRENT ASSETS	**5,010,029**	**5,803,656**	**6,243,537**	**6,282,700**	**5,684,013**

Our net current assets decreased by 9.5% from RMB6,282.7 million as of March 31, 2026 to RMB5,684.0 million as of May 31, 2026, primarily due to (i) a decrease of RMB390.1 million in trade and bills receivables reflecting enhancement of receivables collections, (ii) a decrease of RMB633.6 million in financial assets at FVTPL upon maturity of certain structured deposits and wealth management products; partially offset by (i) an increase of RMB170.7 million in cash and cash equivalents and restricted bank deposits, (ii) a decrease of RMB60.8 million in trade and bills payables resulting from shorter payment terms upon our procurement of more electronic components carrying shorter credit terms and more cash settlement rather than bills by some suppliers, and (iii) a decrease of accruals and other payables of RMB82.3 million due to less tax payables as of May 31, 2026.

Our net current assets remained almost at the same level as of March 31, 2026 at RMB6,282.7 million, comparing to RMB6,243.5 million as of December 31, 2025.

Our net current assets increased from RMB5,803.7 million as of December 31, 2024 to RMB6,243.5 million as of December 31, 2025, primarily due to: (i) an increase of RMB1,040.7 million in trade and bills receivables reflecting our business growth, (ii) an increase of RMB322.2 million in financial assets at FVTPL mainly resulting from short-term wealth management products for idle funds, (iii) an increase of RMB349.8 million in cash and cash equivalents and restricted bank deposits; partially offset by (i) an increase of RMB1,118.7 million in trade and bills payables, and (ii) a decrease of inventories of RMB54.2 million.

Our net current assets increased from RMB5,010.0 million as of December 31, 2023 to RMB5,803.7 million as of December 31, 2024, primarily due to: (i) an increase of RMB1,710.8 million in trade and bills receivables reflecting our business expansion, (ii) an increase of RMB383.8 million in inventories, mainly finished products as a result of production volume increase and related to new projects, partially offset by (i) an increase of RMB1,199.8 million in trade and bills payables reflecting our business expansion, and (ii) a decrease of RMB81.1 million in cash and cash equivalents and restricted bank deposits.

Inventories

Our inventories consist of (i) raw materials, (ii) work in progress and (iii) finished goods. The following table sets forth a breakdown of our inventories as of the dates indicated:

	As of December 31,			As of March 31,
	2023	**2024**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Inventories				
Raw materials	542,600	470,115	493,722	529,058
Work in progress	244,769	176,164	144,804	184,329
Finished goods	1,458,038	1,982,973	1,936,506	1,604,583
Total	**2,245,407**	**2,629,252**	**2,575,032**	**2,317,970**

Our inventories increased by 17.1% from RMB2,245.4 million as of December 31, 2023, to RMB2,629.3 million as of December 31, 2024, primarily due to an inventory increase in finished goods resulting from our production volume increase during the business growth in 2024. The inventory level slightly decreased to RMB2,575.0 million by December 31, 2025, and further decreased to RMB2,318.0 million as of March 31, 2026, primarily due to the sales and delivery of finished goods. Our consistent efforts to implement the inventory optimization management policy enabled us to realize the inventory dynamic target and actual monitoring control, which further enhanced our inventory management efficiency.

During the Track Record Period, a majority of our inventories were less than one year. Our inventories with a holding period above one year consisted primarily of tooling. The following is an aging analysis of our inventories:

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 6 months	1,925,031	2,276,190	2,035,957	1,419,071
Between 6 months and 1 year	123,553	124,222	145,409	516,269
Between 1 year and 3 years	88,799	133,846	285,084	318,346
Over 3 years	108,024	94,994	108,582	64,284
	2,245,407	**2,629,252**	**2,575,032**	**2,317,970**

The following table sets forth our inventory turnover days for the years/period indicated:

	Year ended December 31,			Three months ended March 31,
	2023	2024	2025	2026
Inventory turnover days*(Note)*	101	82	76	80

Note: We calculate inventory turnover days using the average of the beginning and ending balances of inventories for the relevant year/period, divided by cost of sales for that year and multiplied by 360/90 days for a fiscal year/quarter .

Our inventory turnover days decreased from 101 days in 2023 to 82 days in 2024 and to 76 days in 2025, and slightly increased to 80 days as of March 31, 2026, primarily because we have implemented and carried out inventory optimization management measures through the digitalization and standardization of our management processes, achieved by integrating ERP, MES and WMS systems. For inventories aging more than 1 year, approximately 73% are toolings, which are designed for customers' products purpose and covered under sales contracts. The toolings will be delivered to customers in different phases based on the sales contract arrangement on relevant types of products. Based on our regular impairment test, the cost of such toolings were sufficiently covered under the sales price. Accordingly, such toolings are not subject to impairment provisions.

As of May 31, 2026, RMB1,154.4 million, or 49.8% of inventories as of March 31, 2026, had been used, consumed or sold.

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,			As of March 31,
	2023	**2024**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables, gross	3,227,344	4,754,372	4,747,500	4,266,831
Less: allowance for credit losses	(161,402)	(237,726)	(237,564)	(213,342)
Trade receivables, net	**3,065,942**	**4,516,646**	**4,509,936**	**4,053,489**
Bill receivables, gross	1,353,040	1,592,683	2,640,119	2,947,394
Less: allowance for credit losses	(20,846)	(396)	(441)	(433)
Bill receivables, net	**1,332,194**	**1,592,287**	**2,639,678**	**2,946,961**
Trade and bills receivables	**4,398,136**	**6,108,933**	**7,149,614**	**7,000,450**

Our trade and bills receivables mainly refer to outstanding amounts due from our customers for the purchase of goods we sold in the ordinary course of business, less allowance of credit losses. Our trade and bills receivables increased by 38.9% from RMB4,398.1 million as of December 31, 2023 to RMB6,108.9 million as of December 31, 2024, and further by 17.0% to RMB7,149.6 million as of December 31, 2025. The increase in the amount of trade and bills receivables over time was primarily due to the expansion of our business scale and growth in sales to an enlarged customer base. Our trade and bills receivables slightly decreased after the end of 2025 to RMB7,000.5 million as of March, 31, 2026, primarily because we enhanced our collection of receivables and some automotive companies have also shortened their payment cycles in response to national policy directives by the end of 2025.

We generally grant credit terms ranging from 30 to 90 days for trade receivables after issuance of invoices to our customers and no more than 6 months for bills receivables. The following table sets forth an aging analysis of our trade receivables and bills receivables, based on revenue recognition date and net of allowance for credit losses, as of the dates indicated:

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade Receivables				
Within 30 days	1,018,348	1,493,058	1,772,731	2,042,124
31-60 days	1,056,592	1,676,273	1,662,542	830,831
61-90 days	802,347	1,001,865	822,856	627,441
91-365 days	188,027	345,425	248,496	530,024
Over 365 days	628	25	3,311	23,069
Total	**3,065,942**	**4,516,646**	**4,509,936**	**4,053,489**

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Bills Receivables				
Within 3 months	780,806	1,501,601	1,758,878	1,658,449
3 to 6 months	551,388	90,686	880,800	1,288,512
	1,332,194	**1,592,287**	**2,639,678**	**2,946,961**

We seek to maintain strict control over our outstanding receivables. Our senior management regularly reviews the recoverability of our outstanding balances and, when appropriate, provides for impairment of these trade and bills receivables. We have refined customer credit management and implemented detailed receivable control measures to strengthen the collection and management of trade and bills receivables. During the Track Record Period, we did not experience any significant losses associated with our trade and bills receivables and the increase in our trade and bills receivables did not have any material adverse impact on our liquidity or cash flows.

The following table sets forth the turnover days of our trade receivables and bills receivables for the years/period indicated:

	Year ended December 31,			Three months ended March 31,
	2023	2024	2025	2026
Trade receivables turnover days(Note)	77	103	106	112
Bill receivables turnover days(Note)	44	40	50	73
Trade receivable and bill receivable turnover days(Note)	121	143	156	185

Note: We calculate the turnover days of the trade receivables and bills receivables by using the average of the beginning and ending balances of the trade receivables and the bills receivables for that year/period respectively divided by the corresponding revenue for the year and multiplied by 360/90 days for a fiscal year/quarter.

Our trade receivables turnover days increased from 77 days in 2023 to 103 days in 2024 and to 106 days in 2025, primarily due to the general extension of payment cycle caused by intensified competition among downstream automotive manufacturer customers. The trade receivable turnover days further increased to 112 days, because the sales in first quarter of a year is normally lower, together with the long holidays in the first quarter, leading to longer turnover days of the trade receivables for the period. According to Frost & Sullivan, the relatively longer trade receivables turnover days recorded in 2024 and 2025 are generally consistent with the market practices in automotive lighting industry, taking into account the typical credit terms granted to customers.

As of May 31, 2026, RMB3,390.2 million, or 47.0% of our trade and bills receivables as of March 31, 2026, had been settled. During the Track Record Period and up to the Latest Practicable Date, we did not have any material recoverability issue for our trade and bills receivables.

Prepayments, Deposits and Other Receivables

Our prepayments, deposits and other receivables consist of (i) the non-current portion of prepayments for property, plant and equipment and right-of-use assets; and the current portion including (ii) prepayments; (iii) other assets; (iv) deposits paid and right-of-use assets; (v) other receivables; and (vi) other tax recoverable. The following table sets forth a breakdown of our prepayments, deposits and other receivables as of the dates indicated:

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current portion:				
Prepayments for property, plant and equipment and right-of-use assets	76,606	109,267	326,320	341,308
Current portion:				
Prepayments	43,330	48,865	43,307	65,526
Other assets	9,114	12,482	2,331	1,904
Other tax recoverable	3,890	9,295	4,765	7,078
Deposits paid	4,791	1,983	7,925	7,818
Other receivables	653	2,707	118	2,046
	61,778	75,332	58,446	84,372
Less: allowance for credit losses	(1,880)	(2,514)	(3,284)	(3,524)
	59,898	72,818	55,162	80,848
Total	**136,504**	**182,085**	**381,482**	**422,156**

Current portion of our prepayments, deposits and other receivables increased by 21.6% from RMB59.9 million as of December 31, 2023, to RMB72.8 million as of December 31, 2024, and decreased by 24.2% to RMB55.2 million as of December 31, 2025. It increased to RMB80.8 million as of March 31, 2026.

The non-current portion of our prepayments, deposits and other receivables increased by 42.6% from RMB76.6 million as of December 31, 2023, to RMB109.3 million as of December 31, 2024, and further increased by 198.6% to RMB326.3 million as of December 31, 2025, primarily due to the increase in prepayments for purchase of new land and large equipment resulting from our business expansion in the last quarter of 2025. As of March 31, 2026, the non-current portion of prepayments, deposits and other receivables slightly increased 4.6% to RMB341.3 million.

As of May 31, 2026, RMB236.1 million, or 55.5% of our prepayments, deposits and other receivables as of March 31, 2026, had been settled.

Financial assets at FVTOCI

Our financial assets at FVTOCI comprise listed and unlisted equity securities which are not held for trading. These relate to strategic investments in equity securities measured at FVTOCI quoted in the Stock Exchange, as well as unquoted equity securities of companies operating in relevant industry sectors for long term strategic purposes. We recorded RMB335.8 million, RMB353.6 million, RMB656.4 million and RMB621.1 million of financial assets at FVTOCI as of December 31, 2023, 2024 and 2025, and March 31, 2026, respectively. The increase from 2024 to 2025, was primarily due to increases in investment in listed equity securities in 2025.

We have appointed a special team to monitor the price risk in connection with our strategic investments and will consider hedging such risk exposure if necessary. Our Directors manage this risk exposure by maintaining a portfolio of investments with different risk and return profiles and will consider hedging the price risk if necessary. Upon [**REDACTED**], we intend to continue our investments strictly in accordance with our internal policies and procedures, Articles of Association and compliance requirements under Chapter 14 of the Listing Rules.

Financial Assets at FVTPL

Our financial assets at FVTPL consist of structured deposits and wealth management products issued by the banks and interests in a debt investment during the Track Record Period. We recorded RMB1,157.0 million, RMB1,122.4 million, RMB1,514.6 million and RMB1,796.9 million of financial assets at FVTPL as of December 31, 2023, 2024 and 2025, and March 31, 2026, respectively.

The decrease from 2023 to 2024, was primarily due to the maturity of certain structured deposits and wealth management products, and the increase from 2024 to 2025 and from the end of 2025 to March 31, 2026 was primarily due to our entry into several new contracts of structured deposits and wealth management products with commercial banks in 2025 and first three months of 2026.

Our cash management strategy aims to optimize the efficiency of idle funds, generate investment returns and manage investment and financial risks. Guided by this strategy, we invest in low-risk structured deposits and wealth management products with high liquidity (with terms no more than 12 months) and security, offered by reputable commercial banks in China, when there are sufficient cash flow. We have established a comprehensive set of internal policies and guidelines, pursuant to which our finance department is responsible for analyzing and evaluating potential investment in financial assets. Our management have extensive experience in managing financial investments. Prior to making any material investments, the proposal shall be reviewed and approved by our chief financial officer. Significant investment decisions will be made and may be subject to the approvals of our board of directors and/or shareholders' meeting in accordance with our internal policy and procedures, provisions of the articles of associations.

Upon [**REDACTED**], we intend to continue our investments strictly in accordance with our internal policies and procedures, Articles of Association and compliance requirements under Chapter 14 of the Listing Rules.

Trade and Bills Payables

Our trade and bills payables consist of trade payables and bills payables, primarily representing payables to our suppliers for raw materials. The following table sets forth a breakdown of our trade and bills payables as of the dates indicated:

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade and Bills Payables				
Trade payables	1,954,545	2,691,143	3,095,133	2,506,487
Bills payables	1,984,992	2,448,206	3,162,912	3,454,218
Total	**3,939,537**	**5,139,349**	**6,258,045**	**5,960,705**

Our trade and bills payables increased by 30.5% from RMB3,939.5 million as of December 31, 2023 to RMB5,139.3 million as of December 31, 2024, and further increased by 21.8% to RMB6,258.0 million as of December 31, 2025, primarily reflecting an increase in our payables for raw materials which was in line with our business expansion. The trade and bill payables decreased to RMB5,960.7 million as of March 31, 2026, primarily due to the shorter payment terms for account payables upon our procurement of more electronic components for intelligent lighting products carrying shorter credit terms for payment, and some suppliers chose cash settlement rather than bills.

The trade payables are normally settled within 30 to 90 days after invoicing. The following table sets forth an aging analysis of our trade and bills payables as of the dates indicated:

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 30 days	1,789,936	1,189,508	1,613,912	2,361,923
31-60 days	641,596	1,596,660	1,807,925	910,318
61-90 days	412,888	796,286	981,275	891,660
91-365 days	1,075,071	1,554,575	1,842,853	1,796,142
Over 365 days	20,046	2,320	12,080	662
Total	**3,939,537**	**5,139,349**	**6,258,045**	**5,960,705**

The following table sets forth the turnover days of the trade payables and the bills payables for the years/period indicated:

	Year ended December 31,			Three months ended March 31,
	2023	2024	2025	2026
Trade payables turnover days(Note)	76	78	85	91
Bills payables turnover days(Note)	80	74	82	108
Trade payable and bill payable turnover days(Note)	156	152	167	199

Note: We calculate the turnover days of the trade payables and the bills payables using the average of the beginning and ending balances of the trade payables and the bills payables for the relevant year/period, divided by the corresponding cost of sales for that year and multiplied by 360/90 days for a fiscal year/quarter.

Our trade payables turnover days remained relatively stable at 76 days in 2023 and 78 days in 2024. Our trade payables turnover days increased to 85 days for 2025, primarily because we adjusted our payment methods and the suppliers adjusted the credit terms accordingly based on procurement volumes in 2025. It further increased to 91 days as of March 31, 2026, because the cost of sales in first quarter of a year is normally lower, together with the long holidays in the first quarter, leading to longer turnover days of the trade payables for the period. The turnover days for bill payables also increased in the first quarter of 2026, mainly due to our increased acceptance ratio of bills for some suppliers.

As of May 31, 2026, RMB2,713.2 million, or 45.5% of our trade and bills payables as of March 31, 2026, had been settled.

Accruals and Other Payables

Our accruals and other payables primarily consist of (i) accrued expenses, (ii) accrued salaries, (iii) other payables related to the acquisition of property, plant and equipment, (iv) dividend payables, (v) other tax payables, and (vi) other payables. The following table sets forth a breakdown of our accruals and other payables as of the dates indicated:

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Accruals and Other Payables				
Accrued expenses	502,601	511,889	455,388	422,746
Accrued salaries	196,783	200,126	201,345	130,656
Other payables related to the acquisition of property, plant and equipment	119,873	96,112	124,465	180,401
Other tax payables	32,557	36,400	72,173	67,493
Other payables	9,486	7,861	2,626	2,259
Deposits received	1,638	2,160	2,156	2,154
Total	**862,938**	**854,548**	**858,153**	**805,709**

Our accruals and other payables remained relatively stable at RMB862.9 million as of December 31, 2023, RMB854.5 million as of December 31, 2024, RMB858.2 million as of December 31, 2025 and RMB805.7 million as of March 31, 2026.

As of May 31, 2026, RMB394.0 million, or 48.9% of our accruals and other payables as of March 31, 2026, had been settled.

LIQUIDITY AND CAPITAL RESOURCES

Our primary uses of cash are to fund our procurement of raw materials, research and development, sales and marketing activities, and other operational working capital requirements and capital expenditures. During the Track Record Period and up to the Latest Practicable Date, we have funded our cash requirements principally from proceeds from our business operations. After the [**REDACTED**], we believe that our liquidity requirements will continue to be satisfied with a combination of these sources and net [**REDACTED**] from the [**REDACTED**]. We do not anticipate any material changes to the availability of financing to fund our operations in the future.

Cash Flow

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

	Year ended December 31,			Three months ended March 31,	
	2023	**2024**	**2025**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Net cash generated from operating activities	665,791	818,750	2,335,836	427,340	391,472
Net cash generated from/ (used in) investing activities	447,940	(585,255)	(1,398,055)	(244,515)	(556,276)
Net cash used in financing activities	(550,628)	(377,027)	(570,236)	(10,131)	(115,517)
Net increase/ (decrease) in cash and cash equivalents	563,103	(143,532)	367,545	172,694	(280,321)
Cash and cash equivalents at the beginning of the year/period	**1,407,872**	**2,014,837**	**1,925,079**	**1,925,079**	**2,348,069**
Effect of foreign exchange rate changes	43,862	53,774	55,445	(15,139)	12,162
Cash and cash equivalents at the end of the year/period	**2,014,837**	**1,925,079**	**2,348,069**	**2,082,634**	**2,079,910**

Net Cash Generated from Operating Activities

In the three months ended March 31, 2026, we had net cash generated from operating activities of RMB391.5 million, which mainly represents profit before tax of RMB381.8 million, as adjusted by: (i) non-cash and non-operating items, which primarily consist of depreciation and amortization of non-current assets of RMB169.8 million, and (ii) movements in working capital, mainly consisting of a decrease in trade and bills receivables of RMB145.4 million, a decrease in trade and bills payables of RMB290.9 million, a decrease in inventories of RMB253.9 million, and an increase in prepayments, deposits and other receivables of RMB115.8 million.

Net cash generated from operating activities for 2025 was RMB2,335.8 million, which mainly represents profit before tax of RMB1,813.2 million, as adjusted by: (i) non-cash and non-operating items, which primarily consist of depreciation and amortization of non-current assets of RMB634.7 million, and (ii) movements in working capital, mainly consisting of an increase in trade and bills receivables of RMB1,029.3 million, and an increase in trade and bills payables of RMB1,111.6 million and an increase in prepayments, deposits and other receivables of RMB173.1 million.

Net cash generated from operating activities in 2024 was RMB818.8 million, which mainly represents profit before tax of RMB1,592.4 million, as adjusted by: (i) non-cash and non-operating items, which primarily consist of depreciation and amortization of non-current assets of RMB560.6 million, and (ii) movements in working capital, mainly consisting of an increase in trade and bills receivables of RMB1,767.1 million, an increase in trade and bills payables of RMB1,199.8 million, an increase in inventories of RMB410.2 million, and a decrease in accruals and other payables of RMB170.2 million .

Net cash generated from operating activities in 2023 was RMB665.8 million, which mainly represents profit before tax of RMB1,203.1 million, as adjusted by: (i) non-cash and non-operating items, which primarily consist of depreciation and amortization of non-current assets of RMB459.3 million, and (ii) movements in working capital, mainly consisting of an increase in trade and bills receivables of RMB2,036.1 million, an increase in trade and bills payables of RMB822.3 million, and an increase in deferred income of RMB115.8 million.

Net Cash Generated from/(Used in) Investing Activities

In the three months ended March 31, 2026, our net cash used in investing activities was RMB556.3 million, which was primarily attributable to: (i) purchase of financial assets at FVTPL of RMB2,036.5 million; and (ii) purchase of property, plant and equipment of RMB259.2 million, partially offset by proceeds from disposal of financial assets at FVTPL of RMB1,760.8 million.

Our net cash used in investing activities for 2025, was RMB1,398.1 million, which was primarily attributable to: (i) purchase of financial assets at FVTPL of RMB7,211.2 million and purchases of financial assets at FVTOCI of RMB288.9 million; and (ii) purchase of property, plant and equipment of RMB619.2 million and purchase of right-of-use assets of RMB211.5 million, partially offset by proceeds from disposal of financial assets at FVTPL of RMB6,861.5 million.

In 2024, our net cash used in investing activities was RMB585.3 million, which was primarily attributable to: (i) purchase of financial assets at FVTPL of RMB5,357.3 million, and (ii) purchase of property, plant and equipment of RMB621.8 million, partially offset by proceeds from disposal of financial assets at FVTPL of RMB5,438.3 million.

In 2023, our net cash generated from investing activities was RMB447.9 million, which was primarily attributable to: proceeds from disposal of financial assets at FVTPL of RMB7,982.0 million, partially offset by (i) purchase of financial assets at FVTPL of RMB6,459.3 million, and (ii) purchase of property, plant and equipment of RMB996.2 million.

Net Cash Used in Financing Activities

In the three months ended March 31, 2026, our net cash used in financing activities was RMB115.5 million, primarily attributable to the payments on repurchase of shares of RMB111.0 million.

Our net cash used in financing activities for 2025, was RMB570.2 million, primarily attributable to: (i) dividends paid to the Company's shareholders of RMB426.5 million, and (ii) payment for repurchase of shares for employee incentive purpose of RMB161.2 million.

In 2024, our net cash used in financing activities was RMB377.0 million, primarily attributable to dividends paid to the Company's shareholders of RMB397.3 million, partially offset by the receipts from employees of RMB38.9 million for the grant of shares to them.

In 2023, our net cash used in financing activities was RMB550.6 million, primarily attributable to: (i) dividends paid to the Company's shareholders of RMB312.4 million, and (ii) payments on repurchase of shares of the Company of RMB220.0 million.

Measures to Manage Liquidity Risks

Cash Conversion Cycle and Measures to Manage Liquidity Risks

During the Track Record Period, our cash conversion cycle were 66 days, 73 days, 65 days and 66 days respectively for 2023, 2024, 2025 and the three months ended March 31, 2026 (calculated by applying the trade and bill receivables turnover days plus the inventory turnover days minus the trade and bill payable turnovers for the same year/period).

The aging analysis showed that we are able to collect majority of our trade receivables within the granted credit terms, i.e. 30 to 90 days after the issuance of invoices. There have been no material delays or defaults in payments from customers during the Track Record Period and up to the Latest Practicable Date. We have maintained sufficient cash and cash equivalents for operation funds and not borrowed any loans or used any credit facilities granted for working capital purpose during the Track Record Period.

Due to the dynamic nature of the underlying business, our policy is to regularly monitor our liquidity risk and to maintain adequate liquid assets such as cash and cash equivalents and term deposits or to retain adequate financing arrangements to meet our liquidity requirements. Since our operational funds are principally generated from our operation and sales, a comprehensive and effective system has been established internally for management and tracking our trade and bills receivables, along with a corresponding customer credit management and assessment regime. The system integrates preventive controls, such as credit assessment, with active process management. We also have dedicated departments responsible for continually monitoring the credit profiles as well as operating and financial condition of our customers and suppliers, implementing rating system, differentiated payment and collection strategies. Our production is managed based on orders and we also adopted rolling stock mechanism so as to compress the raw materials and finished goods inventory days.

The Group monitors and maintains our working capital and cash at the adequate level and mitigate the effects of fluctuations in cash flows. As of the Latest Practicable Date, we had no outstanding loans and borrowings nor use of credit facilities for working capital. Meanwhile, other than our control on operational fund flow, we still maintain diversified capital sources, such as keep close relationship with financial institutions to ensure sufficient credit lines, to effectively prevent and control liquidity risks. Going forward, we intend to continue implementing measures to enhance working capital efficiency and support our operating cash flow position.

See also "Risk Factors — Risks Relating to Our Business and Industry — We are exposed to credit risks related to our trade and bills receivables, deposits and other receivables".

INDEBTEDNESS

As of December 31, 2023, 2024 and 2025, March 31, 2026 and May 31, 2026, our indebtedness included lease liabilities. The following table sets forth the breakdown of our indebtedness as of the dates indicated:

	As of December 31,			As of March 31,	As of May 31,
	2023	2024	2025	2026	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)
Current					
Lease liabilities	12,972	16,789	13,083	12,106	16,487
Non-current					
Lease liabilities	24,350	10,850	14,304	11,283	32,494
Total	**37,322**	**27,639**	**27,387**	**23,389**	**48,981**

During the Track Record Period and up to the Latest Practicable Date, we had no bank borrowings. We have credit line facilities granted by banks. As of May 31, 2026, our committed unutilized credit line bank facilities amounted to RMB14,009 million.

Our total lease liabilities (including current and non-current portions) decreased from RMB37.3 million as of December 31, 2023 to RMB27.6 million as of December 31, 2024, remained stable at RMB27.4 million as of December 31, 2025, primarily due to the expiration of terms of several leases during the Track Record Period without entering into new material leases. Our total lease liabilities further decreased to RMB23.4 million as of March 31, 2026, mainly because some of our building leases gradually expired in 2026 with no necessity of extension nor entry of new leases, leading to the reduction of lease liabilities. Our total lease liabilities increased to RMB49.0 million from March 31 to May 31, 2026, mainly due to the commencement of the lease for our Chongqing Manufacturing Base.

Except for our indebtedness as disclosed above as of December 31, 2023, 2024, 2025 and May 31, 2026, we did not have any material mortgages, charges, debentures, loan capital, debt securities, loans, bank overdrafts or other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptances (other than bills payables generated from ordinary business) or other material contingent liabilities, which were either guaranteed or unguaranteed, secured or unsecured. Our Directors confirm that there is no material change in our indebtedness since May 31, 2026 and up to the Latest Practicable Date.

As of the Latest Practicable Date, there was no material restrictive covenant in our indebtedness which could significantly limit our ability to obtain future financing, nor was there any default on our indebtedness or breach of covenant during the Track Record Period and up to the Latest Practicable Date. Our Directors further confirm that our Group did not experience any difficulty in obtaining bank loans and other borrowings, any material default in the payments of trade and non-trade payables, bank loans and other borrowings, or any material breach of covenants during the Track Record Period and up to the Latest Practicable Date.

CONTINGENT LIABILITIES

During the Track Record Period and up to the Latest Practicable Date, we had no contingent liabilities.

KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios for the years/period indicated:

	Year ended December 31,			Three months ended March 31,
	2023	*2024*	*2025*	*2026*
Gross profit margin[(1)]	20.5%	19.1%	19.6%	19.3%
Adjusted EBITDA margin (Non-IFRS measure)[(2)]	16.1%	16.2%	16.2%	16.4%
Net profit margin[(3)]	10.8%	10.6%	10.7%	10.4%
Return on equity (ROE)[(4)]	12.1%	13.8%	14.2%	3.1%

Notes:

(1) Gross profit margin equals gross profit for the year/period divided by revenue for the year/period and multiplied by 100%.

(2) Adjusted EBITDA margin (Non-IFRS measure) equals adjusted net profit (Non-IFRS measures) before deducting net interest expense, income tax expenses, depreciation and amortization for the year/period divided by the revenue for the year/period and multiplied by 100%.

(3) Net profit margin equals net profit for the year/period divided by revenue for the year/period and multiplied by 100%.

(4) Return on equity equals net profit for the year/period divided by total equity as of the year/period end and multiplied by 100%.

Gross Profit Margin

See "— Results of Operations" for a discussion of the factors affecting our gross profit margin during the Track Record Period.

Adjusted EBITDA margin (Non-IFRS measure)

Our Adjusted EBITDA margin (Non-IFRS measure) remained stable at 16.1%, 16.2%, 16.2% and 16.4% in 2023, 2024, 2025 and the three months ended March 31, 2026, respectively.

Net Profit Margin

Our net profit margin remained stable during the Track Record Period. See "— Results of Operations" for a discussion of the factors affecting our net profit margin during the Track Record Period.

Return on Equity (ROE)

Our return on equity increased from 12.1% in 2023 to 13.8% in 2024 and further increased to 14.2% in 2025. The return on equity was 3.1% for the three months ended March 31, 2026, as it only reflected one quarter return result, which is in line with the increase of our profit in the Track Record Period. See "— Key Factors Affecting Our Results of Operations" and "Business — Seasonality" for details.

CAPITAL EXPENDITURES

The table below outlines our capital expenditures for the years/periods indicated:

	Year ended December 31,			Three months ended March 31,
	2023	**2024**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Property, plant and equipment	996,196	621,785	619,166	259,207
Right-of-use assets	–	4,770	211,468	–
Intangible assets	44,437	52,586	37,335	1,704
Total	**1,040,633**	**679,141**	**867,969**	**260,911**

We funded these expenditures mainly with cash generated from our business operations. Following the [**REDACTED**], we will continue to incur capital expenditures to grow our business. We plan to fund our planned capital expenditures primarily with cash flows generated from our operations and the net [**REDACTED**] from the [**REDACTED**]. See "Future Plans and [**REDACTED**]." We may adjust our capital expenditures for any given year according to our development plans or in light of market conditions and other factors we believe to be appropriate.

CAPITAL COMMITMENTS

The following table sets forth details of our capital commitments as of the dates indicated:

	As of December 31,			As of March 31,
	2023	**2024**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Property, plant and equipment	497,801	411,852	635,659	524,812

RELATED PARTY TRANSACTIONS

For details about our related party transactions during the Track Record Period, see Note 37 of the Accountants' Report in Appendix I to this document. Our Directors are of the view that each of the related party transactions was conducted in the ordinary course of business on an arm's-length basis and on normal commercial terms between the relevant parties and would not distort our track record results or make our historical results not reflective of our future performance.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, we did not have any off-balance sheet arrangements.

FINANCIAL RISKS DISCLOSURE

We are exposed to various types of financial and market risks (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk in the normal course of our business. We manage and monitor these exposures to ensure appropriate measures are implemented in a timely and effective manner. For details of the risks to which we are exposed, see Note 39 to the Accountants' Report set out in Appendix I to this Document.

Market risk

Currency risk

We are mainly exposed to foreign exchange risk arising from future commercial transactions, and from recognized assets and liabilities. The functional currency of our Company and its major subsidiaries in the PRC is RMB in which most of the transactions are denominated. The functional currency of subsidiary operating in Serbia is RSD, in which most of their transactions are denominated. We are mainly exposed to foreign exchange risk in respect of exchange fluctuations of RMB against RSD. We currently do not have foreign currency hedging policy in respect of foreign currency assets and liabilities. We will monitor our foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

We did not have any significant financial assets or financial liabilities that are denominated in a currency other than their functional currency during the Track Record Period. Therefore, the management does not expect that there will be any significant currency risk.

Interest rate risk

We are exposed to fair value interest rate risk in relation to lease liabilities. We are also exposed to cash flow interest rate risk in relation to fixed-rate financial assets at FVTPL, variable-rate bank balance. We manage our interest rate exposures by assessing the potential impact arising from any interest rate movements based on interest rate level and outlook.

Other price risk

We are exposed to equity price risk through our investments in equity securities measured at FVTOCI. For equity securities measured at FVTOCI quoted in the Stock Exchange of Hong Kong Limited, our management manage such exposure by maintaining a portfolio of investments with different risks. In addition, we also invested in certain unquoted equity securities for investees operating in relevant industry sector for long term strategic purposes which had been designated as FVTOCI. We have appointed a special team to monitor the price risk and will consider hedging the risk exposure should the need arise. Our Directors manage this risk exposure by maintaining a portfolio of investments with different risk and return profiles and will consider hedging the risk exposure should the need arise if necessary.

Credit Risk and Impairment Assessment

Credit risk refers to the risk that our counterparties default on their contractual obligations resulting in financial losses to our Group. Our credit risk exposures are primarily attributable to trade and bills receivables, deposits and other receivables, bank balances and restricted bank deposits. We do not hold any collateral or other credit enhancements to cover the credit risks associated with our financial assets.

Trade and bills receivables

In order to minimize the credit risk, our management has delegated a team responsible for determination of credit limits and credit approvals. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. In addition, we perform impairment assessment under ECL model upon application of IFRS 9 based on individual assessment for significant balances and on provision matrix for the remaining.

Our concentration of credit risk on trade receivables by geographical locations is mainly in the PRC. As of December 31, 2023, 2024 and 2025 and March 31, 2026, our Group has concentration of credit risk as 34.0%, 36.3%, 22.1% and 18.7% of the gross trade receivables was due from our largest customer respectively and 69.3%, 76.4%, 61.5% and 61.1% of the gross trade receivables was due from our five largest customers in each year/period end respectively. In order to minimize the credit risk, our management has delegated a team responsible for determination of credit limits and credit approvals.

Deposits and receivables

For deposits and receivables, our management makes periodic individual assessment on the recoverability of deposits and receivables based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The management believes that there are no significant increase in credit risk of these amounts since initial recognition and we provided impairment based on 12-month ECL.

Cash and cash equivalents and restricted bank deposits

Credit risk on cash and cash equivalents and restricted bank deposits is limited because the counterparties are reputable banks with high credit ratings assigned by credit agencies. We assessed 12-month ECL for cash and cash equivalents and restricted bank deposits by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external credit rating agencies. Based on the average loss rates, the 12-month ECL on cash and cash equivalents and restricted bank deposits is considered to be insignificant and therefore no loss allowance was recognized.

Liquidity Risk

In the management of the liquidity risk, we monitor and maintain a level of cash and cash equivalents deemed adequate by the management to finance our operations and mitigate the effects of fluctuations in cash flows.

DIVIDENDS AND DIVIDEND POLICY

During the Track Record Period, the total dividends we paid were RMB312.4 million, RMB397.3 million and RMB426.5 million during the years ended December 31, 2023, 2024 and 2025 respectively. We declared the dividend of RMB508.8 million in respect of the year ended December 31, 2025 on April 10, 2026, which was fully paid out in May 2026.

After completion of the [**REDACTED**], our Shareholders will be entitled to receive any dividends we declare. We may distribute dividends by way of shares or cash, or a combination of both shares and cash. Pursuant to our Articles of Association, our Board may declare dividends in the future after taking into account our results of operations, financial condition, cash requirements and availability and other factors as it may deem relevant at such time 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, applicable PRC and Hong Kong laws and regulations and approval by our Shareholders. We intend to distribute cash dividends to our Shareholders at least on an annual basis. Subject to our constitutional documents, applicable PRC laws and approval by our Shareholders, our dividend policy is to typically distribute cash dividends to our Shareholders of no less than 30% of our distributable profits for any particular year.

WORKING CAPITAL CONFIRMATION

Taking into account the financial resources available to us, including our cash and cash equivalents on hand, operating cash flows, available financing facilities and the estimated net [**REDACTED**] from the [**REDACTED**], our Directors are of the view that we have sufficient working capital to meet our present requirements and for at least the next 12 months from the date of this document.

DISTRIBUTABLE RESERVES

As of March 31, 2026, we had approximately RMB7,266.1 million of retained earnings available for distribution to our Shareholders.

[**REDACTED**] EXPENSES

[**REDACTED**] expenses represent professional fees, [**REDACTED**] and other fees incurred in connection with the [**REDACTED**]. We estimate that our total [**REDACTED**] expenses (including [**REDACTED**]) will be approximately RMB[**REDACTED**] million, accounting for approximately [**REDACTED**]% of the gross [**REDACTED**] from the [**REDACTED**] (assuming an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**], being the [**REDACTED**] of the indicative [**REDACTED**] stated in this Document and the [**REDACTED**] is not exercised). During the Track Record Period, we incurred [**REDACTED**] expenses of RMB[**REDACTED**] million, of which RMB[**REDACTED**] million was recognized as administrative expenses in the consolidated statements of profit or loss and RMB[**REDACTED**] million was directly attributable to the issuance of [**REDACTED**] which is expected to be charged against equity upon the [**REDACTED**]. The estimated [**REDACTED**] expenses of approximately RMB[**REDACTED**] million are expected to be charged to our consolidated statements of profit or loss, and approximately RMB[**REDACTED**] million are expected to be deducted from equity upon [**REDACTED**]. The [**REDACTED**] expenses consist of RMB[**REDACTED**] million [**REDACTED**] expenses and RMB[**REDACTED**] million non-[**REDACTED**]-related expenses (including fees and expenses of legal advisors and the reporting accountant of RMB[**REDACTED**] million and other fees and expenses of RMB[**REDACTED**] million). Our Directors do not expect such expenses to have a material adverse impact on our financial results in 2026. The [**REDACTED**] expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

[**REDACTED**] ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

See "Appendix II — [**REDACTED**] Financial Information."

