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# **LAUNCH**

**深圳市元征科技股份有限公司**

**LAUNCH TECH COMPANY LIMITED\***

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

**(Stock Code: 2488)**

## **2025 ANNUAL RESULTS**

**Highlights:**

**Turnover: RMB2,110 million**

**Net profit: RMB350 million**

**Earning per share: RMB0.83**

**Final dividend declared: RMB0.41 per share**

The board of directors (the “Board”) of Launch Tech Company Limited (the “Company”) hereby announces the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2025 prepared in accordance with China Accounting Standards for Business Enterprises:

## I. FINANCIAL INFORMATION

(All amounts in RMB unless otherwise stated)

### CONSOLIDATED BALANCE SHEET

	<i>Note</i>	<b>2025</b>	2024
<b>Current assets:</b>			
Bank balances and cash		<b>544,086,217.34</b>	547,765,774.30
Trading financial assets		<b>36,054,754.71</b>	9,624,004.27
Bills receivable		<b>14,725,546.44</b>	13,881,835.08
Accounts receivable	4	<b>335,966,580.70</b>	307,418,809.73
Accounts receivable financing		<b>4,246,068.87</b>	9,637,013.80
Prepayments		<b>58,698,529.50</b>	74,508,098.30
Other receivables	5	<b>13,708,569.32</b>	18,608,061.99
Inventories	6	<b>267,331,635.69</b>	212,768,820.10
Other current assets		<b>37,354,392.17</b>	32,681,513.31
Total current assets		<b><u>1,312,172,294.74</u></b>	<u>1,226,893,930.88</u>
<b>Non-current assets:</b>			
Long-term equity investment		–	–
Investment in other equity instruments		<b>60,279,809.00</b>	55,670,094.77
Investment property		<b>322,625,584.32</b>	334,814,807.30
Fixed assets		<b>90,712,736.20</b>	100,227,529.98
Construction in progress		<b>143,861,008.65</b>	63,422,681.73
Right-in-use assets		<b>33,672,307.91</b>	9,108,775.31
Intangible assets		<b>87,624,612.27</b>	96,326,810.45
Goodwill		<b>107,813,021.09</b>	104,552,160.76
Long-term deferred expenditure		<b>1,899,641.93</b>	502,053.60
Deferred income tax assets		<b>3,095,359.66</b>	2,979,929.93
Other non-current assets		<b>426,780.00</b>	2,172,897.36
Total non-current assets		<b><u>852,010,861.03</u></b>	<u>769,777,741.19</u>
Total assets		<b><u>2,164,183,155.77</u></b>	<u>1,996,671,672.07</u>

## CONSOLIDATED BALANCE SHEET (CONTINUED)

	<i>Note</i>	2025	2024
<b>Current liabilities:</b>			
Short-term borrowings		76,642,444.45	79,921,465.28
Derivative financial liabilities		2,906,534.40	–
Bills payable		–	7,410,838.09
Accounts payable	7	251,584,692.62	201,536,543.97
Contract liabilities		245,890,612.61	159,390,608.82
Employee remuneration payable		65,258,216.56	54,793,709.83
Tax payables		27,453,303.57	20,683,872.93
Other payables		45,473,993.03	32,602,669.65
Non-current liabilities due within one year		12,647,773.25	8,679,105.86
Other current liabilities		17,411,735.54	19,978,522.84
		<u>745,269,306.03</u>	<u>584,997,337.27</u>
<b>Non-current liabilities:</b>			
Long-term borrowings		155,776,708.14	158,610,542.03
Lease liabilities		26,613,323.41	4,771,863.20
Deferred income		3,668,311.40	4,464,712.14
Deferred tax liabilities		115,102.78	–
		<u>186,173,445.73</u>	<u>167,847,117.37</u>
Total non-current liabilities		<u>186,173,445.73</u>	<u>167,847,117.37</u>
Total liabilities		<u>931,442,751.76</u>	<u>752,844,454.64</u>
<b>Shareholders' equity:</b>			
Share capital		410,155,600.00	415,788,100.00
Capital reserve		345,090,983.12	393,801,164.14
Other comprehensive income		21,794,980.05	12,727,173.63
Surplus reserve		121,055,810.76	102,894,736.26
Undistributed profit	8	324,113,377.60	312,753,202.09
		<u>1,222,210,751.53</u>	<u>1,237,964,376.12</u>
Total owners' equity attributable to parent company		<u>1,222,210,751.53</u>	<u>1,237,964,376.12</u>
Minority shareholders' equity		10,529,652.48	5,862,841.31
		<u>1,232,740,404.01</u>	<u>1,243,827,217.43</u>
Total shareholders' equity		<u>1,232,740,404.01</u>	<u>1,243,827,217.43</u>
Total liabilities and shareholders' equity		<u><u>2,164,183,155.77</u></u>	<u><u>1,996,671,672.07</u></u>

