SERES 賽力斯

Seres Group Co., Ltd.
賽力斯集團股份有限公司
(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 9927)

ANNOUNCEMENT OF AUDITED ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

The board of directors (the "**Board**") of Seres Group Co., Ltd. (the "**Company**") hereby announces the audited annual results of the Company and its subsidiaries (the "**Group**") for the year ended December 31, 2025. This announcement sets out the full text of the Company's 2025 annual report and complies with the relevant requirements regarding information to accompany a preliminary announcement of annual results under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Audit Committee of the Board has reviewed the results of the Group for the year ended December 31, 2025.

The Chinese and English versions of this results announcement are available on the Company's website (www.seres.cn) and the website of Hong Kong Exchanges and Clearing Limited (the "**Hong Kong Stock Exchange**") (www.hkexnews.hk). The Company's 2025 annual report will be published on the Hong Kong Stock Exchange and the Company on the same day and will be despatched to the shareholders of the Company.

By order of the Board
Seres Group Co., Ltd.
Mr. Zhang Zhengping
Chairperson of the Board and Executive Director

Hong Kong, March 30, 2026

As at the date of this announcement, Directors of the Company are: (i) Mr. Zhang Zhengping, Mr. Yin Xianzhi, Ms. Shen Wei and Mr. Zhang Zhengyuan as executive directors; (ii) Mr. Zhang Kebang, Mr. Yang Yanding, Mr. Li Wei and Mr. Zhou Changling as non-executive directors; and (iii) Mr. Li Kaiguo, Mr. Zhang Guolin, Mr. Jing Xufeng, Mr. Li Ming and Mr. Ngai Ming Tak as independent non-executive directors.

Important Notice

I. **The Board of Directors, the Directors and the senior management of the Company warrant that the contents of this annual report are true, accurate and complete and do not contain any false record, misleading statement or material omission, and shall bear individual and joint legal responsibilities therefor.**

II. **All Directors of the Company attended the Board meeting.**

III. **Deloitte Touche Tohmatsu issued standard unqualified audit reports for the Company.**

IV. **Zhang Zhengping (張正萍), the person in charge of the Company, Liu Lian (劉聯), the person in charge of accounting affairs, and Liu Delin (劉德林), the head of the accounting department (accounting supervisor), hereby declare that they guarantee the financial report contained in this annual report to be true, accurate and complete.**

V. **Profit Distribution Proposal or Capital Reserve Capitalization Proposal for the Reporting Period as Approved by the Board of Directors**

The Company proposes to declare a cash dividend of RMB0.8 (tax inclusive) per share to all Shareholders. Based on the total share capital of 1,741,985,086 shares as of March 30, 2026, the total proposed cash dividend will amount to RMB1,393,588,068.80 (tax inclusive). The total cash dividends of the Company for the year (including the interim cash dividends already distributed) will amount to RMB1,899,931,555.46, representing 31.90% of the net profit attributable to shareholders of the listed company for the year. No capitalization of capital reserve into share capital will be made and no bonus shares will be issued. The cash dividends distributed by the Company will be denominated and declared in RMB, paid in RMB to holders of A Shares and in HKD to holders of H Shares. The actual amount in HKD will be calculated on the rate of average benchmark exchange rate of RMB against HKD as announced by the People's Bank of China five business days prior to the 2025 annual general meeting of the Company.

If there is any change in the total share capital of the Company during the period from the date of disclosure of the announcement regarding the 2025 annual profit distribution proposal to the record date for the implementation of the equity distribution, the Company intends to maintain the distribution amount per share unchanged and adjust the total distribution amount accordingly. If there is any subsequent change in the total share capital, the specific adjustment will be announced separately.

As of the end of the Reporting Period, whether there are unrecovered losses of the parent company and their impact on matters such as dividend distribution by the Company

☐ Applicable ✓ Not applicable

VI. Risk Statement on Forward-looking Statements

✓ Applicable ☐ Not applicable

Forward-looking statements such as future operating plans and the Company's strategic development plans contained in this annual report do not constitute a substantive commitment of the Company to investors. Investors are advised to be aware of investment risks.

VII. Whether there is any non-operating occupation of funds by the controlling shareholder and other related parties

No

VIII. Whether there is any provision of external guarantees in violation of the prescribed decision-making procedures

No

IX. Whether more than half of the Directors are unable to guarantee the truthfulness, accuracy and completeness of the annual report disclosed by the Company

No

X. Major Risk Warning

The Company has described in detail the potential risks in this report. Investors are advised to refer to the section headed "Section III Management Discussion and Analysis – VI. Discussion and Analysis of the Company's Future Development – (IV) Potential Risks" for details. Investors are advised to be aware of investment risks.

XI. Others

☐ Applicable ✓ Not applicable

Contents

List of Documents Available for Inspection	The financial statements duly signed and stamped by the person in charge of the Company, the person in charge of accounting work, and the head of the accounting department (or the accounting supervisor).
	The original audit report duly stamped by the accounting firm and signed and stamped by certified public accountants.
	The originals of all company documents publicly disclosed during the Reporting Period and the original copies of all announcements.

I. DEFINITION

In this annual report, unless the context otherwise requires, the following terms shall have the meanings set out below:

Definitions of Common Terms

CSRC	the China Securities Regulatory Commission (中國證券監督管理委員會)
SSE	Shanghai Stock Exchange
Stock Exchange	The Stock Exchange of Hong Kong Limited
Company Law	Company Law of the PRC (《中華人民共和國公司法》)
Securities Law	The Securities Law of the People's Republic of China (《中華人民共和國證券法》)
SFO	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
Shanghai Listing Rules	the Rules Governing the Listing of Stocks on Shanghai Stock Exchange (《上海證券交易所股票上市規則》)
Hong Kong Listing Rules	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
Corporate Governance Code	the Corporate Governance Code set out in Appendix C1 to the Hong Kong Listing Rules
Model Code	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Hong Kong Listing Rules (《上市發行人董事進行證券交易的標準守則》)
SERES/Seres Group/Company/the Company	Seres Group Co., Ltd. (賽力斯集團股份有限公司), a limited liability company incorporated in the PRC on May 11, 2007 and converted into a joint stock company with limited liability on April 29, 2011, the A Shares of which are listed on the Shanghai Stock Exchange (stock code: 601127) and the H Shares of which are listed on the Hong Kong Stock Exchange (stock code: 9927)
the Group	the Company and its subsidiaries
Seres Auto	Seres Auto Co., Ltd. (賽力斯汽車有限公司), formerly known as Chongqing Jinkang New Energy Automobile Co., Ltd.
Sokon Holding	Chongqing Sokon Holding Company Limited (重慶小康控股有限公司), a controlling shareholder of the Company (as defined under the Shanghai Listing Rules)
Yu'an Industry	Chongqing Yu'an Automobile Industry Co., Ltd. (重慶渝安汽車工業有限公司)
Hubei Seres	Seres Auto (Hubei) Co., Ltd., a wholly-owned subsidiary of the Company
SF Motors	SF Motors, Inc., whose Chinese name is 小康(美國)新能源汽車股份有限公司, a subsidiary of the Company

Section I Definition

Dongfeng Motor Company/Dongfeng Motor Group	Dongfeng Motor Corporation (東風汽車集團有限公司), formerly known as Dongfeng Motor Company, a shareholder of the Company
Chongqing Industrial Parent Fund	Chongqing Industrial Investment Parent Fund Enterprise Partnership (L.P.) (重慶產業投資母基金合夥企業(有限合夥))
Liangjiang Investment Group	Chongqing Liangjiang New Area Development & Investment Group Co., Ltd. (重慶兩江新區開發投資集團有限公司)
Liangjiang Industrial Group	Chongqing Liangjiang New Area Industrial Development Group Co., Ltd. (重慶兩江新區產業發展集團有限公司)
Longsheng New Energy	Chongqing Liangjiang New Area Longsheng New Energy Technology Co., Ltd. (重慶兩江新區龍盛新能源科技有限責任公司)
Shenzhen Yinwang	Shenzhen Yinwang Intelligent Technology Co., Ltd. (深圳引望智能技術有限公司)
Articles of Association	the Articles of Association of Seres Group Co., Ltd.
A Share(s)	the domestic ordinary shares of the Company with a nominal value of RMB1.00 each, which are listed on the Main Board of the Shanghai Stock Exchange
H Share(s)	the overseas-listed foreign invested ordinary shares of the Company with a nominal value of RMB1.00 each, which are listed on the Main Board of the Hong Kong Stock Exchange
H Share Listing Date	November 5, 2025, being the date on which the H Shares of the Company were listed on the Main Board of the Stock Exchange
Reporting Period/the Reporting Period	the period from January 1, 2025 to December 31, 2025
Relevant Period	the period from the H Share Listing Date to December 31, 2025
RMB, RMB'000, RMB0'000, RMB'000'000'000	RMB, RMB'000, RMB0'000, RMB'000'000'000. Unless otherwise specified, the currency amounts in this report are denominated in Renminbi
Passenger Vehicle	a motor vehicle designed and manufactured primarily for carrying passengers and their carry-on luggage or temporary items, with no more than nine seats including the driver's seat. Passenger vehicles are further classified into basic passenger vehicles (sedans), multi-purpose vehicles (MPVs), sport utility vehicles (SUVs), special-purpose passenger vehicles and cross-type passenger vehicles
NEVs, EVs	vehicles that use electric drive systems as the driving power and non-conventional petrochemical energy systems such as lithium batteries, solid-state batteries or fuel cells as energy sources, and widely apply advanced intelligent connected technologies such as the Internet and the Internet of Things to realize graded levels of assisted driving and autonomous driving
SUV	sport utility vehicles
AI	Artificial Intelligence

Section II Company Profile and Key Financial Indicators

I. COMPANY INFORMATION

Chinese name of the Company	賽力斯集團股份有限公司
Chinese abbreviation of the Company	賽力斯
English name of the Company	Seres Group Co., Ltd.
Abbreviation of the English name of the Company	SERES
Legal representative of the Company	Zhang Zhengping (張正萍)

II. CONTACT PERSONS AND CONTACT DETAILS

	Secretary to the Board	Securities Affairs Representative
Name	Shen Wei (申薇)	Ma Chengjuan (馬成娟)
Contact address	No. 7 Wuyunhu Road, Shapingba District, Chongqing	No. 7 Wuyunhu Road, Shapingba District, Chongqing
Tel	023-65179666	023-65179666
Fax	023-65179777	023-65179777
E-mail	601127@seres.cn	601127@seres.cn

III. BASIC INFORMATION

Registered address of the Company	No. 7 Wuyunhu Road, Shapingba District, Chongqing
Historical changes of the registered address of the Company	As approved at the third extraordinary general meeting of the Company in 2022, the registered address of the Company was changed from "No. 61-1 Jinqiao Road, Shapingba District, Chongqing" to "No. 7 Wuyunhu Road, Shapingba District, Chongqing"
Office address of the Company	No. 7 Wuyunhu Road, Shapingba District, Chongqing
Postal code of the office address of the Company	401335
Website of the Company	www.seres.cn
E-mail	601127@seres.cn

IV. INFORMATION DISCLOSURE AND PLACE FOR INSPECTION

Newspapers designated by the Company for disclosure of the annual report and their websites	Shanghai Securities News (www.cnstock.com), China Securities Journal (www.cs.com.cn), Securities Times (www.stcn.com), Securities Daily (www.zqrb.cn)
Websites of the stock exchanges where the annual report of the Company is disclosed	Shanghai Stock Exchange: www.sse.com.cn Stock Exchange: www.hkexnews.hk
Place where the annual report of the Company is available for inspection	Office building of the Company

Section II Company Profile and Key Financial Indicators

V. SUMMARY OF THE COMPANY'S SHARES

Summary of the Company's Shares

Class of shares	Stock exchange on which the shares are listed	Stock short name	Stock code	Stock short name before change
A Shares	Shanghai Stock Exchange	Seres	601127	Sokon
H Shares	Stock Exchange	Seres	9927	Not applicable

VI. OTHER RELEVANT INFORMATION

Domestic auditor appointed by the Company	Name	Deloitte Touche Tohmatsu Certified Public Accountants LLP
	Office address	30/F, No. 222 Yan'an East Road, Huangpu District, Shanghai
	Signing auditors	Ma Qianghui, Liu Fang
Overseas auditor appointed by the Company	Name	Deloitte Touche Tohmatsu (Registered Public Interest Entity Auditor)
	Office address	35/F, One Pacific Place, 88 Queensway, Hong Kong
	Signing auditors	Chan, Men
Sponsor performing continuing supervision duties during the Reporting Period	Name	China International Capital Corporation Limited
	Office address	27th and 28th Floor, China World Office 2, Jianguomenwai Avenue, Chaoyang District, Beijing
	Signing sponsor representatives	Chen Yiliang, Mo Peng
	Period of continuing supervision	From July 15, 2022 to December 31, 2023; after December 31, 2023, continuing supervision will be conducted in respect of matters relating to the unutilized proceeds
Financial adviser performing continuing supervision duties during the Reporting Period	Name	CSC Financial Co., Ltd.
	Office address	Building 1, Courtyard 16, Jinghui Street, Chaoyang District, Beijing
	Signing financial adviser representatives	Jia Xinghua, Zhou Yang
	Period of continuing supervision	From March 25, 2025 to December 31, 2026
Financial adviser performing continuing supervision duties during the Reporting Period	Name	China Galaxy Securities Co., Ltd.
	Office address	No. 101, 7/F-18/F, Building No. 1, No. 8 Xiying Street, Fengtai District, Beijing
	Signing financial adviser representatives	Hu Xiaojun, Ma Qinghai
	Period of continuing supervision	From March 31, 2025 to December 31, 2026

VII. MAJOR ACCOUNTING DATA AND FINANCIAL INDICATORS

Unit: RMB'000 Currency: RMB

	2025	2024	**Increase/ Decrease for the Period Compared with the Corresponding Period of the Previous Year (%)**
Revenue	**164,888,013**	145,113,623	13.63
Gross profit	**44,323,976**	34,550,545	28.29
Profit before tax	**7,469,529**	4,951,347	50.86
Profit for the year	**6,146,740**	4,740,116	29.67
Profit for the year attributable to owners of the Company	**5,956,787**	5,945,945	0.18

	As at the end of 2025	As at the end of 2024	**Increase/ Decrease as at the end of the Period compared with the end of the corresponding period of the previous year (%)**
Equity attributable to owners of the Company	**40,918,133**	12,264,245	233.64
Total assets	**143,905,863**	94,363,958	52.50

Section II Company Profile and Key Financial Indicators

	2025	2024	**Increase/ Decrease for the Period Compared with the Corresponding Period of the Previous Year (%)**
Basic earnings per share (RMB/share)	**3.68**	3.94	-6.60
Diluted earnings per share (RMB/share)	**3.67**	3.94	-6.85
Weighted average return on net assets (%)	**23.53**	45.43	Decreased by 21.90 percentage points

Note: The "Weighted average return on net assets" presented in this table is calculated in accordance with the formula set out in the Regulations on information disclosures of listed companies No. 9 — Calculation and Disclosure of Return on Net Assets and Earnings per Share" issued by the China Securities Regulatory Commission (CSRC).

Explanation of changes in indicators:

The Company recorded revenue of RMB164,888 million in 2025, representing a year-on-year increase of 13.63%, which was mainly attributable to a 10.63% increase in sales volume of new energy vehicles.

The Company recorded profit before tax of RMB7,470 million in 2025, representing a year-on-year increase of 50.86%, which was mainly attributable to the adjustment of product mix, an increase in gross profit margin and enhanced profitability.

VIII. DIFFERENCES IN ACCOUNTING DATA UNDER DOMESTIC AND OVERSEAS ACCOUNTING STANDARDS

(I) Differences in net profit and net assets attributable to shareholders of the listed company as disclosed in the financial reports prepared under International Accounting Standards and those prepared under PRC Accounting Standards

☐ Applicable ✓ Not applicable

(II) Differences in net profit and net assets attributable to shareholders of the listed company as disclosed in the financial reports prepared under overseas accounting standards and those prepared under PRC Accounting Standards

☐ Applicable ✓ Not applicable

(III) Explanation of differences between domestic and overseas accounting standards:

☐ Applicable ✓ Not applicable

IX. ITEMS MEASURED AT FAIR VALUE

✓ Applicable ☐ Not applicable

Unit: RMB'000 Currency: RMB

Item	2025	2024	Changes for the Period	Amount affecting profit for the period
Financial assets at fair value through profit or loss	**258,040**	4,048,748	-3,790,708	17,184
Notes receivable	**260,888**	214,159	46,729	
Equity instruments measured at fair value through other comprehensive income	**155,597**	78,260	77,337	
Total	**674,525**	4,341,167	-3,666,642	17,184

Section III Management Discussion and Analysis

I. BUSINESS OVERVIEW OF THE COMPANY DURING THE REPORTING PERIOD

The Company is a technology-driven enterprise primarily engaged in the business of premium intelligent electric vehicles. Focusing on the AITO vehicle business, the Company adheres to the market-oriented principle of "user-defined vehicles"and the technological path of "software-defined vehicles", and has established an integrated value chain covering research and development, production, supply, sales and services, thereby enhancing user product experience and brand recognition through technological innovation and translating such advantages into operating results.