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors confirm that, as of the Latest Practicable Date, there were no circumstances that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

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 March 31, 2026, being the end date of the periods reported in the Accountants' Report in Appendix I to this document, and there is no event since March 31, 2026 that would materially affect the information as set out in the Accountants' Report in Appendix I to this document.

FUTURE PLANS

See "Business — Our Strategies" in this document for a detailed discussion of our future plans.

[**REDACTED**]

The net [**REDACTED**] from the [**REDACTED**] that we will receive, after deducting the [**REDACTED**] and other estimated expenses paid and payable by us in connection with the [**REDACTED**] is estimated to be approximately HK$[**REDACTED**] million, assuming an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**], being the [**REDACTED**] of the [**REDACTED**]. We currently intend to apply these net [**REDACTED**] for the following intended purposes in the amounts set forth below:

- Approximately HK$[**REDACTED**] million, representing [**REDACTED**]% of the net [**REDACTED**], is expected to be used to enhance our international manufacturing footprint, among which:

  (i) approximately HK$[**REDACTED**] million, representing [**REDACTED**]% of the net [**REDACTED**], is expected to be used for our intelligent automotive electronics and vision systems industrial center project in Changzhou. The overall master plan of the center comprises four manufacturing facilities, two warehouses and one office building, providing integrated support for production operations, materials storage and comprehensive administrative functions. As of the Latest Practicable Date, this project has commenced foundation construction. Phase I of the project is expected to complete construction in the first half of 2027 and will be constructed in Changzhou on land already secured by the Group. This project is intended to support the expansion of our production capacity, including annual production of 4.1 million front lighting and 5.5 million rear lighting products, which we believe will serve as a driver of future revenue growth. It is expected to address potential capacity constraints arising from growing demand, improve operational efficiency, and provide a better foundation to support our long-term, stable and sustainable development. The total capital expenditure of Phase 1 of this project is expected to be approximately HK$[**REDACTED**] billion, which will be funded by a combination of the net [**REDACTED**] and our internal resources.

  (ii) approximately HK$[**REDACTED**] million, representing [**REDACTED**]% of the net [**REDACTED**], is expected to be used for the phase II construction at our Serbian Manufacturing Base. The phase II construction is expected to commence in the second half of 2026 and complete construction in the second half of 2027 and will be carried out on land already secured by the Group in Serbia. As of the Latest Practicable Date, this project is in the planning and design stage. This expansion is designed to support our international development strategy by strengthening localized production capabilities with a planned annual production capacity of 6 million automotive lighting units in Europe. By aligning capacity deployment more closely with the requirements of core European customers and responding to increasing regional order demand, the phase II construction of our Serbian Manufacturing Base is expected to enhance supply responsiveness, improve delivery efficiency and reinforce our competitiveness in the European automotive market. The total capital expenditure of this project is expected to be approximately HK$[**REDACTED**] million which will be funded by a combination of the net [**REDACTED**] and our internal resources.

(iii) approximately HK$[**REDACTED**] million, representing [**REDACTED**]% of the net [**REDACTED**], is expected to be used for the construction of additional production lines of our Chongqing Manufacturing Base. The project commenced trial operations in May 2026. This project supports our strategic focus on the NEV market in southwestern China and is intended to establish a localized supply chain integrating R&D, manufacturing and supporting services and in particular with a planned annual production capacity of 3 million units. By strengthening proximity to key regional customers and enabling efficient coordination across the value chain, the Chongqing Manufacturing Base is expected to consolidate our competitive position in the local market. The total capital expenditure of this project is expected to be approximately HK$[**REDACTED**] million which will be funded by a combination of the net [**REDACTED**] and our internal resources.

- Approximately HK$[**REDACTED**] million, representing [**REDACTED**]% of the net [**REDACTED**], is expected to be used for the following R&D projects, among which:

  (i) approximately HK$[**REDACTED**] million, representing [**REDACTED**]% of the net [**REDACTED**], is expected to be used for the iterative R&D and application of intelligent automotive lighting and related systems based on DLP, Micro-LED and integrated perceptional fusion technologies. The relevant [**REDACTED**] are expected to be used for the recruitment and cultivation of high-end R&D talent, the establishment of pilot production lines and development of validation toolings, product performance and parameter testing, and trial production of materials and related equipment investment. These efforts will strengthen our capability to develop and industrialize next-generation intelligent automotive lighting products and enrich our product portfolio. The total capital expenditure of this project is expected to be approximately HK$[**REDACTED**] million which will be funded by a combination of the net [**REDACTED**] and our internal resources.

  (ii) approximately HK$[**REDACTED**] million, representing [**REDACTED**]% of the net [**REDACTED**], is expected to be used for the R&D of weather-resistant and environmentally friendly materials tailored for intelligent automotive lighting. This investment is intended to boost proprietary materials capabilities, enhance product reliability across diverse operating environments, and support long-term sustainable innovation. We also plan to recruit to form a strong team in material studies. The total capital expenditure of this project is expected to be approximately HK$[**REDACTED**] million which will be funded by a combination of the net [**REDACTED**] and our internal resources.

  (iii) approximately HK$[**REDACTED**] million, representing [**REDACTED**]% of the net [**REDACTED**], is expected to be used for the construction and enhancement of intelligent automotive lighting software solutions and development platforms. The relevant [**REDACTED**] are expected to be used for the procurement of testing equipment and testing software, the recruitment of software and hardware development personnel and testing and training expenses. These enhancements will improve the efficiency and configurability of our automotive lighting software, shorten product development cycles and enhance our ability to deliver software-empowered intelligent lighting solutions, which is expected to support the long-term growth of our intelligent lighting business. The total capital expenditure of this project is expected to be approximately HK$[**REDACTED**] million which will be funded by a combination of the net [**REDACTED**] and our internal resources.

- Approximately HK$[**REDACTED**] million, representing [**REDACTED**]% of the net [**REDACTED**], is expected to be used to enhance our digital infrastructure, among which:

  (i) approximately HK$[**REDACTED**] million, representing [**REDACTED**]% of the net [**REDACTED**], is expected to be used to optimize and upgrade our core digital platforms across the entire value chain. We plan to implement this upgrade in phases, including standardizing core business processes and data interfaces standards across the Group and its regional subsidiaries, deploying a global industrial internet platform, upgrading key enterprise systems such as ERP, MES and PLM, rolling out a unified CRM platform and supply chain collaboration portal, and establishing a centralized data governance and decision-support system. These upgrades are expected to enhance our operational efficiency by improving visibility over production capacity, inventory levels and supply chain resources across different regions, and to improve cross-regional coordination by enabling more timely and efficient synchronization of product design, engineering and manufacturing information among our R&D centers and operational teams. This project is expected to be implemented from 2026 to 2029, at leased and self-owned premises in Changzhou. The total capital expenditure of these projects is expected to be approximately HK$[**REDACTED**] million which will be funded by a combination of the net [**REDACTED**] and our internal resources.

  (ii) approximately HK$[**REDACTED**] million, representing [**REDACTED**]% of the net [**REDACTED**], is expected to be used for the construction of a global automotive lighting R&D data center and digital twin platform, the construction of supercomputing and intelligent computing centers and to enhance our cloud-native digital platforms and core IT capabilities. These projects are expected to be implemented from 2026 to 2029, at leased and self-owned premises in Changzhou. The total capital expenditure of these projects is expected to be approximately HK$[**REDACTED**] million which will be funded by a combination of the net [**REDACTED**] and our internal resources. As of the Latest Practicable Date, the global automotive lighting R&D data center and digital twin platform remains at the planning stage, with analysis of unstructured data such as product drawings underway, while the supercomputing and intelligent computing centers are at the planning stage with site arrangements and computing capacity for the next three years under evaluation. The global automotive lighting R&D data center and digital twin platform is expected to improve R&D efficiency and reduce the number of physical prototypes, while the supercomputing and intelligent computing centers are expected to support AI applications in scenarios such as production scheduling and visual inspection during manufacturing, and to generate benefits through lower R&D costs and shorter development cycles.

- Approximately HK$[**REDACTED**] million, representing [**REDACTED**]% of the net [**REDACTED**], is expected to be used to further enhance our R&D in embodied intelligence. The [**REDACTED**] allocated to embodied intelligence will be deployed to establish a future-oriented innovation mechanism supporting our long-term technology roadmap. We intend to build a specialized R&D team combining a small number of leading experts with an experienced engineering backbone to advance our R&D in embodied intelligence. In particular, we plan to recruit around three industry-leading experts and 50 middle to senior level R&D engineers in the embodied intelligence field, with a total budget of approximately HK$[**REDACTED**] million for personnel-related investment from 2026 to 2029.

In parallel, we plan to acquire pilot and trial production lines and equipment to accelerate product validation and industrialization of embodied intelligence solutions. We will also strengthen collaboration through co-establishment of joint testing centers with leading universities and research institutions to enhance foundational R&D capabilities and facilitate the translation of frontier technologies into commercial applications.

- The remaining balance of approximately HK$[**REDACTED**] million, representing [**REDACTED**]% of the net [**REDACTED**], is expected to be used as working capital and general corporate purposes.

It is expected that the [**REDACTED**] allocated to each of the above purposes will be utilized within four years after the [**REDACTED**].

To the extent that the net [**REDACTED**] from the [**REDACTED**] are insufficient to fund our Group's business strategies, our Directors may delay the pace of the implementation of such business strategies until we have sufficient internal resources. Our Directors may also consider other factors when determining the pace of implementation, such as the long-term funding needs and the need to maintain a healthy level of working capital for our Group.

If the [**REDACTED**] is fixed at the [**REDACTED**], being HK$[**REDACTED**] per [**REDACTED**], the net [**REDACTED**] to be received by our Group from the [**REDACTED**] will increase by approximately HK$[**REDACTED**] million. Our Group intends to apply the additional net [**REDACTED**] for the above purposes on a pro-rata basis. If the [**REDACTED**] is set at the [**REDACTED**], being HK$[**REDACTED**] per [**REDACTED**], the net [**REDACTED**] to be received by our Group from the [**REDACTED**] will decrease by approximately HK$[**REDACTED**] million. Our Group intends to reduce the net [**REDACTED**] for the above purposes on a pro-rata basis.

To the extent that the net [**REDACTED**] from the [**REDACTED**] are not immediately applied to the above purposes or if our Group is unable to effect any part of the future plans as intended, to the extent permitted by applicable laws and regulations, our Group will deposit the net [**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 applicable laws and regulations in other jurisdictions). In such event or if there is any material change to the above proposed [**REDACTED**], we will comply with the appropriate disclosure requirements under the Listing Rules.

[REDACTED]

[REDACTED]

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The following is the text of a report, prepared for the purpose of incorporation in this Document, received from the independent reporting accountants, HLB Hodgson Impey Cheng Limited, Certified Public Accountants, Hong Kong.

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF CHANGZHOU XINGYU AUTOMOTIVE LIGHTING SYSTEMS CO., LTD. AND HUATAI FINANCIAL HOLDINGS (HONG KONG) LIMITED

Introduction

We report on the historical financial information of Changzhou Xingyu Automotive Lighting Systems Co., Ltd. (the "**Company**") and its subsidiaries (collectively, the "**Group**") set out on pages I-4 to I-100, which comprises the consolidated statements of financial position of the Group as at December 31, 2023, 2024 and 2025 and March 31, 2026, the statements of financial position of the Company as at December 31, 2023, 2024 and 2025 and March 31, 2026 and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of the Group for each of the years ended December 31, 2023, 2024 and 2025, and the three months ended March 31, 2026 (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-100 forms an integral part of this report, which has been prepared for inclusion in the Document of the Company dated [●] (the "**Document**") in connection with the [**REDACTED**] of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

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 set out in Note 3 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

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 set out in Note 3 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 purposes of the accountants' report, a true and fair view of the Group's and the Company's financial position as at December 31, 2023, 2024 and 2025 and March 31, 2026 and of the Group's financial performance and cash flows for the Track Record Period in accordance with the basis of preparation set out in Note 3 to the Historical Financial Information.

Review of stub period comparative financial information

We have reviewed the stub period comparative financial information of the Group which comprises the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the three months ended March 31, 2025 and other explanatory information (the "**Stub Period Comparative Financial Information**"). The directors of the Company are responsible for the preparation of the Stub Period Comparative Financial Information in accordance with the basis of preparation set out in Note 3 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Comparative Financial Information, for the purposes of the accountants' report, is not prepared, in all material respects, in accordance with the basis of preparation set out in Note 3 to the Historical Financial Information.

Report on matters under the Rules Governing the Listed of Securities on the Stock Exchange 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 14 to the Historical Financial Information which contains information about the dividends paid by the Company in respect of the Track Record Period.

[●]
Certified Public Accountants
Hong Kong

[●]

I. HISTORICAL FINANCIAL INFORMATION

Preparation of 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 HLB Hodgson Impey Cheng Limited in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the "**Underlying Financial Statements**").

The Historical Financial Information is presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Year ended December 31,			Three months ended March 31,	
		2023	2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Revenue	*5*	10,248,446	13,252,934	15,256,666	3,094,510	3,429,874
Cost of sales		(8,152,112)	(10,723,601)	(12,269,446)	(2,511,317)	(2,766,371)
Gross profit		2,096,334	2,529,333	2,987,220	583,193	663,503
Other income	*6*	145,988	196,758	172,097	40,228	44,418
Other gains and losses, net	*7*	(5,933)	(28,237)	3,394	(1,338)	(11,674)
Investment income	*8*	56,388	47,201	44,094	9,972	8,860
(Allowance for)/reversal of expected credit loss ("**ECL**") on financial assets at amortized cost	*9*	(98,501)	(56,957)	(288)	18,777	23,806
Selling expenses		(46,828)	(55,787)	(62,495)	(11,309)	(10,739)
Administrative expenses		(332,760)	(377,980)	(440,178)	(86,933)	(103,817)
Research and development expenses		(610,244)	(655,493)	(883,712)	(185,966)	(228,990)
Finance costs	*10*	(1,352)	(6,410)	(6,903)	(4,373)	(3,548)
Profit before tax	*11*	1,203,092	1,592,428	1,813,229	362,251	381,819
Income tax expenses	*12*	(100,961)	(184,145)	(189,145)	(40,138)	(26,662)
Profit for the year/period		1,102,131	1,408,283	1,624,084	322,113	355,157
Profit for the year/period attributable to:						
Equity holders of the Company		1,102,131	1,408,283	1,624,084	322,113	355,157
Non-controlling interests		–	–	–	–	–
		1,102,131	1,408,283	1,624,084	322,113	355,157

	Notes	Year ended December 31,			Three months ended March 31,	
		2023	2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Other comprehensive income/(loss):						
Item that will not be reclassified to profit or loss:						
Change in fair value of investments in equity instruments at fair value through other comprehensive income ("**FVTOCI**")		9,099	878	83,222	53,195	(49,137)
Item that may be reclassified subsequently to profit or loss:						
Exchange differences arising on translation of foreign operations		35,719	(11,332)	39,879	19,102	(32,043)
Other comprehensive income/(loss) for the year/period, net of tax		44,818	(10,454)	123,101	72,297	(81,180)
Total comprehensive income for the year/period		1,146,949	1,397,829	1,747,185	394,410	273,977
Total comprehensive income for the year/period attributable to:						
Equity holders of the Company		1,146,949	1,397,829	1,747,185	394,410	273,977
Non-controlling interests		–	–	–	–	–
		1,146,949	1,397,829	1,747,185	394,410	273,977
Earnings per share attributable to equity holders of the Company for the year/period (expressed in RMB per share)	*15*					
– basic		3.87	4.96	5.73	1.14	1.26
– diluted		3.87	4.96	5.71	1.13	1.25

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As at December 31, 2023	As at December 31, 2024	As at December 31, 2025	As at March 31, 2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current assets					
Property, plant and equipment	*16*	3,879,971	4,033,788	4,117,356	4,278,679
Right-of-use assets	*17*	425,408	377,846	479,280	471,629
Intangible assets	*18*	70,097	84,961	81,099	71,307
Financial assets at FVTOCI	*22*	335,844	353,556	656,374	621,058
Financial assets at fair value through profit or loss ("**FVTPL**")	*23*	–	–	70,000	70,000
Prepayments	*21*	76,606	109,267	326,320	341,308
Deferred tax assets	*31*	21,433	27,668	17,014	24,329
		4,809,359	4,987,086	5,747,443	5,878,310
Current assets					
Inventories	*19*	2,245,407	2,629,252	2,575,032	2,317,970
Trade and bills receivables	*20*	4,398,136	6,108,933	7,149,614	7,000,450
Prepayments, deposits and other receivables	*21*	59,898	72,818	55,162	80,848
Financial assets at FVTPL	*23*	1,156,956	1,122,399	1,444,626	1,726,947
Cash and cash equivalents and restricted bank deposits	*24*	2,104,662	2,023,579	2,373,349	2,109,384
		9,965,059	11,956,981	13,597,783	13,235,599
Current liabilities					
Trade and bills payables	*25*	3,939,537	5,139,349	6,258,045	5,960,705
Accruals and other payables	*26*	862,938	854,548	858,153	805,709
Contract liabilities	*27*	7,465	3,381	36,580	4,028
Lease liabilities	*28*	12,972	16,789	13,083	12,106
Provisions	*29*	59,249	72,495	101,739	127,886
Tax payables		72,869	66,763	86,646	42,465
		4,955,030	6,153,325	7,354,246	6,952,899

	Notes	As at December 31, 2023	As at December 31, 2024	As at December 31, 2025	As at March 31, 2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Net current assets		5,010,029	5,803,656	6,243,537	6,282,700
Total assets less current liabilities		9,819,388	10,790,742	11,990,980	12,161,010
Non-current liabilities					
Lease liabilities	*28*	24,350	10,850	14,304	11,283
Deferred income	*30*	634,820	559,682	522,033	501,683
Deferred tax liabilities	*31*	24,014	42,945	56,394	75,023
		683,184	613,477	592,731	587,989
Net assets		9,136,204	10,177,265	11,398,249	11,573,021
Equity					
Share capital	*32*	285,679	285,679	285,679	285,679
Reserves		8,850,525	9,891,586	11,112,570	11,284,342
Equity attributable to equity holders of the Company		9,136,204	10,177,265	11,398,249	11,570,021
Non-controlling interests		–	–	–	3,000
Total equity		9,136,204	10,177,265	11,398,249	11,573,021

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended December 31, 2023

	Attributable to equity holders of the Company									
	Share capital	Capital reserve	Shares held for share award scheme	Contribution reserve	Share-based payment reserve	Investment revaluation reserve	Translation reserve	Statutory reserve	Retained earnings	Total
	(Note 32) *RMB'000*	*(Note 44)* *RMB'000*	*(Note 44)* *RMB'000*	*(Note 44)* *RMB'000*	*(Note 44)* *RMB'000*	*(Note 44)* *RMB'000*	*(Note 44)* *RMB'000*	*(Note 44)* *RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2023	285,679	4,176,293	–	–	–	14,655	(4,129)	179,346	3,869,879	8,521,723
Profit for the year	–	–	–	–	–	–	–	–	1,102,131	1,102,131
Other comprehensive income for the year										
– Change in fair value of investments in equity instruments at FVTOCI	–	–	–	–	–	9,099	–	–	–	9,099
– Exchange differences arising on translation of foreign operations	–	–	–	–	–	–	35,719	–	–	35,719
Total comprehensive income for the year	–	–	–	–	–	9,099	35,719	–	1,102,131	1,146,949
Repurchase of shares	–	–	(220,031)	–	–	–	–	–	–	(220,031)
Dividend declared	–	–	–	–	–	–	–	–	(312,437)	(312,437)
As at December 31, 2023	285,679	4,176,293	(220,031)	–	–	23,754	31,590	179,346	4,659,573	9,136,204

Year ended December 31, 2024

	Attributable to equity holders of the Company									
	Share capital	Capital reserve	Shares held for share award scheme	Contribution reserve	Share-based payment reserve	Investment revaluation reserve	Translation reserve	Statutory reserve	Retained earnings	Total
	(Note 32) RMB'000	*(Note 44) RMB'000*	*(Note 44) RMB'000*	*(Note 44) RMB'000*	*(Note 44) RMB'000*	*(Note 44) RMB'000*	*(Note 44) RMB'000*	*(Note 44) RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2024	285,679	4,176,293	(220,031)	–	–	23,754	31,590	179,346	4,659,573	9,136,204
Profit for the year	–	–	–	–	–	–	–	–	1,408,283	1,408,283
Other comprehensive income/(loss) for the year										
– Change in fair value of investments in equity instruments at FVTOCI	–	–	–	–	–	878	–	–	–	878
– Exchange differences arising on translation of foreign operations	–	–	–	–	–	–	(11,332)	–	–	(11,332)
Total comprehensive income/(loss) for the year	–	–	–	–	–	878	(11,332)	–	1,408,283	1,397,829
Grant of shares under share award scheme	–	–	–	38,880	–	–	–	–	–	38,880
Share-based payment	–	–	–	–	1,626	–	–	–	–	1,626
Tax impact of share-based payment	–	–	–	–	2	–	–	–	–	2
Dividend declared	–	–	–	–	–	–	–	–	(397,276)	(397,276)
As at December 31, 2024	285,679	4,176,293	(220,031)	38,880	1,628	24,632	20,258	179,346	5,670,580	10,177,265

Year ended December 31, 2025

	Attributable to equity holders of the Company									
	Share capital	Capital reserve	Shares held for share award scheme	Contribution reserve	Share-based payment reserve	Investment revaluation reserve	Translation reserve	Statutory reserve	Retained earnings	Total
	(Note 32) *RMB'000*	*(Note 44)* *RMB'000*	*(Note 44)* *RMB'000*	*(Note 44)* *RMB'000*	*(Note 44)* *RMB'000*	*(Note 44)* *RMB'000*	*(Note 44)* *RMB'000*	*(Note 44)* *RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2025	285,679	4,176,293	(220,031)	38,880	1,628	24,632	20,258	179,346	5,670,580	10,177,265
Profit for the year	–	–	–	–	–	–	–	–	1,624,084	1,624,084
Other comprehensive income for the year										
– Change in fair value of investments in equity instruments at FVTOCI	–	–	–	–	–	83,222	–	–	–	83,222
– Exchange differences arising on translation of foreign operations	–	–	–	–	–	–	39,879	–	–	39,879
Total comprehensive income for the year	–	–	–	–	–	83,222	39,879	–	1,624,084	1,747,185
Repurchase of shares	–	–	(161,186)	–	–	–	–	–	–	(161,186)
Grant of shares under share award scheme	–	–	–	38,842	–	–	–	–	–	38,842
Share-based payment	–	–	–	–	22,605	–	–	–	–	22,605
Shares vested under the share award scheme	–	3,858	24,867	(15,552)	(13,173)	–	–	–	–	–
Transfer of investment revaluation reserve to retained earnings upon disposal of investments	–	–	–	–	–	(42,694)	–	–	42,694	–
Dividend declared	–	–	–	–	–	–	–	–	(426,462)	(426,462)
As at December 31, 2025	285,679	4,180,151	(356,350)	62,170	11,060	65,160	60,137	179,346	6,910,896	11,398,249

Three months ended March 31, 2025 (unaudited)

	Attributable to equity holders of the Company									
	Share capital	Capital reserve	Shares held for share award scheme	Contribution reserve	Share-based payment reserve	Investment revaluation reserve	Translation reserve	Statutory reserve	Retained earnings	Total
	(Note 32) RMB'000	*(Note 44) RMB'000*	*(Note 44) RMB'000*	*(Note 44) RMB'000*	*(Note 44) RMB'000*	*(Note 44) RMB'000*	*(Note 44) RMB'000*	*(Note 44) RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2025	285,679	4,176,293	(220,031)	38,880	1,628	24,632	20,258	179,346	5,670,580	10,177,265
Profit for the period	–	–	–	–	–	–	–	–	322,113	322,113
Other comprehensive income for the period										
– Change in fair value of investments in equity instruments at FVTOCI	–	–	–	–	–	53,195	–	–	–	53,195
– Exchange differences arising on translation of foreign operations	–	–	–	–	–	–	19,102	–	–	19,102
Total comprehensive income for the period	–	–	–	–	–	53,195	19,102	–	322,113	394,410
Share-based payment	–	–	–	–	5,110	–	–	–	–	5,110
As at March 31, 2025	285,679	4,176,293	(220,031)	38,880	6,738	77,827	39,360	179,346	5,992,693	10,576,785

Three months ended March 31, 2026

	Attributable to equity holders of the Company											
	Share capital	Capital reserve	Shares held for share award scheme	Contribution reserve	Share-based payment reserve	Investment revaluation reserve	Translation reserve	Statutory reserve	Retained earnings	Sub-total	Non-controlling interests	Total
	(Note 32) RMB'000	*(Note 44) RMB'000*	*(Note 44) RMB'000*	*(Note 44) RMB'000*	*(Note 44) RMB'000*	*(Note 44) RMB'000*	*(Note 44) RMB'000*	*(Note 44) RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2026	285,679	4,180,151	(356,350)	62,170	11,060	65,160	60,137	179,346	6,910,896	11,398,249	–	11,398,249
Profit for the period	–	–	–	–	–	–	–	–	355,157	355,157	–	355,157
Other comprehensive loss for the period												
– Change in fair value of investments in equity instruments at FVTOCI	–	–	–	–	–	(49,137)	–	–	–	(49,137)	–	(49,137)
– Exchange differences arising on translation of foreign operations	–	–	–	–	–	–	(32,043)	–	–	(32,043)	–	(32,043)
Total comprehensive income/(loss) for the period	–	–	–	–	–	(49,137)	(32,043)	–	355,157	273,977	–	273,977
Repurchase of shares	–	–	(110,971)	–	–	–	–	–	–	(110,971)	–	(110,971)
Share-based payment	–	–	–	–	8,766	–	–	–	–	8,766	–	8,766
Disposal of partial interests in a subsidiary without loss of control	–	–	–	–	–	–	–	–	–	–	3,000	3,000
As at March 31, 2026	285,679	4,180,151	(467,321)	62,170	19,826	16,023	28,094	179,346	7,266,053	11,570,021	3,000	11,573,021

CONSOLIDATED STATEMENT OF CASH FLOWS

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Operating activities					
Profit before tax	1,203,092	1,592,428	1,813,229	362,251	381,819
Adjustments for:					
Depreciation of property, plant and equipment	416,351	501,645	566,237	133,973	152,143
Depreciation of right-of-use assets	25,224	24,265	24,697	15,370	6,358
Amortization of intangible assets	17,692	34,736	43,789	602	11,307
Loss on disposal of property, plant and equipment	889	13,002	1,100	481	209
(Gain)/loss on disposal of right-of-use assets	–	(1,296)	259	–	–
Provision for/(reversal of) write-down of inventories	13,067	26,331	10,500	(402)	(437)
Allowance for/(reversal of) ECL on financial assets at amortized cost	98,501	56,957	288	(18,777)	(23,806)
Investment income	(56,388)	(47,201)	(44,094)	(9,972)	(8,860)
Share-based payment	–	1,626	22,605	5,110	8,766
Interest income	(17,933)	(14,290)	(9,567)	(2,183)	(1,399)
Finance costs	1,352	6,410	6,903	4,373	3,548
Operating cash flows before movements in working capital	1,701,847	2,194,613	2,435,946	490,826	529,648
Decrease/(increase) in inventories	58,854	(410,177)	43,720	125,200	253,857
(Increase)/decrease in trade and bills receivables	(2,036,066)	(1,767,118)	(1,029,312)	155,113	145,361
Decrease/(increase) in prepayments, deposits and other receivables	92,035	24,165	(173,088)	89,316	(115,762)
(Increase)/decrease in restricted bank deposits	(8,561)	(8,675)	73,220	–	(4,194)
Increase/(decrease) in trade and bills payables	822,313	1,199,812	1,111,628	(325,191)	(290,934)
Increase/(decrease) in accruals and other payables	38,263	(170,168)	8,320	(33,977)	(52,041)
(Decrease)/increase in contract liabilities	(9,281)	(4,084)	33,199	306	(32,527)
Increase/(decrease) in provisions	8,866	13,246	29,244	(3,923)	26,147
Increase/(decrease) in deferred income	115,759	(75,138)	(37,649)	(29,923)	(16,999)
Cash generated from operations	784,029	996,476	2,495,228	467,747	442,556
Income tax paid	(118,238)	(177,726)	(159,392)	(40,407)	(51,084)
Net cash generated from operating activities	665,791	818,750	2,335,836	427,340	391,472

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Investing activities					
Interest received	17,933	14,290	9,567	2,183	1,399
Dividend received on financial assets at FVTOCI	–	773	1,595	–	532
Purchases of financial assets at FVTPL	(6,459,270)	(5,357,331)	(7,211,229)	(1,421,350)	(2,036,546)
Proceeds from disposal of financial assets at FVTPL	7,982,028	5,438,316	6,861,501	1,327,019	1,760,830
Purchases of financial assets at FVTOCI	(60,000)	(15,000)	(288,891)	–	(30,000)
Proceeds from disposal of financial assets at FVTOCI	–	–	82,013	–	6,000
Purchase of property, plant and equipment	(996,196)	(621,785)	(619,166)	(147,073)	(259,207)
Proceeds on disposal of property, plant and equipment	7,882	9,810	15,358	454	2,420
Purchase of right-of-use assets	–	(4,770)	(211,468)	–	–
Proceeds on disposal of right-of-use assets	–	3,028	–	–	–
Purchase of intangible assets	(44,437)	(52,586)	(37,335)	(5,748)	(1,704)
Net cash generated from/(used in) investing activities	447,940	(585,255)	(1,398,055)	(244,515)	(556,276)
Financing activities					
Dividend paid	(312,437)	(397,276)	(426,462)	–	–
Interest paid	(255)	(5,349)	(6,264)	(4,373)	(3,548)
Repayment of lease liabilities	(17,905)	(13,282)	(15,166)	(5,758)	(3,998)
Payments on repurchase of shares	(220,031)	–	(161,186)	–	(110,971)
Grant of shares under share award scheme	–	38,880	38,842	–	–
Disposal of partial interests in a subsidiary without loss of control	–	–	–	–	3,000
Net cash used in financing activities	(550,628)	(377,027)	(570,236)	(10,131)	(115,517)
Net increase/(decrease) in cash and cash equivalents	563,103	(143,532)	367,545	172,694	(280,321)
Cash and cash equivalents at the beginning of the year/period	1,407,872	2,014,837	1,925,079	1,925,079	2,348,069
Effect of foreign exchange rate changes	43,862	53,774	55,445	(15,139)	12,162
Cash and cash equivalents at the end of the year/period	2,014,837	1,925,079	2,348,069	2,082,634	2,079,910

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

	Notes	As at December 31, 2023	As at December 31, 2024	As at December 31, 2025	As at March 31, 2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current assets					
Property, plant and equipment	*16*	3,056,336	3,226,709	3,267,467	3,458,835
Right-of-use assets	*17*	316,872	299,031	400,694	395,389
Interests in subsidiaries	*43*	294,448	314,400	440,463	409,156
Financial assets at FVTOCI	*22*	259,947	274,947	294,018	318,018
Financial assets at FVTPL	*23*	–	–	70,000	70,000
Intangible assets	*18*	63,756	80,981	76,960	68,002
Prepayments	*21*	51,394	79,778	322,156	329,934
		4,042,753	4,275,846	4,871,758	5,049,334
Current assets					
Inventories	*19*	2,071,585	2,447,464	2,383,182	2,120,410
Trade and bills receivables	*20*	4,486,000	6,100,235	7,098,567	6,957,563
Prepayments, deposits and other receivables	*21*	49,175	66,840	50,910	59,080
Financial assets at FVTPL	*23*	1,156,956	1,122,399	1,367,853	1,616,863
Cash and cash equivalents and restricted bank deposits	*24*	1,955,353	1,851,002	2,078,442	1,879,868
		9,719,069	11,587,940	12,978,954	12,633,784
Current liabilities					
Trade and bills payables	*25*	3,876,878	5,010,652	6,047,571	5,806,711
Accruals and other payables	*26*	821,293	825,918	831,681	772,585
Contract liabilities		7,465	3,381	36,566	2,944
Lease liabilities		12,972	16,789	11,586	11,014
Provisions	*29*	58,580	71,973	100,216	123,451
Tax payables		74,183	67,742	86,223	39,363
		4,851,371	5,996,455	7,113,843	6,756,068
Net current assets		4,867,698	5,591,485	5,865,111	5,877,716
Total assets less current liabilities		8,910,451	9,867,331	10,736,869	10,927,050

	Notes	As at December 31, 2023	2024	2025	As at March 31, 2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current liabilities					
Lease liabilities		24,350	8,174	14,304	11,283
Deferred income	*30*	532,718	462,199	419,143	402,518
Deferred tax liabilities	*31*	24,014	42,771	50,758	74,943
		581,082	513,144	484,205	488,744
Net assets		8,329,369	9,354,187	10,252,664	10,438,306
Equity					
Share capital	*32*	285,679	285,679	285,679	285,679
Reserves	*44*	8,043,690	9,068,508	9,966,985	10,152,627
Total equity		8,329,369	9,354,187	10,252,664	10,438,306

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. GENERAL INFORMATION AND BASIS OF PREPARATION OF HISTORICAL FINANCIAL INFORMATION

常州星宇車燈股份有限公司 Changzhou Xingyu Automotive Lighting Systems Co., Ltd. (the "**Company**") was established in the People's Republic of China (the "**PRC**") on May 18, 2000 as a limited liability company. In October 2007, the Company was converted into a joint stock company with limited liability under the Company Laws. In February 2011, the Company was listed on the Shanghai Stock Exchange (stock code: 601799.SH). The addresses of the registered office and the principal place of business of the Company is No. 398 Hanjiang Road, Xinbei District, Changzhou City, Jiangsu Province, the PRC and No. 182 Qinling Road, Xinbei District, Changzhou City, Jiangsu Province, the PRC respectively.

The Company and its subsidiaries (the "**Group**") is principally engaged in the design, development, manufacturing, and sales of automotive lighting products.

2. APPLICATION OF IFRS ACCOUNTING STANDARDS

The International Accounting Standards Board ("**IASB**") has issued a number of new and revised IFRS Accounting Standards. For the purpose of preparing this Historical Financial Information, the Group adopted all applicable new and revised IFRS Accounting Standards to the Track Record Period. The new and revised accounting standards and interpretations issued but not yet effective for the accounting period beginning on January 1, 2026 are set out as below.

New and amendments to IFRS Accounting Standards in issue but not yet effective

At the date of this report, the Group has not early applied the following new and amendments to IFRS Accounting Standards that have been issued but are not yet effective:

Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency[2]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to IAS 28	Amendments to the Fair Value Option for Investments in Associates and Joint Ventures[2]
IFRS 18	Presentation and Disclosure in Financial Statements[2]
IFRS 20	Regulatory Assets and Regulatory Liabilities[3]

[1] Effective for annual periods beginning on or after a date to be determined.
[2] Effective for annual periods beginning on or after 1 January 2027.
[3] Effective for annual periods beginning on or after 1 January 2029.

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

IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 "Presentation and Disclosure in Financial Statements", which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 "Presentation of Financial Statements". This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been

moved to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" and IFRS 7 "Financial Instruments: Disclosures". The minor amendments to IAS 7 "Statement of Cash Flows" and IAS 33 "Earnings per Share" are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is not expected to have material effect on the financial position and performance of the Group, except for the presentation of the statement of profit or loss and disclosures in the financial statements.

3. MATERIAL ACCOUNTING POLICY INFORMATION

Basis of preparation of the Historical Financial Information

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards issued by the IASB. For the purpose of preparation of the Historical Financial Information, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the Historical Financial Information includes applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

The statutory financial statements of the Company for each of the years ended December 31, 2023, 2024 and 2025 were prepared in accordance with Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC and were audited by Talent Certified Public Accountants* (天衡會計師事務所(特殊普通合夥)), a certified public accountants registered in the PRC.

Basis of preparation

The Historical Financial Information has been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the Historical Financial Information is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 "Share-based Payment", leasing transactions that are within the scope of IFRS 16 "Leases", and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 "Inventories" or value in use in IAS 36 "Impairment of Assets".

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

For financial instruments which are transacted at fair value and a valuation technique that unobservable inputs is to be used to measure fair value in subsequent years, the valuation technique is calibrated so that the results of the valuation technique equals the transaction price.