## CONSOLIDATED INCOME STATEMENT

	<i>Note</i>	2025	2024
<b>Operating income</b>	3	<b>2,109,380,323.12</b>	1,882,044,159.72
Less: Operating costs		<b>1,110,205,790.50</b>	986,964,323.48
Tax and surcharge		<b>14,359,810.46</b>	11,708,453.18
Selling expenses		<b>308,445,152.93</b>	254,106,712.99
Administrative expenses		<b>116,485,749.26</b>	113,391,543.62
Research and development expenses		<b>210,942,208.39</b>	201,483,668.44
Finance costs		<b>17,336,707.59</b>	-7,388,443.99
Add: Other revenue		<b>29,039,450.57</b>	39,813,890.20
Gain on investments		<b>4,219,676.73</b>	2,318,137.91
Loss on changes in fair value		<b>135,451.23</b>	82,137.63
Impairment loss on credit		<b>-9,130,953.23</b>	3,439,783.78
Impairment loss on assets		<b>-5,096,457.11</b>	-15,212,461.00
Gain on disposals of assets		<b>-373,312.20</b>	-55,455.18
		<hr/>	<hr/>
<b>Operating profit</b>		<b>350,398,759.98</b>	352,163,935.34
Add: Non-operating income		<b>2,806,387.45</b>	1,109,199.74
Less: Non-operating expenses		<b>630,685.83</b>	4,358,158.71
		<hr/>	<hr/>
<b>Total profit</b>		<b>352,574,461.60</b>	348,914,976.37
Less: Income tax expenses	9	<b>3,916,458.21</b>	7,653,175.46
		<hr/>	<hr/>
<b>Net profit</b>		<b>348,658,003.39</b>	341,261,800.91
		<hr/>	<hr/>
<b>Profit from continued operations</b>		<b>348,658,003.39</b>	341,261,800.91
Net profit attributable to owners of the parent company		<b>344,256,706.01</b>	339,505,814.80
Net profit attributable to minority shareholders		<b>4,401,297.38</b>	1,755,986.11
		<hr/>	<hr/>
<b>Other comprehensive income</b>		<b>9,067,806.42</b>	14,110,073.76
		<hr/>	<hr/>
<b>Total comprehensive income</b>		<b>357,725,809.81</b>	355,371,874.67
		<hr/>	<hr/>
Attributable to shareholders of the parent company		<b>353,324,512.43</b>	353,615,888.56
Total comprehensive income attributable to minority shareholders		<b>4,401,297.38</b>	1,755,986.11
		<hr/>	<hr/>
<b>Earnings per share:</b>			
Basic earnings per share	10	<b>0.8322</b>	0.8165

## CONSOLIDATED CASH FLOW STATEMENT

	<i>Note</i>	2025	2024
<b>Net cash flows from operating activities</b>		<u><b>482,460,847.01</b></u>	<u>391,417,410.42</u>
<b>Net cash flows from investing activities</b>		<u><b>-88,151,479.05</b></u>	<u>-114,871,653.88</u>
<b>Net cash flows from financing activities</b>		<u><b>-398,787,130.75</b></u>	<u>-342,212,460.48</u>
<b>Impact on cash by changes in foreign exchange rates</b>		<u><b>155,080.25</b></u>	<u>-4,982,129.13</u>
<b>Net increase in cash and cash equivalents</b>		<b>-4,322,682.54</b>	-70,648,833.07
Add: Cash and cash equivalents at beginning of the period		<u><b>540,083,262.21</b></u>	<u>610,732,095.28</u>
<b>Cash and cash equivalents at end of the period</b>		<u><u><b>535,760,579.67</b></u></u>	<u><u>540,083,262.21</u></u>
<b>Restricted bank balances and cash</b>		<u><b>8,325,637.67</b></u>	<u>7,682,512.09</u>
<b>Bank balances and cash</b>		<u><u><b>544,086,217.34</b></u></u>	<u><u>547,765,774.30</u></u>