In 2025, the Company further increased its investment in research and development and strengthened the development of its marketing and service system, achieving total annual sales volume of 516,900 vehicles. The operating data of the Company are set out below:

Table 1: Operating Data of the Company

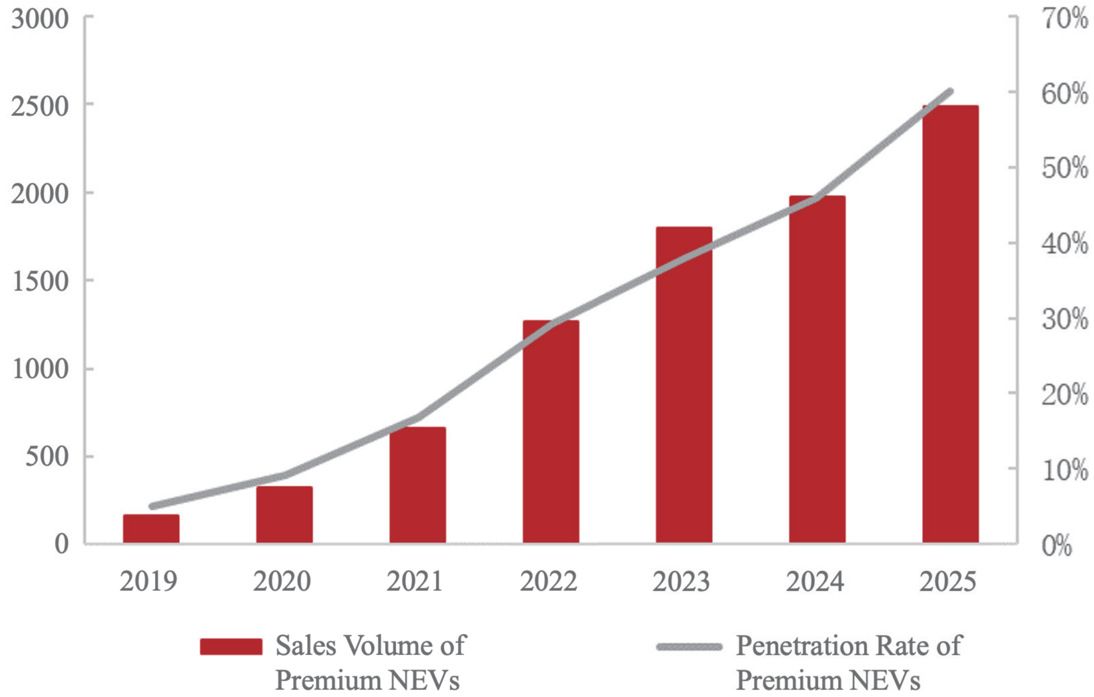
	2024	2025	Year-on-year Change
AITO Delivery Volume (1,000 units)	387	426	+39 (10.1%)
AITO Average Transaction Price (RMB1,000)	377	391	+14 (3.7%)
Research and Development Expenses (RMB million)	5,586	7,954	+2,368 (42.4%)
R&D Personnel (persons)	6,201	9,019	+2,818 (45.4%)
Selling and Distribution Expenses (RMB million)	19,184	24,194	+5,010 (26.1%)
AITO Net Promoter Score (NPS)	82 (No.1)	82.5 (No.1)	+0.5 (Remained No. 1)
Profit for the Year (RMB million)	4,740	6,147	+1,407 (29.7%)

Leveraging its deep insight into mobility scenarios and rapid commercialisation of innovative technologies, AITO has redefined the value benchmark for premium brands and driven the premium advancement of domestic brands. The Company maintained overall sound operating momentum along the principal track of high-caliber intelligent electric vehicles, with its foundation for long-term development being further strengthened.

II. INDUSTRY OVERVIEW DURING THE REPORTING PERIOD

From 2019 to 2025, the automotive industry underwent a significant upgrade in consumption structure, driving a steady expansion in domestic demand for premium vehicles[1]. During this period, annual sales in this segment rose from 3.12 million to 4.15 million units, representing a compound annual growth rate (CAGR) of approximately 5%. This market evolution was characterized by a massive shift from traditional internal combustion engine (ICE) vehicles to the new energy vehicles (NEV). The premium NEV segment, in particular, saw explosive growth as sales soared from 0.16 to 2.49 million units-a remarkable CAGR of 58%. Consequently, the NEV penetration rate within the premium market jumped from 5% to 60%, signaling that China's premium automotive sector has entered a new era spearheaded by electrification.

Figure 1: Sales Volume of Premium NEVs in China, 2019-2025 (1,000 units)



Driven by the transformation toward new energy during the Reporting Period, the automotive industry accelerated the transition from an era dominated by traditional ICE vehicles to a new stage defined by electrification and intelligence. This shift has catalyzed emerging trends across products, technology, manufacturing, branding, and distribution channels.

1 refer to vehicles with a transaction price of RMB250,000 or above.

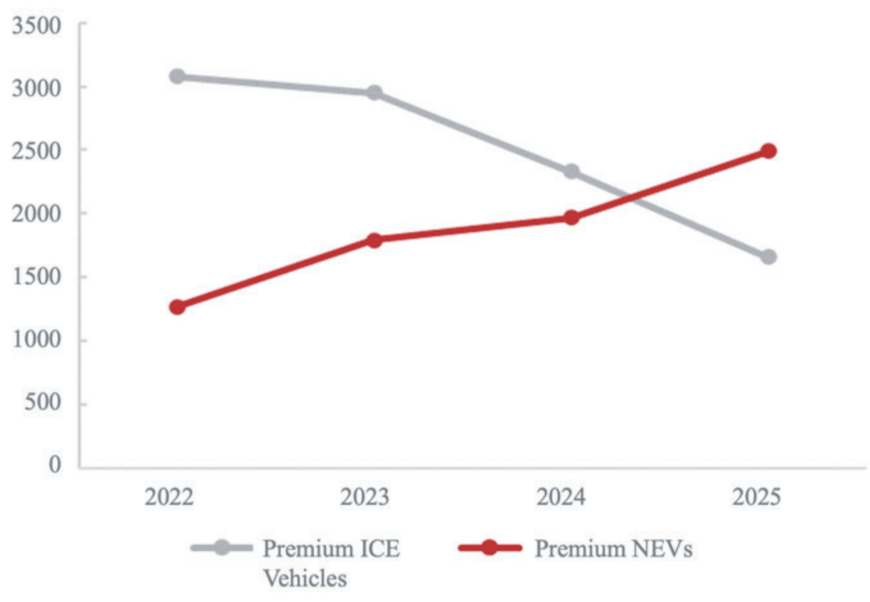
Section III Management Discussion and Analysis

(I) Product: Evolution from Traditional Luxury to Tech-Luxury

Amidst the waves of electrification and intelligence, vehicles are rapidly evolving from “point-to-point” transportation tools into a “third living space” that integrates travel, entertainment, working, and interaction. Technological features such as driving assistance and intelligent cockpit have become pivotal metrics for core competitiveness, profoundly influencing consumer purchasing decisions. In 2025, the installation rate of factory-fitted intelligent cockpit in China’s passenger vehicle market rose to 76.6%, while the penetration rate of L2+ advanced driver assistance systems surpassed 60%, signaling a marked acceleration in the popularization of intelligent features.

Against this backdrop of evolving user demands and the value migration from traditional luxury to “Tech-Luxury,” the high-end automotive market is experiencing clear divergence. In 2025, sales of traditional premium ICE vehicles fell to 1.66 million units-a decrease of approximately 46% compared to 2022-as their market share continued to shrink. Leveraging leading electric-intelligent technologies and an ultimate user experience, domestic brands represented by AITO have entered a critical strategic window to accelerate their layout in the premium NEV segment and expand their market presence.

Figure 2: Sales Volumes of Premium ICE Vehicles and Premium NEVs in China, 2022-2025 (1,000 units)



(II) Technology: Upgrading from Hardware-Driven to Software-Defined Vehicles

Traditional ICE vehicles rely on mechanical structures and powertrains as their core value carriers, with competitive advantages centered on mechanical quality and hardware specifications. However, as electrification and intelligence penetrate deeper into the industry, the underlying technological logic and value creation are undergoing a fundamental transformation to meet the ever-evolving demands for intelligent mobility.

The vehicle's underlying architecture is progressively upgrading to a new technical framework characterized by software definition, data-driven insights, and software-hardware synergy. The industry is fully evolving toward a next-generation architecture featuring centralized computing and zonal control. The brand-new underlying architecture enables unified orchestration through centralized computing power, thereby achieving deep coordination and full-domain linkage of the vehicle's intelligent systems and providing an irreplaceable foundational underpinning for the implementation of all-dimensional vehicle intelligence.

Under this new technological system, software has become a key determinant of a vehicle's core competitiveness, while data have become the key driving force for the continuous optimization of the overall vehicle experience. Supported by over-the-air ("OTA") remote upgrade capabilities throughout the full lifecycle, vehicles are gradually evolving from one-time delivered products into intelligent terminals capable of continuous evolution. On top of traditional revenue streams from vehicle sales and maintenance services, intelligent electric vehicle manufacturers are able to provide users with full lifecycle vehicle services, thereby unlocking new growth opportunities.

Furthermore, the "Software-Defined Vehicle" concept redefines automotive safety. The industry has continued to place greater emphasis on safeguarding the safety of drivers and passengers, and the safety framework has evolved from traditional passive protection to a full-domain system, driving automobile manufacturers to accelerate technological iteration.

(III) Manufacturing: Shifting from Scale-Oriented Rigid Production to Data-Driven Flexible Intelligent Manufacturing

Traditional ICE automakers, constrained by hardware-centric roadmaps, depend on a vast array of suppliers for fragmented mechanical and electronic components, leading to high supply chain complexity and cost pressures. As a result, competition is confined to the standalone capabilities of individual automakers. Under the "Software-Defined Vehicle" architecture, this traditional fragmented hardware development is being upgraded to a next-generation modular system characterized by software-hardware decoupling, platformization, and standardization. It effectively streamlines supply chain tiers, improves the integration efficiency of core components and cost control capabilities, deepens vertical integration of the supply chain and strengthens supply chain security. The industry is shifting from competition among individual automakers to coordinated competition among industry chain clusters, so as to meet the needs of premium intelligent vehicles for efficient mass production and rapid innovation.

This industrial shift requires automakers to transform their development philosophy-moving from a focus on heavy-asset, process-orientation, large-scale production to deep commitment to R&D and intelligence capabilities. Asset operational efficiency has emerged as a core competency. In traditional heavy-asset models, the asset turnover of automakers ratio typically hovers around 0.5. In contrast, tech-driven automakers like Tesla exhibit significantly higher ratios. Empowered by the industrial brain and super factories, Seres has embraced the industry trends of digital intelligence and flexible manufacturing. We achieved an asset turnover ratio of 1.38 in 2025, a level of operational efficiency that sets us apart from traditional manufacturing. This performance underscores the competitive advantages of our innovation-driven model in enhancing overall operational efficiency.

Table 2: Comparison of Asset Turnover Ratios, 2022-2025

	2022	2023	2024	2025
Seres	0.86	0.73	1.99	1.38
Foreign Automaker A	1.13	1.02	0.85	0.73
Foreign Automaker B	0.60	0.62	0.55	0.50
Foreign Automaker C	0.58	0.59	0.55	0.51
Foreign Automaker D	0.51	0.55	0.53	0.50

(IV) Branding: Transitioning from ICE Era into the EV Era and Embracing the Opportunity for Market Reshaping

Throughout the global history of premium brands, brand momentum has typically been built upon long-term, sustained brand cultivation and market investment. Once brand competitiveness is firmly established, the industry landscape generally trends toward stability.

Unlike the traditional ICE segment-characterized by a fixed market hierarchy and entrenched brand identities-the premium NEV sector has yet to see the emergence of dominant leaders with an absolute competitive edge. Currently, the market is defined by diverse competition and fluctuating market shares among various players. This provides a critical window of opportunity for premium independent brands to capture user preference and achieve a market breakthrough by leveraging superior product strength and brand equity. Consequently, highly efficient systemic marketing and continuous brand building have become essential levers for amplifying product advantages and driving market share growth.

Table 3: Ranking of Premium NEV Sales Volumes, 2022-2025 (1,000 units)

	2022	2023	2024	2025
Total Sales Volume	1270	1790	1970	2490
No.1	Foreign Brand A: 440	Foreign Brand A: 500	Domestic Brand A: 390	Foreign Brand A: 430
No.2	Domestic Brand A: 140	Domestic Brand A: 380	AITO: 330	AITO: 370
No.3	Domestic Brand C: 120	Domestic Brand C: 160	Domestic Brand C: 210	Domestic Brand A: 280
No.4	Domestic Brand F: 90	Domestic Brand E: 110	Foreign Brand A: 170	Domestic Brand B: 230
No.5	Domestic Brand D: 70	Domestic Brand D: 90	Domestic Brand D: 120	Domestic Brand C: 160

Note: Sales volume data of models with a transaction price of RMB250,000 and above in the China market.

Building a premium brand is a systematic, full-chain endeavor rather than a short-term achievement. For domestic brands in a critical period of upward mobility, it is essential to anchor themselves in 'long-termism' by consistently increasing investment in core areas such as brand marketing, channel expansion, and user operations. By effectively communicating the value proposition, the Company aims to translate its leading advantages in intelligence and platformization, alongside the robust product strength, into brand recognition and market competitiveness. This strategic focus will steadily enhance the brand influence and market share within the premium segment.

(V) Channels: Evolving from a Single Sales Network to Full-lifecycle User Engagement

Under the traditional 4S dealership "wholesale-retail" model, dealers have long struggled with the dual pressures of high vehicle inventory and heavy capital commitments. According to data from the China Automobile Dealers Association, 81.9% of dealers in 2025 were forced to sell new cars below their purchase prices due to challenges in inventory turnover and intensifying market competition. Meanwhile, the Direct-to-Consumer model also faces shortcomings, including heavy capital requirements for automakers, limited flexibility in network expansion, and poor regional adaptability.

Against this backdrop, sales channels are accelerating the transition toward integrated online and offline channels for full-lifecycle user engagement. This approach broadens user engagement scenarios by combining digital outreach with physical experiences, deliveries, and services. The Agency Model, which aligns with this full-lifecycle strategy, has demonstrated a more robust profit logic and emerged as a pivotal direction for transformation in automotive distribution. Under this model, dealers are not required to commit substantial long-term advance capital, enabling low-inventory and asset-light operations. At the same time, it helps alleviate issues such as disorderly price competition at the retail end, strengthens brand control and the consistency of service standards, and guides sales channels back to their core focus on user services. It also facilitates the modular-oriented and asset-light operation of sales channels.

III. MANAGEMENT DISCUSSION AND ANALYSIS OF OPERATIONS

In 2025, amidst profound industrial transformations and the accelerated reshaping of the market landscape, the Company seized pivotal structural opportunities by anchoring itself in the core premium intelligent electric vehicle business. The overall operations were characterized by an expanding revenue scale and enhanced quality of profitability.

(I) Resilient Growth Driven by Synergistic Optimization of Strategic Business Layout and Financial Structure

During the Reporting Period, the Company recorded revenue of RMB164,888 million, with year-on-year increase of 13.63%, while profit before taxation surged by 50.86% from 2024 to RMB7,470 million in 2025. This robust core profitability validates the growth potential of the current investment model, establishing a "virtuous cycle" of investment, profitability, reinvestment, and re-profitability.

Alongside steady operational improvements, the Company successfully advanced the capital operations and significantly expanded the strategic depth. The acquisition of Longsheng New Energy through share issuance marked a strategic transition from "leased operations" to "asset ownership." The successful listing on the Hong Kong Stock Exchange has broadened international financing channels, and enhanced the global brand influence and capabilities in international capital market operations. As of the end of 2025, equity attributable to owners of the Company substantially increased to RMB40,918 million, representing an expansion of RMB28,654 million compared to the previous year. Meanwhile, the asset-liability ratio decreased to 70.91%, representing a decrease of approximately 16 percentage points compared to 2024.