* *The official name of these entities in Chinese. The English is for identification purpose only.*

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties; rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Business combinations

A business is an integrated set of activities and assets which includes an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired processes are considered substantive if they are critical to the ability to continue producing outputs, including an organized workforce with the

necessary skills, knowledge, or experience to perform the related processes or they significantly contribute to the ability to continue producing outputs and are considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former equity holders of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognized in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with IAS 12 "Income Taxes" and IAS 19 "Employee Benefits" respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 at the acquisition date (see the accounting policy below);
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" are measured in accordance with that standard; and
- lease liabilities are recognized and measured at the present value of the remaining lease payments (as defined in IFRS 16) as if the acquired leases were new leases at the acquisition date, except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low value. Right-of-use assets are recognized and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after re-assessment, the net amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets or at fair value.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at

subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured to fair value at subsequent reporting dates, with the corresponding gain or loss being recognized in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control), and the resulting gain or loss, if any, is recognized in profit or loss or other comprehensive income, as appropriate. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income and measured under IFRS 9 "Financial Instruments" would be accounted for on the same basis as would be required if the Group had disposed directly of the previously held equity interest.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted retrospectively during the measurement period, and additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

Interests in subsidiaries

Interests in subsidiaries are included in the statements of financial position of the Company at cost less accumulated impairment losses, if any.

Revenue from contracts with customers

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

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

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

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

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

The contract assets primarily relate to the Group's right to consideration for work completed and not billed because the rights are conditioned on the Group's future performance. The contract assets are transferred to trade receivables when the rights become unconditional.

Information about the Group's accounting policies relating to revenue from contracts with customers is provided in Note 5 to the Historical Financial Information.

Leases

The Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components, including contract for acquisition of ownership interests of a property which includes both leasehold land and non-lease building components, unless such allocation cannot be made reliably.

Non-lease components are separated from lease component and are accounted for by applying other applicable standards.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets (such as tablets and personal computers, small items of office furniture and telephones). Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis or another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Right-of-use assets

The cost of right-of-use assets includes:

- the amounts of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognizes and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise the option; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.
- a lease contract is modified and the lease modification is not accounted for as a separate lease.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability, less any lease incentives receivable, based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset.

When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognized at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing

on the date when the fair value was determined. When a fair value gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is also recognized in profit or loss. When a fair value gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is also recognized in other comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognized in profit or loss in the period in which they arise, except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future (therefore forming part of the net investment in the foreign operation), which are recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the Group's interest in the foreign operation.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. RMB) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity under the heading of translation reserve.

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the equity holders of the Company are reclassified to profit or loss.

Borrowing costs

All borrowing costs are recognized in profit or loss in the period in which they are incurred.

Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Employee benefits

Retirement benefit costs

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

Short-term employee benefits

Short-term employee benefits are recognized at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognized as an expense unless another IFRS Accounting Standard requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognized for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

Liabilities recognized in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date. Any changes in the liabilities' carrying amounts resulting from service cost, interest and remeasurements are recognized in profit or loss except to the extent that another IFRS Accounting Standard requires or permits their inclusion in the cost of an asset.

Share-based payments

Equity-settled share-based payment transactions – Share awards granted to employees

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share-based payment reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payment reserve.

When share awards granted are vested, the amount previously recognized in share-based payment reserve will be transferred to shares held for share award scheme.

Taxation

Income tax expense represents the sum of current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes (other than freehold lands and construction in progress as described below). Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Construction in progress is stated at cost less impairment losses. Depreciation begins when the relevant assets are available for use.

Property, plant and equipment in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including costs of testing whether the related assets is functioning properly and, for qualifying assets, borrowing costs capitalized in accordance with the Group's accounting policy.

Depreciation is recognized so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Depreciation on property, plant and equipment is provided to write off the cost less their estimated residual value over their estimated useful lives, using the straight-line method, as follows:

Building	20-40 years
Plant and machinery	3-20 years
Office equipment	3-5 years
Motor vehicle	4-7 years
Others	4-10 years

The assets' estimated residual value, depreciation method and estimated useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortization and any accumulated impairment losses. Amortization for intangible assets with finite useful lives is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less any subsequent accumulated impairment losses.

The estimated useful lives of intangible assets are as follows:

Software	2-5 years
Non-patented technology	10 years

Internally-generated intangible assets – research and development expenditure

Expenditure on research activities is recognized as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognized if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognized, development expenditure is recognized in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses (if any), on the same basis as intangible assets that are acquired separately.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognized separately from goodwill and are initially recognized at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at costs less accumulated amortization and any accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Intangible assets acquired in a business combination with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

Cash and cash equivalents

Cash and cash equivalents presented on the consolidated statement of financial position include:

- cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and
- cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale, including costs to be incurred in marketing, selling and distribution.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Financial instruments

Financial assets and financial liabilities are recognized when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15 "Revenue from Contracts With Customers". Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial

assets that require delivery of assets within the time frame established generally by regulation or convention in the market place concerned.

All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity instruments in other comprehensive income if that equity instruments is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 "Business Combinations" applies.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is not a designated and effective hedging instrument.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortized cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Amortized cost and interest income

Interest income is recognized using the effective interest method for debt instruments measured subsequently at amortized cost and at FVTOCI. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognized by applying the effective interest rate to the amortized cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

Equity instruments designated as at FVTOCI

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the Investment revaluation reserve; and are not subject to impairment assessment. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments, and is transferred to retained earnings.

Dividends from these investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortized cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss.

Impairment of financial assets subject to impairment assessment under IFRS 9

The Group performs impairment assessment under ECL model on financial assets (including trade and bills receivables, deposits and other receivables and cash and cash equivalents and restricted bank deposits) which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

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

The Group recognized both 12-month and lifetime ECL for trade and bills receivables.

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

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

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

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

- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

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

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) it has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfill its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definitions.

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

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

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

(iii) Credit-impaired financial assets

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

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

(iv) Write-off policy

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

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on trade and bills receivables using a provision matrix taking into consideration historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and forward-looking information, including time value of money where appropriate, that is available without undue cost or effort.

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

Lifetime ECL for trade and bills receivables are considered on a collective basis taking into consideration past due information and relevant credit information such as forward looking macroeconomic information.

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortized cost of the financial asset.

The Group recognizes an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade and bills receivables and other receivables where the corresponding adjustment is recognized through a loss allowance account.

Derecognitionlmodification of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

A modification of a financial asset occurs if the contractual cash flows are renegotiated or otherwise modified.

On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the FVTOCI reserve is not reclassified to profit or loss, but is transferred to retained earnings.

When the contractual terms of a financial asset are modified, the Group assesses whether the revised terms result in a substantial modification from original terms taking into account all relevant facts and circumstances including qualitative factors. If qualitative assessment is not conclusive, the Group considers the terms are substantially different if the discounted present value of the cash flows under the new terms,

including any fees paid net of any fees received, and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial asset.

For non-substantial modifications of financial assets that do not result in derecognition, the carrying amount of the relevant financial assets will be calculated at the present value of the modified contractual cash flows discounted at the financial assets' original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). Transaction costs or fees incurred are adjusted to the carrying amount of the modified financial assets and are amortized over the remaining term. Any adjustment to the carrying amount of the financial asset is recognized in profit or loss at the date of modification.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortized cost using the effective interest method.

Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3 to the Historical Financial Information, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the reporting period in which the estimate is revised if the revision affects only that reporting period, or in the reporting period of the revision and future reporting years if the revision affects both current and future reporting years.

Key sources of estimation uncertainty

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

Allowance for ECL on trade and bills receivables

Trade and bills receivables are assessed for ECL using a provision matrix. Trade and bills receivables with significant balances and credit-impaired are assessed for ECL individually.

The provision matrix of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade and bills receivables are disclosed in Note 20 to the Historical Financial Information.

Fair value measurements for financial assets at FVTPL and financial assets at FVTOCI

The Group has made various investments during the Track Record Period as set out in Notes 22 and 23. The Group accounts for these financial instruments as financial assets at FVTOCI and financial assets at FVTPL. For those investments with no quoted market prices in an active market, their fair values are estimated by using valuation techniques. Judgment and estimation are required in establishing the relevant valuation approach and inputs. Changes in any of the estimates and assumptions could affect the fair values of these instruments. Further disclosures are set out in Note 40.

5. REVENUE AND SEGMENT INFORMATION

(i) Revenue

Disaggregation of revenue from contracts with customers

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Types of goods:					
Automotive lighting products	9,616,013	12,500,700	14,430,925	2,926,633	3,291,258
Others*	632,433	752,234	825,741	167,877	138,616
	10,248,446	13,252,934	15,256,666	3,094,510	3,429,874
Timing of revenue recognition					
At a point in time	10,248,446	13,252,934	15,256,666	3,094,510	3,429,874

* Others mainly represents sales of raw materials, warning triangles and other automotive components.

The Group's revenue from external customers, based on the respective country/region of the external customers' operations are as follows:

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
The PRC	9,902,650	12,733,379	14,599,245	2,921,876	3,234,841
Others	345,796	519,555	657,421	172,634	195,033
	10,248,446	13,252,934	15,256,666	3,094,510	3,429,874

Performance obligations for contracts with customers

Sales of automotive lighting products

The Group manufactures and sells automotive lighting products to vehicle manufacturers. A contract liability is recognized for advance payments received for sales in which revenue has yet been recognized.

The Group's automotive lighting products sales can generally be divided into direct sales and export sales. Under the direct sales model, the Group recognizes sales revenue when the products are shipped and accepted; for export sales, the Group recognizes sales revenue when the automotive lighting products are shipped to the end customer and the export customs declaration and bill of lading are obtained.

Sales of other goods

The Group sells other goods to customers. A contract liability is recognized for advance payments received for sales in which revenue has yet been recognized.

The Group recognizes sales revenue when the products are shipped and accepted.

Sales returns

Based on the Group's sales contracts with the customers, they can only return or request for refund if the product delivered to them does not meet the pre-specified quality requirement; otherwise, the Group does not accept product returns or exchanges without the management's consent.

Transaction price allocated to the remaining performance obligation for contracts with customers

Automotive lighting products are delivered within a period of less than one year. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

(ii) Segment information

Information reported to the executive directors of the Company, being the chief operating decision makers ("**CODM**"), for the purposes of resources allocation and assessment of performance, focuses specifically on the revenue analysis by principal categories of the Group's business. The principal categories of the Group's business are manufacturing and trading of automotive lighting products. No other discrete financial information is regularly provided to the CODM for the purposes of resources allocation and performance assessment other than the Group's results and financial performance as a whole. Accordingly, only entity-wide disclosures, including major customers and geographical information are presented.

Geographical information

Information about the Group's non-current assets is presented based on the geographical location of the assets. Non-current assets excluded deferred tax assets and financial instruments.

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
The PRC	3,923,003	4,066,370	4,443,585	4,625,066
Serbia	528,893	539,401	560,413	537,812
Others	186	91	57	45
	4,452,082	4,605,862	5,004,055	5,162,923

Information about major customers

Revenue from customers for the reporting period contributing over 10% of the total revenue of the Group are as follows:

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Customer A	3,752,280	3,091,882	2,970,693	720,648	554,093
Customer B	1,539,779	2,711,181	2,966,328	810,133	590,326
Customer C	N/A[#]	2,035,740	2,647,049	326,109	351,999

[#] The corresponding revenue did not contribute over 10% of the total revenue of the Group for the reporting period.

6. OTHER INCOME

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Government grants *(note)*	118,162	174,994	158,470	36,336	41,178
Interest income from bank deposits	17,933	14,290	9,567	2,183	1,399
Others	9,893	7,474	4,060	1,709	1,841
	145,988	196,758	172,097	40,228	44,418

note: The amounts mainly represented the incentive subsidies provided by the PRC Government to encourage business operation in the PRC. There were no unfulfilled conditions attached to these grants.

7. OTHER GAINS AND LOSSES, NET

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Exchange (losses)/gains, net	(2,308)	(13,958)	7,364	(271)	(11,090)
Loss on disposal of property, plant and equipment	(889)	(13,002)	(1,100)	(481)	(209)
Gain/(loss) on disposal of right-of-use assets	–	1,296	(259)	–	–
Others	(2,736)	(2,573)	(2,611)	(586)	(375)
	(5,933)	(28,237)	3,394	(1,338)	(11,674)

8. INVESTMENT INCOME

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Dividend income on financial assets at FVTOCI	–	773	1,595	–	532
Investment income on structured deposits and wealth management products	56,388	46,428	42,499	9,972	8,328
	56,388	47,201	44,094	9,972	8,860

9. ALLOWANCE FOR/(REVERSAL OF) ECL ON FINANCIAL ASSETS AT AMORTIZED COST

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Trade receivables	92,833	76,771	(524)	(18,748)	(24,036)
Bills receivables	5,422	(20,450)	45	(62)	(8)
Other receivables	246	636	767	33	238
	98,501	56,957	288	(18,777)	(23,806)

10. FINANCE COSTS

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Interest on discounted bills receivables	255	5,349	6,264	4,219	3,350
Interest on lease liabilities	1,097	1,061	639	154	198
	1,352	6,410	6,903	4,373	3,548

11. PROFIT BEFORE TAX

Profit before tax for the reporting period has been arrived at after charging/(crediting):

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Directors' and supervisors' emoluments *(Note 13)*	3,256	3,393	4,324	925	731
Other staff costs:					
Salaries, allowances, bonuses and benefits in kind	1,128,941	1,207,705	1,261,392	290,341	406,587
Pension scheme contributions and social welfare	32,435	38,206	43,579	10,351	10,803
Share-based payment	–	1,602	22,258	5,034	8,766
	1,161,376	1,247,513	1,327,229	305,726	426,156
Total staff costs	1,164,632	1,250,906	1,331,553	306,648	426,887
Less: capitalized in inventories	(621,494)	(664,498)	(657,212)	(146,319)	(246,075)
	543,138	586,408	674,341	160,329	180,812
Analyzed as:					
charged in administrative expenses	161,440	171,257	184,420	42,964	49,176
charged in selling expenses	25,954	24,596	23,627	6,679	6,131
charged in research and development expenses	355,744	390,555	466,294	110,686	125,505
	543,138	586,408	674,341	160,329	180,812
Depreciation of property, plant and equipment	416,351	501,645	566,237	133,973	152,143
Depreciation of right-of-use assets	25,224	24,265	24,697	15,370	6,358
Amortization of intangible assets	17,692	34,736	43,789	602	11,307
Total depreciation and amortization expenses	459,267	560,646	634,723	149,945	169,808
Less: capitalized in inventories	(363,958)	(439,939)	(494,352)	(116,490)	(134,779)
	95,309	120,707	140,371	33,455	35,029

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Analyzed as:					
charged in administrative expenses	46,589	54,926	67,650	15,425	18,643
charged in selling expenses	230	1,302	1,523	1,201	405
charged in research and development expenses	48,490	64,479	71,198	16,829	15,981
	95,309	120,707	140,371	33,455	35,029
Cost of inventories recognized as cost of sales	7,951,362	10,397,391	11,987,669	2,462,733	2,705,696
Provision for/(reversal of) write-down of inventories	13,067	26,331	10,500	(402)	(437)
[**REDACTED**] expenses	–	–	[REDACTED]	–	[REDACTED]

12. INCOME TAX EXPENSES

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Current tax:					
PRC Enterprise Income Tax ("**EIT**")	110,221	171,456	168,183	30,155	12,120
(Over-provision)/under-provision in prior years	(334)	310	4,153	1,054	828
Deferred tax	(8,926)	12,379	16,809	8,929	13,714
	100,961	184,145	189,145	40,138	26,662

PRC Enterprise Income Tax

Under the EIT Law and Implementation Regulation of the EIT Law, the EIT rate of the PRC subsidiaries is 25% unless those subject to tax exemption set out below.

The Company was accredited as a "High and New Technology Enterprise" under the relevant tax rules and regulations in December 2020 and November 2023, and therefore the Company was entitled to a preferential EIT rate of 15% for the Track Record Period. This qualification is subject to review by the relevant tax authority in the PRC every three years.

Pursuant to Caishui [2023] No. 12 "Announcement of the Ministry of Finance and the State Taxation Administration 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、國家税務總局關於進一步支持小微企業和個體工商發展有關税費政策的公告), Changzhou Xinghui Digital Technology Co., Ltd.* (常州星輝數字技術有限公司) and Shanghai Xingyu Zhixing Technology Co., Ltd.* (上海星宇智行技術有限公司) were qualified for Small Meagre-profit Enterprises and entitled to a preferential income tax rate of 20% on the 25% of taxable income from January 1, 2023 to December 31, 2027.

* *The official name of these entities in Chinese. The English for identification purpose only.*

Hong Kong Profits Tax

Under the two-tiered profits tax rates regime, the first Hong Kong dollars ("**HK$**") 2,000,000 of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2,000,000 will be taxed at 16.5%.

Serbian Corporate Income Tax

According to Serbian Corporate Income Tax Law, foreign-invested enterprises with fixed asset investments of Serbian Dinar ("**RSD**") 1 billion and creating more than 100 new jobs during the investment period are exempt from the Corporate Income Tax for 10 years from its first profit-making year. Xingyu Automotive Lighting Systems d.o.o NiŠ ("**Xingyu Serbia**") operating in Serbia is eligible for the concession.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The Group is within the scope of the Pillar Two model rules. The Group has applied the mandatory exception to recognizing and disclosing information about deferred tax assets and liabilities arising from Pillar Two income taxes, and will account for the Pillar Two income taxes as current tax when incurred. Pillar Two legislation has been enacted in certain jurisdictions in which the Group operates.

However, the enactment of Pillar Two legislation in additional jurisdictions in which the Group operates does not have a material impact to the Group's overall exposure to Pillar Two income taxes.

The income tax expenses for the reporting period can be reconciled to the profit before tax per the consolidated statements of profit or loss and other comprehensive income as follows:

	Year ended December 31,			Three months ended March 31,	
	2023	**2024**	**2025**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Profit before tax	1,203,092	1,592,428	1,813,229	362,251	381,819
Tax at the domestic income tax rate	189,162	252,844	284,086	57,262	59,245
(Over-provision)/under-provision in prior years	(334)	310	4,153	1,054	828
Tax effect of income not taxable for tax purposes	–	(116)	(239)	(33)	(218)
Tax effect of expenses not deductible for tax purposes	1,333	2,632	1,739	1,056	123
Additional deduction of expenses	(74,402)	(76,178)	(99,647)	(21,504)	(25,614)
Tax effect of deductible temporary difference not recognized	–	4,161	–	–	–
Utilization of deductible temporary differences previously not recognized	(18,743)	–	(5,171)	–	(6,823)
Tax effect of tax losses not recognized	3	–	–	–	–
Utilization of tax losses previously not recognized	–	(1)	(6,424)	–	(879)
Release of tax loss previously recognized	3,942	493	10,648	2,303	–
	100,961	184,145	189,145	40,138	26,662

13. DIRECTORS' AND SUPERVISORS' EMOLUMENTS AND EMOLUMENTS OF EMPLOYEES

Directors' and supervisors' emoluments

The emoluments paid or payable to the directors and supervisors of the Company during the reporting period are as follow:

	Directors' fees	Salaries, allowances and benefits in kind	Bonuses	Pension scheme contributions and social welfare	Share-based payment	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
For the year ended December 31, 2023						
Directors:						
Ms. Zhou Xiaoping ("**Ms. Zhou**")	–	1,100	–	–	–	1,100
Mr. Gao Guohua	–	–	–	–	–	–
Mr. Yu Zhiming ("**Mr. Yu**")	–	404	60	22	–	486
Mr. Xu Huiyi ("**Mr. Xu**")	–	464	41	22	–	527
Independent Directors:						
Mr. Ma Peilin ("**Mr. Ma**")	180	–	–	–	–	180
Ms. Han Jian ("**Ms. Han**")	180	–	–	–	–	180
Mr. Li Xiang ("**Mr. Li**")	180	–	–	–	–	180
Supervisors:						
Mr. Xu Xiaoping	–	343	53	22	–	418
Mr. Wang Shihai ("**Mr. Wang**")	–	–	–	–	–	–
Ms. Liu Lingling ("**Ms. Liu**")	–	155	16	14	–	185
	540	2,466	170	80	–	3,256

	Directors' fees	Salaries, allowances and benefits in kind	Bonuses	Pension scheme contributions and social welfare	Share-based payment	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
For the year ended December 31, 2024						
Directors:						
Ms. Zhou	–	1,100	–	–	–	1,100
Mr. Gao Guohua	–	–	–	–	–	–
Mr. Yu	–	376	119	22	–	517
Mr. Xu	–	423	112	22	–	557
Independent Directors:						
Mr. Ma	180	–	–	–	–	180
Ms. Han	180	–	–	–	–	180
Mr. Li	180	–	–	–	–	180
Supervisors:						
Mr. Xu Xiaoping	–	351	80	22	24	477
Mr. Wang	–	–	–	–	–	–
Ms. Liu	–	157	27	18	–	202
	540	2,407	338	84	24	3,393

	Directors' fees	Salaries, allowances and benefits in kind	Bonuses	Pension scheme contributions and social welfare	Share-based payment	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
For the year ended December 31, 2025						
Directors:						
Ms. Zhou	–	1,100	–	–	–	1,100
Mr. Zhou Yuheng ("**Mr. Zhou**") *(note (i))*	–	611	115	31	–	757
Mr. Gao Guohua *(note (iii))*	–	–	–	–	–	–
Mr. Yu *(note (iii))*	–	404	115	20	–	539
Mr. Xu	–	399	115	30	–	544
Mr. Wang *(note (ii))*	–	–	–	–	–	–
Independent Directors:						
Mr. Ma	180	–	–	–	–	180
Ms. Han	180	–	–	–	–	180
Mr. Li	180	–	–	–	–	180
Supervisors:						
Mr. Xu Xiaoping *(note ((v))*	–	–	75	31	347	453
Mr. Wang *(note (ii))*	–	–	–	–	–	–
Ms. Liu *(note ((v))*	–	140	36	19	–	195
Mr. Li Miao *(note ((iv))*	–	141	36	19	–	196
	540	2,795	492	150	347	4,324

	Directors' fees	Salaries, allowances and benefits in kind	Bonuses	Pension scheme contributions and social welfare	Share-based payment	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
For the three months ended March 31, 2025 (unaudited)						
Directors:						
Ms. Zhou	–	275	–	–	–	275
Mr. Gao Guohua	–	–	–	–	–	–
Mr. Yu	–	108	24	8	–	140
Mr. Xu	–	107	24	8	–	139
Independent Directors:						
Mr. Ma	45	–	–	–	–	45
Ms. Han	45	–	–	–	–	45
Mr. Li	45	–	–	–	–	45
Supervisors:						
Mr. Xu Xiaoping	–	86	16	8	76	180
Mr. Wang	–	–	–	–	–	–
Ms. Liu	–	39	6	5	–	50
	135	615	70	29	76	925

	Directors' fees	Salaries, allowances and benefits in kind	Bonuses	Pension scheme contributions and social welfare	Share-based payment	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
For the three months ended March 31, 2026						
Directors:						
Ms. Zhou	–	275	–	–	–	275
Mr. Zhou	–	157	23	9	–	189
Mr. Xu	–	106	18	8	–	132
Mr. Wang	–	–	–	–	–	–
Independent Directors:						
Mr. Ma	45	–	–	–	–	45
Ms. Han	45	–	–	–	–	45
Mr. Li	45	–	–	–	–	45
	135	538	41	17	–	731

notes:

(i) Mr. Zhou has been appointed as Director of the Company with effect from April 10, 2025.

(ii) Mr. Wang resigned as a Supervisor of the Company and reappointed as Director of the Company with effect from April 10, 2025.

(iii) Mr. Gao Guohua and Mr. Yu resigned as Directors of the Company with effect from April 10, 2025.

(iv) Mr. Li Miao has been appointed as a Supervisor of the Company with effect from April 10, 2025 and resigned as supervisor of the Company with effect from September 19, 2025.

(v) Mr. Xu Xiaoping and Ms. Liu resigned as Supervisors of the Company with effect from September 19, 2025.

The directors' and supervisors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.

There was no arrangement under which the directors or supervisors of the Company waived or agreed to waive any emoluments during the reporting period.

Emoluments of employees

The five highest paid employees of the Group for the years ended December 31, 2023, 2024 and 2025, and the three months ended March 31, 2025 and 2026 included 1, 1, 1, 1 (unaudited) and 1 director, respectively and details of whose remuneration are set out in above. Details of the remuneration for the reporting period of the remaining individuals are as follows:

	Year ended December 31,			Three months ended March 31,	
	2023	**2024**	**2025**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Salaries, allowances and benefits in kind	4,105	4,207	3,574	909	865
Bonuses	718	671	966	242	210
Pension scheme contributions and social welfare	198	200	212	80	47
Share-based payment	–	60	831	114	574
	5,021	5,138	5,583	1,345	1,696

The number of the highest paid employees who are not the directors of the Company whose remuneration fell within the following bands is as follows:

	Year ended December 31,			Three months ended March 31,	
	2023	**2024**	**2025**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Nil to RMB1,000,000	1	–	–	4	4
RMB1,000,001 to RMB1,500,000	2	3	2	–	–
RMB1,500,001 to RMB2,000,000	1	1	2	–	–
	4	4	4	4	4

During the reporting period, no emoluments were paid by the Group to any of the five highest paid individuals of the Group as an inducement to join or upon joining the Group or as compensation for loss of office.

14. DIVIDENDS

For the year ended December 31, 2023

On April 20, 2023, the Company declared dividends of RMB11 per 10 shares, in aggregate of approximately RMB314,247,000 to its shareholders. Dividends of approximately RMB314,247,000 were originally declared for distribution. Following the subsequent share repurchases as mentioned in Note 33, the distributable dividend is reduced to approximately RMB312,437,000. The dividends were paid during the year ended December 31, 2023.

For the year ended December 31, 2024

On April 18, 2024, the Company declared dividends of RMB12 per 10 shares, in aggregate of approximately RMB340,522,000 to its shareholders. The dividends were paid during the year ended December 31, 2024.

On September 6, 2024, the Company declared dividends of RMB2 per 10 shares, in aggregate of approximately RMB56,754,000 to its shareholders. The dividends were paid during the year ended December 31, 2024.

For the year ended December 31, 2025

On April 10, 2025, the Company declared dividends of RMB13 per 10 shares, in aggregate of approximately RMB369,600,000 to its shareholders. The dividends were paid during the year ended December 31, 2025.

On September 19, 2025, the Company declared dividends of RMB2 per 10 shares, in aggregate of approximately RMB56,862,000 to its shareholders. The dividends were paid during the year ended December 31, 2025.

For the three months ended March 31, 2026

On March 19, 2026, the Company proposed dividends of RMB18 per 10 shares, in aggregate of approximately RMB508,874,000 to shareholders. Following subsequent share repurchases in March and April 2026, the distributable dividend is reduced to approximately RMB508,837,000. On April 10, 2026, the Company declared the dividends and the dividends were paid in May 2026.

15. EARNINGS PER SHARE

(a) Basic

Basic earnings per share ("**EPS**") is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue (excluding shares held for share award schemes) during the year/period.

	Year ended 31 December			Three months ended March 31,	
	2023	2024	2025	2025	2026
				(unaudited)	
Profit for the year/period attributable to the equity holders of the Company for purpose of basic EPS *(RMB'000)*	1,102,131	1,408,283	1,624,084	322,113	355,157
Weighted average number of ordinary shares for the purpose of basic EPS *('000)*	284,956	283,768	283,678	283,768	281,953
Basic EPS *(RMB per share)*	3.87	4.96	5.73	1.14	1.26

(b) Diluted

The share awards granted by the Company have potential dilutive effect on the EPS. Diluted EPS is calculated by adjusting the weighted average number of ordinary shares outstanding by the assumption of the conversion of all potential dilutive ordinary shares arising from share awards granted by the Company (collectively forming the denominator for computing the diluted EPS), which is determined under the treasury stock method.

In addition, the profit attributable to equity holders of the Company (numerator) has been adjusted by the effect of the share awards granted.

	Year ended 31 December			Three months ended March 31,	
	2023	**2024**	**2025**	**2025**	**2026**
				(unaudited)	
Profit for the year/period attributable to the equity holders of the Company for purpose of basic and diluted EPS *(RMB'000)*	1,102,131	1,408,283	1,624,084	322,113	355,157
Weighted average number of ordinary shares for the purpose of basic EPS *('000)*	284,956	283,768	283,678	283,768	281,953
Adjustments for shares awards scheme	–	45	600	540	895
Weighted average number of ordinary shares for the purpose of diluted EPS *('000)*	284,956	283,813	284,278	284,308	282,848
Diluted EPS *(RMB per share)*	3.87	4.96	5.71	1.13	1.25

16. PROPERTY, PLANT AND EQUIPMENT

The Group

	Building	Plant and machinery	Office equipment	Motor vehicle	Others	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cost:							
As at January 1, 2023	1,541,569	2,385,713	135,091	16,231	69,078	597,390	4,745,072
Additions	39,541	350,607	132,728	2,416	21,998	354,729	902,019
Transfer	100,034	118,047	1,376	–	8,253	(227,710)	–
Disposal	–	(16,988)	(1,012)	(2,104)	(704)	–	(20,808)
Exchange alignment	10,965	1,053	147	24	22	8,004	20,215
As at December 31, 2023 and January 1, 2024	1,692,109	2,838,432	268,330	16,567	98,647	732,413	5,646,498
Additions	30,218	354,133	117,458	2,482	32,489	155,890	692,670
Transfer	301,391	203,979	160	–	–	(505,530)	–
Disposal	–	(47,643)	(4,178)	(561)	(1,090)	–	(53,472)
Exchange alignment	(6,053)	(6,681)	(35)	(96)	(19)	(7,618)	(20,502)
As at December 31, 2024 and January 1, 2025	2,017,665	3,342,220	381,735	18,392	130,027	375,155	6,265,194
Additions	23,947	173,865	177,754	3,260	27,586	261,155	667,567
Transfer	175,848	113,300	90,084	–	4,817	(384,049)	–
Disposal	–	(80,631)	(6,800)	(539)	(1,699)	–	(89,669)
Exchange alignment	14,366	20,471	1,126	39	89	3,030	39,121
As at December 31, 2025 and January 1, 2026	2,231,826	3,569,225	643,899	21,152	160,820	255,291	6,882,213
Additions	8,123	152,297	39,494	930	13,745	119,715	334,304
Transfer	64,437	25,360	–	–	–	(89,797)	–
Disposal	–	(12,078)	(2,367)	(500)	(1,022)	–	(15,967)
Exchange alignment	(6,906)	(8,717)	(3,039)	(24)	(181)	(1,021)	(19,888)
As at March 31, 2026	2,297,480	3,726,087	677,987	21,558	173,362	284,188	7,180,662

	Building	Plant and machinery	Office equipment	Motor vehicle	Others	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Accumulated depreciation:							
As at January 1, 2023	338,718	925,550	51,958	10,806	39,273	–	1,366,305
Charge for the year	87,867	261,909	52,584	2,001	11,990	–	416,351
Disposal	–	(14,337)	(378)	(1,007)	(684)	–	(16,406)
Exchange alignment	123	100	35	14	5	–	277
As at December 31, 2023 and January 1, 2024	426,708	1,173,222	104,199	11,814	50,584	–	1,766,527
Charge for the year	107,647	287,387	89,530	2,062	15,019	–	501,645
Disposal	–	(31,624)	(2,810)	(535)	(1,044)	–	(36,013)
Exchange alignment	(305)	(380)	(43)	(19)	(6)	–	(753)
As at December 31, 2024 and January 1, 2025	534,050	1,428,605	190,876	13,322	64,553	–	2,231,406
Charge for the year	116,254	301,711	125,868	2,016	20,388	–	566,237
Disposal	–	(28,570)	(4,848)	(517)	(1,349)	–	(35,284)
Exchange alignment	942	1,354	156	25	21	–	2,498
As at December 31, 2025 and January 1, 2026	651,246	1,703,100	312,052	14,846	83,613	–	2,764,857
Charge for the period	28,072	80,919	37,142	562	5,448	–	152,143
Disposal	–	(9,502)	(1,936)	(475)	(971)	–	(12,884)
Exchange alignment	(535)	(1,304)	(247)	(19)	(28)	–	(2,133)
As at March 31, 2026	678,783	1,773,213	347,011	14,914	88,062	–	2,901,983
Net book value:							
As at December 31, 2023	1,265,401	1,665,210	164,131	4,753	48,063	732,413	3,879,971
As at December 31, 2024	1,483,615	1,913,615	190,859	5,070	65,474	375,155	4,033,788
As at December 31, 2025	1,580,580	1,866,125	331,847	6,306	77,207	255,291	4,117,356
As at March 31, 2026	1,618,697	1,952,874	330,976	6,644	85,300	284,188	4,278,679

The Company

	Building	Plant and machinery	Office equipment	Motor vehicle	Others	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cost:							
As at January 1, 2023	1,107,708	2,126,336	116,289	14,280	65,939	504,317	3,934,869
Additions	32,644	297,304	126,453	2,416	19,132	215,183	693,132
Transfer	100,034	91,798	824	–	7,985	(200,641)	–
Disposal	–	(16,907)	(1,012)	(1,989)	(704)	–	(20,612)
As at December 31, 2023 and January 1, 2024	1,240,386	2,498,531	242,554	14,707	92,352	518,859	4,607,389
Additions	28,343	335,594	105,090	2,421	30,857	115,988	618,293
Transfer	301,391	–	–	–	–	(301,391)	–
Disposal	–	(38,342)	(4,132)	(561)	(1,090)	–	(44,125)
As at December 31, 2024 and January 1, 2025	1,570,120	2,795,783	343,512	16,567	122,119	333,456	5,181,557
Additions	19,853	144,817	150,523	3,260	24,850	177,592	520,895
Transfer	175,848	99,115	6,889	–	–	(281,852)	–
Disposal	–	(25,290)	(5,013)	(484)	(1,284)	–	(32,071)
As at December 31, 2025 and January 1, 2026	1,765,821	3,014,425	495,911	19,343	145,685	229,196	5,670,381
Additions	6,823	152,062	38,892	679	13,745	106,592	318,793
Transfer	64,242	23,713	–	–	–	(87,955)	–
Disposal	–	(8,328)	(2,343)	(500)	(1,022)	–	(12,193)
As at March 31, 2026	1,836,886	3,181,872	532,460	19,522	158,408	247,833	5,976,981

	Building	Plant and machinery	Office equipment	Motor vehicle	Others	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Accumulated depreciation:							
As at January 1, 2023	269,543	846,141	46,282	9,658	37,914	–	1,209,538
Charge for the year	67,405	230,453	46,859	1,752	11,289	–	357,758
Disposal	–	(14,260)	(378)	(921)	(684)	–	(16,243)
As at December 31, 2023 and January 1, 2024	336,948	1,062,334	92,763	10,489	48,519	–	1,551,053
Charge for the year	87,277	250,687	81,459	1,892	13,939	–	435,254
Disposal	–	(27,080)	(2,800)	(535)	(1,044)	–	(31,459)
As at December 31, 2024 and January 1, 2025	424,225	1,285,941	171,422	11,846	61,414	–	1,954,848
Charge for the year	95,299	249,869	107,938	1,895	18,421	–	473,422
Disposal	–	(20,076)	(3,631)	(465)	(1,184)	–	(25,356)
As at December 31, 2025 and January 1, 2026	519,524	1,515,734	275,729	13,276	78,651	–	2,402,914
Charge for the period	22,806	65,432	31,703	541	5,398	–	125,880
Disposal	–	(7,288)	(1,914)	(475)	(971)	–	(10,648)
As at March 31, 2026	542,330	1,573,878	305,518	13,342	83,078	–	2,518,146
Net book value:							
As at December 31, 2023	903,438	1,436,197	149,791	4,218	43,833	518,859	3,056,336
As at December 31, 2024	1,145,895	1,509,842	172,090	4,721	60,705	333,456	3,226,709
As at December 31, 2025	1,246,297	1,498,691	220,182	6,067	67,034	229,196	3,267,467
As at March 31, 2026	1,294,556	1,607,994	226,942	6,180	75,330	247,833	3,458,835

17. RIGHT-OF-USE ASSETS

The Group

	Leasehold lands	Leased properties	Total
	RMB'000	*RMB'000*	*RMB'000*
Cost:			
As at January 1, 2023	452,202	18,563	470,765
Additions	–	50,552	50,552
Write-off	–	(17,989)	(17,989)
Exchange alignment	2,699	–	2,699
As at December 31, 2023 and January 1, 2024	454,901	51,126	506,027
Additions	4,500	2,538	7,038
Disposal	(31,204)	–	(31,204)
Exchange alignment	(1,466)	–	(1,466)
As at December 31, 2024 and January 1, 2025	426,731	53,664	480,395
Additions	108,430	16,545	124,975
Disposal	–	(22,992)	(22,992)
Exchange alignment	3,466	–	3,466
As at December 31, 2025 and January 1, 2026	538,627	47,217	585,844
Additions	206	–	206
Exchange alignment	(1,682)	–	(1,682)
As at March 31, 2026	537,151	47,217	584,368

	Leasehold lands	Leased properties	Total
	RMB'000	*RMB'000*	*RMB'000*
Accumulated depreciation:			
As at January 1, 2023	58,776	14,466	73,242
Charge for the year	9,685	15,539	25,224
Write-off	–	(17,989)	(17,989)
Exchange alignment	142	–	142
As at December 31, 2023 and January 1, 2024	68,603	12,016	80,619
Charge for the year	9,592	14,673	24,265
Disposal	(2,220)	–	(2,220)
Exchange alignment	(115)	–	(115)
As at December 31, 2024 and January 1, 2025	75,860	26,689	102,549
Charge for the year	9,829	14,868	24,697
Disposal	–	(20,988)	(20,988)
Exchange alignment	306	–	306
As at December 31, 2025 and January 1, 2026	85,995	20,569	106,564
Charge for the period	2,843	3,515	6,358
Exchange alignment	(183)	–	(183)
As at March 31, 2026	88,655	24,084	112,739
Net book value:			
As at December 31, 2023	386,298	39,110	425,408
As at December 31, 2024	350,871	26,975	377,846
As at December 31, 2025	452,632	26,648	479,280
As at March 31, 2026	448,496	23,133	471,629

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Expenses relating to short term leases	20,771	5,162	5,252	964	853
Total cash outflows for leases	38,676	18,444	20,418	6,875	5,049
Additions to right-of-use assets	50,552	7,038	124,975	–	206

The Group leases various offices for its operations. Lease contracts are entered into for fixed term of 2 to 5 years. Lease terms are negotiated on an individual basis and contain different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

The Company

	Leasehold lands	Leased properties	Total
	RMB'000	*RMB'000*	*RMB'000*
Cost:			
As at January 1, 2023	332,578	18,563	351,141
Additions	–	50,552	50,552
Write-off	–	(17,989)	(17,989)
As at December 31, 2023 and January 1, 2024	332,578	51,126	383,704
Additions	4,500	–	4,500
As at December 31, 2024 and January 1, 2025	337,078	51,126	388,204
Additions	108,430	16,545	124,975
Disposal	–	(22,992)	(22,992)
As at December 31, 2025 and January 1, 2026	445,508	44,679	490,187
Additions	206	–	206
As at March 31, 2026	445,714	44,679	490,393
Accumulated depreciation:			
As at January 1, 2023	47,558	14,466	62,024
Charge for the year	7,258	15,539	22,797
Write-off	–	(17,989)	(17,989)
As at December 31, 2023 and January 1, 2024	54,816	12,016	66,832
Charge for the year	7,794	14,547	22,341
As at December 31, 2024 and January 1, 2025	62,610	26,563	89,173
Charge for the year	7,977	13,331	21,308
Disposal	–	(20,988)	(20,988)
As at December 31, 2025 and January 1, 2026	70,587	18,906	89,493
Charge for the period	2,379	3,132	5,511
As at March 31, 2026	72,966	22,038	95,004

	Leasehold lands	Leased properties	Total
	RMB'000	*RMB'000*	*RMB'000*
Net book value:			
As at December 31, 2023	277,762	39,110	316,872
As at December 31, 2024	274,468	24,563	299,031
As at December 31, 2025	374,921	25,773	400,694
As at March 31, 2026	372,748	22,641	395,389

18. INTANGIBLE ASSETS

The Group

	Software	Non-patented technology	Total
	RMB'000	*RMB'000*	*RMB'000*
Cost:			
As at January 1, 2023	96,348	28,100	124,448
Additions	40,825	660	41,485
Exchange alignment	12	–	12
As at December 31, 2023 and January 1, 2024	137,185	28,760	165,945
Additions	49,607	–	49,607
Exchange alignment	(48)	–	(48)
As at December 31, 2024 and January 1, 2025	186,744	28,760	215,504
Additions	35,380	4,500	39,880
Write-off *(note)*	(2,622)	–	(2,622)
Exchange alignment	79	–	79
As at December 31, 2025 and January 1, 2026	219,581	33,260	252,841
Additions	1,607	–	1,607
Exchange alignment	(134)	–	(134)
As at March 31, 2026	221,054	33,260	254,314

	Software	Non-patented technology	Total
	RMB'000	*RMB'000*	*RMB'000*
Accumulated amortization:			
As at January 1, 2023	75,805	2,342	78,147
Charge for the year	14,838	2,854	17,692
Exchange alignment	9	–	9
As at December 31, 2023 and January 1, 2024	90,652	5,196	95,848
Charge for the year	31,382	3,354	34,736
Exchange alignment	(41)	–	(41)
As at December 31, 2024 and January 1, 2025	121,993	8,550	130,543
Charge for the year	40,341	3,448	43,789
Write-off *(note)*	(2,622)	–	(2,622)
Exchange alignment	32	–	32
As at December 31, 2025 and January 1, 2026	159,744	11,998	171,742
Charge for the period	10,445	862	11,307
Exchange alignment	(42)	–	(42)
As at March 31, 2026	170,147	12,860	183,007
Net book value:			
As at December 31, 2023	46,533	23,564	70,097
As at December 31, 2024	64,751	20,210	84,961
As at December 31, 2025	59,837	21,262	81,099
As at March 31, 2026	50,907	20,400	71,307

note:

During the year ended December 31, 2025, software with cost amount of approximately RMB2,622,000 was written-off due to the software is no longer in use and has been replaced.