## CONSOLIDATED STATEMENT OF MOVEMENT ON EQUITY

2025

<b>Opening balance of current year</b>	<b>1,243,827.217.43</b>
Comprehensive income	357,725,809.81
Share repurchase	-54,342,681.02
Dividends	-314,735,456.00
Others	<u>265,513.79</u>
<b>Ending balance for current year</b>	<b><u><u>1,232,740,404.01</u></u></b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

## 1. BASIS OF PREPARATION OF FINANCIAL STATEMENT

The financial statements of the Company were prepared according to the transactions and matters actually occurred, and recognitions and measurements were made in accordance with the Accounting Standards for Enterprises – Basic Standards published by the Ministry of Finance and specific accounting standards, guidance on application of accounting standards for enterprises, interpretations to accounting standards for enterprises and other relevant requirements (hereinafter collectively referred to as the “Accounting Standards for Enterprises”) on this basis, in conjunction with the provisions of the China Securities Regulatory Commission, “Regulations on Information Disclosure and Compilation of Companies Offering Securities to the Public No. 15-General Provisions on Financial Reporting” (revised in 2023).

The Company carried out assessment on the going concern for the 12 months’ period after the report date, and did not recognize any matters or situation which leading to material doubt on the continuity of operation. Therefore this financial report is based on recognition and measurement on a going concern basis.

In addition, the Financial Statements have also complied with the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited.

## 2. SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES AND COMPILATION METHOD OF CONSOLIDATED FINANCIAL STATEMENTS

### (1) Accounting period

The accounting period is from 1 January to 31 December.

### (2) Reporting currency

Renminbi was adopted as the reporting currency. The Company’s foreign subsidiaries choose their reporting currencies the basing on the primary economic environment in which they operate and converted into when preparing financial statements.

### (3) Method of preparing consolidated financial statements

The scope of consolidation of the consolidated financial statements of the Company is determined on the basis of control. All subsidiaries are included in the consolidated financial statements.

Based on the financial statements of the Company and its subsidiaries, the consolidated financial statements are prepared by the Company according to other relevant information.

All subsidiaries within the scope of consolidation of the consolidated financial statements shall adopt accounting policies and financial period consistent with the Company. When there is any inconsistency on the accounting policies or financial period adopted by the subsidiaries and the Company, the financial statements of subsidiaries are adjusted according to the accounting policies or financial period adopted by the Company as necessary.

When consolidating the financial statements, the effects of intra-transactions between the Company and its subsidiaries, and among subsidiaries on the consolidated balance sheet, the consolidated income statement, the consolidated cash flow statement and the consolidated statement of changes in equity shall be offset.

**(4) Changes in accounting policies**

<b>Content and reasons for changes in accounting policies</b>	<b>Remarks</b>
From 27 June 2025, the company will implement the Notice on Financial Handling Issues after the Implementation of the Company Law and Foreign Investment Law issued by the Ministry of Finance (Cai Capital [2025] No. 101)	(1)
Because the company's ERP system was switched from Oracle to Kingdee, and it was officially launched on 1 January 2025. In order to better adapt to the operation of the Kingdee software system and improve the company's cost management level, the company has changed the inventory cost accounting method. The changed inventory cost accounting method complies with the provisions of Enterprise Accounting Standard No. 1 – Inventory.	(2)

***(1) The impact of the implementation of the notice on financial handling issues after the implementation of the Company Law and the Foreign Investment Law on the company***

From 27 June 2025, the Company implemented the Notice on Financial Handling Issues after the Implementation of the Company Law and the Foreign Investment Law. The implementation of the notice has no significant impact on the financial statements during the reporting period.

***(2) Change of inventory accounting method***

Since the company's ERP system has been switched from Oracle to Kingdee, the Company will change the inventory pricing method and product cost accounting method. The pricing method of some inventory has been changed from the mobile weighted average method to the periodic weighted average at the end of the month; the accounting method of product costs has been changed from the standard cost method to the actual cost method. This change in accounting policy adopts the future applicable method, which does not involve the retroactive adjustment of the accounting statements of previous years.

**(5) Changes in accounting estimates**

There is no change in the major accounting estimates during the reporting period.