(II) Intensified R&D Investment: Simultaneous Consolidation of Product Leadership and Technical Reserves

During the Reporting Period, the Company's total R&D investment reached RMB12,512 million, representing a year-on-year growth of 77.4% and an increase of RMB5,459 million from 2024. R&D expenses amounted to RMB7,954 million, increased by RMB2,369 million, with a year-on-year increase of 42.4%. The Company has 9,019 R&D personnel, indicating an increase of 2,818 from the previous year, now accounting for 41.1% of the total headcount. Key allocations of R&D resources are as follows:

1. Agile Development Powering Efficient Innovation to Cultivate Flagship Product Excellence

In 2025, Seres leveraged the platform-based architecture to achieve agile product development. By strictly adhering to Blockbuster Flagship Product Strategy, the Company successfully launched four AITO models and facilitated the commercialization of core technologies. The lineup released includes the 2025 AITO M9, AITO M8, the New AITO M7, and the AITO M5 Ultra. Notably, the AITO M9, the flagship all-scenario intelligent SUV, recorded annual sales exceeding 110,000 units, defending its position as the sales champion in the RMB500,000+ price segment. The AITO M8, a flagship intelligent family SUV, achieved sales of over 150,000 units, leading the RMB400,000+ price segment since its launch in April. AITO M7, the Happy Family flagship SUV, recorded annual sales of over 110,000 units. Its new model, launched in September, ranked first in sales in the RMB300,000+ price segment in the first quarter after launch.

By leveraging electrification and intelligence to build leading product advantages, since launch, Seres' products have gained widespread market recognition and user loyalty. This success underscores the efficient model development rhythm, rapid market responsiveness, and sophisticated capability to create popular models-all of which are driven by the high-efficiency R&D process systems of the Company.

2. Focusing on Platform Construction: Solidifying Process Systems to Enhance R&D Efficiency and Operational Benefits

In 2025, Seres unveiled the MF Platform 2.0, marking a significant upgrade in platform capabilities. This advancement has effectively boosted R&D efficiency and provided a robust underlying foundation for rapid product development and mass production. It serves as a core competitive advantage, positioning the Company as a tech-driven enterprise with an underlying architecture superior to that of traditional automakers.

Guided by "All-scenario Intelligence" and anchored by "Intelligent Safety," the MF Platform 2.0 features comprehensive upgrades across smart energy, intelligent chassis, E/E architecture, and smart spaces. It adopts the "Five-High" New Standards, namely high safety, high reliability, high performance, high quality, and high value, to create an AI-driven smart EV platform. Leveraging the advantages of its platform-based architecture, the Company has steadily achieved mass production and vehicle application of a number of advanced technologies. It can respond swiftly to changes in market demand, efficiently expand its premium product portfolio, continuously accelerate the iteration of core technologies, and comprehensively empower the research and development innovation and large-scale manufacturing of the premium intelligent electric vehicle products.

Section III Management Discussion and Analysis

Underpinned by the platform-based foundation, Seres achieved comprehensive technological breakthroughs in key areas including intelligent powertrain, intelligent safety, assisted driving, intelligent cockpit, smart space, digital-intelligent manufacturing processes and system development, with a number of achievements taking the lead in the industry.

Intelligent Powertrain: The Company completed the development of the 5th-generation 2.0T SERES Super REX System, offering diverse powertrain options including 1.5T and 2.0T. Furthermore, the integration of "vehicle-battery-motor-charging" ecosystems, supported by 800V+ high-voltage architecture, 8-in-1 electric drive, and a nationwide supercharging network, has optimized energy performance and significantly enhanced user travel efficiency.

Intelligent Safety: Seres launched the intelligent safety IP at the Auto Shanghai, pioneering the "Safety 4.0" concept and the industry's first "Scenario-Defined Safety" system, achieving the deployment of leading technologies across 9 major areas, including active safety, passive safety and health safety.

Assisted Driving & Intelligent Cockpit: In partnership with Huawei, the Company pioneered the mass production of core sensors such as high-precision solid-state LiDAR. The driving assistance system was upgraded to the WEWA architecture ADS 4.0, the first in the industry to pioneer the commercial deployment of matrix millimetre-wave radar, quad-LiDAR and vision-LiDAR technologies. In 2025, AITO's total driving assistance mileage reached 3.8 billion km, accounting for 32.9% of total mileage and active users reaching 95.4%. Integration with AI large models and the HarmonyOS ecosystem has further elevated the intelligent cockpit experience and user satisfaction.

Smart Space: the Company has developed a user-centric "smart mobile space" oriented towards the future L4 autonomous driving architecture.

Digital-intelligent manufacturing processes: Seres pioneered an intelligent connected manufacturing process system powered by an industrial AI large model, enabling fully automated real-time monitoring of over 36,000 quality checkpoints.

System Development: The Company has established an integrated product development process centered on the IPD process, and built an end-to-end product management system covering the full chain from market demand to product delivery, ensuring that product development remains focused on user value and commercial success, thereby improving R&D efficiency, reducing development risks and enhancing product competitiveness.

3. Accelerating AI-Driven Transformation and Steadily Advancing Intelligent Robot Business

The Company has accelerated its AI-driven transformation. In respect of AI-enabled product upgrades, it is reshaping product forms through the coordinated AI evolution of vehicle-end systems, intelligent driving and the E/E architecture, while in turn driving the iteration of its R&D, manufacturing and service systems to build capabilities for the continuous evolution of its products. In respect of the digital and intelligent upgrade of industrial operations, it has established an AI-centric "industrial brain" to connect all business operations and the industry chain, integrate data flows and business processes across all links, and realize ecosystem synergy and efficient resource allocation. In respect of the intelligent enhancement of organizational management, it has, at the data layer, built cross-departmental sharing mechanisms and a digitalized operation platform to eliminate data silos and reinforce the foundation for AI applications; and, at the decision-making layer, the Company has strengthened human-machine collaboration through AI-assisted management decision-making, established a closed loop of "information-decision-action", and improved the precision and efficiency of decision-making across the entire value chain.

In the field of intelligent robotics, the Company's capabilities in perception, decision-making, planning and control, and system integration accumulated in areas such as assisted driving and intelligent cockpits are highly aligned with the underlying technologies of intelligent robots, providing the conditions and capabilities for extension and reuse in new application scenarios. During the Reporting Period, Seres continuously carried out technology research and development in various forms of intelligent robots, including bipedal robots, wheeled robots, quadruped robots and wheel-legged hybrid robots, and has initially established a technology reserve layout featuring parallel development across multiple platforms. At the same time, the Company actively collaborated with China's leading universities and technology enterprises to promote deep synergy in industries such as intelligent robotics, expand the boundaries of its technological capabilities and industrial applications, and gradually cultivate new business growth drivers.

(III) Deepening AITO Brand Building and Establishing an Exclusive User Center to Solidify Service Capabilities for Million-level User Base

Building a premium brand is a systematic and long-term endeavor. Although AITO has gained widespread recognition in the premium SUV segment, as shown in Table 3, the premium NEV sector has yet to see the emergence of a dominant brand with the absolute leadership characteristic of the ICE era. Consequently, Seres is deeply committed to AITO's brand building, consistently increasing investment in brand operations to solidify the foundation for upgrading of products and user experience.

Section III Management Discussion and Analysis

During the Reporting Period, the selling and distribution expenses amounted to RMB24,194 million, representing a year-on-year increase of 26.1%. Within this, expenses for advertising, brand image store construction and service fees reached RMB22,953 million, representing a year-on-year increase of 26.7%. Guided by authentic user scenarios and demands, the Company has established a full-lifecycle closed-loop integrating "R&D → marketing → sales → service". By adhering to a dual-engine drive of product strength and brand equity, Seres effectively supports a long-term virtuous cycle of "technological innovation – upward brand mobility – sales growth – enhanced profitability."

1. Deepening Brand Image and Driving Sustained Upward Momentum

The AITO brand was again selected for the China Media Group (CMG)'s 2025 "Brand Power Project" and made its third appearance at the CMG Spring Festival Gala, signaling a sustained expansion of its influence across diverse audiences. The AITO M9 was exhibited at the National Museum of China, as the sole NEV featured in the Exhibition of Achievements in Made-in-China during the 14th Five-Year Plan Period.

In 2025, AITO solidified its position within the first-tier of premium NEV brands. According to the 2025 H2 NEV Brand Health Research Report by LandRoads, AITO ranked first in three key metrics: NPS, brand development confidence index, and the brand favorability index for brands priced above RMB300,000 (per 100 individuals). It remains the only NEV brand to have secured the top position in the brand development confidence index for three consecutive periods.

2. Exclusive and Proprietary User Centers Strengthening Premium Service and Operational Excellence

The Company has injected fresh momentum into the development of its user centers through store network expansion and hardware upgrades. During the Reporting Period, Seres added more than 100 high-quality stores with premium user service capabilities to the AITO network. As of the end of the Reporting Period, 380 user centers were in operation, covering 218 cities nationwide and achieving 100% coverage of all third-tier and above cities. In terms of hardware upgrades, the Company innovatively completed the construction of digital-intelligent workshops at 234 stores, establishing an industry-leading intelligent maintenance service system.

3. **Full-lifecycle Service Upgrades and Transitioning from "Passive Service" to "Intelligent Service"**

Rooted in user needs, the Company has established a premium service system covering the full lifecycle of user scenarios, including vehicle selection, delivery, usage, maintenance and trade-in. During the Reporting Period, the Company organised high-quality experience activities such as user co-creation and direct user engagement, and continuously iterated its AITO Premium Services by establishing a service system comprising roadside assistance, remote diagnostics and proactive predictive services, thereby realizing a model shift from "passive service" to "intelligent service". As of the end of 2025, the intelligent service system had cumulatively provided 312,000 proactive service sessions, saving users 495,000 hours of repair time, and the quality of its services was highly recognized by users. AITO won seven industry awards, including the China Automobile Quality Award, the "China Automotive Golden Wrench" and the "After-sales Service Benchmark Award".

IV. ANALYSIS OF CORE COMPETITIVENESS DURING THE REPORTING PERIOD

(I) Systematic Capability to Build Popular Products, Sustaining Market Recognition and User Preference

The Company has developed systematic capabilities for continuously creating blockbuster flagship products, covering core dimensions such as deep user insight, precise product definition, data-driven closed-loop operations, agile platform-based development and efficient commercialization of advanced technologies, all of which have been fully validated in the premium SUV market. In 2025, AITO captured a market share of over 20% in the premium new energy SUV segment, which not only supported the brand's premiumization process, but also provided a reusable capability base for the expansion of its product portfolio.

Serving its premium user base of over one million, the Company continues to accumulate user feedback and has gradually developed a systematic understanding of, and dynamic judgement on, user needs. Such capabilities run through the entire process of product planning, function definition and iterative upgrades, driving the continuous conversion of user insights into product competitiveness. At the same time, the Company closely follows the evolution of intelligent technologies, deeply integrates technological development directions with users' core scenario needs, accelerates the conversion of cutting-edge technological achievements into product value, and enhances the overall performance of its products in terms of intelligence, safety quality and driving and riding experience.

Multiple AITO models have secured leading positions in their respective price bands, which has been fully validated by both market performance and user feedback. This also proves that the product building capability is not a one-point breakthrough, but is highly replicable, transferable and equipped with cross-category expansion potential, which can provide strong support for the development of subsequent models as well as the expansion into new categories and markets.

Section III Management Discussion and Analysis

(II) Focused on Cross-border Integration and Collaborative Innovation, Pioneering a New Practice for Tech-driven Automakers

The core competitiveness of a tech-driven enterprise is rooted in the system of continuous innovation. The Company consolidates its technology bedrock through independent innovation, achieves capability leapfrogging through integrated innovation, and pioneers the new Chinese practice for tech-driven complete vehicle manufacturers through hard-core technological innovation, driving itself to become a leader in the intelligent vehicle.

As for independent innovation, the Company has established an integrated technological system that combines basic research, technology development and product development in a coordinated manner. With the MF Platform as its core foundation, the Company has realized cross-model technology sharing and efficient development through architecture standardization and module reuse, thereby supporting the continuous expansion and rapid rollout of its product portfolio.

To boost the collaborative innovation, the Company has, together with global leading partners such as Huawei, CATL and Bosch, built a "1+2+N" industry chain ecosystem to achieve complementary strengths and collaborative co-creation in the areas of premium intelligence and premium electrification.

Seres has developed a complete capability chain covering core technology accumulation, partner-led collaborative innovation and the mass-production deployment of intelligent technological achievements, shortening the conversion path from technology reserve to mass production and accelerating the pace of iteration, thereby providing solid support for the Company to continuously consolidate its leadership in intelligence.

(III) "Industrial Brain + Super Factories": Building an Agile Delivery and High-quality Management and Control System

The Company has established a premium manufacturing capability system centered on its industrial brain and super factory, anchored by quality control and supported by supply chain collaboration. Leveraging its globally leading super factories and a well-established supporting industrial chain, Seres has made intelligent manufacturing an important vehicle for the large-scale and stable commercialization of technological achievements.

In respect of industrial brain development, the Company, on the basis of its AI-empowered "industrial brain" and digital-intelligent capability foundation, has advanced the implementation of intelligent applications in key areas such as production organization, quality control and supply coordination, achieving continuous evolution from industrial ecosystem collaboration to integrated value enhancement and fully unlocking the synergistic efficiency of the industry chain.

Through deep coordination between production and quality management, Seres has strengthened manufacturing consistency and quality stability. According to the 2025 New Energy Vehicle Product Quality Study report published by LandRoads, the AITO brand ranked first in the 2025 new energy vehicle product quality brand ranking; in the medium-to-large and above SUV market, AITO M9, AITO M8 and AITO M7 took the top three places in the product quality ranking.

In terms of supply chain and delivery, the Company has brought together component suppliers to form a near-site supporting ecosystem around its factories, effectively shortening logistics radius and supply response cycles, and establishing a supply chain system that is highly collaborative, efficient, and agile in response, thereby strongly supporting large-scale agile delivery. In 2025, the AITO brand achieved peak monthly deliveries of over 50,000 vehicles.

(IV) Exclusive and Specialized Integrated Marketing-Sales-Service Model to Realize Dual Improvement of Brand and User Value

The Seres has formed an AITO-exclusive and specialized integrated model covering channel construction and intelligent services. It has transformed its core accumulations in technology, products and safety into brand recognition, user trust and service experience, and effectively realized the dual improvement of brand value and user value.

In terms of brand building, centered on the brand connotation of "Intelligence Redefines Luxury", Seres has successfully built smart technology and ultimate safety into a stable, distinctive and recognizable brand image through the building of technical IPs including the MF Platform 2.0 and SERES Super REX System, as well as the combined efforts of scenario-based communication and brand marketing.

In terms of store network deployment, the Company has established a complete conversion chain spanning brand display, product experience, user acquisition and user services, effectively supporting the efficient conversion of brand image and product value into user choice.

When it comes to the intelligent services, Seres has built a service architecture of "One Window, Two Scenarios, Intelligent Mid Office". With the AI agent "Xiao Sai (小賽)" as the unified interactive window to accurately respond to user needs, it combines an intelligent diagnosis platform with Internet of Vehicles (IoV) big data to enhance proactive service capabilities. It also connects the links of user demand identification, service capability scheduling and business support with the AI technology base, forming an iterative and scalable intelligent service system.

(V) Driving the Transition from Old to New Growth Drivers Through Technological Innovation, Empowering the Construction of a Modern Automotive Industrial System by Activating Stock Resources

Amid the wave of transition from old to new growth drivers in the automotive industry, the Company has abandoned the extensive transformation path of simply tearing down and rebuilding. With technological innovation and industrial upgrading as the key foothold, it focuses on activating stock resources and fostering incremental growth across the four dimensions of technology, manufacturing, supply chain and channels, driving the upgrading of the traditional model to a modern automotive industrial system, realizing an efficient leapfrogging from "legacy accumulation" to "new competitive advantages", and blazing a unique path of Seres Practice.

From a technological perspective, the Company has fully leveraged its strengths in traditional powertrain technologies and deeply integrated them with the requirements of range-extension scenarios, electric drive and control, and intelligent control, independently developing its fifth-generation Super Range Extender System and driving the efficient migration of traditional powertrain technologies into core new energy capabilities. In 2025, the Company's market share in range extenders reached 37.5%, ranking first in the industry. Relying on the MF Platform 2.0, the Company upgraded its electrical/electronic architecture and further strengthened its integrated vehicle software and hardware development capabilities. During the 2026 Chinese New Year holiday, the number of active AITO users of assisted driving functions more than doubled year on year, and the assisted driving mileage ratio of its major models exceeded 50%.

From a manufacturing perspective, Seres has built intelligent manufacturing advantages based on its industrial brain and super factory, established an integrated quality assurance system covering the entire value chain, enhanced production efficiency and product consistency, consolidated the foundation for premium development with new intelligent manufacturing momentum, and promoted the high-quality implementation of a modern automotive industry system.

From a supply chain perspective, Seres has established a new integrated and clustered supply system, strengthened vertical integration and collaborative linkage, reinforced supply chain security barriers, improved response efficiency and cost control capabilities, and effectively met the inherent requirements of efficient mass production.

From a store network perspective, Seres has broken through the traditional model and innovatively adopted an asset-light model of "quasi-direct sales + dealer cooperation", establishing a full-chain user reach system, enabling unified brand management and flexible store deployment, guiding stores back to their core service function, focusing on experience enhancement and value operation, and achieving synergistic efficiency gains with its partners.