The Company

	Software	Non-patented technology	Total
	RMB'000	*RMB'000*	*RMB'000*
Cost:			
As at January 1, 2023	95,564	28,100	123,664
Additions	33,504	660	34,164
As at December 31, 2023 and January 1, 2024	129,068	28,760	157,828
Additions	49,560	–	49,560
As at December 31, 2024 and January 1, 2025	178,628	28,760	207,388
Additions	32,576	4,500	37,076
Write-off *(note)*	(2,622)	–	(2,622)
As at December 31, 2025 and January 1, 2026	208,582	33,260	241,842
Additions	1,607	–	1,607
As at March 31, 2026	210,189	33,260	243,449
Accumulated amortization:			
As at January 1, 2023	75,145	2,342	77,487
Charge for the year	13,731	2,854	16,585
As at December 31, 2023 and January 1, 2024	88,876	5,196	94,072
Charge for the year	28,981	3,354	32,335
As at December 31, 2024 and January 1, 2025	117,857	8,550	126,407
Charge for the year	37,649	3,448	41,097
Write-off *(note)*	(2,622)	–	(2,622)
As at December 31, 2025 and January 1, 2026	152,884	11,998	164,882
Charge for the period	9,703	862	10,565
As at March 31, 2026	162,587	12,860	175,447
Net book value:			
As at December 31, 2023	40,192	23,564	63,756
As at December 31, 2024	60,771	20,210	80,981
As at December 31, 2025	55,698	21,262	76,960
As at March 31, 2026	47,602	20,400	68,002

note:

During the year ended December 31, 2025, software with cost amount of approximately RMB2,622,000 was written-off due to the software is no longer in use and has been replaced.

19. INVENTORIES

The Group

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Raw materials	542,600	470,115	493,722	529,058
Work in progress	244,769	176,164	144,804	184,329
Finished goods	1,458,038	1,982,973	1,936,506	1,604,583
	2,245,407	2,629,252	2,575,032	2,317,970

The Company

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Raw materials	418,352	392,947	400,035	429,431
Work in progress	237,586	160,066	133,296	173,198
Finished goods	1,415,647	1,894,451	1,849,851	1,517,781
	2,071,585	2,447,464	2,383,182	2,120,410

20. TRADE AND BILLS RECEIVABLES

The Group

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables, gross	3,227,344	4,754,372	4,747,500	4,266,831
Less: allowance for credit losses	(161,402)	(237,726)	(237,564)	(213,342)
Trade receivables, net	3,065,942	4,516,646	4,509,936	4,053,489
Bills receivables, gross	1,353,040	1,592,683	2,640,119	2,947,394
Less: allowance for credit losses	(20,846)	(396)	(441)	(433)
Bills receivables, net	1,332,194	1,592,287	2,639,678	2,946,961
Trade and bills receivables	4,398,136	6,108,933	7,149,614	7,000,450

Trade receivables

As at January 1, 2023, the Group had trade receivables (net of allowance for credit losses) amounted to approximately RMB1,301,863,000.

The Group generally allows credit period ranging from 30 to 90 days after issuance of invoice. The Group will assess the credit quality of each potential customer and define rating and credit limit for each customer.

The following is an aged analysis of trade receivables, net of allowance for credit losses presented based on the dates of acceptance of goods, which approximate the respective revenue recognition dates, at the end of each of the reporting period:

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 30 days	1,018,348	1,493,058	1,772,731	2,042,124
31-60 days	1,056,592	1,676,273	1,662,542	830,831
61-90 days	802,347	1,001,865	822,856	627,441
91-365 days	188,027	345,425	248,496	530,024
Over 365 days	628	25	3,311	23,069
	3,065,942	4,516,646	4,509,936	4,053,489

The movements in the allowance for credit losses of trade receivables are as follows:

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At the beginning of year/period	73,634	161,402	237,726	237,564
ECL recognized/(reversed)	92,833	76,771	(524)	(24,036)
Written-off	(5,200)	(228)	(208)	(2)
Exchange alignment	135	(219)	570	(184)
At the end of year/period	161,402	237,726	237,564	213,342

The Group applies the simplified approach in calculating ECL for trade receivables. Trade receivables relating to customers not sharing similar credit risk with others are assessed individually for impairment allowance, for instance, customers with known financial difficulties or significant doubt on collection. The remaining trade receivables are grouped and collectively assessed for impairment allowance. Under the collective approach, an impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on ageing analysis for grouping of customers that have similar loss patterns. The calculation reflects the age of the balance, existence of disputes, recent historical payment patterns, any other available information concerning the creditworthiness of counterparties and influence from macro economy.

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

	Current and past due within 1 year	Past due from 1 to 2 years	Past due from 2 to 3 years	Past due from 3 to 4 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2023					
On a collective basis:					
ECL rate	5.0%	10.0%	N/A	N/A	5.0%
Gross carrying amount	3,226,647	697	–	–	3,227,344
ECL	161,332	70	–	–	161,402
As at December 31, 2024					
On a collective basis:					
ECL rate	5.0%	10.0%	30.0%	N/A	5.0%
Gross carrying amount	4,754,338	5	29	–	4,754,372
ECL	237,717	1	8	–	237,726
As at December 31, 2025					
On a collective basis:					
ECL rate	5.0%	10.0%	30.0%	50.0%	5.0%
Gross carrying amount	4,743,816	3,670	5	9	4,747,500
ECL	237,191	367	2	4	237,564
As at March 31, 2026					
On a collective basis:					
ECL rate	5.0%	10.0%	N/A	N/A	5.0%
Gross carrying amount	4,266,825	6	–	–	4,266,831
ECL	213,341	1	–	–	213,342

There was no significant change in the ECL rates for the time band during the Track Record Period, mainly because no significant changes in the historical default rates of trade receivables, economic conditions and performance, solvency and behaviour of the debtors were noted, based on which the ECL rates are determined.

Bills receivables

As at January 1, 2023, the Group had bills receivables (net of allowance for credit losses) amounted to approximately RMB1,158,462,000.

An aging analysis of the Group's bills receivables, based on recognition date and net of allowance for credit losses, at the end of each of the reporting period is as follows:

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 3 months	780,806	1,501,601	1,758,878	1,658,449
3 to 6 months	551,388	90,686	880,800	1,288,512
	1,332,194	1,592,287	2,639,678	2,946,961

The movements in the allowance for credit losses of bills receivables are as follows:

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At the beginning of year/period	15,424	20,846	396	441
ECL recognized/(reversed)	5,422	(20,450)	45	(8)
At the end of year/period	20,846	396	441	433

The Company

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables, gross	3,308,201	4,742,352	4,735,572	4,309,162
Less: allowance for credit losses	(320,395)	(384,404)	(376,683)	(398,560)
Trade receivables, net	2,987,806	4,357,948	4,358,889	3,910,602
Bills receivables, gross	1,519,040	1,742,683	2,740,119	3,047,394
Less: allowance for credit losses	(20,846)	(396)	(441)	(433)
Bills receivables, net	1,498,194	1,742,287	2,739,678	3,046,961
Trade and bills receivables	4,486,000	6,100,235	7,098,567	6,957,563

21. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

The Group

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current portion:				
Prepayments for property, plant and equipment and right-of-use assets	76,606	109,267	326,320	341,308
Current portion:				
Prepayments *(note)*	43,330	48,865	43,307	65,526
Other assets	9,114	12,482	2,331	1,904
Other tax recoverable	3,890	9,295	4,765	7,078
Deposits paid	4,791	1,983	7,925	7,818
Other receivables	653	2,707	118	2,046
	61,778	75,332	58,446	84,372
Less: allowance for credit losses	(1,880)	(2,514)	(3,284)	(3,524)
	59,898	72,818	55,162	80,848
	136,504	182,085	381,482	422,156

note: Prepayments mainly comprise prepaid electricity cost and prepaid and deferred [**REDACTED**] expenses.

At the end of each of the reporting period, the ECL of the financial assets included in deposits and other receivables were measured based on the 12-month ECL if they were not past due and there was no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, they were measured based on the lifetime ECL. An impairment analysis was performed at the end of each of the reporting period.

The movement in the allowance for credit losses of deposits and other receivables are as follows:

	12-month ECL	Lifetime ECL (not credit-impaired)	Total
	RMB'000	*RMB'000*	*RMB'000*
As at January 1, 2023	89	1,548	1,637
Transfer	(1)	1	–
ECL recognized	13	233	246
Written off	–	(4)	(4)
Exchange alignment	1	–	1
As at December 31, 2023 and January 1, 2024	102	1,778	1,880
Transfer	(15)	15	–
ECL (reversed)/recognized	(18)	654	636
Exchange alignment	(2)	–	(2)
As at December 31, 2024 and January 1, 2025	67	2,447	2,514
Transfer	(24)	24	–
ECL recognized	179	588	767
Exchange alignment	3	–	3
As at December 31, 2025 and January 1, 2026	225	3,059	3,284
ECL recognized	36	202	238
Exchange alignment	2	–	2
As at March 31, 2026.	263	3,261	3,524

The Company

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current portion:				
Prepayments for property, plant and equipment and right-of-use assets	51,394	79,778	322,156	329,934
Current portion:				
Prepayments	30,543	47,000	41,156	45,698
Other assets	8,735	12,393	2,232	1,888
Deposits paid	4,640	1,252	5,499	5,179
Other receivables	25,774	27,939	20,418	35,876
Other tax recoverable	–	28	–	–
	69,692	88,612	69,305	88,641
Less: allowance for credit losses	(20,517)	(21,772)	(18,395)	(29,561)
	49,175	66,840	50,910	59,080
	100,569	146,618	373,066	389,014

22. FINANCIAL ASSETS AT FVTOCI

The Group

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Equity instruments at fair value	335,844	353,556	656,374	621,058

The Group designated the investments shown in the table below as equity instruments that are measured at FVTOCI, as the Group intended to hold the equity instruments for a long term. These are strategic investments and the Group considers this classification to be more relevant. The details are as follows:

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Company A	–	–	141,218	119,886
Company B	–	–	114,301	84,141
Company C	75,897	78,609	106,836	99,012
Company D	100,000	100,000	100,000	100,000
Company E	25,705	40,705	46,309	46,309
Company F	30,000	30,000	30,000	30,000
Company G	28,242	28,242	29,675	29,675
Company H	20,000	20,000	27,025	27,025
Company I	20,000	20,000	20,010	20,010
Company J	20,000	20,000	20,000	50,000
Company K	10,000	10,000	10,000	10,000
Company L	6,000	6,000	6,000	–
Company M	–	–	5,000	5,000
	335,844	353,556	656,374	621,058

The Company

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Equity instruments at fair value	259,947	274,947	294,018	318,018

23. FINANCIAL ASSETS AT FVTPL

The Group

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Structured deposits and wealth management products *(note (i))*	1,156,956	1,122,399	1,444,626	1,726,947
Interest in a debt investment *(note (ii))*	–	–	70,000	70,000
	1,156,956	1,122,399	1,514,626	1,796,947
Analysis of the amount into current and non-current portions:				
Current	1,156,956	1,122,399	1,444,626	1,726,947
Non-current	–	–	70,000	70,000
	1,156,956	1,122,399	1,514,626	1,796,947

notes:

(i) During the reporting period, the Group entered into several contracts of structured deposits and wealth management products with reputable banks in the PRC, of which will be matured within 12 months.

(ii) In November 2025, the Group entered into an agreement to invest in 2.88% interests of a limited partnership incorporated in the PRC with a total investment cost of RMB70,000,000.

The interest in a debt investment is classified as non-current as the management expected to realise this financial asset after twelve months after each reporting period during the Track Record Period.

The Company

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Structured deposits and wealth management products	1,156,956	1,122,399	1,367,853	1,616,863
Interest in a debt investment	–	–	70,000	70,000
	1,156,956	1,122,399	1,437,853	1,686,863
Analysis of the amount into current and non-current portions:				
Current	1,156,956	1,122,399	1,367,853	1,616,863
Non-current	–	–	70,000	70,000
	1,156,956	1,122,399	1,437,853	1,686,863

24. CASH AND CASH EQUIVALENTS AND RESTRICTED BANK DEPOSITS

The Group

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash and cash equivalents . .	2,014,837	1,925,079	2,348,069	2,079,910
Restricted bank deposits . . .	89,825	98,500	25,280	29,474
	2,104,662	2,023,579	2,373,349	2,109,384

Cash and cash equivalents include cash at banks earns at floating rates based on daily bank deposits rates and short-term deposits for the purpose of meeting the Group's short term cash commitments, which carry interest at market rates.

Included in the bank balances were amounts in RMB of approximately RMB1,903,230,000, RMB1,743,540,000, RMB2,103,800,000 and RMB1,907,757,000 as at December 31, 2023, 2024 and 2025 and March 31, 2026, respectively, which are subjected to relevant rules and regulations of foreign exchange administration promulgated by the government of the PRC.

Details of impairment assessment of cash and cash equivalent and restricted bank deposits are set out in Note 39 to the Historical Financial Information.

The Company

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash and cash equivalents . .	1,865,528	1,752,502	2,053,162	1,850,394
Restricted bank deposits . . .	89,825	98,500	25,280	29,474
	1,955,353	1,851,002	2,078,442	1,879,868

25. TRADE AND BILLS PAYABLES

The Group

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	1,954,545	2,691,143	3,095,133	2,506,487
Bills payables	1,984,992	2,448,206	3,162,912	3,454,218
	3,939,537	5,139,349	6,258,045	5,960,705

The following is an aged analysis of trade and bills payables presented based on the recognition date, at the end of each of the reporting period:

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 30 days	1,789,936	1,189,508	1,613,912	2,361,923
31-60 days	641,596	1,596,660	1,807,925	910,318
61-90 days	412,888	796,286	981,275	891,660
91-365 days	1,075,071	1,554,575	1,842,853	1,796,142
Over 365 days	20,046	2,320	12,080	662
	3,939,537	5,139,349	6,258,045	5,960,705

The credit period on purchases of goods and services of the Group normally ranging from 30 days to 90 days after invoicing.

The Company

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	1,926,282	2,614,787	2,980,797	2,456,112
Bills payables	1,950,596	2,395,865	3,066,774	3,350,599
	3,876,878	5,010,652	6,047,571	5,806,711

26. ACCRUALS AND OTHER PAYABLES

The Group

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Accrued expenses	502,601	511,889	455,388	422,746
Accrued salaries	196,783	200,126	201,345	130,656
Other payables related to the acquisition of property, plant and equipment	119,873	96,112	124,465	180,401
Other tax payables	32,557	36,400	72,173	67,493
Other payables	9,486	7,861	2,626	2,259
Deposits received	1,638	2,160	2,156	2,154
	862,938	854,548	858,153	805,709

The Company

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Accrued expenses	497,528	504,388	447,603	411,840
Accrued salaries	190,219	192,132	191,293	119,811
Other payables related to the acquisition of property, plant and equipment	97,787	94,858	117,983	170,118
Other tax payables	30,420	30,213	70,136	66,522
Other payables	3,739	2,219	2,566	2,194
Deposits received	1,600	2,108	2,100	2,100
	821,293	825,918	831,681	772,585

27. CONTRACT LIABILITIES

The Group

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Sales of lighting products	7,465	3,381	36,580	4,028

As at January 1, 2023, the Group had contract liabilities of approximately RMB16,746,000.

When the Group receives a deposit before production activity commences, this will give rise to contract liabilities at the start of a contract, until the revenue recognized on the relevant contract exceeds the amount of the deposit. The Group typically receives a deposit on acceptance of contract.

All of the contract liabilities at the beginning of the reporting period have been recognized as revenue during the respective financial reporting period as the Group will normally deliver the goods to satisfy the remaining performance obligations of the relevant contract liabilities within one year or less.

The Group classifies these contract liabilities as current because the Group expects them to be settled in its normal operating cycle which is within 12 months after the end of the reporting period.

28. LEASE LIABILITIES

The Group

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Lease liabilities payable:				
Within one year	12,972	16,789	13,083	12,106
Within a period of more than one year but not exceeding two years	14,213	7,235	9,293	8,776
Within a period of more than two years but not exceeding five years	10,137	3,615	5,011	2,507
	37,322	27,639	27,387	23,389
Less: amount due for settlement within 12 months shown under current liabilities	(12,972)	(16,789)	(13,083)	(12,106)
Amount due for settlement after 12 months shown under non-current liabilities	24,350	10,850	14,304	11,283

The weighted average incremental borrowing rates applied to lease liabilities range from 3.65% to 4.30%, 3.10% to 4.30%, 3.10% to 4.30% and 3.10% to 4.30% as at December 31, 2023, 2024 and 2025 and March 31, 2026, respectively.

29. PROVISIONS

The Group

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Warranty provision:				
At the beginning of the year/period	50,383	59,249	72,495	101,739
Additional provision	61,648	135,398	161,068	33,061
Utilization of provision	(52,782)	(122,152)	(131,824)	(6,914)
At the end of the year/period	59,249	72,495	101,739	127,886

Management estimates the related provision for future warranty claims based on historical warranty claim information, as well as recent trends that might suggest that past cost information may differ from future claims.

The Company

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Warranty provision	58,580	71,973	100,216	123,451

30. DEFERRED INCOME

The Group

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Asset-related government grants	634,820	559,682	522,033	501,683

The movements of asset-related government grants are as follows:

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At the beginning of the year/period	519,061	634,820	559,682	522,033
Government grants received	173,700	–	23,440	–
Income recognized	(63,317)	(72,217)	(67,995)	(16,999)
Exchange alignment	5,376	(2,921)	6,906	(3,351)
At the end of the year/period	634,820	559,682	522,033	501,683

The grants related to assets will be recognized in profit or loss over the expected useful life of the relevant asset by equal annual instalments upon the compliance with the conditions attached to the grants and the government's acknowledgement of acceptance.

The Company

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Asset-related government grants	532,718	462,199	419,143	402,518

31. DEFERRED TAX

The Group

Deferred tax assets

	ECL	Write-down of inventories	Fair value change of FVTOCI	Provision	Tax losses	Accrued expenses	Deferred income from government grant	Unrealized profit on intra-group transactions	Share-based payment	Lease liabilities	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2023	13,853	5,477	–	7,635	17,406	3,574	65,824	3,910	–	625	118,304
Deferred tax credited/(charged) to profit or loss during the year	13,376	136	–	1,319	2,540	3,356	16,627	(729)	–	5,242	41,867
Exchange alignment	–	12	–	–	(38)	–	–	–	–	–	(26)
As at December 31, 2023 and January 1, 2024	27,229	5,625	–	8,954	19,908	6,930	82,451	3,181	–	5,867	160,145
Deferred tax credited/(charged) to profit or loss during the year	8,042	102	–	1,972	7,825	(1,151)	(11,002)	(989)	244	(2,263)	2,780
Deferred tax credited to share-based payment reserve	–	–	–	–	–	–	–	–	2	–	2
Exchange alignment	–	(1)	–	–	(145)	–	–	–	–	–	(146)
As at December 31, 2024 and January 1, 2025	35,271	5,726	–	10,926	27,588	5,779	71,449	2,192	246	3,604	162,781
Deferred tax credited/(charged) to profit or loss during the year	421	189	–	4,335	(10,111)	2,540	(6,833)	(478)	1,178	182	(8,577)
Exchange alignment	–	2	–	–	203	–	–	–	–	–	205
As at December 31, 2025 and January 1, 2026	35,692	5,917	–	15,261	17,680	8,319	64,616	1,714	1,424	3,786	154,409
Deferred tax (charged)/credited to profit or loss during the period	(3,543)	148	–	3,922	3,955	(928)	(2,588)	374	1,305	(470)	2,175
Deferred tax credited to other comprehensive income during the period	–	–	2,987	–	–	–	–	–	–	–	2,987
Exchange alignment	–	(1)	23	–	(103)	–	–	–	–	–	(81)
As at March 31, 2026	32,149	6,064	3,010	19,183	21,532	7,391	62,028	2,088	2,729	3,316	159,490

Deferred tax liabilities

	Accelerated tax depreciation	Fair value change of FVTPL	Fair value change of FVTOCI	Right-of-use assets	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2023	123,130	1,849	2,586	614	128,179
Deferred tax charged/(credited) to profit or loss during the year	29,513	(1,556)	–	4,984	32,941
Deferred tax charged to other comprehensive income during the year	–	–	1,606	–	1,606
As at December 31, 2023 and January 1, 2024	152,643	293	4,192	5,598	162,726
Deferred tax charged/(credited) to profit or loss during the year	16,946	67	–	(1,854)	15,159
Deferred tax charged to other comprehensive income during the year	–	–	173	–	173
As at December 31, 2024 and January 1, 2025	169,589	360	4,365	3,744	178,058
Deferred tax charged to profit or loss during the year	8,072	21	–	139	8,232
Deferred tax charged to other comprehensive income during the year	–	–	7,498	–	7,498
Exchange alignment	–	1	–	–	1
As at December 31, 2025 and January 1, 2026.	177,661	382	11,863	3,883	193,789
Deferred tax charged/(credited) to profit or loss during the period	22,341	150	–	(538)	21,953
Deferred tax credited to other comprehensive income during the period	–	–	(5,642)	–	(5,642)
Exchange alignment	–	2	82	–	84
As at March 31, 2026	200,002	534	6,303	3,345	210,184

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

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Net deferred tax assets recognized in the consolidated statements of financial position	21,433	27,668	17,014	24,329
Net deferred tax liabilities recognized in the consolidated statements of financial position	(24,014)	(42,945)	(56,394)	(75,023)
	(2,581)	(15,277)	(39,380)	(50,694)

Temporary difference regarding to unrecognized deferred tax assets

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Unused tax losses	38,938	38,931	38,172	34,656
Deductible temporary difference	421,983	449,719	415,245	369,761
	460,921	488,650	453,417	404,417

The Company

Deferred tax assets

	ECL	Write-down of inventories	Provision	Accrued expenses	Deferred income from government grant	Share-based payment	Lease liabilities	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2023	13,340	5,463	7,441	2,886	63,456	–	625	93,211
Deferred tax credited to profit or loss during the year	13,177	148	1,346	2,775	16,452	–	5,242	39,140
As at December 31, 2023 and January 1, 2024	26,517	5,611	8,787	5,661	79,908	–	5,867	132,351
Deferred tax credited/(charged) to profit or loss during the year	7,924	102	2,009	(977)	(10,578)	244	(2,263)	(3,539)
Deferred tax credited to share-based payment reserve	–	–	–	–	–	2	–	2
As at December 31, 2024 and January 1, 2025	34,441	5,713	10,796	4,684	69,330	246	3,604	128,814
Deferred tax credited/(charged) to profit or loss during the year	513	191	4,465	2,173	(6,459)	1,178	182	2,243
As at December 31, 2025 and January 1, 2026	34,954	5,904	15,261	6,857	62,871	1,424	3,786	131,057
Deferred tax (charged)/ credited to profit or loss during the period	(3,466)	146	3,922	(1,172)	(2,493)	1,305	(470)	(2,228)
As at March 31, 2026	31,488	6,050	19,183	5,685	60,378	2,729	3,316	128,829

Deferred tax liabilities

	Accelerated tax depreciation	Fair value change of FVTPL	Fair value change of FVTOCI	Right-of-use assets	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2023	116,645	1,849	2,586	614	121,694
Deferred tax charged/(credited) to profit or loss during the year	29,637	(1,556)	–	4,984	33,065
Deferred tax charged to other comprehensive income during the year	–	–	1,606	–	1,606
As at December 31, 2023 and January 1, 2024	146,282	293	4,192	5,598	156,365
Deferred tax charged/(credited) to profit or loss during the year	17,007	67	–	(1,854)	15,220
As at December 31, 2024 and January 1, 2025	163,289	360	4,192	3,744	171,585
Deferred tax charged/(credited) to profit or loss during the year	8,034	(54)	–	139	8,119
Deferred tax charged to other comprehensive income during the year	–	–	2,111	–	2,111
As at December 31, 2025 and January 1, 2026	171,323	306	6,303	3,883	181,815
Deferred tax charged/(credited) to profit or loss during the period	22,348	147	–	(538)	21,957
As at March 31, 2026	193,671	453	6,303	3,345	203,772

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

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Net deferred tax liabilities recognized in the statements of financial position	(24,014)	(42,771)	(50,758)	(74,943)

32. SHARE CAPITAL

The Group and the Company

	Number of shares	Share capital
	'000	*RMB'000*
Issued and fully paid share capital:		
As at January 1, 2023, December 31, 2023, January 1, 2024, December 31, 2024, January 1, 2025, December 31, 2025, January 1, 2026 and March 31, 2026	285,679	285,679

33. SHARE AWARDS

Restricted share stock schemes

The fair value of the awarded shares was calculated based on the market price of the Company's shares at the respective grant date, which was to be expensed over the relevant vesting period.

The expected dividend and other features of the awarded shares during the vesting period had not been taken into account when assessing the fair value of these awarded shares.

The weighted average fair value of awarded shares granted during the year ended December 31, 2024 and 2025 were RMB61.00 and RMB60.17 per share respectively.

	Number of shares held for share award schemes	Number of unvested awarded shares	Total
	'000	*'000*	*'000*
As at January 1, 2023	–	–	–
Additions	1,911	–	1,911
As a December 31, 2023 and January 1, 2024	1,911	–	1,911
Share award granted	(540)	540	–
As at December 31, 2024 and January 1, 2025	1,371	540	1,911
Additions	1,302	–	1,302
Share award granted	(571)	571	–
Share award vested	–	(216)	(216)
As at December 31, 2025 and January 1, 2026	2,102	895	2,997
Additions	886	–	886
As at March 31, 2026	2,988	895	3,883

The following is a summary of the principal terms of: (i) the 2024 Employee Stock Scheme approved by shareholders on December 2, 2024 (the "**2024 Employee Stock Scheme**"), and (ii) the 2025 Employee Stock Scheme approved by shareholders on November 20, 2025 (the "**2025 Employee Stock Scheme**", together with the 2024 Stock Scheme collectively as the "**Employee Stock Schemes**"). The terms of each of the Employee Stock Schemes are substantially similar and are summarized below.

(i) Purpose

The purpose of the Employee Stock Schemes is to establish a community of shared future and career community among the Group, shareholders and key employees, which will enhance the interest sharing mechanism among the same, mobilizing and boosting the cohesion, initiative and creativity of team members. The Employee Stock Schemes will incentivize key employees to strive toward building the Company into an outstanding industry leader in the long term, continuously improving corporate governance, and promoting Company's long-term, sustainable and healthy development.

(ii) Administration

The Employee Stock Schemes are executed by the board of directos of the Company (the "**Board**") subject to the approval by the Shareholders' meeting. The meeting of all participants (the "**Participants**") shall have the full power to administer the Employee Stock Schemes. A management committee, the members of which are elected by the meetings of the Participants, is authorized to oversee the day-to-day management of the Employee Stock Scheme.

(iii) Participation

The Participants will consist of senior and middle-level management, technology experts and staff, and other core employees of the Group. The numbers of Participants under 2024 Employee Stock Scheme and the 2025 Employee Stock Scheme shall be no more than 63 and 68 respectively.

(iv) Source and Maximum Number of Shares

The Shares underlying the Employee Stock Schemes shall be A Shares repurchased by the Company from the open market and transferred to the Employee Stock Schemes. Each award granted represents the entitlement to the corresponding portion of A Shares underlying the Employee Stock Schemes (the "**Awards**"). These Awards are subject to a lock-up period and will only be unlocked upon fulfilling the unlocking conditions stipulated. The maximum number of Shares in respect of the Awards that can be granted under each of the Employee Stock Schemes are as follows:

Employee Stock Scheme	Maximum number of Shares granted under the Employee Stock Schemes	Number of Participants
2024 Employee Stock Scheme	540,000	No more than 63
2025 Employee Stock Scheme	571,200	No more than 68

(v) Date of Grant and Term of Schemes

The term of each Employee Stock Scheme shall be 72 months commencing from the date of the public announcement regarding the transfer of the last tranche of relevant A Shares into the stock account under the relevant Employee Stock Scheme (the "**Commencement Date**"). Should the Employee Stock Scheme not be extended upon its expiration, it will automatically terminate. On December 19, 2024 and December 24, 2025, we made announcements that all A shares relevant to the 2024 Employee Stock Scheme and the 2025 Employee Stock Scheme have

been transferred to the stock account for the 2024 Employee Stock Scheme and the 2025 Employee Stock Scheme respectively.

Each of the Employee Stock Scheme will be automatically terminated if not extended upon the expiration of the 72 months. Either Employee Stock Scheme can be early terminated or extended before the expiration of its valid term subject to 2/3 approvals (inclusive) by the Participants attending the Participants' meeting and the approval by the Board. The Employee Stock Schemes shall also be early cancelled if all of the A shares under either Employee Stock Schemes have been unlocked, sold and distributed.

(vi) Performance Targets and Lock-up

Subject to the comprehensive performance evaluation by the remuneration committee under the Board regarding the fulfillment and the performance of each Participant, covering the evaluation period from 2024 to 2026 under the 2024 Employee Stock Scheme and 2025 to 2027 under the 2025 Employee Stock Scheme respectively, the Awards held by the Participants shall be unlocked in three installments in the proportion of 40%, 30% and 30%, commencing from 12 months, 24 months and 36 months respectively after the Commencement Date under the corresponding Employee Stock Scheme. The unlocked Awards shall be distributed in combination of the following manners:

- sold by the management committee as authorized by the meetings of the Participants, with the proceeds to be distributed to the relevant Participants proportionately;
- Arrange non-transaction transfer of the relevant portion of the A shares underlying the unlocked granted Awards to the individual stock account of a Participant; or
- a combination of the above.

The Shares derived from the underlying A Shares obtained under the Employee Stock Schemes as a result of events such as the distribution of share dividends and capitalization of capital reserve by the Company shall also be subject to the above lock-up arrangement.

(vii) Grant Price

The participant shall pay the grant price at RMB72 per share under the 2024 Employee Stock Scheme and RMB68 per share under the 2025 Employee Stock Scheme.

(viii) Dividend and Participant's Rights

Under this Employee Stock Schemes, Participants shall be entitled to the beneficial interest in the shares in proportion to their actual contribution, including but not limited to the right to dividends, right to share allocation, right to capital conversion, etc. The Awards shall not be transferred, pledged, mortgaged, used for debts repayment or any other similar disposals unless otherwise permitted by applicable laws and regulations or approved by the management committee.

Repurchase of shares

During the year ended December 31, 2023, the Company has repurchased 1,911,151 shares of the Company, with an aggregate amount of approximately RMB220,031,000. During the year ended December 31, 2024, the Company has not repurchased share of the Company. During the year ended December 31, 2025 and the three months ended March 31, 2026, the Company has repurchased 1,301,946 and 886,243 shares of the Company, with an aggregate amount of approximately RMB161,186,000 and RMB110,971,000, respectively.

34. COMMITMENTS

The Group had the following capital commitments at the end of each of the reporting period:

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Property, plant and equipment	497,801	411,852	635,659	524,812

35. RETIREMENT BENEFITS SCHEME

Chinese mainland

Employees of the Company and its subsidiaries in the PRC are covered by the retirement and pension schemes defined by local practice and regulations. The Company and subsidiaries are required to contribute a specific percentage of their payroll costs to the retirement and pension schemes. The calculation of contributions for PRC eligible staff is based on certain percentage of the applicable payroll costs. The only obligation of the Group in respect of the retirement benefits scheme is to make the specified contribution.

Outside Chinese mainland

The Group contributes on a monthly basis to various defined contribution plans organized by the relevant government authorities in various areas other than Chinese mainland. The Group's liability in respected of these plans is limited to the contributions payable at the end of each of the reporting period. Contributions to these plans are expensed as incurred.

36. PLEDGE OF ASSETS

The following assets have been pledge to various banks for securing of the Group's issuance of bank acceptance bills, letter of credit and letter of guarantee at the end of each of the reporting period were summarised below:

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Bills receivables	329,567	319,670	554,653	554,653
Restricted bank deposits	89,825	98,500	25,280	25,280
	419,392	418,170	579,933	579,933

37. MATERIAL RELATED PARTY TRANSACTIONS

The Group

Transactions with related parties

During the reporting period, save as disclosed elsewhere in the Historical Financial Information, the Group had the following material related party transactions:

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Rental income from Changzhou Xingyu Investment Management Co., Ltd.* (常州星宇投資管理有限公司)	9	9	9	2	2
Rental income from a company controlled by Ms. Zhou	9	9	9	2	2
Purchase of goods from a company significantly influenced by Ms. Zhou	124	141	17	–	17

Compensation of key management personnel of the Group

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Directors' fees	540	540	540	135	135
Salaries, allowances and benefits in kind	6,277	6,327	7,300	1,596	1,460
Bonuses	975	1,306	1,531	260	226
Pension scheme contributions and social welfare	212	216	367	77	71
Share-based payment	–	204	3,856	646	1,128
	8,004	8,593	13,594	2,714	3,020

Further details of directors' and supervisors' emoluments are included in Note 13 to the Historical Financial Information.