### 3. REVENUE

	Current year	Previous year
Revenue from main operations	2,062,814,437.40	1,824,507,041.15
Revenue from other operations	<u>46,565,885.72</u>	<u>57,537,118.57</u>
	<u><b>2,109,380,323.12</b></u>	<u><b>1,882,044,159.72</b></u>
Rental income included in the revenue from other operations	<u><b>43,694,928.35</b></u>	<u><b>43,683,013.12</b></u>

### 4. ACCOUNTS RECEIVABLE

The Company basically used credit terms when dealing with customers and normally offered credit period from 30 days to 210 days. Should a customer possessed long and good records or in case of being a major customer, or under the circumstances that the Company would like to maintain prolong operational relationship, and then a different credit period might be considered.

Ageing	At the period end	At the beginning of the period
Within 1 year	347,879,322.11	324,006,854.06
Includes: Within 90 days	280,954,924.29	313,810,979.67
91-180 days	50,889,874.71	5,994,518.68
181-270 days	14,544,583.39	2,645,602.42
271-365 days	1,489,939.72	1,555,753.29
1-2 years	12,218,432.22	2,740,508.71
2-3 years	1,495,895.35	2,678,204.90
3-4 years	2,129,811.90	5,558,271.14
4-5 years	5,520,142.09	515,390.30
Over 5 years	<u>2,946,268.98</u>	<u>2,605,063.16</u>
Subtotal	372,189,872.65	338,104,292.27
Less: provision for bad debts	<u>36,223,291.95</u>	<u>30,685,482.54</u>
Total	<u><b>335,966,580.70</b></u>	<u><b>307,418,809.73</b></u>

Details of the ageing of the carrying amounts of the not-past-due and overdue accounts receivable (from the billing date) are as follows:

Items	Ending balance			Beginning balance		
	Carrying balance	Provision	Book value	Carrying balance	Provision	Book value
Not past due	303,113,223.51	15,155,661.18	287,957,562.33	276,783,283.65	13,839,164.18	262,944,119.47
overdue	<u>69,076,649.14</u>	<u>21,067,630.77</u>	<u>48,009,018.37</u>	<u>61,321,008.62</u>	<u>16,846,318.36</u>	<u>44,474,690.26</u>
Total	<u><b>372,189,872.65</b></u>	<u><b>36,223,291.95</b></u>	<u><b>335,966,580.70</b></u>	<u><b>338,104,292.27</b></u>	<u><b>30,685,482.54</b></u>	<u><b>307,418,809.73</b></u>

## 5. OTHER RECEIVABLES

Aging	Ending balance	Beginning balance
Within 1 year	<b>10,791,259.43</b>	14,388,241.87
1-2 years	<b>6,564,629.63</b>	9,380,214.26
2-3 years	<b>7,811,036.19</b>	10,268,501.28
3-4 years	<b>7,542,193.59</b>	2,237,295.71
4-5 years	<b>2,294,111.78</b>	817,944.32
Over 5 years	<b>7,462,169.71</b>	6,795,227.23
Subtotal	<b>42,465,400.33</b>	43,887,424.67
Less: provision for bad debts	<u><b>28,756,831.01</b></u>	<u>25,279,362.68</u>
Total	<u><b>13,708,569.32</b></u>	<u>18,608,061.99</u>

## 6. INVENTORIES

Item	Ending balance			Beginning balance		
	Carrying balance	Provision for impairment	Book value	Carrying balance	Provision for impairment	Book value
Raw materials	23,763,590.36	7,480,319.24	16,283,271.12	15,552,365.58	2,872,368.11	12,679,997.47
Work in progress	-	-	-	741,883.39	-	741,883.39
Finished goods	239,541,652.20	14,043,615.90	225,498,036.30	207,217,512.55	23,447,596.39	183,769,916.16
Goods in traist	15,139,883.27	-	15,139,883.27	-	-	-
Consigned processing materials	970,342.57	-	970,342.57	12,326,623.99	109,466.91	12,217,157.08
In-house WIP	<u>11,482,737.77</u>	<u>2,042,635.34</u>	<u>9,440,102.43</u>	<u>3,816,552.04</u>	<u>456,686.04</u>	<u>3,359,866.00</u>
Total	<u><b>290,898,206.17</b></u>	<u><b>23,566,570.48</b></u>	<u><b>267,331,635.69</b></u>	<u><b>239,654,937.55</b></u>	<u><b>26,886,117.45</b></u>	<u><b>212,768,820.10</b></u>