(VI) Building a Talent Team with "Engineer Mindset" and "Striver Consciousness" to Achieve Upward Growth and Downward Rooting

Guided by the Seres Basic Guiding Principles, the Company creates a cultural atmosphere where "Everyone is an engineer, and everyone strives to be a striver", and promotes the corporate spirit of daring to innovate, dare to act, and dare to take responsibility.

Value creation-oriented, the Company has initially built a talent team centered on leading technical professionals and supported by young key personnel. The proportion of R&D personnel in the software and AI fields has increased year by year, gradually forming an organic structure characterized by software-hardware synergy and intelligence-led development, thereby consolidating the Company's competitive advantages in the intelligent technology track.

Through a diversified remuneration system and long-term incentive mechanisms, the Company has aligned its core talent with long-term contribution and value creation. The core team highly recognizes the corporate culture and the Company's values. During the Reporting Period, senior management and key team members increased their shareholdings in the Company by RMB33 million, demonstrating their firm confidence in Seres' development.

V. PRINCIPAL OPERATING RESULTS DURING THE REPORTING PERIOD

In 2025, the Company recorded sales of new energy vehicles of 472,300 units, representing a year-on-year increase of 10.63%; revenue of RMB164,888 million, representing a year-on-year increase of 13.63%; and annual profit attributable to owners of the Company of RMB5,957 million.

(I) Analysis of Principal Businesses

1. Analysis of Changes in Major Items of the Statement of Profit or Loss and the Cash Flow Statement

Unit: RMB'000 Currency: RMB

Item	Current Period	Corresponding Period of Last Year	Change (%)
Revenue	164,888,013	145,113,623	13.63
Cost of Sales	120,564,037	110,563,078	9.05
Selling and Distribution Expenses	24,194,263	19,184,251	26.12
Administrative Expenses	6,216,227	4,509,309	37.85
Finance Costs	198,656	240,382	-17.36
Research and Development Expenses	7,954,320	5,585,504	42.41
Net Cash from Operating Activities	28,120,475	21,988,014	27.89
Net Cash Used in Investing Activities	-4,239,275	-15,982,083	N/A
Net Cash from (Used in) Financing Activities	18,276,630	-4,166,686	N/A

Explanation of change in revenue: primarily due to increased sales of new energy vehicles.

Explanation of change in cost of sales: primarily due to increased sales of new energy vehicles.

Explanation of change in selling and distribution expenses: primarily due to increased business volume of the new energy vehicle segment, resulting in higher advertising expenses and sales service expenses.

Explanation of change in administrative expenses: primarily due to an increase in staff costs and day-to-day operating expenses resulting from adjustments to the personnel structure.

Explanation of change in finance costs: primarily due to a decrease in interest expenses on lease liabilities over time as the principal is amortised under the effective interest method.

Explanation of change in research and development expenses: primarily due to continued investment in product and technology research and development.

Explanation of change in net cash flows from operating activities: primarily due to increased cash receipts from the sale of new energy vehicles.

Explanation of change in net cash flows used in investing activities: primarily due to the maturity of cash management products for idle monetary funds.

Explanation of change in net cash flows from (used in) financing activities: primarily due to proceeds received from the H-share offering.

2. **Analysis of Revenue and Costs**

✓ Applicable ☐ Not applicable

The analysis of revenue and costs is set out below:

(1). Principal Businesses by Product and Region

Unit: RMB'000 Currency: RMB

Principal Businesses by Product

Product	Revenue	Cost of Sales	Gross Margin (%)	YoY Change in Revenue (%)	YoY Change in Cost of Sales (%)	YoY Change in Gross Margin (%)
New Energy Vehicles	155,611,342	114,243,086	26.58	14.85	10.70	Increased by 2.75 percentage points
Traditional Fuel Vehicles	1,902,568	2,107,455	-10.77	-44.82	-30.23	Decreased by 23.15 percentage points
Others	7,374,103	4,213,496	42.86	19.41	-3.00	Increased by 13.2 percentage points
Total	**164,888,013**	**120,564,037**	**26.88**	**13.63**	**9.05**	**Increased by 3.07 percentage points**

Principal Businesses by Region

Region	Revenue	Cost of Sales	Gross Margin (%)	YoY Change in Revenue (%)	YoY Change in Cost of Sales (%)	YoY Change in Gross Margin (%)
Domestic	162,490,067	118,466,196	27.09	15.32	10.45	Increased by 3.21 percentage points
Overseas	2,397,946	2,097,841	12.52	-43.05	-36.60	Decreased by 8.9 percentage points
Total	**164,888,013**	**120,564,037**	**26.88**	**13.63**	**9.05**	**Increased by 3.07 percentage points**

The decrease in revenue and cost of sales from traditional fuel vehicles was mainly due to a year-on-year decline in sales of such vehicles, coupled with the discontinuation of certain older models, which led to slow-moving and excess inventories of complete vehicles and components. Accordingly, the Company made provisions for inventory impairment losses for complete vehicles and related components, resulting in an increase in cost of sales.

The decrease in overseas revenue and cost of sales was mainly attributable to a year-on-year decline in overseas sales volume.

(2). *Analysis of Production and Sales Volume*

✓ Applicable ☐ Not applicable

Major Products	Unit	Production Volume	Sales Volume	Inventory	YoY Change in Production (%)	YoY Change in Sales (%)	YoY Change in Inventory (%)
New Energy Vehicles	Units	473,735	472,269	3,897	10.31	10.63	-19.50
Others	Units	44,411	44,591	6,602	-33.69	-36.41	11.14
Total	Units	518,146	516,860	10,499	4.37	3.99	-2.62
Range Extenders	Units	501,806	500,502	2,573	5.18	5.26	-13.54

Explanation of production and sales volume

None

(3). *Performance of Major Procurement Contracts and Major Sales Contracts*

☐ Applicable ✓ Not applicable

(4). *Major Customers and Major Suppliers*

Customers or suppliers under the control of the same controller are aggregated and presented as a single customer or supplier, except where otherwise controlled by the same state-owned assets regulatory authority.

Explanation of aggregation of customers and suppliers under common control

As detailed below

A. Major Customers and Major Suppliers of the Company

✓ Applicable ☐ Not applicable

Sales to the top five customers amounted to RMB19,633 million, representing 11.89% of the total annual sales for the year. Sales to related parties among the top five customers were RMB0, representing 0% of the total annual sales for the year.

Purchases from the top five suppliers amounted to RMB96,772 million, representing 58.31% of the total annual purchases for the year. Purchases from related parties among the top five suppliers amounted to RMB22,335 million, representing 13.46% of the total annual purchases for the year. Purchases from the largest supplier amounted to RMB56,054 million, representing 33.78%.

3. **Expenses**

✓ Applicable ☐ Not applicable

Unit: RMB'000 Currency: RMB

Item	Current Period	Previous Period	YoY Change (%)
Selling and Distribution Expenses	24,194,263	19,184,251	26.12
Administrative Expenses	6,216,227	4,509,309	37.85
Finance Costs	198,656	240,382	-17.36
Research and Development Expenses	7,954,320	5,585,504	42.41

Please refer to Section V – "Principal Operating Results During the Reporting Period", – (I) 1 "Analysis of Changes in Major Items of the Statement of Profit or Loss and the Cash Flow Statement" under Section III "Management Discussion and Analysis" for details of the reasons for such changes.

4. **R&D Investment**

(1). R&D Investment

✓ Applicable ☐ Not applicable

Unit: RMB'000 Currency: RMB

Expensed R&D investment for the current period	7,954,320
Capitalised R&D investment for the current period	4,557,607
Total R&D investment	12,511,927
Total R&D investment as a percentage of revenue (%)	7.59
Capitalised R&D investment as a percentage of total R&D investment (%)	36.43

(2). R&D Personnel

✓ Applicable ☐ Not applicable

Number of R&D personnel of the Company	9,019
R&D personnel as a percentage of total employees	41.08%

Educational Background of R&D Personnel

Education Level	Number
Doctoral degree	75
Master's degree	2,408
Bachelor's degree	6,247
Associate degree	289
High school or below	0

Age Structure of R&D Personnel

Age Group	Number
Under 30 (excluding 30)	2,976
30-40 (including 30, excluding 40)	5,133
40-50 (including 40, excluding 50)	837
50-60 (including 50, excluding 60)	70
60 and above	3

(3). Reasons for Significant Changes in the Composition of R&D Personnel and Their Impact on the Company's Future Development

✓ Applicable ☐ Not applicable

As at the end of 2025, the total number of R&D personnel increased by 2,818 compared with the corresponding period of last year, representing a year-on-year increase of 45.44%. The proportion of R&D personnel in the Company's total workforce further increased compared with the previous year, and the R&D team continued to demonstrate a trend toward younger and more highly educated talent. Among them, the number of personnel holding doctoral degrees reached 75, representing a year-on-year increase of 114.29%, while those holding master's degrees reached 2,408, representing a year-on-year increase of 81.19%.

In 2025, the Company adhered to the mission of "serving users wholeheartedly" and remained committed to building high-quality vehicles. Upholding the concept of software-defined vehicles, the Company continued to strengthen its core technologies in intelligent safety, intelligent chassis and intelligent powertrain, and to develop a sustainable and evolvable automotive ecosystem.

The Company seeks to transform its technological advantages into user-perceivable driving quality and safety reliability, thereby supporting the continued market leadership of the AITO series of products. Through increased R&D investment, strengthened cost control and enhanced corporate governance, the Company achieved continuous growth in performance and a positive business cycle. Meanwhile, through innovative incentive mechanisms and deeper collaboration between industry and academia, the Company introduced a large number of top-tier software and intelligent technology talents, while also upgrading and empowering its existing teams. It strives to build a "technology+" multidisciplinary talent pool, thereby laying a solid talent foundation for the Company's long-term high-quality development.

5. Cash Flows

✓ Applicable ☐ Not applicable

Item	Current Period	Previous Period	YoY Change (%)
Net Cash from Operating Activities	28,120,475	21,988,014	27.89
Net Cash Used in Investing Activities	-4,239,275	-15,982,083	N/A
Net Cash from (Used in) Financing Activities	18,276,630	-4,166,686	N/A

Please refer to Section V "Principal Operating Results During the Reporting Period", (I)1 "Analysis of Changes in Major Items of the Statement of Profit or Loss and the Cash Flow Statement" under Section III "Management Discussion and Analysis" for details of the reasons for such changes.

6. Liquidity and Capital Resources

The Group primarily finances its working capital through cash generated from operating activities, capital contributions from shareholders, and proceeds from external borrowings and other financing activities. The Group does not expect any material changes in its sources of funding for operations in the future.

As of December 31, 2024 and December 31, 2025, the Group's bank balances and cash amounted to RMB6,333.7 million and RMB48,363.3 million, respectively. In addition, as of the same dates, the Group's current time deposits amounted to RMB7,903.9 million and RMB4,260.3 million, respectively.

The Directors are of the opinion that, taking into account the financial resources available to the Group, including bank balances and cash, available banking facilities, cash flows from operating activities and the net proceeds from the global offering, the Group has sufficient working capital. The Group continues to adopt prudent financing and treasury policies in managing its liquidity needs, with the objective of maintaining sufficient funds to meet its working capital requirements and to capture investment opportunities as they arise.

7. Indebtedness

The Group's indebtedness consists of borrowings and lease liabilities. Save as disclosed in this report, as of December 31, 2025, the Group had no outstanding issued or agreed to be issued capital, debt securities, mortgages, charges, debentures, bank overdrafts, loans or other similar indebtedness, acceptance liabilities or acceptance credits, hire purchase commitments or other contingent liabilities.

For details of the Group's borrowings and lease liabilities, please refer to Notes 31 and 33 to the consolidated financial statements in this report.

8. Foreign Exchange Risk Management

We operate internationally and are therefore exposed to foreign exchange risks arising from various currency exposures. Foreign currency risk arises from future commercial transactions and recognised assets and liabilities denominated in currencies other than the respective functional currencies of our subsidiaries. In 2025, the Group recorded a net foreign exchange loss of RMB179.1 million, compared with a net foreign exchange gain of RMB26.8 million in 2024.

The Group currently does not have a foreign exchange hedging policy. However, the management of the Group will monitor foreign exchange risks and consider hedging significant foreign exchange exposures when necessary.

9. Pledge of Assets

As of December 31, 2025, save as disclosed in note 50 to the consolidated financial statements in this report, the Group did not pledge any assets. The Group has pledged bank deposits with a carrying amount of RMB38,907.9 million to secure the issuance of bank acceptance bills, the opening of letters of credit, and the obtaining of bank financing.

10. Debt-To-Equity Ratio

As of December 31, 2025, the Group's debt-to-equity ratio (being total liabilities divided by total equity) was 2.44 (December 31, 2024: 6.93). For the same period, the Group's gearing ratio (being total liabilities divided by total assets, expressed as a percentage) was 70.91% (December 31, 2024: 87.38%).

11. Capital Expenditure

During the Track Record Period, the Group's capital expenditures primarily consisted of expenditures for the acquisition of intangible assets and fixed assets. The Group's capital expenditures amounted to RMB5,935.3 million in 2024 and RMB7,270 million in 2025, respectively.

The Group will continue to incur capital expenditures to support its anticipated business growth and expansion plans. The Group intends to finance its future capital expenditures through available financial resources, including cash generated from operating activities, net proceeds from the global offering and available bank borrowings.

12. Capital Commitments

The Group's capital commitments mainly represent purchases of assets and equipment contracted for but not yet paid. The Group's capital commitments increased from RMB672.1 million as of December 31, 2024 to RMB1,855 million as of December 31, 2025, primarily due to increased investment in fixed assets.

(II) Analysis of Assets and Liabilities

✓ Applicable ☐ Not applicable

1. Assets and Liabilities

Unit: RMB'000 Currency: RMB

Item	Balance at the End of the Current Period	% of Total Assets at the End of the Current Period	Balance at the End of the Previous Period	% of Total Assets at the End of the Previous Period	Change (%)
Current Assets					
Bank balances and cash	48,363,265	33.61	6,333,682	6.71	664
Time deposits	4,260,255	2.96	7,903,854	8.38	-46
Pledged and restricted bank deposits	38,923,447	27.05	39,621,756	41.99	-2
Financial assets at fair value through profit or loss	258,040	0.18	4,048,748	4.29	-94
Amounts due from related companies	19,326	0.01	40,183	0.04	-52
Trade and other receivables	4,250,991	2.95	5,230,545	5.54	-19
Notes receivable	260,888	0.18	214,159	0.23	22
Contract assets	0	0.00	52,476	0.06	-100
Inventories	2,446,801	1.70	2,552,449	2.70	-4
Non-current Assets					
Fixed assets	15,860,169	11.02	10,063,416	10.66	58
Right-of-use assets	3,223,568	2.24	3,639,336	3.86	-11
Goodwill	497,392	0.35	0	0.00	N/A
Intangible assets	10,051,324	6.98	8,651,552	9.17	16

Item	Balance at the End of the Current Period	% of Total Assets at the End of the Current Period	Balance at the End of the Previous Period	% of Total Assets at the End of the Previous Period	Change (%)
Investments in associates	13,562,376	9.42	1,972,303	2.09	588
Investments in joint ventures	8,777	0.01	6,545	0.01	34
Equity instruments at fair value through other comprehensive income	155,597	0.11	78,260	0.08	99
Deferred tax assets	1,450,485	1.01	1,475,267	1.56	-2
Finance lease receivables	23,509	0.02	35,249	0.04	-33
Prepayment for investment and other receivables	4,178	0.00	2,313,027	2.45	-100
Amounts due from related companies	10,370	0.01	1,606	0.00	546
Amount due from immediate holding company	2,044	0.00	1,060	0.00	93
Deposits paid for property, plant and equipment and other intangible assets	273,061	0.19	128,485	0.14	113
Current Liabilities					
Trade and other payables	78,071,991	54.25	72,274,335	76.59	8
Borrowings	513,480	0.36	10,187	0.01	4,941
Contract liabilities	6,850,686	4.76	2,991,532	3.17	129
Amounts due to related companies	7,329,148	5.09	47,343	0.05	15,381
Amount due to immediate holding company	637	0.00	0	0.00	N/A
Lease liabilities	263,544	0.18	510,084	0.54	-48
Income tax payable	670,927	0.47	431,313	0.46	56
Non-current Liabilities					
Other payables	1,710,166	1.19	1,149,655	1.22	49
Long-term borrowings	3,858,387	2.68	687,000	0.73	462
Lease liabilities	769,944	0.54	2,217,782	2.35	-65
Deferred income	1,582,928	1.10	1,656,177	1.76	-4
Deferred tax liabilities	425,697	0.30	482,993	0.51	-12
Net current assets (Liabilities)	5,082,600		-10,266,942		-150
Total assets	143,905,863		94,363,958		53
Total liabilities	102,047,535		82,458,401		24
Owners' equity	41,858,328		11,905,557		252

Other explanations:

Our net current liabilities improved from RMB10,266.9 million as of December 31, 2024 to net current assets of RMB5,082.6 million as of December 31, 2025, primarily due to the following: (1) Bank balances and cash increased by RMB42,029.6 million, mainly due to proceeds received from the issuance of H Shares and increased cash inflows from the sale of new energy vehicles; (2) Time deposits and financial assets at fair value through profit or loss decreased by RMB3,643.6 million and RMB3,790.7 million, respectively, primarily due to the maturity of cash management products funded by idle monetary funds; (3) Meanwhile, due to the expansion of the new energy vehicle business, trade and other payables and amounts due to related companies increased by RMB5,797.7 million and RMB7,281.8 million, respectively.