The Company

Guarantee

For the business development needs of Xingyu Serbia, Xingyu Serbia has entered into the "Transfer Agreement for Construction Land of Public Property in the Republic of Serbia" with the Government of Niš, Serbia. The Government of Niš intends to transfer the immovable property (with cadastral parcel numbers 16156/7, 16156/11, 16153/70, 16154/63, and 16154/66, totaling 6,024.00 square meters) in Serbia to Xingyu Serbia. The Company provides a guarantee for Xingyu Serbia, with a guarantee period until December 31, 2030, and a guarantee amount of approximately Euro ("**EUR**") 303,000.

* *The official name of these entities in Chinese. The English is for identification purpose only.*

38. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance. The Group's overall strategy remains unchanged throughout the reporting period.

The capital structure of the Group consists of cash and cash equivalents and equity attributable to equity holders of the Company, comprising issued share capital, share premium, retained earnings and other reserves.

The management of the Group reviews the capital structure regularly. As part of this review, the management of the Group considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the management of the Group, the Group will balance its overall capital structure through the payment of dividends.

39. FINANCIAL INSTRUMENTS

Categories of financial instruments

	FVTOCI	FVTPL	Amortized cost	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2023				
Financial assets				
Trade and bills receivables	–	–	4,398,136	4,398,136
Deposits and other receivables	–	–	3,564	3,564
Financial assets at FVTOCI	335,844	–	–	335,844
Financial assets at FVTPL	–	1,156,956	–	1,156,956
Cash and cash equivalents and restricted bank deposits	–	–	2,104,662	2,104,662
	335,844	1,156,956	6,506,362	7,999,162
Financial liabilities				
Trade and bills payables	–	–	3,939,537	3,939,537
Accruals and other payables	–	–	830,381	830,381
Lease liabilities	–	–	37,322	37,322
	–	–	4,807,240	4,807,240

	FVTOCI	FVTPL	Amortized cost	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2024				
Financial assets				
Trade and bills receivables	–	–	6,108,933	6,108,933
Deposits and other receivables	–	–	2,176	2,176
Financial assets at FVTOCI	353,556	–	–	353,556
Financial assets at FVTPL	–	1,122,399	–	1,122,399
Cash and cash equivalents and restricted bank deposits	–	–	2,023,579	2,023,579
	353,556	1,122,399	8,134,688	9,610,643
Financial liabilities				
Trade and bills payables	–	–	5,139,349	5,139,349
Accruals and other payables	–	–	818,148	818,148
Lease liabilities	–	–	27,639	27,639
	–	–	5,985,136	5,985,136

	FVTOCI	FVTPL	Amortized cost	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2025				
Financial assets				
Trade and bills receivables	–	–	7,149,614	7,149,614
Deposits and other receivables	–	–	4,759	4,759
Financial assets at FVTOCI	656,374	–	–	656,374
Financial assets at FVTPL	–	1,514,626	–	1,514,626
Cash and cash equivalents and restricted bank deposits	–	–	2,373,349	2,373,349
	656,374	1,514,626	9,527,722	11,698,722
Financial liabilities				
Trade and bills payables	–	–	6,258,045	6,258,045
Accruals and other payables	–	–	785,980	785,980
Lease liabilities	–	–	27,387	27,387
	–	–	7,071,412	7,071,412

	FVTOCI	FVTPL	Amortized cost	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at March 31, 2026				
Financial assets				
Trade and bills receivables	–	–	7,000,450	7,000,450
Deposits and other receivables	–	–	6,340	6,340
Financial assets at FVTOCI	621,058	–	–	621,058
Financial assets at FVTPL	–	1,796,947	–	1,796,947
Cash and cash equivalents and restricted bank deposits	–	–	2,109,384	2,109,384
	621,058	1,796,947	9,116,174	11,534,179
Financial liabilities				
Trade and bills payables	–	–	5,960,705	5,960,705
Accruals and other payables	–	–	738,216	738,216
Lease liabilities	–	–	23,389	23,389
	–	–	6,722,310	6,722,310

Financial risk management objectives and policies

The Group's major financial instruments include trade and bills receivables, deposits and other receivables, financial assets at FVTOCI, financial assets at FVTPL, cash and cash equivalents and restricted bank deposits, trade and bills payables, accruals and other payables and lease liabilities. Details of the financial instruments are disclosed in respective notes.

The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

Market risk

Currency risk

The Group is mainly exposed to foreign exchange risk arising from future commercial transactions, and from recognized assets and liabilities. The functional currency of the Company and its major subsidiaries in the PRC is RMB in which most of the transactions are denominated. The functional currencies of subsidiary operating in the Serbia is RSD in which most of their transactions are denominated. The Group is mainly exposed to foreign exchange risk in respect of exchange fluctuations of RMB against RSD. The Group does not have foreign currency hedging policy in respect of foreign currency assets and liabilities during the reporting period. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

The Group did not have any significant financial assets or financial liabilities that are denominated in a currency other than their functional currency during the reporting period. Therefore, the management does not expect that there will be any significant currency risk.

No sensitivity analysis on currency risk is presented as management consider the sensitivity on currency risk is insignificant.

Interest rate risk

The Group is exposed to fair value interest rate risk in relation to lease liabilities. The Group is also exposed to cash flow interest rate risk in relation to variable-rate financial assets at FVTPL and bank balance. The Group manages its interest rate exposures by assessing the potential impact arising from any interest rate movements based on interest rate level and outlook.

No sensitivity analysis on interest rate risk on financial assets at FVTPL and bank balance is presented as management consider the sensitivity on interest rate risk on financial assets at FVTPL and bank balance is insignificant.

Other price risk

The Group is exposed to equity price risk through its investments in equity securities measured at FVTOCI. For equity securities measured at FVTOCI quoted in the Stock Exchange, the management of the Group manages this exposure by maintaining a portfolio of investments with different risks. In addition, the Group also invested in certain unquoted equity securities for investees operating in relevant industry sector for long term strategic purposes which had been designated as FVTOCI. The Group has appointed a special team to monitor the price risk and will consider hedging the risk exposure should the need arise. The directors of the Company manage this risk exposure by maintaining a portfolio of investments with different risk and return profiles and will consider hedging the risk exposure should the need arise if necessary.

As at December 31, 2023, 2024 and 2025 and March 31, 2026, if equity prices had increased/decreased by 10% and all other variables were held constant, post-tax other comprehensive income for the year would increase/decrease by approximately RMB28,433,000, RMB29,934,000, RMB42,856,000 and RMB42,440,000 respectively and the equity other than investment revaluation reserve would remain unchanged.

The sensitivity analysis has been determined by assuming that the price change had occurred at the reporting date and has been applied to the Group's investments at that date. In the management's opinion, the sensitivity analysis is unrepresentative of the inherent price risk as the exposure at the end of the reporting period does not reflect the exposure during the year.

Credit risk and impairment assessment

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk exposures are primarily attributable to trade and bills receivables, deposits and other receivables, cash and cash equivalents and restricted bank deposits. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

The Group performed impairment assessment for financial assets and other items under ECL model. Information about the Group's credit risk management, maximum credit risk exposures and the related impairment assessment, if applicable, are summarized as below:

Trade and bills receivables

In order to minimize the credit risk, the management of the Group has delegated a team responsible for determination of credit limits and credit approvals. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. In addition, the Group performs impairment assessment under ECL model upon application of IFRS 9 based on individually assessment for significant balances and on provision matrix for the remaining.

The Group's concentration of credit risk on trade receivables by geographical locations is mainly in the PRC. As at December 31, 2023, 2024 and 2025 and March 31, 2026, the Group has concentration of credit risk as 34.0%, 36.3%, 22.1% and 18.7% of the gross trade receivables was due from the Group's largest debtor respectively and 69.3%, 76.4%, 61.5% and 61.1% of the gross trade receivables was due from the Group's five largest debtors respectively. In order to minimize the credit risk, the management of the Group has delegated a team responsible for determination of credit limits and credit approvals.

Deposits and other receivables

For deposits and other receivables, the management makes periodic individual assessment on the recoverability of deposits and other receivables based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The management believes that there are no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12-month ECL. For the reporting period, the Group assessed the ECL for deposits and other receivables in accordance with the note below.

Cash and cash equivalents and restricted bank deposits

Credit risk on cash and cash equivalents and restricted bank deposits is limited because the counterparties are reputable banks with high credit ratings assigned by credit agencies. The Group assessed 12-month ECL for cash and cash equivalents and restricted bank deposits by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external credit rating agencies. Based on the average loss rates, the 12-month ECL on cash and cash equivalents and restricted bank deposits is considered to be insignificant and therefore no loss allowance was recognized.

The tables below detail the credit risk exposures of the Group's financial assets, which are subject to ECL assessment:

	Notes	12-month or lifetime ECL	As at December 31, 2023	As at December 31, 2024	As at December 31, 2025	As at March 31, 2026
			RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade and bills receivables	*20*	Lifetime ECL (provision matrix)	4,580,384	6,347,055	7,387,619	7,214,225
Deposits and other receivables	*21 & note*	12-month ECL	2,046	1,333	4,491	3,979
		Lifetime ECL	3,398	3,357	3,552	5,885
Cash and cash equivalents	*24*	12-month ECL	2,014,837	1,925,079	2,348,069	2,084,104
Restricted bank deposits	*24*	12-month ECL	89,825	98,500	25,280	25,280

note:

For the purpose of internal credit risk management, the Group uses past due information to assess the credit risk of counterparties.

Deposits and other receivables

	12-month ECL	Lifetime ECL (not credit-impaired)	Total
	RMB'000	*RMB'000*	*RMB'000*
As at December 31, 2023			
ECL rate	5.0%	52.3%	34.5%
Gross carrying amount	2,046	3,398	5,444
ECL	102	1,778	1,880
As at December 31, 2024			
ECL rate	5.0%	72.9%	53.6%
Gross carrying amount	1,333	3,357	4,690
ECL	67	2,447	2,514
As at December 31, 2025			
ECL rate	5.0%	86.1%	40.8%
Gross carrying amount	4,491	3,552	8,043
ECL	225	3,059	3,284
As at March 31, 2026			
ECL rate	5.0%	70.8%	35.7%
Gross carrying amount	5,260	3,261	9,864
ECL	263	4,604	3,524

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following table details the Group's remaining contractual maturity for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

	Weighted average interest rate	On demand or within 1 year	More than 1 year but less than 5 years	Over 5 years	Total undiscounted cash flows	Total carrying amount
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2023						
Non-derivative financial liabilities						
Trade and bills payables		3,939,537	–	–	3,939,537	3,939,537
Accruals and other payables		830,381	–	–	830,381	830,381
Lease liabilities	4.02%	12,972	26,202	–	39,174	37,322
		4,782,890	26,202	–	4,809,092	4,807,240

	Weighted average interest rate	On demand or within 1 year	More than 1 year but less than 5 years	Over 5 years	Total undiscounted cash flows	Total carrying amount
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2024						
Non-derivative financial liabilities						
Trade and bills payables		5,139,349	–	–	5,139,349	5,139,349
Accruals and other payables		818,148	–	–	818,148	818,148
Lease liabilities	4.02%	16,857	11,763	–	28,620	27,639
		5,974,354	11,763	–	5,986,117	5,985,136

	Weighted average interest rate	On demand or within 1 year	More than 1 year but less than 5 years	Over 5 years	Total undiscounted cash flows	Total carrying amount
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2025						
Non-derivative financial liabilities						
Trade and bills payables		6,258,045	–	–	6,258,045	6,258,045
Accruals and other payables		785,980	–	–	785,980	785,980
Lease liabilities	3.77%	13,739	14,609	–	28,348	27,387
		7,057,764	14,609	–	7,072,373	7,071,412

	Weighted average interest rate	On demand or within 1 year	More than 1 year but less than 5 years	Over 5 years	Total undiscounted cash flows	Total carrying amount
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at March 31, 2026						
Non-derivative financial liabilities						
Trade and bills payables		5,960,705	–	–	5,960,705	5,960,705
Accruals and other payables		738,216	–	–	738,216	738,216
Lease liabilities	3.05%	13,013	12,060	–	25,073	23,389
		6,711,934	12,060	–	6,723,994	6,722,310

40. FAIR VALUE MEASUREMENT

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period, 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 and 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
- Level 3 valuations: Fair value measured using significant unobservable inputs

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group uses its own internal expertise or engages third party qualified valuers to perform the valuation. Valuation is prepared at each interim and annual reporting date, and is reviewed and approved by the management.

Fair value of financial instruments measured at fair value

The following table presents financial instruments measured at fair value on a recurring basis in the consolidated statement of financial position according to the fair value hierarchy:

	Level 1	Level 2	Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2023				
Financial assets at FVTOCI				
– Unlisted equity securities *(note (ii))*	–	–	335,844	335,844
Financial assets at FVTPL				
– Structured deposits and wealth management products *(note (iii))*	–	–	1,156,956	1,156,956
	–	–	1,492,800	1,492,800
As at December 31, 2024				
Financial assets at FVTOCI				
– Listed equity securities *(note (i))*	78,610	–	–	78,610
– Unlisted equity securities *(note (ii))*	–	–	274,946	274,946
Financial assets at FVTPL				
– Structured deposits and wealth management products *(note (iii))*	–	–	1,122,399	1,122,399
	78,610	–	1,397,345	1,475,955

	Level 1	Level 2	Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2025				
Financial assets at FVTOCI				
– Listed equity securities *(note (i))*	362,355	–	–	362,355
– Unlisted equity securities *(note (ii))*	–	–	294,019	294,019
Financial assets at FVTPL				
– Structured deposits and wealth management products *(note (iii))*	–	–	1,444,626	1,444,626
– Interest in a debt investment *(note (iv))*	–	–	70,000	70,000
	362,355	–	1,808,645	2,171,000
As at March 31, 2026				
Financial assets at FVTOCI				
– Listed equity securities *(note (i))*	303,039	–	–	303,039
– Unlisted equity securities *(note (ii))*	–	–	318,019	318,019
Financial assets at FVTPL				
– Structured deposits and wealth management products *(note (iii))*	–	–	1,726,947	1,726,947
– Interest in a debt investment *(note (iv))*	–	–	70,000	70,000
	303,039	–	2,114,966	2,418,005

There was transfer of Level 3 to Level 1 of approximately RMB83,579,000 during the year ended December 31, 2024. The transfer is attributable to successful of initial public offering of certain equity securities during the year. Except for the above, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 during the reporting period. The Group's policy is to recognize transfers between levels of fair value hierarchy at the date of the event or change in circumstances that caused the transfer.

notes:

(i) The fair value of the listed equity securities has been determined by reference to their quoted transaction prices in active market at the end of each of the reporting period.

(ii) The fair value of the unlisted equity securities of approximately RMB335,844,000, RMB274,946,000, RMB294,019,000 and RMB318,019,000 as at December 31, 2023, 2024 and 2025 and March 31, 2026 respectively has been determined with reference to the recent transaction price respectively, such as recent fund-raising transactions undertaken by the investees.

The unobservable input is subscription price of latest round of financing of equity interests. The higher the price of latest round of financing of equity interests, the higher the fair value. If the respective unobservable inputs of financial assets held by the Group had been 10% higher or lower, the pre-tax other comprehensive income for the year ended December 31, 2023, 2024 and 2025 and three months ended March 31, 2026 would have been approximately RMB33,584,000, RMB27,495,000, RMB29,402,000 and RMB31,802,000 higher/lower respectively.

(iii) Fair value of the methodology of structured deposits and wealth management products has been determined by discounted cash flow method using the expected return based on unobservable market inputs.

Future cash flows are estimated using the expected rate of return, which serves as the significant unobservable input ranging from 2.50%, 2.00% to 2.50%, 1.50% to 1.70% and 1.30% to 2.00% as at December 31, 2023, 2024 and 2025 and March 31, 2026 respectively. The higher the expected return rate, the higher the fair value. If the respective unobservable inputs of financial assets held by the Group had been 10% higher or lower, the profit before income tax for the year ended December 31, 2023, 2024 and 2025 and three months ended March 31, 2026 would have been approximately RMB219,000, RMB254,000, RMB215,000 and RMB305,000 higher/lower respectively.

(iv) The fair value of the unlisted debt investment of approximately RMB70,000,000 and RMB70,000,000 as at December 31, 2025 and March 31, 2026 respectively has been determined with reference to the recent transaction price, such as recent fund-raising transactions undertaken by the investee.

The unobservable input is subscription price of latest round of financing of the debt investment. The higher the price of latest round of financing of the debt investment, the higher the fair value. If the respective unobservable inputs of financial assets held by the Group had been 10% higher or lower, the profit before income tax for the year ended December 31, 2025 and three months ended March 31, 2026 would have been approximately RMB7,000,000 and RMB7,000,000 higher/lower respectively.

(iv) The movement of the financial instruments measured at fair value based on significant unobservable inputs (i.e. Level 3) is as follows:

	Financial assets at FVTOCI	**Financial assets at FVTPL**	**Total**
	RMB'000	*RMB'000*	*RMB'000*
As at January 1, 2023	264,055	2,623,326	2,887,381
Purchases	60,000	6,459,270	6,519,270
Fair value change	10,705	56,388	67,093
Disposal	–	(7,982,028)	(7,982,028)
Exchange alignment	1,084	–	1,084
As at December 31 , 2023 and January 1, 2024	335,844	1,156,956	1,492,800
Purchases	15,000	5,357,331	5,372,331
Fair value change	7,683	46,428	54,111
Disposal	–	(5,438,316)	(5,438,316)
Transfer to Level 1	(83,581)	–	(83,581)
As at December 31 , 2024 and January 1, 2025	274,946	1,122,399	1,397,345
Purchases	5,000	7,211,229	7,216,229
Fair value change	14,073	42,499	56,572
Disposal	–	(6,861,501)	(6,861,501)
As at December 31, 2025 and January 1, 2026	294,019	1,514,626	1,808,645
Purchases	30,000	273,993	303,993
Fair value change	–	8,328	8,328
Disposal	(6,000)	–	(6,000)
As at March 31, 2026	318,019	1,796,947	2,114,966

41. MAJOR NON-CASH TRANSACTIONS

Save as disclosed elsewhere in the consolidated financial statements, the Group entered into the following major non-cash transactions during the reporting period:

For the year ended December 31, 2023

During the year ended 31 December, 2023, the Group entered into new lease agreements for the use of leased properties. On the lease commencement, the Group recognized approximately RMB50,552,000 of right-of-use assets and approximately RMB50,552,000 of lease liabilities for the year ended December 31, 2023.

For the year ended December 31, 2024

During the year ended 31 December, 2024, the Group entered into new lease agreements for the use of leased properties. On the lease commencement, the Group recognized approximately RMB2,538,000 of right-of-use assets and approximately RMB2,538,000 of lease liabilities for the year ended December 31, 2024.

For the year ended December 31, 2025

During the year ended 31 December, 2025, the Group entered into new lease agreements for the use of leased properties. On the lease commencement, the Group recognized approximately RMB16,545,000 of right-of-use assets and approximately RMB16,545,000 of lease liabilities for the year ended December 31, 2025.

42. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be classified in the consolidated statement of cash flows as cash flows from financing activities.

	Lease liabilities
	RMB'000
As at January 1, 2023	3,578
Changes from financing cash flows	
– Repayments of lease liabilities	(17,905)
Non-cash changes	
– Increase in lease liabilities from entering into new leases during the year	50,552
– Interest on lease liabilities *(Note 10)*	1,097
	51,649
As at December 31, 2023 and January 1, 2024	37,322
Changes from financing cash flows	
– Repayments of lease liabilities	(13,282)
Non-cash changes	
– Increase in lease liabilities from entering into new leases during the year	2,538
– Interest on lease liabilities *(Note 10)*	1,061
	3,599

	Lease liabilities
	RMB'000
As at December 31, 2024 and January 1, 2025	27,639
Changes from financing cash flows	
– Repayments of lease liabilities	(15,166)
Non-cash changes	
– Increase in lease liabilities from entering into new leases during the year	16,545
– Interest on lease liabilities *(Note 10)*	639
– Early termination of leases	(2,270)
	14,914
As at December 31, 2025 and January 1, 2026	27,387
Changes from financing cash flows	
– Repayments of lease liabilities	(4,196)
Non-cash changes	
– Interest on lease liabilities *(Note 10)*	198
As at March 31, 2026	23,389
As at December 31, 2024 and January 1, 2025	27,639
Changes from financing cash flows	
– Repayments of lease liabilities	(5,912)
Non-cash changes	
– Interest on lease liabilities *(Note 10)*	154
As at March 31, 2025 (unaudited)	21,881

43. PARTICULAR OF PRINCIPAL SUBSIDIARIES

The Group

Name of subsidiary	Place of incorporation/ Establishment	Issued and fully paid share capital	As at December 31, 2023	As at December 31, 2024	As at December 31, 2025	As at March 31, 2026	Principal activities	note
Directly hold								
Changzhou Xinghang Import and Export Trading Co., Ltd.* (常州星航進出口貿易有限公司)	PRC	RMB1,000,000	100%	100%	100%	100%	Import and export of goods	*iii*
Jilin Xingyu Automotive Lighting Systems Co., Ltd* (吉林省星宇車燈有限公司)	PRC	RMB185,000,000	100%	100%	100%	100%	Manufacturing and sales of automotive lighting products	*iii*
Shanghai Xingyu Zhixing Technology Co., Ltd* (上海星宇智行技術有限公司)	PRC	RMB20,000,000	100%	100%	100%	100%	Research and development	*iii*
Xingyu Automotive Japan Co., Ltd^ (星宇車燈日本株式會社)	Japan	Japanese Yen 91,020,000	100%	100%	100%	100%	Research and development	*iii*
Xingyu Automotive Lighting Systems d.o.o. Niš	Republic of Serbia	RSD4,210,368,871.30	100%	100%	100%	100%	Manufacturing and sales of automotive lighting products	*i*
Xingyu Automotive Lighting Systems Europe GmbH	the Federal Republic of Germany	EUR100,000	100%	100%	100%	100%	Research and development and sales of automotive lighting products	*iii*
Xingyu Automotive Lighting (Hong Kong) Co., Ltd	Hong Kong	HK$62,800,000	100%	100%	100%	100%	Investment	*iii*
Xingyu Foshan Automotive Lighting Co., Ltd.* (佛山星宇車燈有限公司)	PRC	RMB195,000,000	100%	100%	100%	100%	Research and development, manufacturing and sales of automotive lighting products	*ii*
Changzhou Xingyu Intelligent Robot Co., Ltd.* (常州星宇智能機器人有限公司)	PRC	RMB100,000,000	-	-	100%	70%	Research and development, manufacturing and sales of intelligent robot	*iii*

* *The official name of these entities in Chinese. The English is for identification purpose only.*

^ *The official name of these entities in Japanese. The English is for identification purpose only.*

notes:

(i) The statutory financial statements of this subsidiary for the years ended December 31, 2023 and 2024 was audited by Premium Audit d.o.o and FinExpertiza d.o.o. Belgrade respectively.

(ii) The statutory financial statements of this subsidiary for the years ended December 31, 2023, 2024 and 2025 was audited by Talent Certified Public Accountants* (天衡會計師事務所(特殊普通合夥)).

(iii) No audited financial statements were prepared for these entities during the reporting period.

The Company

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Interests in subsidiaries	294,448	314,400	440,463	409,156
Amounts due from subsidiaries Included in:				
– trade and bills receivables	59,702	49,306	49,615	58,554
– prepayments, deposits and other receivables	6,710	6,047	5,136	7,978
	66,412	55,353	54,751	66,532
Amounts due to subsidiaries Included in:				
– trade and bills payables	10,588	29,348	248,568	294,559
– accruals and other payables	–	128	20,379	34,979
	10,588	29,476	268,947	329,538

44. RESERVES

(a) Nature and purpose of reserves

Capital reserve

The capital reserve of the Group represents the differences between the net considerations received and the nominal amount of share capital issued by the Company.

Shares held for share award scheme

The shares held for share award scheme represent the cost of the Company's own shares purchased from the market under the share award scheme, which are deducted from shareholders' equity until vested and transferred to employees.

Contribution reserve

The contribution reserve represents the consideration paid by the employees to the Company for enrolling in the share award scheme.

Share-based payment reserve

The share-based payment reserve is for recognizing the grant date fair value of share issued to employees of the Group under the share-based incentive scheme which are not yet vested or exercised in accordance with the accounting policy adopted for equity-settled share-based payments.

Investment revaluation reserve

The investment revaluation reserve comprises all cumulative fair value changes arising from equity instruments measured at FVTOCI, which are recognized in other comprehensive income and transferred directly to retained earnings on disposal without recycling to profit or loss.

Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial information of operations with functional currency other than RMB.

Statutory reserve

Pursuant to the Articles of Association of the Group's PRC companies and relevant statutory regulations, appropriations to the statutory reserve fund were made at 10% of profit after tax determined in accordance with accounting rules and regulations of the PRC until the reserve balance reaches 50% of the registered capital. This reserve fund can be utilized in setting off accumulated losses or increasing capital of the PRC companies provided that the balance after such conversion is not less than 25% of their registered capital, and is non-distributable other than in liquidation.

(b) Movements in components of equity

Year ended December 31, 2023

	Attributable to equity holders of the Company								
	Share capital	Capital reserve	Shares held for share award scheme	Contribution reserve	Share-based payment reserve	Investment revaluation reserve	Statutory reserve	Retained earnings	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2023	285,679	4,176,293	–	–	–	14,655	179,346	3,175,045	7,831,018
Profit for the year	–	–	–	–	–	–	–	1,021,720	1,021,720
Other comprehensive income for the year									
– Change in fair value of investments in equity instruments at FVTOCI	–	–	–	–	–	9,099	–	–	9,099
Total comprehensive income for the year	–	–	–	–	–	9,099	–	1,021,720	1,030,819
Repurchase of shares	–	–	(220,031)	–	–	–	–	–	(220,031)
Dividend declared	–	–	–	–	–	–	–	(312,437)	(312,437)
As at December 31, 2023	285,679	4,176,293	(220,031)	–	–	23,754	179,346	3,884,328	8,329,369

Year ended December 31, 2024

	Attributable to equity holders of the Company								
	Share capital	Capital reserve	Shares held for share award scheme	Contribution reserve	Share-based payment reserve	Investment revaluation reserve	Statutory reserve	Retained earnings	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2024	285,679	4,176,293	(220,031)	–	–	23,754	179,346	3,884,328	8,329,369
Profit for the year	–	–	–	–	–	–	–	1,381,586	1,381,586
Total comprehensive income for the year	–	–	–	–	–	–	–	1,381,586	1,381,586
Grant of shares under share award scheme	–	–	–	38,880	–	–	–	–	38,880
Share-based payment	–	–	–	–	1,626	–	–	–	1,626
Tax impact of share-based payment	–	–	–	–	2	–	–	–	2
Dividend declared	–	–	–	–	–	–	–	(397,276)	(397,276)
As at December 31, 2024	285,679	4,176,293	(220,031)	38,880	1,628	23,754	179,346	4,868,638	9,354,187

Year ended December 31, 2025

	Attributable to equity holders of the Company								
	Share capital	Capital reserve	Shares held for share award scheme	Contribution reserve	Share-based payment reserve	Investment revaluation reserve	Statutory reserve	Retained earnings	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2025	285,679	4,176,293	(220,031)	38,880	1,628	23,754	179,346	4,868,638	9,354,187
Profit for the year	–	–	–	–	–	–	–	1,412,717	1,412,717
Other comprehensive income for the year									
– Change in fair value of investment in equity instruments at FVTOCI	–	–	–	–	–	11,961	–	–	11,961
Total comprehensive income for the year	–	–	–	–	–	11,961	–	1,412,717	1,424,678
Repurchase of shares	–	–	(161,186)	–	–	–	–	–	(161,186)
Grant of shares under share award scheme	–	–	–	38,842	–	–	–	–	38,842
Share-based payment	–	–	–	–	22,605	–	–	–	22,605
Share vested under share award scheme	–	3,858	24,867	(15,552)	(13,173)	–	–	–	–
Dividend declared	–	–	–	–	–	–	–	(426,462)	(426,462)
As at December 31, 2025	285,679	4,180,151	(356,350)	62,170	11,060	35,715	179,346	5,854,893	10,252,664

Three months ended March 31, 2025 (unaudited)

	Attributable to equity holders of the Company								
	Share capital	Capital reserve	Shares held for share award scheme	Contribution reserve	Share-based payment reserve	Investment revaluation reserve	Statutory reserve	Retained earnings	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2025	285,679	4,176,293	(220,031)	38,880	1,628	23,754	179,346	4,868,638	9,354,187
Profit for the period	–	–	–	–	–	–	–	364,869	364,869
Total comprehensive income for the period	–	–	–	–	–	–	–	364,869	364,869
Share-based payment	–	–	–	–	5,110	–	–	–	5,110
As at March 31, 2025	285,679	4,176,293	(220,031)	38,880	6,738	23,754	179,346	5,233,507	9,724,166

Three months ended March 31, 2026

	Attributable to equity holders of the Company								
	Share capital	Capital reserve	Shares held for share award scheme	Contribution reserve	Share-based payment reserve	Investment revaluation reserve	Statutory reserve	Retained earnings	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2026	285,679	4,180,151	(356,350)	62,170	11,060	35,715	179,346	5,854,893	10,252,664
Profit for the period	–	–	–	–	–	–	–	287,847	287,847
Total comprehensive income for the period	–	–	–	–	–	–	–	287,847	287,847
Repurchase of shares	–	–	(110,971)	–	–	–	–	–	(110,971)
Share-based payment	–	–	–	–	8,766	–	–	–	8,766
As at March 31, 2026	285,679	4,180,151	(467,321)	62,170	19,826	35,715	179,346	6,142,740	10,438,306

45. EVENTS AFTER REPORTING PERIOD

On April 10, 2026, the Company declared dividends of RMB18 per 10 shares. The dividends were paid in May 2026 in aggregate of approximately of RMB508,837,000.

In April 2026, the Company has repurchased 4,000 shares of the Company, with an aggregate amount of approximately RMB477,000.

In June 2026, the Company granted 799,975 shares to not more than 70 staff under 2026 Employee Stock Scheme and, with the fulfillment of vesting conditions, proposed to be vested.

46. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any of the companies comprising the Group in respect of any period subsequent to March 31, 2026.

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

This appendix sets out a summary of the principal terms of the Company's Articles of Association that will be applicable after this [**REDACTED**] and [**REDACTED**]. The primary purpose of this appendix is to provide prospective [**REDACTED**] with an overview of the Company's Articles of Association, and therefore it may not contain all information that is important to prospective [**REDACTED**].

ISSUE OF SHARES

The company shall issue Shares under the principles of openness, fairness and equality. Each Share of the same class shall have equal rights. Shares of the same class issued at the same time shall be issued on the same terms and at the same price per Share; the same price shall be paid for each Share subscribed for by subscribers.

INCREASE, REDUCTION, REPURCHASE AND TRANSFER OF SHARES

Increase and Reduction of Shares

The company may increase its capital in the following ways based on the needs of its operation and development, and in accordance with the provisions of laws and regulations, and upon the separate resolution of the shareholders' meeting:

(1) Issuing shares to non-specific objects;

(2) Issuing shares to specific objects;

(3) Issuing bonus shares to shareholders;

(4) Increasing share capital with the reserved funds;

(5) Other ways regulated by laws and administrative regulations and the securities regulatory authorities of the place where the Company's shares are listed.

The Company may reduce its registered capital. The Company shall reduce its registered capital in accordance with the procedures set out in the Company Law and other relevant regulations as well as the Articles of Association.

Repurchase of Shares

The Company shall not acquire its own shares, except in any of the following circumstances:

(1) to reduce the registered capital of the company;

(2) to merger with other companies holding the Company's shares;

(3) to use the shares for employee stock ownership plan or equity incentives plan;

(4) request by any shareholders of the company to acquire their shares due to their objection to the shareholders' meeting resolution on the merger or division of the company;

(5) to use the shares for the conversion of corporate bonds issued by the company that are convertible into shares;

(6) necessary for the company to safeguard the value of the company and shareholders' rights and interests.

The Company may acquire its own shares by means of public centralized trading or other means that are approved by laws, administrative regulations and securities regulatory authorities of the place where the Company's shares are listed. If the Company acquires its own shares under the circumstances set out in items (3), (5) and (6) of the preceding paragraph, it shall be conducted by means of public centralized trading.

If the Company acquires its own shares for the reasons specified in items (1) and (2) of the preceding paragraph, resolutions related thereto shall be adopted at the shareholders' meeting. If the Company acquires its own shares under the circumstances set out in items (3), (5) and (6) of the preceding paragraph, resolutions related thereto shall be adopted at Board meeting with more than two-thirds of the directors attending subject to applicable securities regulatory rules of the place where the Company's shares are listed. After the acquisition of

the Company's shares, the Company shall fulfill its information disclosure obligations in accordance with the Securities Law and the rules of the securities regulatory authorities of the place where the Company's shares are listed and the Stock Exchange. After the Company acquires its own shares in accordance with above provisions, if it falls under item (1), the shares shall be canceled within 10 days from the date of acquisition; if it falls under items (2), (4), the shares shall be transferred or canceled within 6 months. If the Company acquires its own shares in accordance with the provisions of items (3), (5), and (6) above, the total number of shares held by the Company shall not exceed 10% of the total issued shares of the Company, and the shares shall be transferred or canceled within 3 years.

Transfer of Shares

No transfer of the shares of the Company issued before its public offering of A shares shall be made within 1 year from the date on which the shares of the Company are listed and traded on the Shanghai Stock Exchange.

The directors, general managers and senior management members of the Company shall report to the Company their shareholdings and the changes thereof, and shall not transfer in a given year during their terms of office determined upon appointment more than 25% of the total number of shares of the Company held by them; the shares of the Company held by them shall not be transferred within 1 year from the date on which the shares of the Company are listed and traded. The aforesaid persons shall not transfer the shares of the Company held by them within six months from the date of their resignations.

If the securities regulatory rules of the place where the Company's shares are listed impose additional restrictions on the transfer of the Company's shares, shall also comply with such provisions.

Directors, senior management members, and shareholders holding 5% or more of the Company's shares of the company, sells the Company's shares or other securities of an equity nature held within 6 months after purchase, or repurchase them within 6 months after sale, the proceeds thus earned shall belong to the Company, and the Board of the Company shall recover the proceeds, except for the securities companies holding more than 5% of the shares as a result of underwriting the purchase of the remaining shares after the sale and other circumstances specified by CSRC. Where the securities regulatory rules of the place where the Company's shares are listed provide otherwise, such rules shall prevail.

The shares or other securities of an equity nature held by directors, senior management members and natural person shareholders referred to in the preceding paragraph include the shares or other securities of an equity nature held by their spouses, parents and children, as well as shares or other securities of an equity nature held through the account of others.

If the Board of the Company does not abide by the provisions of paragraph 1 of this Article, shareholders shall have the right to request the Board to do so within 30 days. If the Board of the Company fails to do so within the said period, shareholders shall have the right to file a lawsuit directly with the people's court in their own name for the benefit of the Company.

If the Board of the Company does not abide by the provisions of paragraph 1 of this Article, the responsible directors shall be jointly liable according to law.

SHAREHOLDERS AND SHAREHOLDERS' MEETING

Shareholders

The Company makes a register of shareholders in accordance with evidentiary documents provided by the securities registration authorities. The register of shareholders is sufficient evidence to prove that the shareholders hold the Company's shares. Shareholders shall enjoy rights and assume obligations according to the class of shares they hold. Shareholders holding shares of the same class shall enjoy the same rights and assume the same obligations.

Shareholders of the Company shall enjoy the following rights:

(1) to receive distribution of dividends and other forms of benefits according to the proportion of shares held;

(2) to request to hold, convene, preside over, participate in or authorize proxies to attend the shareholders' meeting and exercise corresponding voting rights;

(3) to supervise the operations of our Company, provide suggestions or submit queries;

(4) to transfer, grant and pledge the Company's shares held in accordance with the laws, administrative regulations and the Articles of Association;

(5) to inspect and copy the Articles of Association, the register of shareholders, shareholders' meeting minutes, resolutions of Board meetings and financial and accounting reports, and eligible shareholders may inspect the company's accounting books and accounting vouchers;

(6) to participate in the distribution of the remaining assets of the Company according to the proportion of shares held upon our termination or liquidation;

(7) to acquire the shares of shareholders who have voted against the resolutions on the merger or division of the Company at a shareholders' meeting upon their request;

(8) other rights stipulate by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

Shareholders requesting to inspect or copy the Company's relevant materials shall comply with the provisions of laws and administrative regulations such as the Company Law and the Securities Law.