## 7. ACCOUNTS PAYABLE

Item	Ending balance	Beginning balance
Under 1 year	<b>245,016,311.08</b>	201,140,325.62
1-2 years	<b>6,349,478.05</b>	308,540.13
2-3 years	<b>148,088.80</b>	74,991.47
Over 3 years	<u><b>70,814.69</b></u>	<u>12,686.75</u>
Total	<u><b>251,584,692.62</b></u>	<u><b>201,536,543.97</b></u>

## 8. UNDISTRIBUTED PROFITS

	Current year
As at the beginning of the period	312,753,202.09
Net profit attributable to shareholders of the parent company in the current year	344,256,706.01
Appropriation of surplus reserve	-18,161,074.50
Interim dividend	-314,735,456.00
	<u>324,113,377.60</u>
As at the end of the period	<u>324,113,377.60</u>

## 9. INCOME TAX EXPENSE

	Current year	Previous year
Income tax for the current period	4,037,835.61	10,459,175.37
Adjustment of deferred tax	-121,377.40	-2,805,999.91
	<u>3,916,458.21</u>	<u>7,653,175.46</u>
Total	<u>3,916,458.21</u>	<u>7,653,175.46</u>

## 10. EARNINGS PER SHARE

### (1) Basic earnings per share

Basic earnings per share is calculated by dividing the consolidated net profit for holder of ordinary share of the parent company by average weighted number of outstanding ordinary share of the parent company.

Items	Current year	Previous year
Consolidated net profit for holder of ordinary share of the parent company	344,256,706.01	339,505,814.80
Average weighted number of outstanding ordinary share of the parent company	413,695,017.00	415,788,100
Basic earnings per share (RMB/share)	<u>0.8322</u>	<u>0.8165</u>

### (2) Diluted earnings per share

As there was no ordinary shares with dilutive potential for the year 2025 and 2024, thus no diluted earnings per share was presented.

## 11. DIVIDEND

The Board recommended the distribution of a final dividend of RMB0.41 per share.

## 12. SUBSIDIARIES

Name of the corporation	Shareholding	Business nature
Xi'an Launch Software Technology Co., Ltd.	100%	Software and information technology services
Launch Software Development Co., Ltd.	100%	Software and information technology services
Launch Europe GmbH	100%	Sales of computer software and hardware, electronic products and technical information consulting services
Shenzhen Golo Internet of Vehicle Data Technology Co., Ltd.	100%	Software and information technology services
Launch Tech International Co., Ltd.	100%	Car diagnosis, testing, sales of maintenance equipment, information network services
Nanjing Launch Intelligent Technology Co., Ltd.	100%	Research and experimental development
Shenzhen Launch Future Auto Technology Co., Ltd.	100%	Software and information technology services
Shenzhen Launch Information Technology Development Co., Ltd.	100%	Software and information technology services
Nanjing Golo Big Data Technology Co., Ltd.	100%	Internet and related services
Launch Italy GmbH	100%	Sales of computer software and hardware, electronic products and technical information consulting services
Shenzhen Yuan Xiang Li Heng Technology Co., Ltd.	100%	Software and information technology services
Shenzhen Yi Kong Li Chu Software Development Co., Ltd.	100%	Software and information technology services
Shanghai Launch Yisheng New Energy Technology Co., Ltd.	100%	Professional technology services
LAUNCH NORTH AMERICAN CORP	100%	Sales and services of auto diagnostic products
LAUNCH TECH (USA)	100%	Sales and services of auto diagnostic products
Shenzhen Yi Xin Yi Yi Software Development Company Limited	100%	Software and information technology services
Launch Investment Company Limited	100%	Business services
Shenzhen Zhongcheng Yingli Management Consulting Partnership (Limited Partnership)	100%	Business services
Launch Consultating Management Company Limited	100%	Business services
Launch No. 1 Consultating Partnership (Limited Partnership)	100%	Business services
Shenzhen Yixin Zhicheng Consulting Limited Partnership (Limited Partnership)	99.75%	Business services
Shenzhen Ming Rui Da Consulting Enterprise (Limited Partnership)	100%	Software and information technology services
Shenzhen Mingrui Data Technology Company Limited	71.81%	Software and information technology services
Shenzhen Ming Rui Zhi Ke Technology Company Limited	71.81%	Software and information technology services
LAUNCH TECH (Japan)	100%	Sales and services of auto diagnostic products
Launch Tech Korea Co., Ltd.	100%	Sales and services of auto diagnostic products
Launch Tech International Mena DMCC	100%	Sales and services of auto diagnostic products
Shenzhen Yiqi Information Technology Consulting Co., Ltd.	100%	Business services
Shenzhen Mingyuan Zhirui Consulting Limited Partnership (Limited Partnership)	73.33%	Business services
Shenzhen Xinguan Consulting Co., Ltd.	100%	Software and information technology services
Shenzhen Xinxi Blockchain Technology Co., Ltd.	100%	Software and information technology services
Shenzhen Qigao Technology Co., Ltd.	100%	Other services
Launch Tech UK Limited	100%	Sales and services of auto diagnostic products
LAUNCH PRO FRANCE	100%	Sales and services of auto diagnostic products
LAUNCH CEE SP. Z O.O	100%	Sales and services of auto diagnostic products
LAUNCH TECH INTERNATIONAL (VIETNAM) COMPANY LIMITED	100%	Sales and services of auto diagnostic products
LAUNCH TECH MEXICO	100%	Sales and services of auto diagnostic products