We plan to improve our net current liabilities position and ensure sufficient working capital through the following measures: (i) optimising our financing structure; (ii) improving our business model and customer credit management to strengthen the recovery of trade receivables; (iii) disposing of obsolete inventories and improving inventory turnover to strengthen inventory management; (iv) strengthening supply chain management to optimise supplier payment cycles; and (v) implementing other measures, such as strengthening cost control, improving operational efficiency and enhancing capital utilisation efficiency.

2. Overseas Assets

✓ Applicable ☐ Not applicable

(1). Asset Scale

Of which: Overseas assets amounted to RMB13,697.9 million (Unit: RMB'000'000 Currency: RMB), representing 9.52% of total assets. The Group's overseas assets mainly comprise Hong Kong dollar funds raised through H-share financing and held overseas.

3. Major Restricted Assets as of the End of the Reporting Period

✓ Applicable ☐ Not applicable

For details, please refer to Note 50. Pledge of or Restrictions on of Assets in Section X: Notes to the Consolidated Financial Statements.

(III) Analysis of Industry-Specific Operating Information

✓ Applicable ☐ Not applicable

Operating Information Analysis of the Automobile Manufacturing Industry

1. Production Capacity

✓ Applicable ☐ Not applicable

Existing Production Capacity

✓ Applicable ☐ Not applicable

Main Plant	Designed Capacity (units)	Capacity During the Reporting Period (units)	Capacity Utilisation Rate (%)
SERES Smart Factories	300,000	432,331	144.11
Other plants	300,000	85,815	28.61

Note: SERES Smart Factories mainly produce AITO models, while other plants mainly produce traditional fuel vehicles and other new energy vehicles.

2. Vehicle Production and Sales

✓ Applicable ☐ Not applicable

By Vehicle Type

✓ Applicable ☐ Not applicable

	Sales (units)			Production (units)		
Vehicle Type	Sales (units) Current Year	Sales (units) Last Year	YoY Change (%)	Production (units) Current Year	Production (units) Last Year	YoY Change (%)
New energy vehicles	472,269	426,885	10.63	473,735	429,459	10.31
Others	44,591	70,123	-36.41	44,411	66,972	-33.69

By Region

✓ Applicable ☐ Not applicable

Vehicle Type	Domestic Sales (units) Sales (units) Current Year	Sales (units) Last Year	YoY Change (%)	Overseas Sales (units) Sales (units) Current Year	Sales (units) Last Year	YoY Change (%)
New energy vehicles	464,491	417,700	11.20	7,778	9,185	-15.32
Others	23,728	29,196	-18.73	20,863	40,927	-49.02

3. **New Energy Vehicle Business**

✓ Applicable ☐ Not applicable

Production Capacity of New Energy Vehicles

✓ Applicable ☐ Not applicable

Main Plant	Designed Capacity (units)	Capacity During the Reporting Period (units)	Capacity Utilisation Rate (%)
SERES Smart Factories	300,000	432,331	144.11

Production and Sales of New Energy Vehicles

✓ Applicable ☐ Not applicable

Vehicle Type	Sales (units) Sales (units) Current Year	Sales (units) Last Year	YoY Change (%)	Production (units) Production (units) Current Year	Production (units) Last Year	YoY Change (%)
New energy vehicles	472,269	426,885	10.63	473,735	429,459	10.31

Revenue and Subsidies for New Energy Vehicles

✓ Applicable ☐ Not applicable

Unit: RMB'000 Currency: RMB

Vehicle Type	Revenue	Amount of NEV Subsidies	Subsidies as a Percentage of Revenue (%)
New energy vehicles	155,611,342.4	3,843.6	0.00

(IV) Analysis of Investment Status

Overall Analysis of External Equity Investments

✓ Applicable ☐ Not applicable

As of December 31, 2025, the balance of investments in associates amounted to RMB13,562.4 million, representing a significant increase compared with RMB1,972.3 million as at the end of 2024, mainly attributable to the investment in Shenzhen Yinwang Intelligent Technology Co., Ltd.

During the Reporting Period, the Group held the following material investments representing 5% or more of the total assets:

1. Chongqing Liangjiang New Area Longsheng New Energy Technology Co., Ltd. (重慶兩江新區龍盛新能源科技有限責任公司) (a wholly-owned subsidiary)

Nature of business: The company is the implementation entity for the Intelligent Connected New Energy Vehicle Industrial Park in Liangjiang New Area, with its core asset being a super factory featuring an integrated "four-in-one" architecture (with 100% automation for key processes), which serves as the core production base for the AITO series models.

Investment scale: The Group completed the acquisition of its 100% equity interest with a consideration of RMB8,518.38 million. As of the year-end date, the carrying amount of this investment represented approximately 5.9% of the Group's total assets.

Performance and strategy: Following the completion of the acquisition, the factory was converted from leased to self-owned, which significantly enhanced asset integrity and reduced unit manufacturing costs, providing strong support for the market delivery of the AITO M9 and other models. The Group regards it as a long-term core asset and will continue to deepen the synergy between technology and manufacturing to consolidate its million-unit production capacity advantage.

2. Shenzhen Yinwang Intelligent Technology Co., Ltd. (an associate)

Nature of business: This company is a supplier of incremental components for intelligent connected vehicles, dedicated to providing globally leading smart automotive solutions to automakers and users.

Investment scale: Seres Auto Co., Ltd., a subsidiary of the Group, acquired a 10% equity interest in the company at a cash consideration of RMB11,500 million. Upon completion of the transaction, the Group held a 9.36% equity interest in the company and was granted a board seat. As of the year-end date, the carrying amount of this investment accounted for approximately 8.14% of the Group's total assets.

Performance and strategy: The Group has secured strategic values such as priority adaptation of technologies and supply chain security through a dual "business + equity" approach. In the future, the Group will deeply participate in governance by virtue of its board seat, ensuring sustained technological leadership and brand competitiveness.

1. Significant Equity Investments

✓ Applicable ☐ Not applicable

Unit: RMB'000 Currency: RMB

Name of Investee Company	Principal Business	Whether the Investee Is Primarily Engaged in Investment Business	Method of Investment	Investment Cost/ Contribution Amount	Shareholding	Consolidated Financial Statement	Financial Statement Item (if applicable)	Source of Funds	Partner (if applicable)	Investment Term (if any)	Progress as at the Balance Sheet Date	Fair Value/ Carrying Amount as of December 31, 2025	Expected Return (if any)	Impact on Profit or Loss for the Period	Dividends Received in 2025	Litigation Involved
Chongqing Liangjiang New Area Longsheng New Energy Technology Co., Ltd.	Production leasing services for new energy vehicle factories	No	Acquisition	8,518,384.1	100%	Yes	/	Issuance of Shares	/	/	Completed	8,495,399	/	/	0	No
Shenzhen Yinwang Intelligent Technology Co., Ltd.	Intelligent automotive solution business	No	Acquisition	11,500,000.0	9.36%	No	Investments in associates	Internal funds	/	/	Completed	11,720,119	/	170,002.3	0	No
Total	/	/	/	20,681,834.1	/	/	/	/	/	/			/	170,002.3		/

Except as disclosed above, as of 31 December 2025, the Group did not hold any significant investments (including any investment in an investee company) representing 5% or more of the Group's total assets as at December 31, 2025.

As of the date of this report, the Group had no significant investment plans.

2. Progress of Significant Asset Restructuring and Integration During the Reporting Period

✓ Applicable ☐ Not applicable

The Company issued shares to acquire 100% equity interest in Chongqing Liangjiang New Area Longsheng New Energy Technology Co., Ltd. held by Chongqing Industrial Investment Parent Fund Enterprise Partnership (L.P.), Chongqing Liangjiang New Area Development & Investment Group Co., Ltd., and Chongqing Liangjiang New Area Industrial Development Group Co., Ltd. On February 21, 2025, the Company received the Reply on Approving the Registration of the Asset Purchase by Issuing Shares of Seres Group Co., Ltd. (Zheng Jian Xu Ke [2025] 307) issued by the China Securities Regulatory Commission (CSRC), which approved the Company's asset purchase by issuing shares in this transaction. In March 2025, the transfer procedures for the underlying assets of this restructuring were completed, and the Company consolidated 100% equity interest in Longsheng New Energy into its consolidated financial statements.

The independent Directors issued their independent opinions on this restructuring, stating that: the transaction complies with the requirements of relevant laws and regulations; it is conducive to improving the asset quality and scale of the Company, enhancing the Company's market competitiveness and sustainable operation capability, promoting the long-term development of the Company, and aligning with the interests of the Company and all shareholders. The evaluation institution engaged by the Company for this transaction is independent, the evaluation assumptions are reasonable, the evaluation methods are relevant to the evaluation purpose, the evaluation conclusion in the evaluation report issued by the evaluation institution is reasonable, and the evaluation pricing is fair and equitable.

Seres Auto Co., Ltd., a subsidiary of the Group, acquired a 10% equity interest in Shenzhen Yinwang held by Huawei Technologies Co., Ltd. through a cash consideration of RMB11.5 billion. During the Reporting Period, the 10% equity interest in Shenzhen Yinwang has been registered under the name of Seres Auto, and Seres Auto has fully settled the consideration for this transaction.

The independent Directors issued their independent opinions on this significant asset acquisition, stating that: the transaction complies with the requirements of relevant laws and regulations; It is conducive to further improving the asset quality and scale of the Company, enhancing its profitability and sustainable development capabilities, and aligning with the interests of the Company and all shareholders, without prejudice to the interests of minority shareholders. The evaluation institution engaged for this transaction is independent, the evaluation assumptions are reasonable, the evaluation methods are relevant to the evaluation purpose, the evaluation conclusion in the evaluation report issued by the evaluation institution is reasonable, and the evaluation pricing is fair.

3. **External Investment Management System**

- **Investment Portfolio** – The Company's investment portfolio comprises a range of projects aimed at profit generation and/or capital preservation and appreciation, including equity investments in newly established enterprises, capital increases and share acquisitions in new or existing investee companies, as well as investments related to the Company's operating projects. In addition, to enhance capital efficiency, the Company may also invest in equities, funds, bonds, entrusted loans, and other debt instruments.

- **Investment Policy and Objectives** – The Company's external investment activities strictly comply with applicable national laws, regulations, and industrial policies, and remain closely aligned with its long-term development strategy. Through prudent investment planning, the Group seeks to optimize resource allocation, achieve capital returns as well as preservation and appreciation, and support the Company's sustainable growth.

- **Risk Management and Control Measures** – In accordance with applicable laws, regulations, and regulatory requirements, the Company has established an External Investment Management System and implemented a comprehensive risk management and control framework covering pre-investment, investment, and post-investment stages. For significant investment projects, designated units are responsible for conducting feasibility studies and evaluating investment risks and returns, as well as continuously monitoring project execution. For investments such as securities investment, entrusted wealth management, and venture capital, the Company adopts stringent decision-making procedures, reporting systems, and control measures, and determines investment scale based on its risk tolerance. In particular, for entrusted wealth management, the Company only engages qualified professional institutions with sound credit standing, solid financial positions, no adverse integrity records, and strong profitability, and specifies in written agreements the investment amount, term, investment scope, rights and obligations of both parties, and legal liabilities. The Board of Directors also assigns dedicated personnel to continuously monitor investment progress and safety, and to take timely measures, including fund recovery, in case of abnormalities.

- **Approval and Oversight Mechanism** – In terms of approval, the Company has established a tiered decision-making framework for external investments comprising the Shareholders' Meeting, the Board of Directors, and the President, supported by designated bodies and relevant functional departments responsible for implementation and supervision. External investments exceeding specified thresholds are subject to prior approval by the Board or the Shareholders' Meeting and must comply with applicable disclosure requirements under the securities regulations of the place where the Company's shares are listed. In terms of oversight, the President takes the lead in post-investment management, while the Board regularly reviews the execution and performance of major investment projects. The Company may also appoint directors, supervisors, management personnel, or equity representatives to investee companies to participate in their operational decision-making. Meanwhile, the Company's finance department is responsible for maintaining complete and comprehensive financial records and accounting for all investment activities, with detailed documentation of relevant information.

(V) Disposal of Significant Assets and Equity Interests

☐ Applicable ✓ Not applicable

(VI) Analysis of Major Subsidiaries and Associates

✓ Applicable ☐ Not applicable

Major Subsidiaries and Associates with Net Profit Contribution Exceeding 10%

✓ Applicable ☐ Not applicable

Unit: RMB'000 Currency: RMB

Company Name	Company Type	Principal Business	Registered Capital	Total Assets	Net Assets	Revenue	Operating Profit	Net Profit (Loss)
Seres Auto Co., Ltd.	Subsidiary	R&D, manufacturing and sales of electric vehicles	10,637,280.00	107,285,292.2	12,074,122.3	155,485,555.90	7,938,361.80	6,996,667.70
Seres Auto (Hubei) Co., Ltd.	Subsidiary	Manufacturing and sales of automobiles and auto parts	800,000.00	13,017,983.2	2,067,029.8	10,715,371.80	23,422.9	-282,258.3

Note: Financial data in the above table are consolidated financial statement data.

Acquisition and Disposal of Subsidiaries During the Reporting Period

✓ Applicable ☐ Not applicable

Company Name	Method of Acquisition or Disposal During the Reporting Period	Impact on Overall Operations and Performance
Chongqing Liangjiang New Area Longsheng New Energy Technology Co., Ltd.	Business combination under non-common control	Business combination under non-common control, which did not have a significant impact on the listed company's operations and results
Chongqing Phoenix Technology Co., Ltd.	Establishment	Still at the initial stage of establishment during the Reporting Period and had no significant impact on the listed company's operations and results
Beijing Saihang Embodied Intelligence Technology Co., Ltd.	Establishment	Still at the initial stage of establishment during the Reporting Period and had no significant impact on the listed company's operations and results
Chongqing Landian Auto Technology Co., Ltd.	Establishment	Still at the initial stage of establishment during the Reporting Period and had no significant impact on the listed company's operations and results
Landian Zhixing (Chongqing) Auto Sales Co., Ltd.	Establishment	Still at the initial stage of establishment during the Reporting Period and had no significant impact on the listed company's operations and results
Seres Overseas (Chongqing) International Trade Co., Ltd.	Establishment	Still at the initial stage of establishment during the Reporting Period and had no significant impact on the listed company's operations and results
SERES (Kazakhstan) (СЕРЕС (Казахстан))	Establishment	Still at the initial stage of establishment during the Reporting Period and had no significant impact on the listed company's operations and results
AITO MIDDLE EAST MOTOR VEHICLE TRADING L.L.C S.O.C	Establishment	Still at the initial stage of establishment during the Reporting Period and had no significant impact on the listed company's operations and results
AITO DE MEXICO	Establishment	Still at the initial stage of establishment during the Reporting Period and had no significant impact on the listed company's operations and results
SERES CA	Establishment	Still at the initial stage of establishment during the Reporting Period and had no significant impact on the listed company's operations and results

The disposal of subsidiaries is set out in Note 42 "Disposal of A Subsidiary" to the consolidated financial statements of this report.

Section III Management Discussion and Analysis

Other explanations

✓ Applicable ☐ Not applicable

During the Reporting Period, save as disclosed in this report under "(VI) Analysis of Major Subsidiaries and Associates", the Group had no material acquisitions or disposals of subsidiaries, associates or joint ventures.

VI. MANAGEMENT DISCUSSION AND ANALYSIS ON FUTURE DEVELOPMENT

(I) Industry Landscape and Trends

Electrification, intelligence, AI-integration, and low-carbonization have become irreversible trends in the automotive industry. Among these, electrification serves as the foundation, while intelligence and AI are core directions for upgrading, with low-carbonization providing critical support. Collectively, these four drivers are shifting the industry from scale expansion to high-quality growth. According to the China Association of Automobile Manufacturers (CAAM), China's NEV sales are projected to reach 19 million units in 2026, with a year-on-year increase of 15.2%, remaining the primary engine of industry growth. Supplemented by domestic consumption upgrading and the continuous release of replacement demand, premium intelligent EVs that combine smart technology, superior safety, and exceptional driving experience will gain further market recognition.

Overseas markets also offer significant incremental space. CAAM forecasts that China's auto exports will reach 7.4 million units in 2026, with a 4.3% year-on-year increase. Demand for premium vehicles remains robust in regions including Europe and the Middle East. However, current overseas expansion by Chinese domestic brands primarily focuses on mass-market products; there is a notable undersupply of models with true premium positioning and intelligent competitiveness in the overseas market, presenting a strategic opportunity for Chinese premium intelligent EVs to expand globally.