The shareholders of the Company shall assume the following obligations:

(1) to comply with the laws, administrative regulations and the Articles of Association;

(2) to pay capital contribution as per the shares subscribed for and the method of subscription;

(3) not to withdraw shares unless in the circumstances stipulated by laws and regulations;

(4) not to abuse shareholder's rights to harm the interests of the Company or other shareholders; not to abuse the Company's position as a independent legal entity or shareholder's limited liability to harm the interests of the creditors of the Company;

(5) to fulfill other obligations stipulated by the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

If any shareholder of the Company abuses his/her shareholder's right, thereby causing any loss to the Company or other shareholders, the said shareholder shall be liable for compensation according to the laws. If any shareholder of the Company abuses the

Company's position as an independent legal entity or shareholder's limited liability for the purpose of evading repayment of debts, thereby severely damaging the interests of the creditors of the Company, the shareholder shall bear joint liabilities for the Company's debts.

General Rules for the Shareholders' Meeting

The shareholders' meeting of the Company shall be composed of all shareholders. The shareholders' meeting shall be the authority of the Company and shall exercise the following functions and powers:

(1) to elect and replace the directors who are not employee representatives, and decide on matters relating to the remuneration of the directors;

(2) to consider and approve reports of the Board;

(3) to consider and approve the Company's profit distribution plans and plans for making up losses;

(4) to resolve on increase or reduction in the Company's registered capital;

(5) to resolve on the issuance of corporate bonds;

(6) to resolve on merger, division, dissolution, liquidation or change of corporate form of the Company;

(7) to amend the Articles of Association;

(8) to resolve on the Company's appointment or removal of the accounting firm responsible for the Company's audit business, and determine its remuneration;

(9) to consider and approve the guarantees of the Articles of Association;

(10) to consider the Company's purchase or disposal of material assets within one year which reach over 30% of the latest audited total assets of the Company;

(11) to consider and approve matters relating to changes in the use of proceeds raised;

(12) to consider equity incentive plan and employee stock ownership plans;

(13) to resolve on the establishment by the Board of Directors of specialized committees such as the Strategy and ESG Committee, the Audit Committee, the Nomination Committee, and the Remuneration and Evaluation Committee;

(14) to decide on matters concerning the Company's acquisition of its own shares under specific circumstances stipulated in the Company's Articles of Association.

(15) to consider other matters as required by the laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association which shall be decided by the shareholders' meeting.

The shareholders' meeting may authorize the Board of Directors to resolve on the issuance of corporate bonds.

Unless otherwise provided by laws, administrative regulations, the securities regulatory authorities of the place where the Company's shares are listed, or the rules of the stock exchange, the aforementioned functions and powers of the shareholders' meeting may not be conferred to the Board of Directors or other institutions or individuals through authorization.

Shareholders' meetings are classified as annual shareholders' meetings and extraordinary shareholders' meetings. Annual shareholders' meetings shall be convened once a year and be held within six months after the end of the previous accounting year.

In the event of any of the following circumstances, the company shall convene an extraordinary general meeting within two months from the date of occurrence of the fact:

(1) the number of directors is less than the minimum number required by the Company Law or is less than two-thirds of the number prescribed in the Articles of Association;

(2) the uncovered losses of the Company amount to one-third of its total paid-in share capital;

(3) upon the written request of shareholder(s) individually or collectively holding more than 10% of the Company's shares;

(4) it is deemed necessary by the Board;

(5) it is proposed to be convened by the audit committee;

(6) such other circumstances as provided by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

Convening of Shareholders' Meeting

With the consent of more than half of all independent directors, independent directors have the right to propose to the Board to convene an extraordinary shareholders' meeting. Regarding the proposal of independent directors to convene an extraordinary shareholders' meeting, the Board shall, in accordance with laws and administrative regulations, Securities regulatory rules of the place where the company's shares are listed and the provisions of the company's Articles of Association, and provide written feedback on whether or not to agree to convene an extraordinary shareholders' meeting within 10 days after receiving the proposal. If the Board agrees to convene an extraordinary shareholders' meeting, it shall issue a notice of convening the shareholders' meeting within 5 days after the resolution of the Board is made.

The Audit Committee has the right to propose to the Board the convening of an extraordinary shareholders' meeting, and shall submit the proposal to the Board in writing. The Board shall, in accordance with laws, administrative regulations, securities regulatory rules of the place where the company's shares are listed and the company's Articles of Association, provide written feedback on whether it agrees or disagrees with the convening of an extraordinary shareholders' meeting within 10 days after receiving the proposal. If the Board agrees to convene an extraordinary shareholders' meeting, it shall issue a notice of convening the shareholders' meeting within 5 days after the resolution of the Board is made, and any changes to the original proposal in the notice shall be approved by the Audit Committee. If the Board does not agree to convene an extraordinary shareholders' meeting, or fails to give feedback within 10 days after receiving the proposal, it shall be deemed that the Board is unable to perform or fails to perform its duties of convening the shareholders' meeting, and the Audit Committee may convene and preside over the meeting by itself.

Shareholders individually or jointly holding more than 10% of the Company's shares shall have the right to request the Board to convene an extraordinary shareholders' meeting, and shall submit a proposal to the Board in writing. The Board shall, in accordance with laws, administrative regulations, securities regulatory rules of the place where the company's shares are listed and the company's Articles of Association, provide written feedback on whether it agrees or disagrees with the convening of an extraordinary shareholders' meeting within 10 days after receiving the request. If the Board agrees to convene an extraordinary shareholders' meeting, it shall issue a notice of convening the shareholders' meeting within 5 days after the resolution of the Board is made, and the consent of the relevant shareholders shall be obtained for any changes to the original request in the notice.

If the Board does not agree to convene the extraordinary shareholders' meeting, or fails to give feedback within 10 days after receiving the request, shareholders individually or jointly holding more than 10% of the shares of the Company have the right to propose to the Audit Committee the convening of the extraordinary shareholders' meeting, and shall submit a request to the Audit Committee in writing.

If the Audit Committee agrees to convene an extraordinary shareholders' meeting, it shall issue a notice of convening the shareholders' meeting within 5 days after receiving the request. Changes to the original request in the notice shall obtain the consent of the relevant shareholders.

If the Audit Committee fails to issue the notice of the shareholders' meeting within the prescribed time limit, it shall be deemed that the Audit Committee has not convened and presided over the shareholders' meeting. Shareholders who individually or collectively hold more than 10% of the company's shares for more than 90 consecutive days may convene and preside over the meeting themselves.

Proposals and Notices of Shareholders' Meeting

When the company convenes a shareholders' meeting, the Board, the Audit Committee and shareholders individually or jointly holding more than 1% of the company's shares have the right to put proposals to the company.

Shareholders individually or collectively holding more than 1% of the company's shares may put temporary proposals and submit them in writing to the convener 10 days before the shareholders' meeting. The convener shall issue a supplementary notice of the shareholders' meeting within 2 days after receiving the proposal, announce the contents of the temporary proposal and submit the temporary proposal to the shareholders' meeting for consideration. However, this does not apply to extraordinary proposals that violate laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, or the provisions of the Company's Articles of Association, or to extraordinary proposals that do not fall within the scope of the functions and powers of the shareholders' meeting.

Save as specified in the preceding paragraph, the convener shall not change the proposal set out in the notice of shareholders' meeting or add any new proposal after the said notice announcement is served.

Proposals which are not specified in the notice of the shareholders' meeting or which do not comply with the Articles of Association shall not be voted and resolved at the shareholders' meeting and become resolutions.

When the convener convenes an annual general meeting, an announcement of the meeting shall be given 21 days before the date of the meeting to notify all of the shareholders, and when the convener convenes an extraordinary general meeting, an announcement of the meeting shall be given 15 days before the date of the meeting to notify all of the shareholders. In determining the commencement date and the period, the date of the meeting convened shall be excluded.

A notice of shareholders' meeting shall include the following content:

(I) specify the time and the place and the duration of the meeting;

(II) state the matters and motions to be discussed at the meeting;

(III) contain a conspicuous statement that Shareholders are entitled to attend the shareholders' meeting and vote, and the shareholder may appoint a proxy in writing to attend the meeting and vote on his/her behalf and that a proxy need not be a shareholder of the Company;

(IV) specify the record date for determining the shareholders who are entitled to attend the shareholders' meeting;

(V) state the names and telephone numbers of the standing contact persons for the meeting;

(VI) specify the time and procedure for online voting or through other means.

After the notice of the shareholders' meeting is issued, the shareholders' meeting shall not be postponed or cancelled, and the motions set out in such notice shall not be cancelled without valid reasons. Where a meeting has to be postponed or cancelled, the convener shall publish a public announcement at least 2 working days before the original date of the meeting and state the reasons.

Holding of Shareholders' Meetings

All Shareholders recorded in the register as at the shareholding record date or their proxies shall have the right to attend the shareholders' meeting and speak at the shareholders' meeting and exercise the voting rights in accordance with the relevant provisions of laws, regulations, the securities regulatory rules of the place where the company's shares are listed and the Articles of Association.

A shareholder may attend the shareholders' meeting in person or appoint a proxy to attend and vote on his behalf. The proxy need not be a shareholder of the Company.

When a shareholders' meeting requests directors and senior management to be present at the meeting, the directors and senior management shall be present at the meeting and accept questions from shareholders. Subject to compliance with the securities regulatory rules of the place where the shares of the Company are listed, the aforementioned persons may be present at the meeting via online, video, telephone or other means of equivalent effect.

A shareholders' meeting shall be presided over by the chairman of the board of directors. If the chairman of the board of directors is unable or fails to perform his/her duties, the vice chairman shall act on behalf of the chairman to perform the chairman's duties; if both the chairman and the vice chairman are unable or fail to perform their duties, one director designated by more than half of the directors shall preside over the meeting.

If a shareholders' meeting is convened by the audit committee, the convener of the audit committee shall preside over the meeting. In the event that the convener of the audit committee is unable or fails to perform his/her duties, one audit committee member designated by more than half of the audit committee members shall preside over the meeting.

If a shareholders' meeting is convened by the shareholders themselves, the convener or his/her nominated representative shall preside over the meeting.

When a shareholders' meeting is convened, if the chairman of the meeting contravenes the rules of procedures, rendering the meeting impossible to proceed, with the consent from more than half of the shareholders with voting rights present on-site at the shareholders' meeting, one person may be nominated at the shareholders' meeting to serve as the chairman and the meeting may proceed.

The Company shall formulate the Rules of Procedure for Shareholders' Meetings, specifying in detail the procedures for summoning, convening and voting at the shareholders' meeting, including notice, registration, reviewing of proposals, voting, counting of votes, announcement of voting results, formation of meeting resolutions, minutes of meeting and their signing, public announcements as well as the principle for the authorization granted to the board of directors by the shareholders' meeting, and the authorization content shall be clear and specific. The Rules of Procedure for Shareholders' Meetings shall be appended to the Articles of Association, which shall be formulated by the board of directors and approved by the shareholders' meeting.

Voting and Resolutions of Shareholders' Meetings

Resolutions of shareholders' meetings shall be divided into ordinary resolutions and special resolutions.

To adopt an ordinary resolution, more than half of the voting rights represented by the shareholders (including shareholders' proxies) present at the shareholders' meeting must be exercised in favour of the resolution.

To adopt a special resolution, more than two-thirds of the voting rights represented by the shareholders (including shareholders' proxies) present at the shareholders' meeting must be exercised in favour of the resolution.

The following matters shall be resolved by way of an ordinary resolution of the shareholders' meeting:

(I) work reports of the Board;

(II) plans for the distribution of profits and making up of losses proposed by the Board;

(III) appointment or dismissal of the members of the Board, and their remuneration and payment methods;

(IV) matters other than those that laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association require to be passed by way of a special resolution.

The following matters shall be resolved by way of a special resolution of the shareholders' meeting:

(I) increase or reduction of the Company's registered capital;

(II) issuance of corporate bonds by the Company;

(III) division, spin-off, merger, dissolution and liquidation of the Company;

(IV) amendment of the Articles of Association;

(V) any purchase or disposal of substantial assets made or guarantee provided to others by the Company within one year, the amount of which exceeds thirty percent (30%) of the total assets as presented in the latest audited financial statements of the Company;

(VI) repurchase of the Company's own shares;

(VII) share incentive plans;

(VIII) adjustment or change of the Company's profit distribution policy;

(IX) matters as required by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association, or other matters that, as resolved by way of an ordinary resolution of the shareholders' meeting, may have a significant impact on the Company and require adoption by way of a special resolution.

Shareholders (including shareholders' proxies) shall exercise their voting rights according to the number of voting shares they represent, with each share carrying one vote. To the extent permitted by the applicable securities regulatory rules of the place where the shares are listed, a shareholder (including a shareholder's proxy) with two or more votes need not cast all of his/her/its votes for or against a resolution or abstain from voting in respect of all such votes.

Where material issues affecting the interests of small and medium investors are being considered at the shareholders' meeting, the votes by small and medium investors shall be counted separately. The results of such separate counting shall be publicly disclosed in a timely manner.

Shares in the Company held by the Company itself do not carry any voting rights and shall not be counted in the total number of voting shares represented by shareholders present at a shareholders' meeting.

If a shareholder purchases shares of the Company carrying voting rights in violation of the provisions of Paragraph 1 and Paragraph 2 of Article 63 of the Securities Law, the portion of such shares exceeding the prescribed proportion shall not be entitled to exercise voting rights for thirty-six (36) months after the purchase and shall not be counted in the total number of shares with voting rights represented at a shareholders' meeting.

In accordance with applicable laws, regulations and the Hong Kong Listing Rules, if any shareholder is required to abstain from voting on a resolution or is restricted to voting only in favour of (or against) a resolution, any votes cast by such shareholder or its representative in violation of such requirement or restriction shall not be counted in the total number of voting shares.

The Board, independent directors, shareholders holding more than one percent (1%) of the voting shares of the Company or investor protection institutions established in accordance with laws, administrative regulations or the provisions of the securities regulatory authority of the State Council may, as soliciting parties, on their own or by engaging a securities company or securities service institution, publicly request the shareholders of the listed company to authorize them to attend the shareholders' meeting on their behalf and to exercise shareholders' rights such as proposal rights and voting rights. Shareholders' voting rights shall be solicited with full disclosure of specific voting intentions and other information to the persons whose rights are being solicited. Solicitation of shareholders' voting rights for consideration or de facto consideration is prohibited. Except as required by statutory conditions, neither the Company nor the convener of a shareholders' meeting shall impose any minimum shareholding ratio threshold for soliciting voting rights.

DIRECTORS AND THE BOARD OF DIRECTORS

Directors

The directors of the Company include executive directors, non-executive directors and independent directors (i.e., independent non-executive directors). Non-executive directors refer to directors who do not hold any management position in the Company.

Directors shall be elected or changed by the shareholders' meeting and may be removed from office by the shareholders' meeting prior to the expiry of their term of office. The term of office of a director is three (3) years. Upon expiry of the term, a director may serve consecutive terms if re-elected in accordance with the securities regulatory rules of the place where the Company's shares are listed.

A director's term of service commences from the date he/she takes office and ends upon the expiry of the term of office of the current Board of Directors. If a re-election is not conducted in a timely manner upon the expiry of a director's term of office, the outgoing director shall continue to perform his/her duties as a director in accordance with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association until the re-elected director takes office.

Directors may concurrently serve as senior management personnel, provided that the aggregate number of directors concurrently serving as senior management personnel and directors who are employee representatives shall not exceed one half of the total number of directors of the Company.

Directors shall comply with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, and shall faithfully perform their obligations to the Company. Directors shall take measures to avoid conflicts between their own interests and the interests of the Company, and shall not procure any undue benefit by taking advantage of their functions and powers.

Directors shall comply with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, and shall diligently perform their obligations to the Company. In performing their duties, directors shall exercise the reasonable care normally expected of a manager in the best interests of the Company.

Independent Directors

The Company shall have independent directors. Independent directors refer to directors who do not hold any position other than that of a director in the Company and have no relationship with the listed company which appointed them or its major shareholders that may affect their independent and objective judgment; at the same time, independent directors shall also satisfy the relevant requirements for "independent non-executive directors" under the Hong Kong Listing Rules.

The Company shall have at least three (3) independent directors on its Board of Directors, and the proportion of independent directors shall not be lower than one third of the total number of Board members. At least one independent director must possess appropriate professional qualifications as required by the securities regulatory rules of the

place where the Company's shares are listed, or be an accounting professional with appropriate expertise in accounting or related financial management.

Board of Directors

The Board of Directors shall be composed of nine (9) directors, including four (4) independent directors and five (5) non-independent directors. The Board of Directors shall have one (1) chairman and one (1) vice chairman.

The Board of Directors shall exercise the following functions and powers:

(I) to convene shareholders' meetings and report its work to the shareholders' meetings;

(II) to implement the resolutions of the shareholders' meetings;

(III) to determine the business plans and investment plans of the Company;

(IV) to formulate the Company's profit distribution plans and loss recovery plans;

(V) to formulate the Company's plans for increase or reduction of registered capital, issuance of bonds or other securities, and the listing thereof;

(VI) to formulate plans for material acquisitions by the Company, purchase of the Company's own shares, merger, division, dissolution or change of corporate form of the Company;

(VII) to determine, within the scope of authority granted by the shareholders' meeting, matters such as external investments, acquisition and disposal of assets, asset mortgages, external guarantees, entrusted wealth management, connected transactions, and external donations;

(VIII) to determine the establishment of the Company's internal management organs;

(IX) to elect the chairman and the vice chairman of the Board, and to decide on the appointment or dismissal of the general manager of the Company; based on the nominations of the chairman of the Board, to decide on the appointment or dismissal of the secretary to the Board and other management personnel, and to determine their remuneration, rewards and penalties; based on the nominations of the general manager, to decide on the appointment or dismissal of deputy manager(s), the financial controller and other senior management personnel of the Company, and to determine their remuneration, rewards and penalties;

(X) to establish the basic management systems of the Company;

(XI) to formulate proposals for amendments to the Articles of Association;

(XII) to manage information disclosure matters of the Company;

(XIII) to propose to the shareholders' meeting the appointment or change of the accounting firm engaged to audit the Company;

(XIV) to listen to work reports from and review the work of the general manager of the Company;

(XV) to formulate proposals for the establishment of various special committees under the Board of Directors, determine their composition, and submit such proposals to the shareholders' meeting for approval;

(XVI) to initiate the "freeze upon misappropriation" mechanism against the shares of the Company held by a controlling shareholder upon discovery by the Board that the controlling shareholder has misappropriated the Company's assets; that is, upon discovery of asset misappropriation by a controlling shareholder, the Board shall immediately demand repayment within a specified time limit, failing which it shall apply for judicial freezing of such shares; if repayment cannot be made in cash, the misappropriated assets shall be recovered by liquidating the equity;

(XVII) where a director or senior management personnel of the Company assists or connives in a controlling shareholder or its affiliated enterprises misappropriating the Company's assets, the Board shall impose sanctions on the persons directly responsible according to the seriousness of the circumstances and propose to the shareholders' meeting the dismissal of any director who bears serious responsibility;

(XVIII) to decide on matters concerning the Company's purchase of its own shares under the circumstances specified in items (III), (V) and (VI) of Article 26 of the Articles of Association;

(XIX) other functions and powers granted by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed, these Articles of Association or the shareholders' meeting.

The Board of Directors shall formulate the Rules of Procedure for the Board of Directors to ensure the implementation of resolutions of the shareholders' meetings, improve work efficiency, and guarantee scientific decision-making. The Rules of Procedure for the Board of Directors shall be appended to the Articles of Association, and shall be formulated by the Board of Directors and approved by the shareholders' meeting.

The Board of Directors shall determine the authorization limits for matters such as external investments, acquisition and disposal of assets, asset mortgages, external guarantees, entrusted wealth management, connected transactions, and external donations, and establish strict review and decision-making procedures; major investment projects shall be evaluated by relevant experts and professionals and submitted to the shareholders' meeting for approval. Subject to compliance with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, and other provisions of these Articles of Association, the authority of the Company's Board of Directors for reviewing transactions shall be made by reference to the provisions of the Hong Kong Listing Rules.

The chairman of the Board shall exercise the following functions and powers:

(I) to preside over shareholders' meetings and convene and preside over meetings of the Board of Directors;

(II) to supervise and inspect the implementation of the resolutions of the Board of Directors;

(III) to sign the Company's shares, corporate bonds, and other securities;

(IV) to sign important documents of the Board of Directors and other documents that should be signed by the legal representative of the Company;

(V) to exercise the functions and powers of the legal representative;

(VI) in the event of an emergency caused by force majeure such as a severe natural disaster, to exercise special dispository powers over the Company's affairs in a manner consistent with legal provisions and the Company's interests, and to report to the Board of Directors and the shareholders' meeting of the Company afterwards;

(VII) other functions and powers granted by the Board of Directors.

Board meetings shall be held at least four times every year, and shall be convened by the chairperson; regarding regular meetings of the Board, all the Directors shall be notified in writing 14 days before the meeting.

The chairman shall convene Extraordinary Board meetings within 10 days after receiving the proposal under any of the following circumstances:

(i) the chairperson considers it necessary;

(ii) over 1/3 of the Directors jointly file a proposal;

(iii) the Audit Committee file a proposal;

(iv) it is proposed by more than 1/10 of the shareholders with voting rights;

(v) over 1/2 of the independent Directors file a proposal;

(vi) at the request of the relevant securities regulatory authorities;

(vii) other circumstances as stipulated by the Articles of Association.

The notice on Extraordinary board meeting convened by the Board shall be delivered in writing 5 working days before the convening of the meeting to all Directors. If the situation is urgent and it is necessary to convene an Extraordinary Board meeting as soon as possible, the meeting notice may be sent by telephone or other oral means at any time, but the convener shall make an explanation at the meeting.

A meeting of the Board shall be held only if more than half of the Directors are present. Unless otherwise stipulated in the Articles of Association and its annexes, resolutions of the Board must be passed by a majority of all Directors.

The voting on the resolution of the Board of Directors shall be one person, one vote.

Special Committee of the Board

The Board of the Company shall establish an Audit Committee to exercise the functions and powers of the Supervisory Committee as stipulated in the Company Law.

The Audit Committee consists of three to five Directors, all of whom must be non-executive Directors, of whom more than half are independent Directors, and accounting professionals among the independent Directors act as convener (chairman).

In addition to the Audit Committee, the Board of the Company shall establish special committees, such as the Strategy and ESG committee, the nomination committee and the Remuneration and Evaluation Committee in accordance with the resolutions of the Shareholders' meeting.

Board Secretary

The Board shall have a Board Secretary. The Board Secretary is the officer of the company and is responsible to the Board.

Directors or officers of the company may concurrently serve as the Board Secretary of the company's Board. Certified public accountants of accounting firms and lawyers of law firms hired by the company shall not concurrently serve as the Board Secretary of the company's Board.

The Board Secretary shall be nominated by the chairman of the Board and appointed or dismissed by the Board. If a Director concurrently serves as the Board Secretary, if a certain act needs to be done by the Director and the Board Secretary separately, the person who concurrently serves as the Director and the Board Secretary of the company shall not do it in dual capacities.

General Manager and other officers

A company shall have one general manager who shall be decided to be appointed or removed by the Board.

The Company shall have several deputy general managers, of whom shall be decided to be appointed or removed by the Board.

The Directors may hold the position of general manager, deputy general manager or other officers, but the number of the Directors holding such positions shall not exceed half of the total number of the Directors of the company.

General manager, deputy manager, financial officer, Board Secretary of the company are the company's officers.

The general manager shall be accountable to the Board and shall exercise the following functions and powers:

(i) to be in charge of the Company's production, operation and management, and to organize and implement the resolutions of the Board and report on works to the Board;

(ii) to organize and implement the Company's annual plan and investment proposals;

(iii) to draft plans for the establishment of the Company's internal management organizations;

(iv) to draft the Company's basic management system;

(v) to formulate specific rules and regulations for the Company;

(vi) to propose to the Board on the appointment or dismissal of deputy general manager and financial officer of the Company;

(vii) to decide on the appointment or dismissal of management personnel other than those required to be appointed or dismissed by the Board;

(viii) to propose salaries, welfare, reward and penalty, and determine employment and dismissal of the Company's staff;

(ix) to exercise other powers conferred by the Articles of Association and the Board.

The general manager shall be present at meetings of the Board. the general manager who is not a Director of the Company has no voting right at the Boarding meetings.

Officers of the Company shall perform their duties honestly, and protect the best interests of the Company and all the shareholders. Officers of the Company shall be liable for compensation in accordance with the laws for any damage caused to the interests of the Company and public shareholders as a result of their failure to perform duties honestly or violation of their fiduciary duties.

FINANCIAL AND ACCOUNTING SYSTEM

A company shall establish its own financial and accounting systems according to the laws, administrative regulations and the provisions stipulated by the relevant authorities of the People's Republic of China.

A share periodic report disclosure: the company shall submit and disclose annual reports to the dispatched offices of CSRC and Shanghai Stock Exchange within 4 months from the end of each fiscal year, and submit and disclose interim reports to the dispatched offices of CSRC and Shanghai Stock Exchange within 2 months from the end of the first half of each fiscal year.

H share periodic report disclosure: the periodic reports on H shares of the Company include annual reports and interim reports. The Company shall disclose the preliminary announcement of annual results within 3 months from the end of each fiscal year, and prepare and disclose the annual report within 4 months from the end of each fiscal year and at least 21 days before the date of the annual general meeting. The company shall disclose the preliminary announcement of the interim results within 2 months from the end of the first 6 months of each fiscal year, and prepare and disclose the interim report within 3 months from the end of the first 6 months of each fiscal year.

The above annual report and interim report are prepared in accordance with relevant laws, administrative regulations and the provisions of the securities regulatory authorities and stock exchanges in the places where the Company's shares are listed.

The Company shall not establish the statutory account books accounts other than those provided by law. Any funds of the Company shall not be kept under any account opened in the name of any individual.

When the aggregate balance in the statutory reserve fund has reached 50% or more of the Company's registered capital, the Company needs not to make any further allocations to that fund. After withdrawing the statutory reserve fund, whether to withdraw the discretionary reserve fund is decided by the shareholders' meeting.

After making up for the losses and making allocations to the reserve fund, any remaining after tax profits shall be distributed by the Company to its shareholders in proportion to their respective shareholdings unless it is stipulated that such distribution shall not be made in proportion to the shareholdings pursuant to the Articles of Association.

If the shareholders' meeting has, in violation of the Company Laws, distributed profits to shareholders before the Company has made up for its losses and made allocations to its statutory reserve fund, the shareholders shall return to the Company the profit distributed in violation of the provision; If the Company incurs losses due to such distribution, the Shareholders and the Directors and officers who are held accountable shall be liable for compensation.

Shares held by the Company itself do not participate in the profit distribution.

The Company shall appoint one or more collection agents for H shareholders in Hong Kong. The collection agents shall collect on behalf of the relevant H shareholders the dividends distributed and other funds payable by the Company in respect of the H shares, and hold such monies in their custody pending payment to the H shareholders concerned. The collection agents appointed by the Company shall meet the requirements of the laws, regulations and the securities regulatory rules of the place where the Company's shares are listed.

Reserve funds of the Company are used for recovering losses of the Company and expanding scale of operation of the Company or conversion into its registered capital. Where the reserve fund of the 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.

Upon the transfer of the statutory common reserve fund into capital, the balance of the fund shall not be less than 25% of the registered capital of the company before such transfer.

The distribution of dividends (or shares) shall be completed within two months after the profit distribution plan has been resolved at shareholders' meeting or the Board of the Company formulates a specific plan in accordance with the conditions and cap for the following year's interim dividend approved by the annual shareholders' meeting.

Internal Audit

The Company has implemented an internal audit system equipped with full-time auditors to conduct internal audit and supervision on the Company's financial revenues and expenditures and economic activities. The Company shall implement an internal audit system and clarify the leadership system, duties and authorities, staffing, financial support, application of audit results, and accountability. The internal audit system of the Company shall be implemented upon approval by the board and disclosed to the public.

The internal audit institution of the Company shall conduct supervision and inspection on the Company's business activities, risk management, internal control, financial information and other matters.

Appointment of accounting firm

The Company shall appoint an accounting firm in compliance with the Securities Law and the Hong Kong Listing Rules to conduct accounting statements audit, net assets verification and other related consulting services for a term of one year, which may be renewed.

The appointment of an accounting firm by a company must be decided by the Shareholders' meeting, and the Board may not appoint an accounting firm before the Shareholders' meeting decides.

The Company guarantees that it will provide the accounting firm with true and complete accounting vouchers, accounting books, financial accounting reports and other accounting information, and shall not refuse, conceal or misrepresent them.

The audit fee to an accounting firm or the method for determining such fees shall be decided by the Shareholders' meeting.

When the Company intends to dismiss or not to reappoint an accounting firm, it shall give 30 days prior notice to the accounting firm. When a Shareholders' meeting of the Company votes on the dismissal of the accounting firm, the firm shall be allowed to represent its opinions.

Where the accounting firm resigns, it shall state to the Shareholders' meeting whether the Company has improper circumstances.

MERGER, DIVISION, CAPITAL INCREASE AND CAPITAL REDUCTION

The merger of the Company may take the form of either merger by absorption or merger by establishment of a new entity.

One company absorbing another company is merger by absorption, and the company being absorbed shall be dissolved. Merger of two or more companies through establishment of a new company is merger by establishment of a new entity, and the parties to the merger shall be dissolved.

If the consideration to be paid by the Company for the merger does not exceed 10% of the Company's net assets, it may not be subject to resolution of the shareholders' meeting, unless otherwise stipulated in the Articles of Association of the Company.

If the Company merges in accordance with the provisions of the preceding paragraphs without the approval of the shareholders' meeting, it should be approved by the Board.

In the event of a merger, the parties to the merger shall enter into a merger agreement and prepare balance sheets and property list. The Company shall notify its creditors within 10 days of the date of the Shareholders' meeting's resolution on merger and shall make announcements in the China Securities Journal or the National Enterprise Credit Information Publicity System within 30 days of the date of the Shareholders' meeting's resolution on merger. A creditor has the right, within 30 days of receiving the notice or, in the case of a creditor who does not receive the notice, within 45 days from the date of the initial announcement, to require the Company to repay its debt or provide a corresponding guarantee for such debt.

When the Company is merged, the claims and debts of each party to the merger shall be succeeded to by the company surviving the merger or the new company established subsequent to the merger.

If the Company is to be divided, its property shall be divided accordingly.

If the Company is to be divided, it shall prepare a balance sheet and a property list. The Company shall notify its creditors within 10 days of the date of the resolution on division and shall make announcements in the China Securities Journal or the National Enterprise Credit Information Publicity System within 30 days of the date of the resolution on division.

Debts incurred by the Company before its division shall be jointly borne by the companies after the division. However, unless otherwise agreed by the Company and creditors on settling liabilities in writing prior to the division.

The Company shall prepare balance sheets and property lists when it reduces its registered capital.

The Company shall notify its creditors within 10 days of the date of the Shareholders' meeting's resolution to reduce the registered capital is adopted and shall make announcements in the China Securities Journal or the National Enterprise Credit Information Publicity System within 30 days of the date of the Shareholders' meeting's resolution to reduce the registered capital is adopted. A creditor has the right, within 30 days of receiving the notice or, in the case of a creditor who does not receive the notice, within 45 days from the date of the initial announcement, to require the Company to repay its debt or provide a corresponding guarantee for such debt.

When the merger or division of the Company involves changes in registered particulars, such changes shall be registered with the company registration authority in accordance with the law; When the Company dissolves, the Company shall cancel its registration in accordance with the law; When a new company is established, its establishment shall be registered in accordance with the law.

The increase or decrease in registered capital of the company shall be registered with the company registration authority in accordance with the law.

DISSOLUTION AND LIQUIDATION

The Company shall be dissolved and liquidated in accordance with the law upon the occurrence of any of the following events:

(i) any dissolution events as stipulated by the Articles of Association occur;

(ii) a resolution on dissolution is passed by a Shareholders' meeting;

(iii) dissolution is required due to the merger or division of the Company;

(iv) the business license of the Company is revoked or the Company is ordered to close down or dissolved in accordance with the laws;

(v) the Company suffers significant hardships in operation and management, and its continued existence would cause significant losses to Shareholders' interests, and such issues cannot be resolved through other means, Shareholders representing 10% or above of the total voting rights of the Company may plead the people's court to dissolve the Company. If the company has the reasons for dissolution specified in the preceding paragraph, it shall publicize the reasons for dissolution through the national enterprise credit information publicity system within 10 days.

If the Company is in the situation as described in Item (1) it can continue to exist by amending the Articles of Association. Amendments to the Articles of Association in accordance with preceding paragraph shall be passed by a vote representing more than 2/3 of the voting rights of the shareholders present at the shareholders' meeting.

Where the company is dissolved under the circumstances set forth in paragraph (i), (ii), (iv) or (v) above, it should establish a liquidation group within 15 days of the date on which the dissolution matter occurs to commence liquidation. The members of the liquidation group shall be composed of Directors or any other person determined by a shareholders' meeting. If the company fails to establish the liquidation group and carry out the liquidation within the time limit, its creditors may petition the people's court to designate relevant persons to form a liquidation group and carry out the liquidation.

If the liquidation group, having thoroughly liquidated the Company's assets and having prepared the balance sheet and the property list, discovers that the Company's assets are insufficient to pay its debts in full, it shall file an application to the People's Court for bankruptcy liquidation.

Following such bankruptcy declaration by the people's court, the liquidation group shall hand over the administration of the liquidation to the people's court. 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.

Upon completion of the liquidation, the liquidation group shall prepare the liquidation report to be submitted to the Shareholders' meeting or the People's Court for confirmation, and submit the liquidation report to the company registration authority to apply for cancellation of the Company's registration and announce the termination of the company.

AMENDMENT TO THE ARTICLES OF ASSOCIATION

The Company shall amend the Articles of Association in any of the following circumstances:

(i) provisions of the Articles conflict with the Company Law or related laws, administrative regulations and the securities regulatory rules of the place where the company's shares are listed after such laws are amended;

(ii) a change occurs in the company's situation and such change is inconsistent with the matters stated herein;

(iii) the Shareholders' meeting has resolved to amend the Articles of Association.

Where the amendments to the Articles of Association passed by resolutions of the Shareholders' meetings require approval of the competent authorities, the amendments shall be submitted to the relevant authorities for approval; where the amendments involve registration matters of the Company, the involved changes shall be registered in accordance with the laws.

FURTHER INFORMATION ABOUT OUR COMPANY AND OUR SUBSIDIARIES

Incorporation

Our former entity, Changzhou Xingyu Automotive Lighting Co., Ltd. (常州星宇車燈有限公司), was established by Ms. Zhou Xiaoping (周曉萍) and Mr. Zhou Bajin (周八斤) on May 18, 2000, primarily engaged in supplying automotive lighting products. On October 10, 2007, it was converted into a joint stock company and renamed as Changzhou Xingyu Automotive Lighting Systems Co., Ltd. (常州星宇車燈股份有限公司). Our Company completed the initial public offering and listing of our A Shares on the Shanghai Stock Exchange (601799.SH) in February 2011. For further details of the A Shares Listing, see "History, Development and Corporate Structure — Our Corporate Development — Listing on the Shanghai Stock Exchange in February 2011" of the Document.

Our registered office is located at No. 398 Hanjiang Road, Xinbei, Changzhou, Jiangsu Province, China. Our company has submitted the application to register as a non-Hong Kong company under Part 16 of the Companies Ordinance with the Registrar of Companies in Hong Kong on January 15, 2026 and our principal place of business in Hong Kong is at Room A5, 7/F, China United Plaza, 1008 Tai Nan West Street, Cheung Sha Wan, Kowloon, Hong Kong. Mr. Au Wai Keung has been appointed as the authorized representatives of our Company for the acceptance of service of process in Hong Kong. The address for service of process on our Company in Hong Kong is the same as our principal place of business in Hong Kong as set out above.

As the Company was established in the PRC, its operations are subject to the relevant laws and regulations of the PRC. The relevant laws and regulations of the PRC and the Articles of Association are set out in "Regulatory Overview" of the Document.

Changes in Share Capital of Our Company

There has been no alteration in our share capital within two years immediately preceding the date of the Document.

Changes in the Share Capital of Our Subsidiaries

The share capital of our Subsidiaries took place within the two years immediately preceding the date of this Document:

Xingyu Serbia	In January 2025, the registered capital of Xingyu Serbia was increased to RSD 4,210,368,871.30 and fully paid.
Xingyu Mexico.	In March 2024, the registered capital of Xingyu Mexico was increased to MXN (Mexican Peso) 4,877,516.00, of which MXN 4,877,016.00 has been paid.

Save as disclosed above, there has been no alteration in the share capital of the Subsidiaries of the Company within two years immediately preceding the date of this Document.