## 13. CONTINGENT LIABILITY

As at 31 December 2025, the Group did not have significant contingent liability.

#### 14. PLEDGE OF ASSETS

As at 31 December 2025, the Group pledged properties and buildings, investment property and land use rights with original value approximately amounted to approximately 254,000,000 (2024: 264,000,000) for certain bank borrowings.

#### 15. CAPITAL COMMITMENTS

As at 31 December 2025, the Company does not have material capital commitments that have not been disclosed.

#### 16. LEASE COMMITMENTS

As at 31 December 2025, commitments for the Group in the future which brought by non-cancellable lease contracts are as follows:

	<b>Current year</b>	Previous Year
Within 1 year	<b>10,535,581.15</b>	5,046,247.18
2 to 5 years	<b>22,663,288.86</b>	4,945,754.15
Over 5 years	<b>6,069,035.87</b>	—
	<b><u>39,267,905.88</u></b>	<b><u>9,992,001.33</u></b>

#### 17. POST-BALANCE SHEET EVENTS

The Group does not have material matter that should be disclosed under the Post-balance sheet events.

## II. MANAGEMENT DISCUSSION AND ANALYSIS

### 2025 REVIEW

The automobile industry in the PRC continued to grow in 2025, with production and sales volumes reaching approximately 34.5 million and 34.4 million units, respectively. Based on the growth of the industry, the Group insisted on developing its new strategy, resulting in sustained performance growth.

#### Financials

In 2025, the Group's operating income was approximately RMB2.11 billion, representing an increase of 12% over the same period in last year (the "YOY increase"). The gross profit was approximately RMB1 billion, representing a YOY increase of 12%, indicating a steady improvement in profitability.

The increase in results was primarily driven by the application of intelligent algorithms and AI technology. Based on intelligent algorithms, the Group implemented digital operations. In 2025, our overseas business (including overseas e-commerce) achieved a record high for the same period, realizing a revenue of approximately RMB1.55 billion, accounting for 73% of total revenue. Based on AI technology, the Group analyzed user behaviors and intelligent pricing, which have effectively enhanced the proportion of customers who make the payment. In 2025, the revenue from software business reached approximately RMB180 million, representing a YOY increase of 66%.

Meanwhile, the Group's super remote diagnostics has become a globally leading online diagnostics service platform for automobiles. In 2025, the revenue from remote diagnostics services was approximately RMB23.3 million, representing a YOY increase of 79%. The Group expanded its automotive data business, with data revenue in 2025 reaching approximately RMB22.6 million, representing a YOY increase of 111%.

In 2025, the Group's net profit was approximately RMB350 million, remaining largely flat year-on-year. The net profit margin was 17%, representing a YOY decrease of 2%. The main reasons are as follows: (1) to strategically expand overseas business and AI technology, the Group increased its overseas market expansion and R&D investments, leading to a corresponding increase in employee compensation of approximately RMB61.8 million; (2) due to the strengthening of the RMB exchange rate, exchange gains of RMB11.9 million in 2024 turned into losses of RMB7.4 million in 2025, resulting in a profit reduction of approximately RMB19.3 million; (3) due to the rapid increase in chip prices, costs increased by approximately RMB12 million; (4) due to geopolitical factors and tariff policies, costs increased by approximately RMB7.4 million.