From a long-term evolutionary perspective, the focus of competition is extending from the popularization of electrification and the deepening of intelligence toward AI-driven product and service upgrades. Driving assistance, intelligent cockpits, software ecosystems, and full-lifecycle user operations will continue to reshape vehicle forms and the direction of corporate competition. As policies and regulations for L3 autonomous driving gradually mature, the large-scale application of high-level driving assistance is expected to accelerate. Consequently, intelligent capabilities will become the decisive variable in the differentiation of automaker competitiveness.

Simultaneously, intelligent robotics shares a common technological origin and industrial chain with the automotive industry. It is highly compatible and can achieve deep synergy in scenarios such as driving assistance, human-machine interaction, and vehicle control, further extending the boundaries of the industry's capabilities and value. Technological innovation centered on AI and intelligent robotics will continue to reshape industrial models, injecting new momentum into long-term, high-quality development.

(II) Corporate Development Strategy

In 2026, guided by the "Seres Basic Guiding Principles," the Company will deepen its development along three primary strategic lines:

1. Firmly focusing on the premium intelligent EV sector, with a continuous emphasis on manufacturing high-caliber vehicles and providing exceptional services to the vehicles and users.

2. While solidifying the position in the domestic market, Seres will accelerate R&D for overseas models and build robust global operational systems to steadily enhance the market performance of the global models.

3. Actively advancing the commercialization of innovative businesses such as intelligent robotics to cultivate new incremental growth for long-term development.

Focusing on the core business. Seres will remain steadfast in its pursuit of premiumization and intelligence. It will continuously enhance product competitiveness, brand influence, and operational quality. Adhering to the principle of "serving users wholeheartedly," the Company aims to further solidify user reputation and brand identity.

Advancing Globalization. Seres will adhere to the product development principle of "Global Core + Local Adaptation." This involves creating standardized core products based on universal global demands, while simultaneously implementing customized adaptations for different regional markets to meet local regulations, standards, user preferences, and usage scenarios. The Company will deeply penetrate key regional markets through a phased and strategic approach, effectively enhancing the global operational capabilities and brand influence.

Focusing on Innovative Businesses: In alignment with the converging trends of AI and physical terminals, Seres will actively explore the "AI Plus" initiative. It will accelerate the transition of innovative businesses-such as Intelligent robotics-from technical reserves and scenario validation to commercialization, gradually shaping new growth drivers that support the long-term sustainability.

(III) Operational Plan

Looking ahead to the next five years, Seres will remain committed to the Blockbuster Flagship Product Strategy to consolidate its leadership in the premium market. Simultaneously, it will diligently expand into new categories, systematically explore new markets, accelerate the perfection of its energy replenishment ecosystem, and advance the launch of new businesses. This will drive the evolution from strengthening the core business toward category expansion, market extension, and capability spillover.

The Company will continue to adhere to its Blockbuster Flagship Product Strategy and consolidate its leading position in the premium market. Centering on the core AITO business, Seres will drive the iterative upgrading of its key products and launch new models in line with market demand and the direction of technological evolution, so as to further improve its presence in advantaged categories and strengthen the AITO brand's overall leadership in intelligence, safety, performance, quality and user experience.

The Company will expand its category boundaries to cover a diversified product portfolio. Leveraging the product definition capabilities, user insights and platform-based development capabilities accumulated in the premium SUV market, and taking into account the stage of brand development and market rhythm, Seres will advance the layout and preparation of new categories, and gradually build a premium intelligent electric vehicle product portfolio spanning multiple categories and catering to different needs.

The Company will focus on key regions and steadily advance its global expansion. It will continue to promote the expansion of its overseas business and formulate a phased implementation path around key regional markets. In 2026, it will focus on the Middle East and Central Asia markets, accelerate product introduction and the deployment of terminal networks, and, at the same time, carry out market entry planning and development preparation for regions such as Europe and Asia-Pacific in light of the regulatory standards, user needs, competitive landscape and changes in external circumstances in different regional markets, continuously enhancing its capabilities for the simultaneous development of left-hand-drive and right-hand-drive models and for adaptation to multiple regional markets, thereby consolidating the foundation for global operations in phases.

The Company will improve its energy replenishment ecosystem and accelerate the development of its charging network. It plans to roll out a network of 5,000 ultra-fast charging stations within three years through self-construction and co-development with partners, including more than 3,000 stations in expressway service areas, more than 1,800 stations in high-frequency living areas and more than 200 stations along self-driving routes. At the same time, it will advance the upgrading of energy replenishment services at AITO user centres, covering more than 220 cities and over 400 user centers. Leveraging its leading integrated technologies in solar power, energy storage, charging and battery swapping, as well as automatic charging technology, the Company aims to build a safe, intelligent and efficient ultra-fast charging network.

The Company will develop innovative businesses and cultivate future growth drivers. While continuing to deepen its presence in its core business of premium intelligent electric vehicles, Seres will actively step up the implementation of innovative businesses related to "AI Plus", carry out technology accumulation and scenario exploration in areas such as intelligent robotics and Robo-X, and accelerate capability validation and business preparation for application scenarios in the consumer market and industrial-end settings such as stores and factories, with a view to achieving the commercialization and market launch of relevant outcomes as soon as practicable.

(IV) Potential Risks

1. Risk of Changes in Industry Policies: The development of the NEV industry is closely related to national industrial policies. If the government adjusts policies such as purchase subsidies or tax incentives for NEVs in the future, it may affect terminal consumer demand, industry supply structures and the profitability of enterprises.

2. Risk of Changes in Market Demand: The industry in which the Company operates is affected by various factors including macroeconomic conditions, consumer confidence and consumption preferences. Market demand may experience cyclical fluctuations and structural differentiation. If consumer preferences regarding brand perception, exterior design, performance specifications and after-sales services of NEV products change, market demand may be affected.

3. Risk of Intensifying Industry Competition: Competition in the NEV industry is increasingly intense. Traditional automobile manufacturers are accelerating their electrification transformation, emerging car makers continue to upgrade their technologies, and technology companies are entering the industry through cross-sector participation. As product portfolios continue to expand and vehicle iteration cycles accelerate, and as electrification and intelligent technology routes evolve rapidly, the industry is shifting from a phase of rapid expansion to one characterized by stock competition and structural adjustment, resulting in further intensification of competitive pressure.

4. Supply Chain Risks: The NEV industry chain involves multiple key upstream segments including raw materials and core components such as chips and batteries. Significant fluctuations in upstream raw material prices, shortages or disruptions in the supply of key components, or production capacity constraints among major suppliers may adversely affect the Company's production operations, product delivery and profitability.

5. Risks from Changes in the International Economic and Political Environment: Factors such as weak global economic recovery, geopolitical conflicts, tariff barriers, international sanctions, exchange rate fluctuations and changes in overseas market access policies may adversely affect the expansion of the Company's overseas business and international market supply and demand.

In response to the above risks, the Company will closely monitor adjustments in industry policies, changes in market demand and industry competition dynamics. The Company will focus on the core track of premium intelligent electric vehicles, increase R&D investment to drive technological iteration and upgrades, and integrate its R&D, marketing, sales and service chains to strengthen brand development. The Company is committed to enhancing product competitiveness and brand strength to maintain its leading position in industry competition. At the same time, the Company will further deepen strategic cooperation with suppliers, continuously improve its supply chain management system to ensure supply chain security and stability. In addition, the Company will actively assess international political and economic developments and establish sound risk control mechanisms to mitigate risks arising from geopolitical conflicts and trade frictions, thereby promoting the Company's high-quality and sustainable development.

VII. CIRCUMSTANCES AND REASONS FOR THE COMPANY'S NON-DISCLOSURE IN ACCORDANCE WITH THE STANDARDS DUE TO SPECIAL REASONS SUCH AS INAPPLICABILITY OF THE STANDARDS, STATE SECRETS OR COMMERCIAL SECRETS

□ Applicable ✓ Not Applicable

Section IV Report of the Board of Directors

The Board of Directors is pleased to present this report and the audited financial statements of the Group for the year ended December 31, 2025.

I. PRINCIPAL BUSINESS

Founded in 1986, the Company is a technology-driven enterprise with a core focus on new energy vehicles ("NEVs"). Its business spans the R&D, manufacturing, sales, and after-sales services of NEVs and key components of the "three-electric" system. The Company completed its initial public offering and listing of A Shares on the Shanghai Stock Exchange (Stock Code: 601127) on June 15, 2016, and subsequently completed its public offering and listing of H Shares on the Main Board of the Stock Exchange (Stock Code: 9927) on November 5, 2025.

During the Reporting Period, the nature of the Group's principal business remained substantially unchanged.

For details of the Company's major subsidiaries, please refer to Note 51 to the consolidated financial statements included in this report.

II. BUSINESS REVIEW

(I) Business Performance

Details of the Group's business performance during the Reporting Period, including an objective review of the Group's business, an analysis of its financial performance, and a discussion and analysis of its future development, please refer to the sections "Company Profile and Key Financial Indicators", "Management Discussion and Analysis", and "Corporate Governance, Environment and Society" in this report. Such reviews and discussions form an integral part of this Board of Directors' Report.

(II) Principal Risks and Uncertainties

For details regarding the Group's principal risks and uncertainties, please refer to the section "Potential Risks" in this report.

(III) Environmental Policies and Performance

The Company is committed to establishing a comprehensive environmental management system, in strict compliance with the Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》) and other relevant environmental regulations. The Group continuously enhances its green production capabilities through integrated management of energy, water resources, and emissions. Sustainability principles are embedded throughout the entire value chain, including product design, procurement, material usage and control, production and manufacturing, logistics and transportation supply chain, product sales, and recycling, to ensure environmental compliance and minimize the negative impact of its operations on the environment.

For details regarding the Group's environmental policies and performance, please refer to the Company's 2025 Environmental, Social, and Governance (ESG) Report, published on the same day as this report on the websites of the SSE and the Stock Exchange.

(IV) Compliance with Laws and Regulations

From the H Share listing date to the date of this report, the Group has, in all material respects, complied with the laws, regulations, and regulatory requirements applicable to it, including the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), the Hong Kong Listing Rules (including the Corporate Governance Code), and the SFO.

For details regarding the Group's material litigation and arbitration, please refer to the section "Material Litigation and Arbitration" in this report.

(V) Key Relationships with Stakeholders

The Group recognizes that its stakeholders, including employees, customers, suppliers, and other business partners, are essential to its success. The Group actively seeks to maintain cooperative and stable relationships with these stakeholders to support sustainable development.

For details regarding the Group's employees, please refer to the section "Employees of the Parent Company and Major Subsidiaries as of the End of the Reporting Period" in this report.

(VI) Events after the Reporting Period

Except as disclosed in this report, the Company had no other material events subsequent to the end of the Reporting Period.

III. DIVIDENDS AND TAX RELIEF

(I) Dividends

In October 2025, the Company implemented its interim dividend distribution for 2025 to all A Share shareholders, as approved at the Company's second extraordinary shareholders' meeting of 2025. A cash dividend of RMB0.31 per A Share (inclusive of tax) was declared. Based on the Company's total share capital of 1,633,366,086 shares prior to the implementation of the dividend distribution plan, the total amount of the cash dividend distributed is RMB506.34 million.

For the final profit of the Reporting Period, the Board of Directors has proposed the following distribution plan: Based on the total number of shares registered on the record date for the 2025 final dividend distribution (the "**Record Date**"), the Company intends to distribute a cash dividend of RMB0.8 per 10 shares (inclusive of tax) to all shareholders who are on the share register on the Record Date. No bonus shares will be issued, and no capital reserves will be converted into share capital. Based on a preliminary estimate of the Company's total share capital as of the date of this report, the estimated amount of the final cash dividend is approximately RMB1,393.59 million. The actual dividend amount will be subject to the Company's official dividend distribution announcement. The Company's cash dividends will be declared and denominated in RMB, payable in RMB to A Share shareholders and in HKD to H Share shareholders. The exchange rate for cash dividends paid in HKD will be based on the average middle exchange rate for HKD to RMB, as published by the People's Bank of China on the five business days preceding the date of the dividend distribution resolution at the 2025 Shareholders' Meeting. Together with the 2025 interim cash dividend of RMB506.34 million already distributed, the Company's total cash dividends for 2025 are expected to amount to approximately RMB1,899.93 million, representing 31.90% of the profit attributable to the Company's owners for 2025. The final cash dividend is expected to be paid by June 21, 2026 to all shareholders whose names are registered on the Record Date. The 2025 final dividend distribution plan is subject to review and approval at the Company's 2025 Shareholders' Meeting.

As of the date of this report, the Board of Directors is not aware of any shareholders who have waived or agreed to waive any dividends.

(II) Tax Relief

Shareholders of the Company are required to pay taxes in accordance with the following provisions and the tax regulations as updated from time to time, and may be eligible for tax relief based on their individual circumstances. The laws, regulations, normative documents referenced below are those in effect as of December 31, 2025. Shareholders should, if necessary, consult their professional tax and legal advisors for advice on specific tax obligations or implications.

I. A Share Shareholders

Individual Investors

Pursuant to the Notice on Differentiated Individual Income Tax Policies Applicable to the Stock Dividends Distributed by Listed Companies (Cai Shui [2015] No. 101) (《關於上市公司股息紅利差別化個人所得稅政策有關問題的通知》(財稅[2015]101號)), for individuals holding shares of listed companies acquired through public issuance or transfer markets: if the shares are held for more than one year, dividends are temporarily exempt from individual income tax; if the shares are held within one month (inclusive), the full amount of dividends is included in taxable income; if the shares are held for more than one month but not exceeding one year (inclusive), 50% of dividends is included in taxable income. The taxable portion of such dividends is subject to individual income tax at a flat rate of 20%.

Qualified Foreign Institutional Investors (QFII)

Pursuant to the Circular on Issues Concerning the Withholding of Enterprise Income Tax on Dividends, Bonuses and Interest Paid by Chinese Resident Enterprises to QFIIs (Guo Shui Han [2009] No. 47) (《關於中國居民企業向 QFII 支付股息、紅利、利息代扣代繳企業所得稅有關問題的通知》(國稅函[2009]47號)), the Company shall withhold enterprise income tax at a rate of 10% for Qualified Foreign Institutional Investors (QFIIs). If any shareholder believes they are entitled to tax treaty benefits with respect to the dividends, they may, in accordance with applicable regulations, submit a refund application to the competent tax authority after receiving the dividends.

Hong Kong Market Investors (Investing in A shares listed on the SSE and SZSE through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect)

Pursuant to the Notice on Taxation Policies for the Pilot Program of Shanghai-Hong Kong Stock Connect (Cai Shui [2014] No. 81) (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014]81號)) and the Notice on the Tax Policies Related to the Pilot Program of the Shenzhen-Hong Kong Stock Connect (Cai Shui [2016] No. 127) (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號)):

Withholding and Payment Policy: Prior to the availability of detailed data, such as investor identity and shareholding period, from Hong Kong Securities Clearing Company Limited to China Securities Depository and Clearing Corporation Limited, the differentiated tax policy based on shareholding period will not be implemented. The Company shall withhold and pay income tax at the rate of 10%, and shall file the withholding tax return with the competent tax authority.

Tax Treaty Benefits: For Hong Kong investors who are tax residents of other countries and whose country of residence has a tax treaty with China providing for a dividend income tax rate of less than 10%, the enterprise or individual may, either directly or through the withholding agent, submit an application to the competent tax authority of the Company to claim the benefits under the tax treaty. After review by the competent tax authority, a refund shall be made for the difference between the tax already withheld and the tax payable calculated in accordance with the tax treaty rate.

II. H Share Shareholders

Non-resident Enterprise Shareholders

Pursuant to the Enterprise Income Tax Law of the People's Republic of China and its implementation regulations, as well as the Notice on Issues Concerning the Withholding and Payment of Enterprise Income Tax on Dividends Distributed by PRC Resident Enterprises to Enterprise Non-resident Shareholders Holding Overseas H Shares (GSH [2008] No. 897) (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得税有關問題的通知》(國税函[2008]897號)), Chinese resident enterprises are required to withhold enterprise income tax at a uniform rate of 10% when distributing dividends in respect of the year 2008 and onwards to non-resident corporate H Share shareholders.

Individual Shareholders

Pursuant to the Notice on Issues Concerning the Levy of Individual Income Tax Following the Abolishment of the Document Numbered Guo Shui Fa [1993] No. 045 (Guo Shui Han [2011] No. 348) (《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》(國税函[2011]348號)) and the letter from the Stock Exchange dated July 4, 2011, concerning the Tax Arrangements for Hong Kong Residents Receiving Dividends from Mainland Enterprises (《有關香港居民就內地企業派發股息的税務安排》):

General Case:

Dividends paid by domestic non-foreign-invested enterprises to individual shareholders resident in Hong Kong are generally subject to a 10% withholding tax on individual income;

Special Cases:

For an individual receiving dividends who is a resident of a jurisdiction with a tax treaty with China that provides for a dividend tax rate higher than 10% but lower than 20%, the withholding tax on individual income shall be levied at the actual rate prescribed under the relevant tax treaty;

For an individual receiving dividends who is a resident of a jurisdiction that has not entered into a tax treaty with China, or in other situations not specified above, the withholding tax on individual income shall be levied at the rate of 20%.