Resolutions of Our Shareholders

Pursuant to the shareholders' meeting held on January 15, 2026, the following resolutions, among others, were duly passed:

(a) the [**REDACTED**] by the Company of H Shares with a nominal value of RMB1.00 each and such H Shares be [**REDACTED**] on the Hong Kong Stock Exchange;

(b) the number of H Shares to be issued before the exercise of the [**REDACTED**] shall not exceed [**REDACTED**]% of the enlarged share capital of our Company upon completion of the [**REDACTED**], and the granting the [**REDACTED**] the [**REDACTED**] of no more than [**REDACTED**]% of the above number of H Shares to be issued;

(c) authorization of the Board or its authorized individual to handle all matters relating to, among other things, the [**REDACTED**], the [**REDACTED**] and [**REDACTED**] of H Shares on the Hong Kong Stock Exchange; and

(d) subject to the completion of the [**REDACTED**], the conditional adoption of the revised Articles of Association, which shall become effective on the [**REDACTED**], and authorization to our Board to amend the Articles of Association to the extent necessary in accordance with the requirements of the relevant laws and regulations for the purpose of the [**REDACTED**].

FURTHER INFORMATION ABOUT OUR BUSINESS

Summary of Material Contracts

The following are contracts (not being contracts entered into in the ordinary course of business) entered into by any member of our Group within the two years immediately preceding the date of this Document that are or may be material:

(a) the Hong Kong [**REDACTED**]

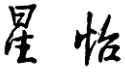
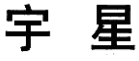
Intellectual Property Rights

Trademarks

As of the Latest Practicable Date, we had registered the following trademarks which we consider to be or may be material to our business:

No.	Trademark	Registration Place	Holder	Category	Number	Expiration Date
1	NDAS	PRC	the Company	7	19491713	2037.05.13
2	NDAS	PRC	the Company	11	19491866	2037.05.13
3	NDAS	PRC	the Company	12	19492249	2037.05.13
4		PRC	the Company	2	19551440	2037.05.20
5		PRC	the Company	10	19552070	2037.05.20
6		PRC	the Company	24	19553624	2037.05.20
7		PRC	the Company	28	19554070	2037.05.20
8		PRC	the Company	19	19552957	2037.05.27
9		PRC	the Company	29	19554224	2037.05.27
10		PRC	the Company	31	19554450	2037.05.27

No.	Trademark	Registration Place	Holder	Category	Number	Expiration Date
11		PRC	the Company	32	19554482	2037.05.27
12		PRC	the Company	45	19555973	2037.05.27
13		PRC	the Company	9	19551855	2027.06.27
14		PRC	the Company	1	19551533	2027.08.20
15		PRC	the Company	13	19552134	2027.08.20
16		PRC	the Company	21	19553183	2027.08.20
17		PRC	the Company	27	19553936	2027.08.20
18		PRC	the Company	34	19554658	2027.08.20
19		PRC	the Company	36	19554850	2027.08.20
20		PRC	the Company	37	19554976	2027.08.20
21		PRC	the Company	42	19555715	2027.08.20
22		PRC	the Company	43	19555849	2027.08.20
23		PRC	the Company	41	23038550	2028.02.27
24		PRC	the Company	11	4659500	2028.03.13

No.	Trademark	Registration Place	Holder	Category	Number	Expiration Date
25		PRC	the Company	3	19551633	2028.11.20
26		PRC	the Company	5	19551691	2028.11.20
27		PRC	the Company	11	5418787	2029.05.06
28		PRC	the Company	11	1334506	2029.11.13
29		PRC	the Company	7	6829767	2030.04.20
30		PRC	the Company	11	6126955	2030.04.27
31		PRC	the Company	12	6829764	2030.05.06
32		PRC	the Company	7	6829765	2030.05.06
33		PRC	the Company	11	6480838	2030.06.20
34		PRC	the Company	11	6829766	2030.07.13
35		PRC	the Company	12	6829761	2030.08.27
36		PRC	the Company	7	6829763	2030.08.27
37		PRC	the Company	11	6829768	2030.09.27
38		PRC	the Company	11	44230344	2031.10.06
39		PRC	the Company	11	6480839	2032.01.20
40		PRC	the Company	11	9676830	2032.09.06

No.	Trademark	Registration Place	Holder	Category	Number	Expiration Date
41	星宇梦 XINGYU DREAM	PRC	the Company	11	66681339	2033.02.06
42	星宇梦 XINGYU DREAM	PRC	the Company	41	66687865	2033.04.13
43		PRC	the Company	12	10483513	2033.07.27
44		PRC	the Company	11	10483547	2033.09.20
45	XL	PRC	the Company	11	10398135	2034.05.13
46	XYL	PRC	the Company	11	11882137	2034.05.27
47		PRC	the Company	7	10483578	2034.06.06
48	UTASNOVA	PRC	the Company	11	3564522	2035.01.13
49		PRC	the Company	11	13103565	2035.01.13
50		PRC	the Company	11	3564521	2035.09.13
51	星怡	PRC	the Company	11	792473	2035.11.20

Software Copyright

As of the Latest Practicable Date, we had registered the following Software copyrights which we consider to be or may be material to our business:

No.	Software Copyright	Place of Registration	Copyright Owner	Registration Number	Registration Date
1	Algorithm Software for Emergency Lane Keeping Assist in Vehicles V1.0 (一種車輛緊急車道保持駕駛輔助的算法軟件V1.0)	PRC	the Company	2024SR0401473	2024.03.18
2	Version 1.0 of an auxiliary driving toggle switch lane-changing application software (一種輔助駕駛撥杆變道應用軟件V1.0)	PRC	the Company	2024SR0401907	2024.03.18
3	Algorithm Software for Predicting and Alerting Autonomous Vehicle Lane Departures V1.0 (預測自主駕駛車輛偏離車道並報警的算法軟件V1.0)	PRC	the Company	2024SR0402726	2024.03.18
4	Version 1.0 of an Intelligent High Beam Driving Assistance System Software (一種智能遠光燈駕駛輔助系統軟件V1.0)	PRC	the Company	2024SR0406745	2024.03.19
5	Instruction Lane Change Function Road Test Data Analysis Software V1.0 (指令換道功能道路測試數據分析軟件V1.0)	PRC	the Company	2024SR0453452	2024.04.01
6	Software for Online Beam Pattern Detection of Rear Fog Lights in Vehicles, Version 1.0 (汽車後霧燈在線配光檢測系統軟件V1.0)	PRC	the Company	2024SR0498734	2024.04.12
7	Objective Selection Software for an Adaptive Cruise Control System [abbreviated as OSL] Version 1.0 (一種自適應巡航系統的目標選擇軟件[簡稱：OSL]V1.0)	PRC	the Company	2024SR0555661	2024.04.24
8	Software for Automated Testing of Single LED-Controlled Traffic Lights, Version 1.0 (適用於單顆LED控制的信號燈測試自動化程序軟件V1.0)	PRC	the Company	2024SR0713031	2024.05.24
9	Application A/B Dual Partition Upgrade Software V1.0 Based on Domain Controller (基於域控制器的應用程序A/B雙分區升級軟件V1.0)	PRC	the Company	2024SR0713495	2024.05.24
10	LED Arrangement Combinator Software V1.0 (LED排列組合生成器軟件V1.0)	PRC	the Company	2024SR0900419	2024.07.01
11	Front Grille Light Uniformity Inspection System Software V1.0 (前格柵燈亮度均勻性檢測系統軟件V1.0)	PRC	the Company	2024SR0900424	2024.07.01
12	Automotive Emergency Event Data Recording Software Based on Domain Controller V1.0 (基於域控制器的汽車緊急事件數據記錄軟件V1.0)	PRC	the Company	2024SR0997639	2024.07.15

No.	Software Copyright	Place of Registration	Copyright Owner	Registration Number	Registration Date
13	Smart Interaction Grid Left Light Control Software V1.0 (智能交互格柵左燈控制軟件V1.0)	PRC	the Company	2024SR0997938	2024.07.15
14	Car Rear Turn Signal Module Control Software V1.0 (汽車尾部轉向燈模塊控制軟件V1.0)	PRC	the Company	2024SR0998029	2024.07.15
15	Automotive Headlight Lens Defect Detection Algorithm Software V1.0 (車燈透鏡瑕疵檢測算法軟件V1.0)	PRC	the Company	2024SR1195688	2024.08.16
16	HD High-Precision Adaptive Headlight Software V1.0 (HD高精度自適應車頭燈軟件V1.0)	PRC	the Company	2024SR1196121	2024.08.16
17	A Visual Perception-Based Traffic Speed Limit Sign Recognition Algorithm Software V1.0 (一種基於視覺感知交通限速牌識別算法軟件V1.0)	PRC	the Company	2024SR1196622	2024.08.16
18	Automated Program for Testing Constant Current Channel Failures in Lamp Controllers (Version 1.0) (適用於燈具控制器燈具恒流通道故障測試自動化程序V1.0)	PRC	the Company	2024SR1248722	2024.08.27
19	Automated Testing Program for Single LED-Controlled Signal Lights, Version 2.0 (適用於單顆LED控制的信號燈測試自動化程序V2.0)	PRC	the Company	2024SR1359553	2024.09.12
20	Front Light Control System Based on CAN Communication V1.1 (基於Can通訊前燈控制系統V1.1)	PRC	the Company	2024SR1374182	2024.09.13
21	MiniLED Intelligent Vehicle Light Signal Automatic Generation Algorithm Software V1.0 (MiniLed智能車燈顯示信號自動生成算法軟件V1.0)	PRC	the Company	2024SR1395454	2024.09.19
22	Functional Software V1.0 for PWM Welcome Signal Acquisition and Utilization Based on Vehicle Lights (基於車燈PWM迎賓信號採集及使用的功能軟件V1.0)	PRC	the Company	2024SR1414986	2024.09.24
23	Rear Turn Signal Module Control Software V1.5 (汽車尾部轉向燈模塊控制軟件V1.5)	PRC	the Company	2024SR1426658	2024.09.25
24	Automated Testing Software for Headlight Status and Feedback Time V1.0 (前照燈狀態及反饋時間自動化測試軟件V1.0)	PRC	the Company	2024SR1543274	2024.10.16
25	Interactive Traffic Light Control Software [Abbreviated as: Front Interactive Traffic Light Control Software] V1.1 (交互式信號燈隨寫隨畫控制軟件[簡稱：前交互式信號燈控制軟件]V1.1)	PRC	the Company	2024SR1551854	2024.10.17
26	Based on the LIN communication headlight control system V1.1 (基於lin通訊前燈控制系統V1.1)	PRC	the Company	2024SR1555037	2024.10.18

No.	Software Copyright	Place of Registration	Copyright Owner	Registration Number	Registration Date
27	High-Pixel LED Lighting Control Software Based on MCU V1.0 (基於MCU的高像素LED燈具控制軟件V1.0)	PRC	the Company	2024SR1668765	2024.11.01
28	Based on the Rear Combination Light Control Software [abbreviated as: Rear Combination Light Host Computer] V1.0 (基於後組合燈控制軟件[簡稱：後組合燈上位機]V1.0)	PRC	the Company	2024SR1811869	2024.11.18
29	OLED Tail Light Signal Automatic Generation Algorithm Software V1.0 (OLED尾燈顯示信號自動生成算法軟件V1.0)	PRC	the Company	2024SR2234480	2024.12.30
30	Automotive Headlight Control System [Abbreviated: Headlight] V1.0 (汽車前大燈控制系統[簡稱：前大燈]V1.0)	PRC	the Company	2024SR2234737	2024.12.30
31	Dynamic Display Tail Light Control Software Based on OLED V1.0 (基於OLED的動態顯示尾燈控制軟件V1.0)	PRC	the Company	2024SR2235221	2024.12.30
32	ISD Smart Interactive Headlight Control Software V1.0 (ISD智能交互車燈控制軟件V1.0)	PRC	the Company	2024SR2235468	2024.12.30
33	Traceability System V1.0 for Automotive Lamp Production Line (車燈生產線的追溯系統V1.0)	PRC	the Company	2025SR0230544	2025.02.10
34	HD car light self closing ring data storage management software V2.0 (HD車燈自閉環數據存儲管理軟件V2.0)	PRC	the Company	2025SR0539564	2025.03.28
35	An Intelligent Manufacturing Digital Twin System V1.0 Based on Automotive Lamp Automation Production Line (一種基於車燈自動化生產線的智能製造數字孿生系統V1.0)	PRC	the Company	2025SR0728775	2025.05.06
36	Car Lamp CAN Communication Lighting Control Software V1.0 (車燈CAN通訊點亮控制軟件V1.0)	PRC	the Company	2025SR1234462	2025.07.11
37	ADB and HD dual-mode intelligent interactive car light control software V1.0 (ADB與HD雙模組智能交互車燈控制軟件V1.0)	PRC	the Company	2025SR1235505	2025.07.11
38	ADB Intelligent Light Control Software V1.0 (ADB智能車燈控制軟件V1.0)	PRC	the Company	2025SR1238294	2025.07.11
39	Sealing quality testing algorithm software for sealant [abbreviated as F2FLD] V1.0 (密封膠密封質量檢測算法軟件[簡稱：F2FLD]V1.0)	PRC	the Company	2025SR1314413	2025.07.21

No.	Software Copyright	Place of Registration	Copyright Owner	Registration Number	Registration Date
40	Autonomous driving vehicle automatic emergency braking algorithm software V1.0 (自主駕駛車輛自動緊急制動算法軟件V1.0)	PRC	the Company	2025SR1447602	2025.08.05
41	AI_CMS electronic rearview mirror status switching and status monitoring function software V1.0 (AI_CMS電子後視鏡狀態切換和狀態監測功能軟件V1.0)	PRC	the Company	2025SR1448253	2025.08.05
42	Vehicle ISD Intelligent Control System V1.0 (車載ISD智能控制系統V1.0)	PRC	the Company	2025SR1493992	2025.08.08
43	Intelligent Projection Lamp Calibration Software V1.0 (智能投影車燈標定軟件V1.0)	PRC	the Company	2025SR1613388	2025.08.25
44	Industrial Visual Production Process Monitoring Software V1.0 (工業視覺生產流程監測軟件V1.0)	PRC	the Company	2025SR1613435	2025.08.25
45	AI_CMS electronic rearview mirror fault query and reporting function software V1.0 (AI_CMS電子後視鏡故障查詢與上報功能軟件V1.0)	PRC	the Company	2025SR1613443	2025.08.25
46	ISD Animation Download and Storage Automation Testing Platform V1.0 (ISD動畫下載存儲自動化測試平台V1.0)	PRC	the Company	2025SR1613449	2025.08.25
47	Pixel feature extraction software for intelligent car light interaction technology V1.0 (智能車燈交互技術的像素特徵提取軟件V1.0)	PRC	the Company	2025SR1822137	2025.09.19
48	Vehicle Lamp Controller Dynamic Lighting Automatic Testing System V1.0 (車燈控制器動態燈光自動測試系統V1.0)	PRC	the Company	2025SR1822148	2025.09.19
49	Display based luminous front grille light software V1.0 (顯示化發光前格柵燈軟件V1.0)	PRC	the Company	2025SR1822149	2025.09.19
50	Automotive Intelligent Lamp Effect Configuration System V1.0 (汽車智能燈效配置系統V1.0)	PRC	the Company	2025SR1828076	2025.09.19

As of the Latest Practicable Date, we had registered the following copyrights which we consider to be or may be material to our business:

No.	Copyright	Place of Registration	Copyright Owner	Registration Number	Registration Date
1	夜間智能輔助駕駛系統	PRC	the Company	蘇作登字-2016-F-00023219	2016.03.22
2	DMD LED HEADLAMP	PRC	the Company	蘇作登字-2016-F-00025217	2016.03.28
3	INTELLIGENT LED HEADLAMP	PRC	the Company	蘇作登字-2016-F-00025219	2016.03.28
4	ARRAY LED HEADLAMP	PRC	the Company	蘇作登字-2016-F-00025214	2016.03.28
5	FULL LED HEADLAMP	PRC	the Company	蘇作登字-2016-F-00025216	2016.03.28
6	DMD DIGITAL MICROMIRROR DEVICE	PRC	the Company	蘇作登字-2016-F-00025218	2016.03.28
7	MATRIX LED HEADLAMP	PRC	the Company	蘇作登字-2016-F-00025215	2016.03.28
8	NDAS	PRC	the Company	蘇作登字-2016-F-00028700	2016.04.08
9	ADS智能遠光系統	PRC	the Company	蘇作登字-2016-F-00028701	2016.04.08
10	adaptive driving beam	PRC	the Company	蘇作登字-2016-F-00028727	2016.04.08
11	星宇股份(中英版)	PRC	the Company	國作登字-2021-F-00240157	2021.10.19
12	XINGYU	PRC	the Company	國作登字-2021-F-00240154	2021.10.19
13	星宇股份 (中塞版)	PRC	the Company	國作登字-2021-F-00240155	2021.10.19
14	星宇雲	PRC	the Company	國作登字-2022-F-10234734	2022.11.10
15	星宇三十週年	PRC	the Company	國作登字-2023-F-00172319	2023.08.11
16	星光璀璨 宇您同行	PRC	the Company	國作登字-2023-F-00172318	2023.08.11
17	星光	PRC	the Company	國作登字-2023-B-00172317	2023.08.11
18	蘋果樹	PRC	the Company	國作登字-2023-F-00172316	2023.08.11
19	星宇職工子女託管班班徽	PRC	the Company	國作登字-2025-F-00011383	2025.01.10
20	iVISION智眸大燈產品標識	PRC	the Company	國作登字-2025-F-00284181	2025.09.25

Patents

As of the Latest Practicable Date, we had registered the following patents which we consider to be or may be material to our business:

No.	Patent Names	Place of Registration	Patentee	Patent Number	Application Date	Expiration Date
1	An adaptive headlight switching module based on Hall sensor (一種基於霍爾傳感器的自適應前照燈光型切換模組)	PRC	the Company	ZL201710007227.2	2017.01.05	2037.01.05
2	Circuit breaking system for suppressing temperature drift (抑制溫度漂移的斷路關斷系統)	PRC	the Company	ZL201710043959.7	2017.01.19	2037.01.19
3	Matrix LED Headlamp Driver Fault Monitoring System and Monitoring Method (矩陣式LED前照燈驅動器故障監測系統及監測方法)	PRC	the Company	ZL201710092128.9	2017.02.21	2037.02.21
4	A transmissive laser LED composite high and low beam, auxiliary high beam module (一種透射式激光LED複合遠近光、輔助遠光模組)	PRC	the Company	ZL201710095374.X	2017.02.22	2037.02.22
5	A device and method for adjusting the reflective mirror of car lights based on image processing (一種基於圖像處理的車燈反射鏡調整裝置及方法)	PRC	the Company	ZL201710186555.3	2017.03.27	2037.03.27
6	A pixel based adaptive automotive headlight control system based on DLP (一種基於DLP的像素式自適應汽車前照燈控制系統)	PRC	the Company	ZL201710255961.0	2017.04.19	2037.04.19
7	A control system and control method for LED headlights (一種LED前照燈的控制系統及其控制方法)	PRC	the Company	ZL201710481125.4	2017.06.22	2037.06.22
8	Reuse driving circuit and driving method for daily running, position, and turn signals in vehicles (車用日行、位置、轉向燈的複用驅動電路及其驅動方法)	PRC	the Company	ZL201710499625.0	2017.06.27	2037.06.27
9	A dual lens LED front fog lamp (一種雙透鏡LED前霧燈)	PRC	the Company	ZL201710589687.0	2017.07.19	2037.07.19
10	An integrated single module control full LED headlight circuit (一種一體式單模塊控制全LED前燈電路)	PRC	the Company	ZL201710594850.2	2017.07.20	2037.07.20
11	A LED protection circuit for car lights (一種用於車燈的LED保護電路)	PRC	the Company	ZL201710610074.0	2017.07.25	2037.07.25
12	Using thermistor PTC to increase current to a stable circuit with temperature rise (運用熱敏電阻PTC隨溫度升高提升電流至穩定的電路)	PRC	the Company	ZL201710679040.7	2017.08.10	2037.08.10
13	A compact LED headlight high beam module (一種緊湊型LED前照燈遠光模組)	PRC	the Company	ZL201710705322.X	2017.08.17	2037.08.17
14	A switch power supply single string LED short circuit detection feedback circuit (一種開關電源單串LED短路檢測反饋電路)	PRC	the Company	ZL201710733916.1	2017.08.24	2037.08.24
15	A double-layer rotary injection mold structure for monochrome molding machines (一種用於單色成型機的雙層旋轉注塑模具結構)	PRC	the Company	ZL201710747721.2	2017.08.28	2037.08.28
16	A new type of projection headlight module (一種新型投射式前燈模組)	PRC	the Company	ZL201710762915.X	2017.08.30	2037.08.30
17	A self focusing detection device for car lamp lens and its usage method (一種車燈透鏡自聚焦檢測裝置及其使用方法)	PRC	the Company	ZL201710767708.3	2017.08.31	2037.08.31
18	An optical module support and shock absorption system for automotive headlights (一種用於汽車前照燈的光學模組支撐減震系統)	PRC	the Company	ZL201710820058.4	2017.09.13	2037.09.13

No.	Patent Names	Place of Registration	Patentee	Patent Number	Application Date	Expiration Date
19	A device for detecting the focal point of sunlight in a car headlight lens and its usage method (一種車燈透鏡太陽光聚焦點檢測裝置及其使用方法)	PRC	the Company	ZL201710905142.6	2017.09.29	2037.09.29
20	A fault diagnosis feedback system for automotive LED headlights (一種汽車LED車燈的故障診斷反饋系統)	PRC	the Company	ZL201711024124.3	2017.10.27	2037.10.27
21	A circuit for turning on car lights in the start stop state of a car (一種用於汽車啟停狀態下車燈開啟電路)	PRC	the Company	ZL201711068974.3	2017.11.03	2037.11.03
22	A light guide structure utilizing total reflection and an illumination device using the same light guide structure (一種利用全反射的光導結構及採用該光導結構的照明裝置)	PRC	the Company	ZL201711076496.0	2017.11.06	2037.11.06
23	A transparent baffle for headlight module (一種用於前照燈模組的透明擋板)	PRC	the Company	ZL201711133720.5	2017.11.16	2037.11.16
24	An over temperature protection control circuit and control method for LED headlights (一種LED車燈的過溫保護控制電路及其控制方法)	PRC	the Company	ZL201810133025.7	2018.02.09	2038.02.09
25	A fault monitoring system and monitoring processing method for LED taillight circuit (一種LED尾燈電路的故障監測系統及監測處理方法)	PRC	the Company	ZL201810160537.2	2018.02.27	2038.02.27
26	A high and low beam integrated module of LED light source with corner light function (一種帶有角燈功能的LED光源的遠近光一體模組)	PRC	the Company	ZL201810245765.X	2018.03.23	2038.03.23
27	A high-power, low loss adjustable constant current power supply control module (一種大功率低損耗可調恒流電源控制模組)	PRC	the Company	ZL201810396396.4	2018.04.28	2038.04.28
28	A wireless power transmission system for car taillights (一種汽車尾燈的無線電能傳輸系統)	PRC	the Company	ZL201810440941.5	2018.05.10	2038.05.10
29	A rear combination lamp that achieves uniform light emission through a bidirectional side light guide (一種通過雙向側進光的光導實現均勻發光的後組合燈)	PRC	the Company	ZL201810440943.4	2018.05.10	2038.05.10
30	A light resistant shaking blocking device (一種防光型抖動的擋板裝置)	PRC	the Company	ZL201810445564.4	2018.05.11	2038.05.11
31	A DC power output protection circuit (一種直流電源輸出保護電路)	PRC	the Company	ZL201810476725.6	2018.05.18	2038.05.18
32	A multifunctional steering wheel human vehicle interaction system based on TOF gesture recognition (一種基於TOF手勢識別的多功能方向盤人車交互系統)	PRC	the Company	ZL201810497789.4	2018.05.23	2038.05.23
33	A thick walled lens mold with microstructure and its processing method (一種具有微結構的厚壁件透鏡模具及其加工方法)	PRC	the Company	ZL201810683348.3	2018.06.28	2038.06.28
34	A control device and control method for CAN signal processing and transmission (一種用於CAN信號處理發送的控制裝置及其控制方法)	PRC	the Company	ZL201810760593.X	2018.07.12	2038.07.12
35	A matrix based LED high beam optical system (一種矩陣式LED遠光光學系統)	PRC	the Company	ZL201810815981.3	2018.07.24	2038.07.24
36	A welcome light with dynamic projection function (一種具有動態投影功能的迎賓燈)	PRC	the Company	ZL201811028723.7	2018.09.05	2038.09.05
37	Implementation method of variable spray banner on ABB robot simulation software (一種變量噴塗條幅在ABB機器人仿真軟件上的實現方法)	PRC	the Company	ZL201811194681.4	2018.10.15	2038.10.15

No.	Patent Names	Place of Registration	Patentee	Patent Number	Application Date	Expiration Date
38	A verification device for anti fog performance in car headlight design (一種汽車車燈設計用防霧性能的驗證裝置)	PRC	the Company	ZL201811578523.9	2018.12.24	2038.12.24
39	Headlights, vibration reduction control methods for headlights, and vehicles (前照燈、前照燈的減振控制方法和車輛)	PRC	the Company	ZL201910061665.6	2019.01.23	2039.01.23
40	LED light source headlight high and low beam integrated module and vehicles with it (LED光源車燈遠近光一體模組和具有其的車輛)	PRC	the Company	ZL201910209233.5	2019.03.19	2039.03.19
41	Touch sensitive automotive lighting devices and vehicles equipped with them (觸控式汽車用照明裝置和具有其的車輛)	PRC	the Company	ZL201910241979.4	2019.03.28	2039.03.28
42	Lamp current increasing circuit and vehicle (車燈增流電路和車輛)	PRC	the Company	ZL201910297079.1	2019.04.15	2039.04.15
43	High current multi input anti backflow low voltage drop anti reverse connection circuit, LED driver, and vehicle (大電流多輸入防倒灌低壓降防反接電路、LED驅動器和車輛)	PRC	the Company	ZL201910306321.7	2019.04.17	2039.04.17
44	A dynamic flowing light and car light (一種動態流水燈及汽車燈)	PRC	the Company	ZL201910349105.0	2019.04.28	2039.04.28
45	A car light detection device and detection method based on CAN bus control (一種基於CAN總線控制的車燈檢測裝置及其檢測方法)	PRC	the Company	ZL201910448718.X	2019.05.28	2039.05.28
46	Dot matrix screen headlights and vehicles with them (點陣屏車燈和具有其的車輛)	PRC	the Company	ZL201910451419.1	2019.05.28	2039.05.28
47	Lamp components with LED light guide function and vehicles with them (具備LED光導功能的車燈組件和具有其的車輛)	PRC	the Company	ZL201910520352.2	2019.06.17	2039.06.17
48	Music rhythm OLED multifunctional taillight and its control method (音樂律動OLED多功能尾燈及其控制方法)	PRC	the Company	ZL201910728964.0	2019.08.08	2039.08.08
49	Vehicle taillight adaptive control system, method and vehicle (車輛尾燈自適應控制系統、方法和車輛)	PRC	the Company	ZL201910729103.4	2019.08.08	2039.08.08
50	A Testing Device for Transmitting Temperature Controlled Laser Excitation of Remote Fluorescent Materials (一種透射式可控溫的激光激發遠程熒光材料的測試裝置)	PRC	the Company	ZL201910929473.2	2019.09.29	2039.09.29
51	A vehicle driving danger warning system and its control method (一種車輛駕駛危險預警系統及其控制方法)	PRC	the Company	ZL201910999043.8	2019.10.21	2039.10.21
52	A LED multi module spotlight unit splicing type high and low beam system (一種LED多模塊聚光單元拼接型遠近光系統)	PRC	the Company	ZL201911042877.6	2019.10.30	2039.10.30
53	A high-precision vibration simulation system and method for lighting fixtures based on multi degree of freedom devices (一種基於多自由度裝置的高精度燈具振動模擬系統和方法)	PRC	the Company	ZL201911290082.7	2019.12.16	2039.12.16
54	A vehicle width indicator light control system and control method (一種車寬指示燈控制系統及控制方法)	PRC	the Company	ZL202010267249.4	2020.04.08	2040.04.08
55	A Front Lighting System and Its Control Method Based on Micro LED Technology (一種基於Micro LED技術的前照燈系統及其控制方法)	PRC	the Company	ZL202010314906.6	2020.04.21	2040.04.21

No.	Patent Names	Place of Registration	Patentee	Patent Number	Application Date	Expiration Date
56	A method and mold structure for IMR transfer injection molding of facade products (一種立面產品IMR轉印注塑的方法和模具結構)	PRC	the Company	ZL202010342624.7	2020.04.27	2040.04.27
57	A lamp with reverse warning function and its control method (一種具有倒車警示功能的燈具及其控制方法)	PRC	the Company	ZL202010471510.2	2020.05.29	2040.05.29
58	Dynamic current timing detection device and detection method for car lights based on high-speed acquisition board (基於高速採集板卡的車燈動態電流時序檢測裝置及檢測法)	PRC	the Company	ZL202010472889.9	2020.05.29	2040.05.29
59	A Design Method for Hyperbolic Collimator Lens for Automotive Lights (一種用於車燈的雙曲面准直透鏡設計方法)	PRC	the Company	ZL202010972703.6	2020.09.16	2040.09.16
60	A laser high and low beam vehicle headlight and its usage method (一種激光遠近光的車輛前照燈及其使用方法)	PRC	the Company	ZL202011181756.2	2020.10.29	2040.10.29
61	An AFS headlight and its control method (一種AFS前照燈及其控制方法)	PRC	the Company	ZL202011259674.5	2020.11.12	2040.11.12
62	A LED dual light module with adaptive function (一種帶自適應功能的LED雙光模組)	PRC	the Company	ZL202011277165.5	2020.11.16	2040.11.16
63	Driver emotion detection device and method with facial recognition and inertial measurement (具有面部識別和慣性測量的駕駛員情緒檢測裝置及方法)	PRC	the Company	ZL202011315081.6	2020.11.20	2040.11.20
64	A controller with multi-channel constant current output and high side output (一種多通道恒流輸出與高邊輸出的控制器)	PRC	the Company	ZL202011320305.2	2020.11.23	2040.11.23
65	Method and device for enhancing traffic images in low light environments (低照度環境下交通圖像增強方法和裝置)	PRC	the Company	ZL202011330199.6	2020.11.24	2040.11.24
66	An intelligent control chip for car lighting (一種車載照明智能控制芯片)	PRC	the Company	ZL202011336006.8	2020.11.25	2040.11.25
67	Vehicle and its vehicle lighting control system and method (車輛及其車輛照明燈控制系統和方法)	PRC	the Company	ZL202011343129.4	2020.11.25	2040.11.25
68	A car grille light with image processor (一種帶圖像處理器的汽車格柵燈)	PRC	the Company	ZL202011372058.0	2020.11.30	2040.11.30
69	A new optical design method for reversing light reflector using LED light source (一種採用LED光源的新型倒車燈反射鏡光學設計方法)	PRC	the Company	ZL202011507218.8	2020.12.18	2040.12.18
70	A dual color product anti impact melting injection mold system and its injection molding method (一種雙色產品防沖融注塑模具系統及其注塑方法)	PRC	the Company	ZL202011613889.2	2020.12.30	2040.12.30
71	Vibration test monitoring system and monitoring method for lighting fixtures (燈具的振動試驗監測系統、監測方法)	PRC	the Company	ZL202110088401.7	2021.01.22	2041.01.22
72	A circuit for interconnecting automotive lighting fixtures to achieve fault monitoring (一種車用燈具互連實現故障監控的電路)	PRC	the Company	ZL202110237721.4	2021.03.04	2041.03.04
73	Detection device and control method in the pre lighting process of automotive lighting fixtures (汽車燈具預點亮工序中的檢測裝置及其控制方法)	PRC	the Company	ZL202110451150.4	2021.04.26	2041.04.26
74	A car light control system and control method based on acceleration sensor (一種基於加速度傳感器的車燈控制系統及控制方法)	PRC	the Company	ZL202110618964.2	2021.06.03	2041.06.03

No.	Patent Names	Place of Registration	Patentee	Patent Number	Application Date	Expiration Date
75	A three module linkage dimming mechanism (一種三模組聯動調光機構)	PRC	the Company	ZL202110941698.7	2021.08.17	2041.08.17
76	A new portable program upgrade method (一種新型便攜式程序升級方法)	PRC	the Company	ZL202111117889.8	2021.09.24	2041.09.24
77	Uniform three-dimensional stereoscopic illumination of internal mirrors and manufacturing methods for headlights and internal mirrors (均匀三維立體發光的內配鏡及車燈及內配鏡的製造方法)	PRC	the Company	ZL202111155615.8	2021.09.29	2041.09.29
78	Driver and Driving Method for Intelligent Environment Lights in Cars (車內智能環境燈驅動器及驅動方法)	PRC	the Company	ZL202111430841.2	2021.11.29	2041.11.29
79	A Design Method and Lens for Hybrid Refractive Diffraction Lens (一種折衍射混合透鏡設計方法及透鏡)	PRC	the Company	ZL202111441846.5	2021.11.30	2041.11.30
80	Structure and usage of sealing inserts for two-color molds (雙色模具的封膠鑲件結構及其使用方法)	PRC	the Company	ZL202111489902.2	2021.12.08	2041.12.08
81	A matrix reading light for tracking human hands and its control method (一種燈光追蹤人手的矩陣閱讀燈及其控制方法)	PRC	the Company	ZL202111562444.0	2021.12.20	2041.12.20
82	An Intelligent Maintenance System and Prediction Method for Automotive Lamp Malfunctions (一種汽車車燈故障智能運維系統及預測方法)	PRC	the Company	ZL202111578790.8	2021.12.22	2041.12.22
83	A locking fixed optical structure (一種鎖扣固定式光學結構)	PRC	the Company	ZL202210140329.2	2022.02.16	2042.02.16
84	A car assisted driving warning control device and its judgment method (一種汽車輔助駕駛預警控制裝置及其判斷方法)	PRC	the Company	ZL202210404675.7	2022.04.18	2042.04.18
85	A method for evaluating the illumination width of a reflective strip ambient light (一種反射式帶狀氛圍燈照亮寬度的評價方法)	PRC	the Company	ZL202210507775.2	2022.05.11	2042.05.11
86	Auxiliary lighting device applied to car lights and its usage method (應用於車燈的輔助照明裝置及其使用方法)	PRC	the Company	ZL202210512963.4	2022.05.12	2042.05.12
87	A projection angle adjustment method for high pixel headlights (一種高像素前照燈的投影角度調節方法)	PRC	the Company	ZL202210610970.8	2022.06.01	2042.06.01
88	Lens components and car lights using the lens components (透鏡組件及使用該透鏡組件的汽車燈)	PRC	the Company	ZL202210807562.1	2022.07.09	2042.07.09
89	Dynamic projection module and its design method applied to car lights (應用於車燈的動態投影模組及其設計方法)	PRC	the Company	ZL202210866159.6	2022.07.22	2042.07.22
90	A control method for energy-saving control system of electric vehicle assisted driving (一種電動汽車輔助駕駛節能控制系統的控制方法)	PRC	the Company	ZL202210876657.9	2022.07.25	2042.07.25
91	A holographic projection illumination structure for vehicles (一種車用全息投影照明結構)	PRC	the Company	ZL202210914737.9	2022.08.01	2042.08.01
92	Multi sensor offline calibration system and method for intelligent driving vehicles (智能駕駛車輛的多傳感器下線標定系統及其方法)	PRC	the Company	ZL202210914738.3	2022.08.01	2042.08.01
93	A car mounted LiDAR adjustment system and method for uphill and downhill driving (一種上下坡車載激光雷達調節系統及其方法)	PRC	the Company	ZL202211017307.3	2022.08.23	2042.08.23