Based on the Group's performance during the reporting period, the Board of Directors recommended a final dividend of RMB0.41 per share.

## **Customers**

Customers of the Group include repair shops, mechanics, vehicle manufacturers, vehicle owners and vehicle repair schools, insurance companies and second-hand vehicle dealers, covering every aspect of the whole life cycle of automobiles. As of December 31, 2025, the Group had cumulatively established connections with nearly 410 million vehicles globally through its automotive diagnostics equipment. The annual active number of automotive diagnostics equipment terminals exceeded 3.7 million, generating over 1.1 million automotive diagnostics reports daily, with a cumulative total of nearly 2.1 billion diagnostics reports.

The Group's end-users are spread all over the world, with approximately 1.3 million yearly active users in China and approximately 1 million yearly active users in the United States.

With "customer service" as the starting point, the Group has established an intelligent, localized, and grid-based service system to continuously enhance user satisfaction. In 2025, the Group conducted 15,052 customer training sessions globally, earning high recognition from customers.

## **Internal Operations**

2025 marks the second year of the Group's implementation of its three major strategies, namely ADS, AAS and EVS. The implementation of these strategies continues to deepen, achieving significant phased results.

1. AI Diagnostic Service (ADS), which aims to make automotive diagnostics smarter. The Group will continuously enhance the intelligence of automotive diagnostics and gradually achieve full voice interaction for diagnostics hardware, AI intelligent diagnosis and repair, command-driven automated direct diagnostics results, rapid generation of automotive diagnostics reports and automatic push of repair solutions, thereby creating an intelligent automotive fault analysis and prediction system. We will continuously develop the super remote diagnostics business, intensify overseas expansion, and strengthen our global leadership in online diagnostics service platforms for automobiles.
2. AI Auto Service (AAS), which utilizes large model AI technology to simplify automotive services. The Group integrated multi-dimensional data and advanced AI foundation models to build the LAUNCH AI Auto Repair Smart Agent Platform, continuously improving service efficiency and user experience. Its Diagnostics Agent can provide global repair shop customers with comprehensive solutions covering fault code analysis, fault cause assessment, diagnostics plan formulation, repair step guidance, and spare parts matching. It can also offer vehicle owners transparent repair services, including fault level analysis, repair cost estimation, and repair shop recommendations. Its Customer Service Agent can help repair shops and technicians resolve equipment after-sales issues online and provide guidance on diagnostics function operations.

3. Electric Vehicle Service (EVS), which aims to help global repair shop customers improve their new energy vehicle repair capabilities. The Group has developed the LAUNCH EVS to sell new energy vehicle repair equipment and provide customers with new energy vehicle repair technical training, workstation modification, and after-sales service.

## **Learning and Growth**

The Group strengthened its research and development of patented technologies, and obtained 63 authorized invention patents in 2025. As of December 31, 2025, R&D personnel accounted for approximately 50% of the total workforce.

## **Outlook and Future Strategy**

The Group has been focusing on the automotive diagnostics field for 34 years, accumulating deep technical expertise. In the future, the Group will leverage its advantages, based on the above three major strategies and the four major businesses of hardware, software, services and data, accelerate its shift into an intelligent enterprise, apply AI technology to the automotive industry, and strive to become the world's leading brand of automotive AI.

The Group will:

1. Increase the scale of its overseas business, expand the volume of super remote diagnostics transactions, and develop the LAUNCH AI, striving to significantly increase the revenues for the hardware, software, service and data businesses.
2. Establish digital and intelligent customer relationships.
3. Reduce operating and product costs, and enhance the work efficiency through AI and advanced tools.
4. Introduce more strategic talents.

## Major Financial Data for the profit changes

*RMB million*

a	Profit after tax in 2024	341
b	Profit after tax in 2025	349
c=a-b	Increase in profit in 2024	8
Mainly due to:		
	Increase in gross profit	104
	Increase in selling expenses	(54)
	Increase in R&D expenses	(10)
	Increase in finance costs	(24)
	Other	(8)
		<hr/>
	Increase in profit in 2025	8
		<hr/> <hr/>

The strong overseas sales revenue this year brought about a substantial growth in gross profit, leading to the increase in selling expenses to a certain extent; resulting from exchange rate fluctuations, the finance costs have also increased. During the year, the Company increased its R&D expenses as well.