Hong Kong Local Taxation: According to the current practice of the competent tax authorities, no taxes are payable in Hong Kong on dividends distributed by the Company.

III. Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect Investors (Mainland Investors Investing in H Shares Listed on the Stock Exchange)

Pursuant to the relevant provisions of the Circular on the Relevant Taxation Policy for the Pilot Programme of an Interconnection Mechanism for Transactions in the Shanghai and Hong Kong Stock Markets (Cai Shui [2014] No.81) (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014]81號)) and the Circular on the Relevant Taxation Policy for the Pilot Programme of an Interconnection Mechanism for Transactions in the Shenzhen and Hong Kong Stock Markets (Cai Shui [2016] No.127) (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號)) jointly issued by the Ministry of Finance, the State Taxation Administration of the People's Republic of China, and the China Securities Regulatory Commission:

Individual investors from mainland China and Securities Investment Funds: Individual income tax on dividends received from H Shares listed on the Stock Exchange through the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect, shall be withheld by the Company at a rate of 20%. Individual investors who have already paid withholding tax abroad may apply to the competent tax authorities of the China Securities Depository and Clearing Corporation Limited (CSDC) for a tax credit by submitting valid tax withholding certificates. Dividends and bonuses received by securities investment funds from mainland China through the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect from stocks listed on the Stock Exchange will be taxed in the same manner as for individual investors.

For corporate investors who come from mainland China: the dividends received by investing in stocks listed on the Stock Exchange through the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect, will be included in their total income and subject to corporate income tax in accordance with the law. The Company will not withhold tax on dividends for corporate investors from mainland China. Such tax shall be declared and paid by the enterprises themselves.

IV. MAJOR CUSTOMERS AND SUPPLIERS

During the Reporting Period, the Group's top five customers represented less than 30% of the Group's total annual sales. Similarly, the Group's top five suppliers and the largest supplier represented 58.31% and 33.78% of the Group's total annual purchases, respectively.

During the Reporting Period, none of the Directors, their respective close associates, or any shareholders known to the Directors to hold more than 5% of the issued shares had any interest in any of the Group's top five customers or suppliers.

For details of the Group's top five customers and suppliers, please refer to the section "Major Customers and Major Suppliers" in this report.

V. ISSUED SHARES

For details of changes in the Company's share capital and the issuance of shares during the Reporting Period, please refer to the sections "Changes in Share Capital and Shareholders" and "Explanation of Progress in the Use of Raised Funds" in this report.

VI. ISSUED DEBENTURES

For details of the issuance of debentures by the Company during the Reporting Period, please refer to the section "Bond-Related Information" in this report.

VII. PRE-EMPTIVE RIGHTS

There are no provisions under the laws of the People's Republic of China or the Company's Articles of Association that require the Company to offer new shares to existing shareholders on a pro-rata basis.

VIII. PUBLIC FLOAT

From the H Share Listing Date to the date of this report, the Company has maintained the minimum public float as required under Chapter 19A of the Hong Kong Listing Rules.

IX. SHARE-LINKED AGREEMENTS

Except as disclosed in the section "Company's Equity Incentive Plans, Employee Stock Ownership Plan, or Other Employee Incentive Arrangements and Their Impact", the Company did not enter into any share-linked agreements during the Reporting Period.

X. DIRECTORS AND SENIOR MANAGEMENT

For details regarding the names and biographies of Directors and Senior Management in office during the Reporting Period and as at the date of this report, please refer to the section "Information on Directors and the Senior Management" in this report. Except as disclosed in this report, there have been no other changes in the information of Directors and Senior Management that would require disclosure under Rule 13.51B(1) of the Hong Kong Listing Rules.

XI. DIRECTORS' SERVICE CONTRACTS

Each Director has entered into a service contract or letter of appointment with the Company, and such appointment is subject to the relevant provisions of the Company's Articles of Association concerning the election, appointment, removal, resignation, and retirement of Directors.

No Director has entered, or proposes to enter, into any service contract with any member of the Group, other than contracts that will expire within one year or may be terminated by any member of the Group within one year without payment of compensation, other than statutory compensation.

XII. DIRECTORS' INTERESTS IN COMPETING BUSINESSES

Non-executive Directors Mr. Yang Yanding, Mr. Li Wei, and Mr. Zhou Changling currently also serve as directors/ general managers of Dongfeng Motor Group and/or its affiliates (collectively referred to as "Dongfeng"). Among these, Dongfeng's principal businesses include the manufacture and supply of commercial vehicles, passenger vehicles, electric vehicles, and related services and products. As a result, Dongfeng may, from time to time, compete directly or indirectly with the Company's business.

Except as disclosed in this report, no Director holds any interest in any business that directly or indirectly competes, or may compete, with the Group's business such that disclosure would be required under Rule 8.10 of the Hong Kong Listing Rules.

XIII. INTERESTS AND SHORT POSITIONS IN THE SHARES, RELEVANT SHARES, AND DEBENTURES OF THE COMPANY AND ITS AFFILIATED CORPORATIONS HELD BY DIRECTORS AND CHIEF EXECUTIVE

As of December 31, 2025, the Directors and chief executive of the Company are required to disclose their interests and short positions in the shares, relevant shares, and debentures of the Company or its affiliated corporations (as defined under Part XV of the SFO) in accordance with the following provisions: (i) Interests and short positions that must be disclosed to the Company and the Stock Exchange pursuant to Sections 7 and 8 of Part XV of the SFO (including those interests and short positions deemed or treated as held under the relevant provisions of the SFO); or (ii) Interests and short positions that must be registered in the register maintained under Section 352 of the SFO; or (iii) Interests and short positions that must be disclosed to the Company and the Stock Exchange in accordance with the Model Code, as follows:

(I) Interests in the Company

Name	Position	Capacity/ Nature of Interest	Number and Class of Shares [1]	Approximate Percentage of Relevant Class of Shares [2]	Approximate Percentage of Total Issued Shares [2]
Mr. Zhang Zhengping [3]	Executive Director	Beneficial Owner	53,437 A Shares (L)	0.00%	0.00%
Mr. Yin Xianzhi [4]	Executive Director	Beneficial Owner	65,248 A Shares (L)	0.00%	0.00%
Ms. Shen Wei [5]	Executive Director	Beneficial Owner	116,948 A Shares (L)	0.01%	0.01%
Mr. Zhang Zhengyuan [3]	Executive Director	Beneficial Owner	45,501 A Shares (L)	0.00%	0.00%
Mr. Zhou Changling	Non-executive Director	Beneficial Owner	1,000 A Shares (L)	0.00%	0.00%

Notes:

(1) "L" denotes the relevant person's long position in the shares.

(2) As at December 31, 2025, the Company had a total of 1,741,985,086 issued shares, consisting of 1,633,366,086 A Shares and 108,619,000 H Shares. The percentage of shares held has been rounded to the nearest two decimal places.

(3) Includes the number of A Shares granted to the relevant Directors under the 2024 Employee Stock Ownership Plan (subject to the conditions of the underlying shares).

(4) Includes 40,948 A Shares granted to the Directors under the 2024 Employee Stock Ownership Plan (subject to the conditions of the underlying shares) as well as the A Shares held by the Directors.

(5) Includes 40,948 A Shares granted to the Directors under the 2024 Employee Stock Ownership Plan (subject to the conditions of the underlying shares) as well as the A Shares held by the Directors.

(II) Interests in Affiliated Corporations of the Company

Name	Position	Name of Affiliated Corporation	Capacity/ Nature of Interest	Number of Shares [1]	Approximate Percentage of Issued Shares of Affiliated Corporation
Mr. Zhang Zhengping [1]	Executive Director	SF Motors, Inc.	Beneficial Owner	4,000,000	0.40%

Note:

(1) Includes the number of shares in SF Motors, Inc. corresponding to stock options granted under the stock option plan adopted by SF Motors, Inc., subject to the relevant conditions for the grant of stock options.

Except for the disclosures mentioned above, to the knowledge of the Directors, as at December 31, 2025, none of the Directors or chief executives of the Company is required to (i) notify the Company and the Stock Exchange of their interests and short positions under Divisions 7 and 8 of Part XV of the Securities and Futures Ordinance (including those interests and short positions deemed or treated as held under the relevant provisions of the SFO); or (ii) Interests and short positions that must be registered in the register maintained under Section 352 of the SFO; or (iii) Interests and short positions that must be disclosed to the Company and the Stock Exchange in accordance with the Model Code.

XIV. RIGHTS OF DIRECTORS TO PURCHASE SHARES OR DEBENTURES

Except as disclosed in this report, during the Reporting Period, neither the Company nor any of its subsidiaries has entered into any arrangements under which Directors have the right to acquire shares or debentures of the Company or any other corporate entity for personal benefit.

XV. INTERESTS OF DIRECTORS AND FORMER SUPERVISORS IN MAJOR TRANSACTIONS, ARRANGEMENTS, OR CONTRACTS

During the Reporting Period, no Director, former supervisor, or any entity associated with them has held any material interest, whether direct or indirect, in any significant transaction, arrangement, or contract entered into by the Company or any of its subsidiaries related to the business of the Group.

XVI. PERMITTED INDEMNITY PROVISIONS

The Company has procured appropriate Directors' liability insurance to indemnify its Directors against any liabilities arising from the performance of their duties in connection with the Company's affairs. This insurance has been in effect throughout the Reporting Period and remains in force as at the date of this report.

XVII. MANAGEMENT CONTRACTS

During the Reporting Period, except for the service contracts and appointment letters of the Directors, no contracts related to the management or administration of the Group's business, or any material part thereof, have been entered into or are currently in effect.

XVIII. CONNECTED TRANSACTIONS

Except for the connected transactions disclosed below, the related party transactions disclosed in Note 48 to the consolidated financial statements of this report do not constitute connected transactions that are subject to disclosure requirements under Chapter 14A of the Hong Kong Listing Rules.

(I) Continuing Connected Transactions

1. Continuing Connected Transactions with Dongfeng Motor Group

Dongfeng Motor Group is a substantial shareholder of the Company. As such, Dongfeng Motor Group and/or its associates are considered connected persons of the Company. The transactions detailed below with Dongfeng Motor Group constitute the Company's continuing connected transactions.

a. Dongfeng Sales Framework Agreement

On October 15, 2025, the Company, acting on its own behalf and on behalf of its subsidiaries, entered into a framework agreement with Dongfeng Motor Group (the "**Dongfeng Sales Framework Agreement**"). Pursuant to the agreement, the Group will, from time to time as required, supply Dongfeng Motor Group with a range of products and/or services, including but not limited to vehicles, engines, components, vehicle maintenance services, testing services, and other related products and services. The initial term of the agreement commenced on the H Share Listing Date and will expire on December 31, 2025.

The fees charged to Dongfeng Motor Group for the services and/or products provided by the Group have been strictly determined in accordance with the pricing principles for transactions between connected parties to ensure fairness and reasonableness. These fees were established with reference to, but not limited to, official government guidance prices of fees and quotes, industry pricing standards, prevailing market rates for such services and/or products, and a reasonable profit margin calculated by the Group based on the relevant costs incurred in providing such products and services. For fees and prices determined with reference to market rates, both parties shall continuously monitor market conditions and make timely adjustments to such fees and prices in response to changes in market conditions.

For the year ended December 31, 2025, the annual cap was RMB210 million. For the year ended December 31, 2025, the actual transaction amount for the continuing connected transactions under the Dongfeng Sales Framework Agreement was approximately RMB59.78 million.

b. Dongfeng Procurement Framework Agreement

On October 15, 2025, the Company, acting on its own behalf and on behalf of its subsidiaries, entered into a framework agreement with Dongfeng Motor Group (the "**Dongfeng Procurement Framework Agreement**"). Pursuant to the agreement, the Group shall, from time to time as required, procure from Dongfeng Motor Group various products and/or services, including, but not limited to, vehicles, components, vehicle testing services, transportation services, and other related products and services. The initial term of the agreement commenced on the H Share Listing Date and will expire on December 31, 2025.

The fees paid by the Group to Dongfeng Motor Group under the Dongfeng Procurement Framework Agreement have been strictly determined in accordance with the pricing principles for transactions between connected parties to ensure fairness and reasonableness. These fees were established with reference to, but not limited to, official government guidance prices of fees and quotes, industry pricing standards, prevailing market rates for such services and/or products, and a reasonable profit margin calculated by the Group based on the relevant costs incurred in providing such products and services. For fees and prices determined with reference to market rates, both parties shall continuously monitor market conditions and make timely adjustments to such fees and prices in response to changes in market conditions.

For the year ended December 31, 2025, the annual cap was RMB500 million. For the year ended December 31, 2025, the actual transaction amount for the continuing connected transactions under the Dongfeng Procurement Framework Agreement was approximately RMB358.52 million.

c. Dongfeng Financial Services Agreement

On January 20, 2023, the Company entered into a framework agreement (the **"Dongfeng Financial Services Agreement"**) with Dongfeng Automobile Finance Co., Ltd. (**"Dongfeng Finance"**, a member of Dongfeng Motor Group), pursuant to which Dongfeng Finance has agreed to provide certain financial services to the Group. These services include financing facilities of up to RMB1 billion, deposit services with a maximum daily balance of RMB800 million, settlement services, and other related financial services. The term of the Dongfeng Financial Services Agreement is three years.

The pricing policies under the Dongfeng Financial Services Agreement are set out as follows:

(i) Financing facilities: Interest rates and discount rates are determined with reference to the relevant regulations of the People's Bank of China and shall comply with all applicable requirements of the People's Bank of China and Dongfeng Finance.

(ii) Deposit services: Interest rates for deposits placed with Dongfeng Finance under the Dongfeng Financial Services Agreement are determined with reference to the benchmark RMB deposit rates published by the People's Bank of China, which shall not be lower than those offered by other domestic commercial banks for deposits of the same type under comparable terms for the same period.

(iii) Settlement services: Dongfeng Finance does not charge any service fees for settlement services provided under the Dongfeng Financial Services Agreement.

For the year ended December 31, 2025, the annual cap for the maximum daily deposit balance placed by the Group with Dongfeng Finance was RMB800 million. For the year ended December 31, 2025, the actual maximum daily deposit balance placed by the Group under the Dongfeng Financial Services Agreement was approximately RMB0 million.

2. Continuing Connected Transactions with Chongqing Ruichi

Chongqing Ruichi is approximately 44.05% and 6.61% owned by Seres Hubei (a wholly-owned subsidiary of the Company) and Sokon Holding (a substantial shareholder of the Company), respectively. As Chongqing Ruichi is primarily controlled by Sokon Holding, its financial results are consolidated into the financial statements of Sokon Holding. Therefore, Chongqing Ruichi is a subsidiary of Sokon Holding and constitutes a connected person of the Company. The following transactions with Chongqing Ruichi are considered as continuing connected transactions of the Company.

a. Ruichi Sales Framework Agreement

On October 15, 2025, the Company, acting on its own behalf and on behalf of its subsidiaries, entered into a framework agreement with Ruichi Group (the "**Ruichi Sales Framework Agreement**"). Pursuant to the agreement, the Group will, from time to time as required, supply Ruichi Group with a range of products and/or services, including but not limited to vehicles, components, vehicle maintenance services, testing services, and other related products and services. The initial term of the agreement commenced on the H Share Listing Date and will expire on December 31, 2025.

The fees charged to Ruichi Group for the services and/or products provided by the Group under the Ruichi Sales Framework Agreement have been strictly determined in accordance with the pricing principles for transactions between connected parties to ensure fairness and reasonableness. These fees were established with reference to, but not limited to, official government guidance prices of fees and quotes, industry pricing standards, prevailing market rates for such services and/or products, and a reasonable profit margin calculated by the Group based on the relevant costs incurred in providing such products and services. For fees and prices determined with reference to market rates, both parties shall continuously monitor market conditions and make timely adjustments to such fees and prices in response to changes in market conditions.

For the year ended December 31, 2025, the annual cap was RMB3,000 million. For the year ended December 31, 2025, the actual transaction amount for the continuing connected transactions under the Ruichi Sales Framework Agreement was approximately RMB1,131.47 million.

b. Ruichi Procurement Framework Agreement

On October 15, 2025, the Company, acting on its own behalf and on behalf of its subsidiaries, entered into a framework agreement with Ruichi Group (the "**Ruichi Procurement Framework Agreement**"). Pursuant to the agreement, the Group shall, from time to time as required, procure from Ruichi Group various products and/or services, including, but not limited to, vehicles, components, vehicle maintenance services, and other related products and services. The initial term of the agreement commenced on the H Share Listing Date and will expire on December 31, 2025.