No.	Patent Names	Place of Registration	Patentee	Patent Number	Application Date	Expiration Date
94	A LED SMT method based on electromagnetic induction (一種基於電磁感應的LED貼片方法)	PRC	the Company	ZL202211063356.0	2022.09.01	2042.09.01
95	A laser radar calibration method and detection equipment for wall flatness detection (一種激光雷達標定牆面平整度檢測方法及檢測設備)	PRC	the Company	ZL202211089070.X	2022.09.07	2042.09.07
96	Customized taillights and vehicles based on laser technology (基於激光技術的定制尾燈、車輛)	PRC	the Company	ZL202211187434.8	2022.09.28	2042.09.28
97	A MOSFET short-circuit fault detection system and method for three-phase bridge inverter circuit (一種三相橋式逆變器電路的MOSFET短路故障檢測系統及方法)	PRC	the Company	ZL202211202994.6	2022.09.29	2042.09.29
98	A detection device and method for high pixel headlights (一種高像素前照燈的檢測裝置及方法)	PRC	the Company	ZL202211219407.4	2022.09.30	2042.09.30
99	A vibration friction welding method for automotive lighting fixtures based on compression and vibration direction (一種基於壓合、振動方向的汽車燈具振動摩擦焊接方法)	PRC	the Company	ZL202211245432.X	2022.10.12	2042.10.12
100	Processing method for detecting the expansion of high reflectivity objects at close range using laser radar (激光雷達探測近距離高反物出現膨脹的處理方法)	PRC	the Company	ZL202211271752.2	2022.10.18	2042.10.18
101	Lamp fault detection circuit and its usage method (車燈故障檢測電路及其使用方法)	PRC	the Company	ZL202211271894.9	2022.10.18	2042.10.18
102	A heat dissipation structure and method for a vehicle mounted millimeter wave radar integrated light group (一種車載毫米波雷達集成燈組散熱結構以及散熱方法)	PRC	the Company	ZL202211271989.0	2022.10.18	2042.10.18
103	Thick walled optical module and headlight system with good focusing effect (聚光效果好的厚壁光學模組及車燈系統)	PRC	the Company	ZL202211321807.6	2022.10.27	2042.10.27
104	An automatic calibration system and calibration method for ALS and AFS car lights (一種汽車車燈ALS和AFS自動校正系統及校正方法)	PRC	the Company	ZL202211326277.4	2022.10.27	2042.10.27
105	Reflective optical modules and lighting devices and vehicles using them (反射式光學模組及使用其的照明裝置及車輛)	PRC	the Company	ZL202211346460.0	2022.10.31	2042.10.31
106	A UART controller and data transmission effectiveness detection method (一種UART控制器及數據傳輸有效性檢測方法)	PRC	the Company	ZL202211357271.3	2022.11.01	2042.11.01
107	A system and method for increasing brightness contrast of automotive pixel headlights (一種汽車像素車燈的增加亮度對比度系統及方法)	PRC	the Company	ZL202211405331.4	2022.11.10	2042.11.10
108	Automated Performance Testing System and Testing Method for Touchable Switches in Automotive Interior Lights (汽車室內燈觸摸式開關性能自動化檢測系統及檢測方法)	PRC	the Company	ZL202211471742.3	2022.11.23	2042.11.23
109	A polarizing structure and automotive lighting fixtures (一種偏光結構及汽車燈具)	PRC	the Company	ZL202211495956.4	2022.11.28	2042.11.28
110	Device, method and storage medium for determining the preset anchor frame of intelligent driving (智能駕駛預設錨框的確定裝置、方法及存儲介質)	PRC	the Company	ZL202211569394.3	2022.12.08	2042.12.08
111	A fault diagnosis system and method for automotive interactive lights (一種汽車交互燈故障診斷系統及診斷方法)	PRC	the Company	ZL202310054930.4	2023.02.03	2043.02.03

No.	Patent Names	Place of Registration	Patentee	Patent Number	Application Date	Expiration Date
112	A detection device and control method for automotive lighting domain controller (一種汽車燈具域控制器檢測裝置及其其控制方法)	PRC	the Company	ZL202310067204.6	2023.02.06	2043.02.06
113	Laser radar control system and control method for implementing zoom scanning imaging (實現變焦距掃描成像的激光雷達控制系統及其控制方法)	PRC	the Company	ZL202310183522.9	2023.03.01	2043.03.01
114	Imaging lens and signal projection lamp using it (成像鏡頭及使用其的信號投影燈)	PRC	the Company	ZL202310184672.1	2023.03.01	2043.03.01
115	Vehicle adaptive cruise control device and control method (車輛自適應巡航控制裝置及控制方法)	PRC	the Company	ZL202310190923.7	2023.03.02	2043.03.02
116	Automatic control method and control system for high and low beam lights, and vehicles equipped with such a system (遠近光燈自動控制方法、控制系統及具有該系統的車輛)	PRC	the Company	ZL202310209827.2	2023.03.07	2043.03.07
117	Total reflection structure and its optical module and headlight (全反射結構及使用其的光學模組和車燈)	PRC	the Company	ZL202310228784.2	2023.03.10	2043.03.10
118	A car domain controller and automatic mapping and positioning method for vehicles on commuting roads (一種汽車域控制器及通勤道路上車輛自動建圖和定位方法)	PRC	the Company	ZL202310295808.6	2023.03.24	2043.03.24
119	Single eye distance measurement method, device, equipment, medium and vehicle for intelligent driving of vehicles (車輛智能駕駛的單目測距方法、裝置、設備、介質及車輛)	PRC	the Company	ZL202310309920.0	2023.03.28	2043.03.28
120	Detection methods, systems, equipment, media, and vehicles for traffic signal lights (交通信號燈的檢測方法、系統、設備、介質及車輛)	PRC	the Company	ZL202310387288.1	2023.04.12	2043.04.12
121	Composite lens and its manufacturing method, car lamp, and the manufacturing module of the composite lens (複合透鏡及其製造方法、車燈以及該複合透鏡製造模組)	PRC	the Company	ZL202310405735.1	2023.04.17	2043.04.17
122	TOF LiDAR system based on dual wavelength and its anti-interference method (基於雙波長的TOF激光雷達系統及其抗干擾方法)	PRC	the Company	ZL202310431185.0	2023.04.21	2043.04.21
123	A detection system and method for automotive laser lamps (一種車用激光燈具的檢測系統及檢測方法)	PRC	the Company	ZL202310438185.3	2023.04.23	2043.04.23
124	A SPI communication data transmission and reception anomaly detection control system and detection method (一種SPI通信數據收發異常檢測控制系統及檢測方法)	PRC	the Company	ZL202310438188.7	2023.04.23	2043.04.23
125	An adaptive high beam locking and electric inspection device (一種自適應遠光燈鎖付與電檢裝置)	PRC	the Company	ZL202310465408.5	2023.04.27	2043.04.27
126	A vehicle collision prevention system and control method (一種車輛防碰撞系統及控制方法)	PRC	the Company	ZL202310495424.9	2023.05.05	2043.05.05
127	A mechanism for ensuring consistency between the installation of a car light dimming motor and a bracket (一種汽車車燈調光電機與支架安裝一致性保障機構)	PRC	the Company	ZL202310822372.1	2023.07.06	2043.07.06
128	Vehicle headlight ADB processing method, processing system, equipment and its medium (車輛前燈ADB處理方法、處理系統、設備及其介質)	PRC	the Company	ZL202310930616.8	2023.07.26	2043.07.26

No.	Patent Names	Place of Registration	Patentee	Patent Number	Application Date	Expiration Date
129	CAN data message sending verification method, device, computer equipment and storage medium (CAN數據報文發送校驗方法、裝置、計算機設備及存儲介質)	PRC	the Company	ZL202310935846.3	2023.07.28	2043.07.28
130	ADB Function Testing Method and System for Automotive LED Matrix Headlights (汽車LED矩陣大燈的ADB功能測試方法及其系統)	PRC	the Company	ZL202310945491.6	2023.07.31	2043.07.31
131	Lens structure, optical system, and headlights used for functional reuse (用於實現功能複用的透鏡結構、光學系統及車燈)	PRC	the Company	ZL202311006654.0	2023.08.11	2043.08.11
132	A tooling and manufacturing method for coating car lights (一種用於車燈鍍膜的工裝及製作方法)	PRC	the Company	ZL202311082625.2	2023.08.28	2043.08.28
133	A lighting control system and lighting control method based on tracking eye movements (一種基於追蹤眼球動態的燈具控制系統及燈具控制方法)	PRC	the Company	ZL202311082627.1	2023.08.28	2043.08.28
134	Horizontal and Vertical Joint Control System and Control Method for Vehicle Assisted Driving (車輛輔助駕駛的橫縱向聯合控制系統及控制方法)	PRC	the Company	ZL202311086242.2	2023.08.28	2043.08.28
135	A method for debugging and verifying lane line fitting deviation using scene simulation (一種利用場景仿真調試驗證車道線擬合偏差問題的方法)	PRC	the Company	ZL202311096887.4	2023.08.29	2043.08.29
136	Method and mounting system for improving the efficiency of SMT high-precision mounting of black outer edge LEDs (提高SMT高精度貼裝黑色外沿LED效率的方法及貼裝系統)	PRC	the Company	ZL202311140201.7	2023.09.06	2043.09.06
137	A target detection method and detection system based on the correlation between front and back frame images (一種基於前後幀圖像關聯的目標檢測方法及檢測系統)	PRC	the Company	ZL202311144258.4	2023.09.06	2043.09.06
138	Light emitting devices, optical systems, and vehicle lights used for functional reuse (用於實現功能複用的發光裝置、光學系統及車燈)	PRC	the Company	ZL202311147426.5	2023.09.07	2043.09.07
139	A Testing and Verification Method for Intelligent Driving Domain Controller Simulating HIL Bench (一種模擬HIL台架的智能駕駛域控制器測試驗證方法)	PRC	the Company	ZL202311172970.5	2023.09.12	2043.09.12
140	Methods, devices, equipment, and media for testing the quality of sealant sealing (密封膠密封質量檢測方法、裝置、設備及其介質)	PRC	the Company	ZL202311175354.5	2023.09.13	2043.09.13
141	A lane departure warning method and system with adaptive warning time interval (一種具有自適應報警時距的車道偏離報警方法及系統)	PRC	the Company	ZL202311223420.1	2023.09.21	2043.09.21
142	A method and system for detecting abnormal UDS service messages in vehicles (一種車輛UDS服務報文異常檢測方法及檢測系統)	PRC	the Company	ZL202311545659.0	2023.11.20	2043.11.20
143	A laser radar system and its method for improving the resolution of the region of interest (一種激光雷達系統及其感興趣區域分辨率提升方法)	PRC	the Company	ZL202410339522.8	2024.03.25	2044.03.25
144	An intelligent indoor light detection device and method based on CNN convolutional neural network (一種基於CNN卷積神經網絡的智能室內燈檢測裝置及方法)	PRC	the Company	ZL202410353973.7	2024.03.27	2044.03.27

No.	Patent Names	Place of Registration	Patentee	Patent Number	Application Date	Expiration Date
145	An ADAS functional testing bench and testing method (一種ADAS功能測試台架及測試方法)	PRC	the Company	ZL202410431413.9	2024.04.11	2044.04.11
146	Testing methods, equipment, and media for the luminous quality of through type automotive lighting fixtures (貫穿式汽車燈具發光質量的檢測方法、設備及其介質)	PRC	the Company	ZL202410517492.5	2024.04.28	2044.04.28
147	A vehicle mounted LiDAR external parameter calibration system and method (一種車載激光雷達外參標定系統及方法)	PRC	the Company	ZL202410519238.9	2024.04.28	2044.04.28
148	Online monitoring method for external parameter accuracy of vehicle sensors (車輛傳感器外參準確性的在線監測方法)	PRC	the Company	ZL202410574023.7	2024.05.10	2044.05.10
149	A turning control method for lateral control of vehicle assisted driving (一種車輛輔助駕駛橫向控制的進彎控制方法)	PRC	the Company	ZL202410592346.9	2024.05.14	2044.05.14
150	A detection method for automotive low beam characteristic points based on overlapping area changes (一種基於交疊面積變化的汽車近光光型特徵點的檢測方法)	PRC	the Company	ZL202410674965.2	2024.05.29	2044.05.29
151	A method for automatic attachment of breathable film based on visual guidance (一種基於視覺引導的透氣膜自動貼附方法)	PRC	the Company	ZL202410677807.2	2024.05.29	2044.05.29
152	An Automated Testing Method for Vehicle Diagnosis Based on CAN Bus (一種基於CAN總線的車載診斷自動化測試方法)	PRC	the Company	ZL202410751580.1	2024.06.12	2044.06.12
153	Intelligent high beam control method, control system and vehicle for headlights (一種前照燈的智能遠光控制方法、控制系統及車輛)	PRC	the Company	ZL202410791803.7	2024.06.19	2044.06.19
154	A method for manufacturing a vehicle mounted planar parallel double lens antenna cover (一種車載平面型並聯雙透鏡天線罩的製作方法)	PRC	the Company	ZL202410940506.4	2024.07.15	2044.07.15
155	An adaptive algorithm and system for correcting glare and line of sight differences in car lights (一種自適應車燈防眩目視線差糾正算法及系統)	PRC	the Company	ZL202410993703.2	2024.07.24	2044.07.24
156	A lighting end angle adjustment control system and method based on a lighting controller (一種基於燈光控制器的燈具端角度調節控制系統及方法)	PRC	the Company	ZL202411141354.8	2024.08.20	2044.08.20
157	Vehicle path planning and obstacle avoidance method based on CMS assistance (基於CMS輔助的車輛路徑規劃及避障方法)	PRC	the Company	ZL202411366275.7	2024.09.29	2044.09.29
158	A method for correcting the vertical disparity of headlights and a high-definition matrix headlight control system (一種大燈上下視差糾正方法及高清矩陣大燈控制系統)	PRC	the Company	ZL202411421497.4	2024.10.12	2044.10.12
159	A point cloud performance testing system and testing method for LiDAR motion scenes (一種激光雷達運動場景下點雲性能測試系統及測試方法)	PRC	the Company	ZL202411442270.8	2024.10.16	2044.10.16
160	Multi objective matching optimization method and system for intelligent car light self closing loop system (一種智能車燈自閉環系統的多目標匹配優化方法和系統)	PRC	the Company	ZL202411734205.2	2024.11.29	2044.11.29

No.	Patent Names	Place of Registration	Patentee	Patent Number	Application Date	Expiration Date
161	A method and system for detecting defects in car headlight lenses based on traditional image processing (一種基於傳統圖像處理的車燈透鏡瑕疵檢測方法和系統)	PRC	the Company	ZL202411755556.1	2024.12.03	2044.12.03
162	A dual lamp calibration and fusion system and method for vehicle lights (一種車燈雙燈標定和融合系統和方法)	PRC	the Company	ZL202411910603.5	2024.12.24	2044.12.24
163	Automated testing system and method for AI assisted function of electronic rearview mirrors (電子後視鏡的AI輔助功能自動化測試系統及方法)	PRC	the Company	ZL202411947140.X	2024.12.27	2044.12.27
164	An adaptive cruise control anti slip compensation and overtaking assistance control system and method (一種自適應巡航防溜坡補償和超車輔助控制系統及方法)	PRC	the Company	ZL202510061941.4	2025.01.15	2045.01.15
165	Optimization method for illumination uniformity of projection image of intelligent self closing ring car light blanket (一種智能自閉環車燈光毯投影圖像照度均勻性的優化方法)	PRC	the Company	ZL202510322532.5	2025.03.19	2045.03.19
166	Method for Generating Control Signals for Intelligent Vehicle Lighting Signal Interaction (一種智能信號交互車燈控制信號的生成方法)	PRC	the Company	ZL202311038469.X	2023.08.17	2043.08.17
167	Method and Control System for Intelligent Headlamp Control Based on Driving Intention Prediction (一種基於駕駛意圖預測的智能前照燈控制方法及控制系統)	PRC	the Company	ZL202511861374.7	2025.12.11	2045.12.11

Domain name

As of the Latest Practicable Date, we owned the following domain names which we consider to be or may be material to our business:

No.	Domain name	Registered owner
1	xyl.cn	the Company

FURTHER INFORMATION ABOUT OUR DIRECTORS AND SENIOR MANAGEMENT

Particulars of the Service Contracts

We [have entered] into a service contract with each of our Directors in respect of, among other things (i) the term of service , (ii) subject to termination in accordance with their respective terms, and (iii) a dispute resolution provision. The service contracts 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 the Directors has or is proposed to have a Service contract with any member of our Group (other than contracts expiring or determinable by the relevant employer within one year without the payment of compensation (other than statutory compensation)).

Directors' and Senior Managements' Remuneration

Our Directors and senior management receive their remuneration from our Group in the form of salaries, bonuses, contributions to social security plans and housing provident fund plans, share-based compensation and other benefits.

For the years ended December 31, 2023, 2024, 2025 and the three months ended March 31, 2026, the aggregate amount of remuneration paid or payable to our Directors amounted to approximately RMB2.7 million, RMB2.7 million, RMB3.5 million and RMB0.73 million, respectively.

Save as disclosed, no other remuneration or benefits have been paid or are payable in respect of the Track Record Period to our Directors by our Group.

Disclosure of Interests

Interest of the Directors and the Chief Executives of Our Company

Save as disclosed in the section headed "Substantial Shareholders" and below, immediately following completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised and no changes are made to our issued share capital), the only interests and/or short positions of our Directors and chief executive in our Shares, underlying shares and debentures of our Company and its 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 and short positions which he/she is 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 recorded in the register referred to therein, or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules, will be as follows:

Name	Position	Nature of Interest	Number and Description of Shares	Approximate (%) interest in Shares of our Company immediately before the [REDACTED]	Approximate (%) interest in Shares of our Company immediately after the [REDACTED]
Mr. Xu Huiyi.	Executive Director	Beneficial Owner	106,800 A Shares	0.0374%	[**REDACTED**]%
Mr. Li Shujun	Executive Director and Executive Vice General Manager	Beneficial Owner	54,000 A Shares[(1)]	0.0189%	[**REDACTED**]%

Note:

(1) As of the Latest Practicable Date, Mr. Li Shujun is interested in the underlying A Shares relating to the subscribed portion under the 2024 Employee Stock Scheme, the 2025 Employee Stock Scheme and the 2026 Employee Stock Scheme.

Interests of substantial shareholders in Members of Our Group

As of the Latest Practicable Date, save as disclosed below, our Directors are not aware of any other person (other than our Directors or General Manager of our Company) who will, immediately following completion of the [**REDACTED**], assuming no new Shares are issued under the [**REDACTED**], and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the [**REDACTED**], have an interest or short position in our Shares or underlying Shares which would fall to be disclosed to us 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.

Our subsidiaries	Name of substantial shareholder	Approximate percentage of interest
Xingyu Robot	JAKA Robotics Co., Ltd. (節卡機器人股份有限公司)	30%

EMPLOYEE STOCK SCHEMES

The following is a summary of the principal terms of: (i) the 2024 Employee Stock Scheme approved by our shareholders on December 2, 2024 (the "**2024 Employee Stock Scheme**"), (ii) the 2025 Employee Stock Scheme approved by our shareholders on November

20, 2025 (the "**2025 Employee Stock Scheme**") and (iii) the 2026 Employee Stock Scheme approved by our shareholders on June 10, 2026 (the "**2026 Employee Stock Scheme**", together with the 2024 Employee Stock Scheme and 2025 Employee Stock Scheme collectively as the "**Employee Stock Schemes**"), which were outstanding as of the Latest Practicable Date. The terms of the Employee Stock Schemes are not subject to the provisions of Chapter 17 of the Listing Rules regarding share schemes involving issue of new shares after our [**REDACTED**]. Save as otherwise disclosed, the terms of each of the Employee Stock Schemes are substantially similar and are summarized below.

(i) Purpose

The purpose of the Employee Stock Schemes is to establish a community of shared future and career community among our Group, our shareholders and our key employees, which will enhance the interest sharing mechanism among the same, mobilizing and boosting the cohesion, initiative and creativity of our teams. The Employee Stock Schemes will incentivize key employees to strive toward building our Company into an outstanding industry leader in the long term, continuously improving our corporate governance, and promoting our Company's long-term, sustainable and healthy development.

(ii) Administration

The Employee Stock Schemes are executed by the Board subject to the approval by the Shareholders' meeting. The meeting of all participants ("**Participants**") shall have the full power to administer the Employee Stock Schemes. A management committee, the members of which are elected by the meetings of the Participants, is authorized to oversee the day-to-day management of the Employee Stock Scheme.

(iii) Participation

The Participants will consist of senior and middle-level management, technology experts and staff, and other core employees of our Group. The numbers of Participants under 2024 Employee Stock Scheme, the 2025 Employee Stock Scheme and 2026 Employee Stock Scheme shall be no more than 63, 68 and 70 respectively.

(iv) Source and Maximum Number of Shares

The Shares underlying the Employee Stock Schemes shall be A Shares repurchased by our Company from the open market and deposited to specific stock account under the name of relevant Employee Stock Schemes. Each award granted represents the entitlement to the corresponding portion of A Shares underlying the Employee Stock Schemes ("**Awards**"). The Awards and their underlying A Shares are not options to subscribe for any new shares of the Company and will not have any dilution effect on the share capital of our Company. These Awards are subject to a lock-up period and will only be unlocked upon fulfilling the unlocking conditions stipulated. The maximum number of Shares in respect of the Awards that can be granted under each of the Employee Stock Schemes are as follows:

Employee Stock Scheme	Maximum number of Shares granted under the Employee Stock Schemes	Number of Participants
2024 Employee Stock Scheme	540,000	No more than 63
2025 Employee Stock Scheme	571,200	No more than 68
2026 Employee Stock Scheme	799,975	No more than 70

(v) Date of Grant and Term of Schemes

The term of each Employee Stock Scheme shall be 72 months commencing from the date of the public announcement regarding the transfer of the last tranche of relevant A Shares into the stock account under the relevant Employee Stock Scheme (the "**Commencement Date**"). Should the Employee Stock Scheme not be extended upon its expiration, it will automatically terminate. On December 19, 2024, December 24, 2025 and

July 10, 2026, we made announcements that all A shares relevant to the 2024 Employee Stock Scheme, the 2025 Employee Stock Scheme and 2026 Employee Stock Scheme have been transferred to the stock account for the 2024 Employee Stock Scheme, the 2025 Employee Stock Scheme and 2026 Employee Stock Scheme respectively.

Each of the Employee Stock Scheme will be automatically terminated if not extended upon the expiration of the 72 months. Either Employee Stock Scheme can be early terminated or extended before the expiration of its valid term subject to 2/3 approvals (inclusive) by the Participants attending the Participants' meeting and the approval by the Board of our Company. The Employee Stock Schemes shall also be early cancelled if all of the A shares under either Employee Stock Schemes have been unlocked, sold and distributed.

(vi) Performance Targets and Lock-up

Subject to the comprehensive performance evaluation by the Remuneration Committee under our Board regarding the fulfillment and the performance of each Participant, covering the evaluation period from 2024 to 2026 under the 2024 Employee Stock Scheme, 2025 to 2027 under the 2025 Employee Stock Scheme and 2026 to 2028 under the 2026 Employee Stock Scheme respectively, the Awards held by the Participants shall be unlocked in three installments in the proportion of 40%, 30% and 30%, commencing from 12 months, 24 months and 36 months respectively after the Commencement Date under the corresponding Employee Stock Scheme. The unlocked Awards shall be distributed in combination of the following manners:

(a) sold by the management committee as authorized by the meetings of the Participants, with the proceeds to be distributed to the relevant Participants proportionately;

(b) Arrange non-transaction transfer of the relevant portion of the A shares underlying the unlocked granted Awards to the individual stock account of a Participant; or

(c) a combination of the above (a) and (b).

The Shares derived from the underlying A Shares obtained under the Employee Stock Schemes as a result of events such as the distribution of share dividends and capitalization of capital reserve by the Company shall also be subject to the above lock-up arrangement.

(vii) Grant Price

The participant shall pay the grant price at RMB72 per share under the 2024 Employee Stock Scheme, RMB68 per share under the 2025 Employee Stock Scheme and RMB71 per share under the 2026 Employee Stock Scheme.

(viii) Dividend and Participant's Rights

Under these Employee Stock Schemes, Participants shall be entitled to the beneficial interest in the shares in proportion to their actual contribution, including but not limited to the right to dividends, right to share allocation, right to capital conversion, etc. The Awards shall not be transferred, pledged, mortgaged, used for debts repayment or any other similar disposals unless otherwise permitted by applicable laws and regulations or approved by the management committee.

(ix) Details of the Awards granted

2024 Employee Stock Scheme

As of the Latest Practicable Date, under the 2024 Employee Stock Scheme, the aggregate number of A Shares underlying the 2024 Employee Stock Scheme is 326,880, representing approximately 0.11% of the total issued share capital of our Company before the completion of the [**REDACTED**] (assuming that the [**REDACTED**] are not exercised and no changes are made to our issued share capital between the Latest Practicable Date and the [**REDACTED**]).

The following table sets forth the number and status of outstanding Shares granted to the senior management and other Participants under the 2024 Employee Stock Schemes as of the Latest Practicable Date:

Name	Position	Date of Grant	Grant Price (RMB/share)	Number of A Shares underlying the outstanding Awards granted	Approximate percentage of issued Shares immediately before completion of the [REDACTED]	Approximate percentage of issued Shares immediately after completion of the [REDACTED][(1)]
Senior Management						
Xu Xiaoping (徐小平) . .	Supervisor[(3)]	December 17, 2024	72	4,800	[0.0017%]	[**REDACTED**]%
Li Shujun (李樹軍) . . .	Executive Director, Executive Vice General Manager	December 17, 2024	72	7,200	[0.0025%]	[**REDACTED**]%
Liu Shuting (劉樹廷) . .	Vice General Manager	December 17, 2024	72	7,200	[0.0025%]	[**REDACTED**]%
Lin Shudong (林樹棟) . .	Vice General Manager	December 17, 2024	72	7,200	[0.0025%]	[**REDACTED**]%
Chen Liujun (陳留俊) . .	Vice General Manager	December 17, 2024	72	7,200	[0.0025%]	[**REDACTED**]%
Cao Jin (曹進)	Intelligent manufacturing chief[(4)]	December 17, 2024	72	7,200	[0.0025%]	[**REDACTED**]%
Li Gang (李鋼)	Technical department director[(4)]	December 17, 2024	72	7,200	[0.0025%]	[**REDACTED**]%
Gao Peng (高鵬)	Board Secretary, Vice General Manager and Chief Financial Officer	December 17, 2024	72	7,200	[0.0025%]	[**REDACTED**]%
Subtotal				55,200	[0.0192%]	[**REDACTED**]%
Other Participants						
Other Participants as core employees (55 persons)	–	December 17, 2024	72	268,800	[0.0941%]	[**REDACTED**]%
Total.				324,000[(2)]	[0.1135%]	[**REDACTED**]%

Note:

(1) The calculation is based on the assumption that no new Shares are issued under the [**REDACTED**] and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the [**REDACTED**].

(2) On December 17, 2025, the first installment of 213,120 shares under the 2024 Employee Stock Scheme has been unlocked based on performance evaluation. Due to the performance evaluation, 2,880 shares were not unlocked to 3 Participants during the first installment release but hold back under the 2024 Employee Stock Scheme account.

(3) Pursuant to the resolution approved at the first extraordinary general meeting of shareholders in 2025, the company has abolished the board of supervisors on September 19, 2025, and its functions and powers have been assumed by the Audit Committee.

(4) Both Mr. Li Gang and Mr. Cao Jin became Vice General Manager of our Company in April 2025.

2025 Employee Stock Scheme

As of the Latest Practicable Date, under the 2025 Employee Stock Scheme, the aggregate number of A Shares underlying the 2025 Employee Stock Scheme is 571,200, representing approximately 0.20% of the total issued share capital of our Company before the completion of the [**REDACTED**] (assuming that no changes are made to our issued share capital between the Latest Practicable Date and the [**REDACTED**]).

The following table sets forth the number and status of outstanding Shares granted to the senior management and other Participants under the 2025 Employee Stock Schemes as of the Latest Practicable Date:

Name	Position	Date of Grant	Grant Price (RMB/share)	Number of A Shares underlying the outstanding Awards granted	Approximate percentage of issued Shares immediately before completion of the [REDACTED]	Approximate percentage of issued Shares immediately after completion of the [REDACTED][(1)]
Senior Management						
Li Shujun (李樹軍)	Executive Director, Executive Vice General Manager	December 22, 2025	68	12,000	[0.0042%]	[**REDACTED**]%
Liu Shuting (劉樹廷)	Vice General Manager	December 22, 2025	68	12,000	[0.0042%]	[**REDACTED**]%
Lin Shudong (林樹棟)	Vice General Manager	December 22, 2025	68	12,000	[0.0042%]	[**REDACTED**]%
Chen Liujun (陳留俊)	Vice General Manager	December 22, 2025	68	12,000	[0.0042%]	[**REDACTED**]%
Li Gang (李鋼)	Vice General Manager	December 22, 2025	68	12,000	[0.0042%]	[**REDACTED**]%
Cao Jin (曹進)	Vice General Manager	December 22, 2025	68	12,000	[0.0042%]	[**REDACTED**]%
Gao Peng (高鵬)	Board Secretary, Vice General Manager and Chief Financial Officer	December 22, 2025	68	12,000	[0.0042%]	[**REDACTED**]%
Subtotal				84,000	[0.0294%]	[**REDACTED**]%
Other Participants						
Other Participants as core employees (61 persons)	–	December 22, 2025	68	487,200	[0.1705%]	[**REDACTED**]%
Total				571,200	[0.1999%]	[**REDACTED**]%

Note:

(1) The calculation is based on the assumption that no new Shares are issued under the [**REDACTED**] and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the [**REDACTED**].

2026 Employee Stock Scheme

As of the Latest Practicable Date, under the 2026 Employee Stock Scheme, the aggregate number of A Shares underlying the 2026 Employee Stock Scheme is 799,975, representing approximately 0.28% of the total issued share capital of our Company before the completion of the [**REDACTED**] (assuming that no changes are made to our issued share capital between the Latest Practicable Date and the [**REDACTED**]).

The following table sets forth the number and status of outstanding Shares granted to the senior management and other Participants under the 2026 Employee Stock Schemes as of the Latest Practicable Date:

Name	Position	Date of Grant	Grant Price (RMB/share)	Number of A shares underlying the outstanding Awards granted	Approximate percentage of issued Shares immediately before completion of the [REDACTED]	Approximate percentage of issued Shares immediately after completion of the [REDACTED][(1)]
Senior Management						
Li Shujun (李樹軍) . . .	Executive Director, Executive Vice General Manager	July 8, 2026	71	30,000	[0.0105%]	[**REDACTED**]%
Liu Shuting (劉樹廷) . .	Vice General Manager	July 8, 2026	71	30,000	[0.0105%]	[**REDACTED**]%
Lin Shudong (林樹棟) . .	Vice General Manager	July 8, 2026	71	30,000	[0.0105%]	[**REDACTED**]%
Chen Liujun (陳留俊) . .	Vice General Manager	July 8, 2026	71	30,000	[0.0105%]	[**REDACTED**]%
Li Gang (李鋼)	Vice General Manager	July 8, 2026	71	30,000	[0.0105%]	[**REDACTED**]%
Cao Jun (曹進)	Vice General Manager	July 8, 2026	71	30,000	[0.0105%]	[**REDACTED**]%
Gao Peng (高鵬)	Board Secretary, Vice General Manager and Chief Financial Officer	July 8, 2026	71	30,000	[0.0105%]	[**REDACTED**]%
Subtotal				210,000	[0.0735%]	[**REDACTED**]%
Other Participants						
Other Participants as core employees (63 persons)	–	July 8, 2026	71	589,975	[0.2065%]	[**REDACTED**]%
Total.				799,975	[0.2800%]	[**REDACTED**]%

Note:

(1) The calculation is based on the assumption that no new Shares are issued under the [**REDACTED**] and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the [**REDACTED**].

Disclaimers

(a) Save as disclosed in this section and the section headed "History, Development and Corporate Structure," none of the Directors, nor any of the experts referred to in "— Other Information — Qualifications and Consents of Experts" below has any direct or indirect interest in the promotion of, or in any assets which have been, within the two years immediately preceding the date of this Document, acquired or disposed of by, or leased to, any member of the Group, or are proposed to be acquired or disposed of by, or leased to, any member of the Group.

(b) Save in connection with the [**REDACTED**], none of the Directors, nor any of the experts referred to in "— Other Information — Qualifications and Consents of Experts" below, is materially interested in any contract or arrangement subsisting at the date of this Document which is significant in relation to the business of the Group.

(c) No cash, securities or other benefit has been paid, allotted or given within the two years preceding the date of this Document to any promoter of the Company nor is any such cash, securities or benefit intended to be paid, allotted or given on the basis of the [**REDACTED**] or related transactions as mentioned.

(d) Save as disclosed in the section headed "Business," none of our Directors or their close associates (as defined in the Listing Rules) or the existing Shareholders (who, to the knowledge of our Directors, owns more than 5% of our issued share capital) has any interest in any of the five largest customers or the five largest suppliers in each year of our Group.

OTHER INFORMATION

Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to fall on our Group.

Litigation

To the best of our Directors' knowledge, no litigation or claim of material importance is pending or threatened against any member of our Group.

Sole Sponsor

The Sole Sponsor has declared its independence pursuant to Rule 3A.07 of the Listing Rules.

The Sole Sponsor has made an application on our behalf to the Stock Exchange for the approval of the [**REDACTED**] of, and [**REDACTED**], our H Shares to be issued pursuant to the [**REDACTED**] (including any H Shares which may be issued pursuant to the exercise of the [**REDACTED**]). All necessary arrangements have been made to enable the Shares to be admitted into [**REDACTED**].

Pursuant to the engagement letter entered into between the Company and the Sole Sponsor, we have agreed to pay the Sole Sponsor US$[**REDACTED**] to act as the sponsor of our Company in connection with [**REDACTED**] on the Stock Exchange.

Qualifications and Consents of Experts

The qualification of the experts, as defined under the Listing Rules, who have given opinions of the Document are as follows:

Name	Qualification
Huatai Financial Holdings (Hong Kong) Limited	A licensed corporation under the SFO for type 1 (dealing in securities), type 2 (dealing in futures contracts), type 3 (leveraged foreign exchange trading), type 4 (advising on securities), type 6 (advising on corporate finance), type 7 (providing automated trading services) and type 9 (asset management) of the regulated activities as defined under the SFO
JunHe LLP	PRC Legal Advisor
HLB Hodgson Impey Cheng Limited	Certified Public Accountants under Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong) and Registered Public Interest Entity Auditor under Accounting and Financial Reporting Council Ordinance (Chapter 588 of the Laws of Hong Kong)
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co	Independent industry consultant
Kopilović & Kopilović Law Firm	Serbian Legal Advisor

As of the Latest Practicable Date, none of the experts named above have any shareholding interest in our Company or any of our subsidiaries 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.

Each of the experts has given and has 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 may be) and the references to their names included herein in the form and context in which they are respectively included.

BINDING EFFECT

This Document shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Companies Ordinance so far as applicable.

PROMOTERS

Within the two years immediately preceding the date of the Document, no cash, securities or other benefit has been paid, allotted or given or is proposed to be paid, allotted or given to any promoter in connection with the [**REDACTED**] and the related transactions described of the Document.

PRELIMINARY EXPENSES

The Company did not incur material preliminary expenses for the purpose of the [**REDACTED**].

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that to the date of the Document, there has been no material adverse change in our financial, operational or trading positions or prospects since March 31, 2026, being the end of the period reported on as set out in the Accountants' Report included in Appendix I of the Document.

MISCELLANEOUS

(a) Save as disclosed in this section and in the section headed "Financial Information" of the Document, within the two years immediately preceding the date of the Document:

  (i) no loan capital or debenture of our Company or any of our subsidiaries has been issued or agreed to be issued or is proposed to be issued for cash or as fully or partly paid other than in cash or otherwise;

  (ii) no share or loan capital of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option; and

  (iii) no commissions, discounts, brokerages or other special terms have been granted or agreed to be granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries.

(b) There are no founder, management or deferred shares nor any debentures in our Company or any of our subsidiaries;

(c) No share or loan capital or debenture of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;

(d) No commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any share or loan capital of our Company or any of its subsidiaries by our Company for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions, for any shares in or debentures of our Company or any of our subsidiaries;

(e) Save for the A Shares of our Company that are listed on the Shanghai Stock Exchange and save for the H Shares to be issued in connection with [**REDACTED**], no equity or debt securities of any company within our Group is presently listed on any stock exchange or traded on any trading system nor is any listing or permission to deal being or proposed to be sought;

(f) Our Company has no outstanding convertible debt securities or debentures;

(g) There is no arrangement under which future dividends are waived or agreed to be waived; and

(h) There has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this Document.

BILINGUAL DOCUMENT

The English language and Chinese language versions of the 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 (Cap. 32L).

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to a copy of the Document and delivered to the Registrar of Companies in Hong Kong for registration were:

(i) a copy of each of the material contracts referred to "Statutory and General Information — Further Information about our Business — Summary of Material Contracts" of the Document; and

(ii) the written consents referred to in "Statutory and General Information — Other Information — Qualifications and Consents of Experts" of the Document.

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be published on the Stock Exchange's website at **www.hkexnews.hk** and **www.xyl.cn** during a period of 14 days from the date of the Document:

(a) the Articles of Association;

(b) the Accountants' Report of our Group from HLB Hodgson Impey Cheng Limited, the text of which is set out in Appendix I of the Document;

(c) the audited consolidated financial statements of our Group for the Track Record Period;

(d) the report from HLB Hodgson Impey Cheng Limited on the [**REDACTED**] financial information of our Group, the text of which is set out in Appendix II of the Document;

(e) the industry report issued by Frost & Sullivan (Beijing) Inc. Shanghai Branch Co. referred to in "Industry Overview" of the Document;

(f) the PRC legal opinion issued by JunHe LLP, our PRC Legal Advisor, in respect of, among other things, certain general corporate matters and property interests matters of our Group;

(g) the Serbian legal opinion by Kopilovic & Kopilovic Law Firm, our Serbian Legal Advisor, in respect of, among other things, certain general corproate matters of Xingyu Serbia;

(h) the material contracts referred to in "Statutory and General Information — Further Information about our Business — Summary of Material Contracts" of the Document;

(i) the written consents referred to in "Statutory and General Information — Other Information — Qualifications and Consents of Experts" of the Document; and

(j) the service contracts referred to in Appendix IV — "Statutory and General Information — Further Information about Directors and Senior Management — Particular of the Service Contracts" of the Document.