## Principal Sources and Usage of Fund

*RMB million*

	Inflow from operation	482
	Repurchase of shares	(54)
	Acquisition of fixed assets and investment in R&D	(55)
	Investment payments	(34)
	Repayment of borrowings	(7)
	Interest paid	(8)
	Dividend distributed	(320)
	Others	(8)
		<hr/>
	Change in cash	(4)
		<hr/> <hr/>

Total net cash outflow for the year was of RMB4,000,000 and the period end balances of cash and cash equivalents was RMB536,000,000.

## **Capital Structure**

The Company's capital structure consists of interests and liabilities attributable to shareholders during the reporting period. Total liabilities amounted to RMB931,000,000, interests attributable to shareholders amounted to RMB1,233,000,000. Total assets amounted to RMB2,164,000,000. As at the end of the period, the gearing ratio calculated by total liabilities divided by interests attributable to shareholders was 0.76 (2024: 0.61). The overall gearing ratio improved from last year, reaching a more favorable gearing ratio level.

## **Customers and suppliers**

Total revenue from the top five customers of the Company was approximately RMB626,000,000 (2024: RMB556,000,000), accounting for approximately 30% (2024: 30%) of total revenue for the year. The largest customer accounted for approximately 8% (2024: 9%) of the total revenue for the year.

Total purchases from top five suppliers of the Company amounted to approximately RMB917,000,000 (2024: RMB794,000,000), accounting for approximately 78% (2024: 71%) of the total purchases for the year. The largest supplier accounted for approximately 28% (2024: 24%) of the total purchases for the year.

None of the directors, their respective associates, or any shareholders (which to the knowledge of the directors own more than 5% of the share capital of listed issuer) had any interest in any of the customers or the suppliers disclosed above.

## **III. NOTES TO OTHER MATERIAL EVENTS**

### **1. Scope of consolidation**

During the reporting period, other than the five new subsidiaries through acquisition and investment, there was no other significant change in respect of the scope of consolidation.

### **2. Audit of financial statements for the reporting period by the audit committee**

The 2025 audited financial statements is reviewed and confirmed by the audit committee of the Board of the Company.

### **3. Code on Corporate Governance Practices**

During the reporting period, the Company was in compliance with the code provisions set out in the Code on Corporate Governance Practices as set out in Appendix C1 to the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange of Hong Kong Limited. Details of implementation of the Code on Corporate Governance Practices will be set out on the Corporate Governance Report in 2025 Annual Report.

#### 4. Model Code for securities transactions by directors and supervisors

During the reporting period, the Company has adopted a set of code of practice regarding securities transactions by directors and supervisors on terms no less exacting than the standards set out in the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix C3 to the Listing Rules. Having made specific enquiry to all directors and supervisors of the Company, the Company confirmed that, each of the Directors and supervisors has complied with the required standards regarding securities transactions by directors set out in the Model Code within the 12 months ended 31 December 2025.

#### 5. Share capital

(1) During the reporting period, movement in the total number of shares of the Company are as follows:

From 17 January 2025, the Company has successively repurchased the issued shares. As of 29 September 2025, the Company has repurchased a total of 5,632,500 shares and has been canceled. The total number of shares of the Company has changed from 415,788,100 shares to 410,155,600 shares.

(2) During the reporting period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's shares.

(3) During the reporting period, the Company had no share options granted under the share option scheme.

### IV. ANNUAL REPORT

This announcement is set out on the websites of the Company ([www.cnlaunch.com](http://www.cnlaunch.com)) and the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)). The annual report will be published on the aforesaid websites in due course.

Further information on the distribution of final dividends and the annual shareholders' meeting, including relevant book closure dates of share transfer, will be announced separately.

By Order of the Board  
**Launch Tech Company Limited\***  
**Liu Xin**  
*Chairman*

Shenzhen, the PRC  
25 March 2026

*As at the date of this announcement, the board of directors of the Company comprises Mr. Liu Xin (Chairman), Ms. Huang Zhao Huan, and Mr. Jiang Shiwen as executive Directors, Mr. Liu Guozhu as employee Director, Mr. Peng Jian as non-executive Director, and Ms. Zhang Yanxiao, Mr. Bin Zhichao and Ms. He Xujin as independent non-executive Directors.*

\* for identification only