The fees charged by Ruichi Group for the services and/or products provided to the Group under the Ruichi Procurement Framework Agreement have been strictly determined in accordance with the pricing principles for transactions between connected parties to ensure fairness and reasonableness. These fees were established with reference to, but not limited to, official government guidance prices of fees and quotes, industry pricing standards, prevailing market rates for such services and/or products, and a reasonable profit margin calculated by the Group based on the relevant costs incurred in providing such products and services. For fees and prices determined with reference to market rates, both parties shall continuously monitor market conditions and make timely adjustments to such fees and prices in response to changes in market conditions.

For the year ended December 31, 2025, the annual cap was RMB120 million. For the year ended December 31, 2025, the actual transaction amount for the continuing connected transactions under the Ruichi Procurement Framework Agreement was approximately RMB45.02 million.

(II) Internal Control Procedures Adopted by the Company for Continuing Connected Transactions

To ensure that the terms of each continuing connected transaction, including pricing policies, are fair and reasonable, and that all such transactions are conducted on normal commercial terms, the Company has implemented internal control measures. The Finance Department of the Company is responsible for the ongoing monitoring and supervision of connected transactions. Specifically, the Finance Department of the Company regularly monitors and collects detailed data on the continuing connected transactions conducted by the Group, including, but not limited to, the implementation of pricing policies, the terms of agreements, and the actual transaction amounts, to ensure that such transactions are carried out in accordance with the relevant framework agreements. Furthermore, the Finance Department of the Company is responsible for periodically reviewing and assessing the balance of annual caps of continuing connected transactions. If the transactions are expected to exceed the annual caps, the Finance Department will report to the Board of Directors and take appropriate actions in compliance with the relevant provisions of the Hong Kong Listing Rules and/or the Shanghai Listing Rules.

For the year ended December 31, 2025, the Company has followed the pricing policies and guidelines for above continuing connected transaction agreements disclosed in the Prospectus.

(III) Confirmation by Independent Non-executive Directors

The Independent Non-executive Directors have reviewed the continuing connected transactions and confirmed such transactions:

1. were entered into in the ordinary and usual course of business of the Group;

2. were conducted on normal commercial terms or terms more favorable to the Group, and on terms that are fair and reasonable; and

3. were carried out in accordance with the relevant agreements, on fair and reasonable terms, and in the overall interests of the Company's shareholders.

(IV) Auditor's Confirmation

Pursuant to Hong Kong Standard on Assurance Engagements 3000 (Revised) Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by Hong Kong Institute of Certified Public Accountants and with reference to Practice Note 740 (Revised) Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules, the Company's auditors, based on their review of the continuing connected transactions, have issued a letter to the Board of Directors expressing the following opinions in relation to the disclosed continuing connected transactions:

1. Nothing has come to their attention that causes them to believe that the disclosed continuing connected transactions were not approved by the Board of Directors;

2. With respect to transactions involving the provision of goods or services by the Group, nothing has come to their attention that causes them to believe that the disclosed continuing connected transactions have not, in all material respects, been conducted in accordance with the Group's pricing policies;

3. Nothing has come to their attention that causes them to believe that the disclosed continuing connected transactions have not, in all material respects, been entered into in accordance with the relevant governing agreements; and

4. In respect of the aggregate amounts of the continuing connected transactions, nothing has come to their attention that causes them to believe that the disclosed continuing connected transactions have exceeded the annual caps set by the Company.

The Company had allowed auditor to have sufficient access to their records for the purpose of reporting on the transactions as set out in this report.

(V) Renewal of Continuing Connected Transactions

As the annual caps for the 2025 continuing connected transactions expired on December 31, 2025, the Board of Directors, on December 12, 2025, approved the Company to enter into continuing connected transactions with Dongfeng Motor Group and Chongqing Ruichi for 2026, thereby renewing the 2025 continuing connected transactions.

The annual caps for the 2026 continuing connected transactions are effective from January 1, 2026, to December 31, 2026, for a period of one year. In accordance with the relevant requirements of the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, the first extraordinary shareholders' meeting in 2026, held on January 6, 2026, approved the proposal regarding the anticipated continuing connected transactions for the year 2026. Specifically, under the 2026 Dongfeng Products and Services Procurement Framework Agreement, the Group's annual cap for payments to Dongfeng Motor Group is RMB500 million. Under the 2026 Ruichi Products and Services Sales Framework Agreement, the annual cap for payments to the Group by Ruichi Group is RMB1,700 million.

XIX. PURCHASE, SALE AND REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Relevant Period, neither the Company nor any of its subsidiaries has purchased, sold, or redeemed any of the Company's listed securities, including the sale of treasury shares.

As of the end of the Reporting Period, the Company does not hold any treasury shares, as defined in the Hong Kong Listing Rules.

XX. USE OF PROCEEDS FROM THE H SHARE OFFERING

On November 5, 2025, the Company issued H Shares and was successfully listed on the Main Board of the Stock Exchange. A total of 108,619,000 H Shares with a par value of HKD1.00 each were issued at an offer price of HKD131.50 per share, raising gross proceeds of HKD14,283.4 million. After deducting the direct expenses of HKD185.34 million incurred in connection with the issuance, the net proceeds amounted to HKD14,098.06 million. As of December 31, 2025, the intended use of the proceeds from the H Share offering remains consistent with that disclosed in the prospectus.

The breakdown of the net proceeds from the H Share offering as of December 31, 2025, is as follows:

Item	Percentage of Total Net Proceeds	Net Proceeds HKD million	Amount Utilized During the Relevant Period HKD million	Unutilized Proceeds as of December 31, 2025 HKD million	Expected Timeline for Utilizing Unutilized Proceeds [1]
R&D Investment					
(i) Technology R&D Investment					
(a) Upgrading the MF Platform	20.00%	2,819.61	0.00	2,819.61	2026-2028
(b) Enhancing the Intelligent Cockpit and Driving Assistance Technology	10.00%	1,409.81	0.00	1,409.81	2026-2028
(c) Strengthening R&D of Key Powertrain Technologies	5.00%	704.90	0.00	704.90	2026-2028
(d) Exploring Advanced Technologies	5.00%	704.90	0.00	704.90	2026-2028
(ii) Product R&D Investment					
(a) Developing New NEV Models	20.00%	2,819.61	0.00	2,819.61	2026-2028
(b) Strengthening the R&D Adaptation for Overseas Vehicle Models	10.00%	1,409.81	0.00	1,409.81	2026-2028
Diversified New Marketing Channels Investment, Overseas Sales, and Charging Network Services					
(i) Increasing Investment in New Online Marketing Channels and Offline Channels	10.00%	1,409.81	0.00	1,409.81	2026-2028
(ii) Expanding Overseas Sales Channels and Delivery Capabilities	5.00%	704.90	0.00	704.90	2026-2028
(iii) Expanding the Supercharging Network	5.00%	704.90	0.00	704.90	2026-2028
Working Capital and General Corporate Purposes [2]	10.00%	1,409.81	0.00	1,409.81	2026-2028
Total	**100%**	**14,098.06**	**0.00**	**14,098.06**	

Notes:

(1) The expected timeline for the utilization of the unutilized proceeds is based on the Group's best estimate of future market conditions and is subject to change in light of the development of current and future market conditions..

(2) Working capital and general corporate purposes include, among others, payments to suppliers and settlement of daily operating expenses.

For information on the use of proceeds raised from the A Share offering during the Reporting Period, please refer to the section "Explanation of Progress in the Use of Raised Funds" in this report.

XXI. LOANS AND OTHER BORROWINGS

For details on the Group's bank loans and other borrowings as of the end of the Reporting Period, please refer to Note 31 to the consolidated financial statements in this report.

XXII. PROPERTY, PLANT, AND EQUIPMENT

For details on the changes in the Group's property, plant, and equipment during the Reporting Period, please refer to Note 17 to the consolidated financial statements in this report.

The Company does not hold any properties for development and/or sale or for investment purposes.

XXIII. REMUNERATION FOR DIRECTORS, RESIGNED SUPERVISORS, AND SENIOR MANAGEMENT

The Company has established a Remuneration and Appraisal Committee to develop its remuneration policies. The remuneration for Directors, resigned Supervisors, and senior management is determined based on their responsibilities, qualifications, positions, and experience.

For details regarding the remuneration for the Group's Directors, resigned Supervisors, and the five highest paid individuals, please refer to Note 14 to the consolidated financial statements in this report.

During the Reporting Period, no remuneration was paid by the Company to any Directors, resigned Supervisors or the five highest paid individuals as an inducement to join or upon joining the Group, or as compensation for loss of office. During the Reporting Period, no Director or resigned Supervisor waived any remuneration.

Except as disclosed in this report, during the Reporting Period, no other amounts were paid or payable by the Group to any Director or resigned Supervisor, or on behalf of any such individuals. There were no loans, quasi-loans, or other transactions in favour of the Directors, their controlled corporations or connected entities.

XXIV. PENSION SCHEMES

Employees of the Group's subsidiaries in China are required to contribute a specified percentage of their salaries to pension schemes to fund the relevant benefits. The Group's only obligation in respect of these pension schemes is to make the specified contributions. During the Reporting Period, the Group did not use any forfeited contributions to reduce its existing level of contributions.

For details regarding the Group's pension schemes, please refer to Note 40 to the consolidated financial statements in this report.

XXV. RESERVES AND DISTRIBUTABLE RESERVES

For details on the changes in the Group's reserves during the Reporting Period, please refer to Note 52 to the consolidated financial statements in this report.

As of the end of the Reporting Period, the Group's distributable reserves amounted to RMB1,562.11 million.

XXVI. DONATIONS

During the Reporting Period, the Group made charitable donations amounting to approximately RMB29.22 million.

XXVII. CONTINUING DISCLOSURE OBLIGATIONS UNDER THE HONG KONG LISTING RULES

The Company does not have any disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Hong Kong Listing Rules.

Approved by the Board of Directors on March 30, 2026

Mr. Zhang Zhengping
Chairman and Executive Director

Section V Corporate Governance, Environment and Society

I. EXPLANATION OF CORPORATE GOVERNANCE RELATED MATTERS

✓ Applicable ☐ Not applicable

The Company strictly adheres to the relevant corporate governance requirements, including those in the Company Law, Securities Law, Code of Corporate Governance for Listed Companies (《上市公司治理準則》), Shanghai Listing Rules, and Hong Kong Listing Rules, to improve its corporate governance structure, enhance the level of standardized operations, strengthen internal governance, and safeguard the interests of shareholders and the Company.

(I) Shareholders and Shareholders' Meeting

During the Reporting Period, the Company strictly complied with the relevant provisions of the Company Law, Articles of Association, Rules of Procedure for Shareholders Meetings (《股東會議事規則》), etc., to regulate the procedures for convening, holding, and voting at shareholders' meetings. Shareholders' meetings adopted a combination of on-site and online voting, actively facilitating shareholders' participation, fully listening to the opinions of attending shareholders, and ensuring that shareholders, especially minority shareholders, could exercise their rights in accordance with the law. All shareholders' meetings of the Company were attended and witnessed by lawyers, who issued legal opinions on the procedures for convening, holding, and voting at these meetings.

(II) Directors and the Board of Directors

The Company's Board of Directors consists of 13 directors, including 5 independent directors. The number and composition of the Board of Directors comply with the provisions of laws, regulations, and the Articles of Association. The Board members possess extensive industry experience and knowledge in various areas such as corporate management, finance, and law, enabling them to provide professional and constructive advice for major decisions made by the Company. The directors faithfully and diligently perform their duties, carefully deliberate on various proposals, make sound decisions, and strictly exercise their powers in accordance with regulations. The Company has established a close and smooth communication mechanism with its independent directors and strengthened their roles. When the Board of Directors reviews major matters, it fully solicits the opinions of independent directors, thereby effectively enhancing decision soundness of the Board of Directors.

(III) Information Disclosure and Transparency

The Company strictly abides by the requirements of the Shanghai Listing Rules, the Hong Kong Listing Rules, and other relevant regulations. It has strengthened the management of information disclosure matters, fulfilled its information disclosure obligations in accordance with the law, disclosed information truthfully, accurately, completely, timely, and fairly, and fully protected the legitimate rights and interests of investors.

(IV) Investor Relations Management

The Company continuously improves and strengthens its investor relations management. It communicates with investors through multiple channels and methods such as on-site visits, online communications, the SSE E-interactive platform, email, and dedicated investor hotlines, thereby enhancing investors' understanding and recognition of the Company.

Are there any significant differences between the Company's corporate governance and the provisions of laws, administrative regulations, and the CSRC regarding corporate governance of listed companies? If there are significant differences, the reasons shall be explained

☐ Applicable ✓ Not applicable

II. SPECIFIC MEASURES TAKEN BY THE COMPANY'S CONTROLLING SHAREHOLDERS AND ACTUAL CONTROLLERS TO ENSURE THE INDEPENDENCE OF THE COMPANY'S ASSETS, PERSONNEL, FINANCE, ORGANIZATION, AND BUSINESS OPERATIONS, AS WELL AS SOLUTIONS ADOPTED, WORK PROGRESS, AND SUBSEQUENT WORK PLANS FOR ISSUES AFFECTING THE COMPANY'S INDEPENDENCE

☐ Applicable ✓ Not applicable

Circumstances where the controlling shareholders, actual controllers and other entities controlled thereby are engaged in the same or similar businesses as the Company; the impact on the Company of horizontal competition or material changes thereto; the solutions adopted, progress made and follow-up plans to address such competition

☐ Applicable ✓ Not applicable

III. CORPORATE GOVERNANCE

(I) Corporate Culture

The Company deeply understands that corporate culture is the core foundation for promoting sustainable development and achieving strategic goals. The Board of Directors has established clear corporate purposes, values, and strategies, and ensures their strong alignment with the Company's culture. The Company is committed to building and promoting a corporate culture of "acting in accordance with law, ethics, and responsibilities." The Board of Directors and all senior management lead by example, upholding integrity and impartiality. Through internal policies, communication mechanisms, and training initiatives, the concepts of integrity, compliance, professionalism, and willingness to take responsibility are comprehensively instilled and continuously reinforced throughout the organization. Through regular internal communications, strict enforcement of codes of conduct, and supervisory mechanisms, the Company continuously strengthens employees' identification with and practice of the corporate culture, ensuring that cultural concepts are effectively integrated into its daily operations and decision-making processes, thereby consolidating the Company's long-term stable development.

(II) Corporate Governance Practices

The Company is committed to achieving a high level of corporate governance to protect the interests of shareholders. The Company has adopted the Corporate Governance Code as set out in Appendix C1 of the Hong Kong Listing Rules as its own corporate governance code.

Save as disclosed in "IV Board of Directors" - "(III) Chairman and President" of this report, the Company has complied with the principles and all applicable code provisions set out in the Corporate Governance Code throughout the period from the H Share Listing Date up to December 31, 2025.

The Company will continue to review and enhance its corporate governance practices to ensure compliance with the Corporate Governance Code.

The Board of Directors confirms that corporate governance should be the collective responsibility of the directors and has delegated corporate governance duties to the Audit Committee, which include: (i) developing and reviewing the Group's corporate governance policies and practices and making recommendations to the Board of Directors; (ii) reviewing and monitoring the training and continuous professional development of the directors and senior management of the Group; (iii) reviewing and monitoring the Group's policies and practices on compliance with legal and regulatory requirements; (iv) developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to employees and directors of the Group; and (v) reviewing the Group's compliance with the Corporate Governance Code adopted by the Company from time to time and the disclosures in the Corporate Governance Report contained in the Company's annual report.

IV. BOARD OF DIRECTORS

(I) Composition

As at December 31, 2025 and up to the date of this annual report, the Board of Directors currently comprises the following members:

Executive Directors
Zhang Zhengping *(Chairman and President)*
Yin Xianzhi
Shen Wei
Zhang Zhengyuan

Non-executive Directors
Zhang Kebang
You Zheng *(resigned on December 12, 2025)*
Yang Yanding *(appointed on January 6, 2026)*
Li Wei
Zhou Changling

Independent Non-executive Directors
Li Kaiguo
Zhang Guolin
Jing Xufeng
Li Ming
Ngai Ming Tak

Mr. Zhang Zhengping, the Company's Executive Director, Chairman and President, and Mr. Zhang Zhengyuan, the Executive Director, are cousins. Other than that, there are no other relationships among the members of the Board of Directors and senior management, including financial, business, family or other material/relevant relationships.

Each director (with the exception of Yang Yanding) confirmed that he/she (i) had obtained the legal advice as referred to in Rule 3.09D of the Hong Kong Listing Rules on March 30, 2025, and (ii) understood his/her responsibilities as a director of a listed issuer under the Hong Kong Listing Rules.

Mr. Yang Yanding confirmed that he (i) had obtained the legal advice as referred to in Rule 3.09D of the Hong Kong Listing Rules on December 12, 2025, and (ii) understood his responsibilities as a director of a listed issuer under the Hong Kong Listing Rules.

(II) Responsibilities, Duties and Contributions of the Board of Directors and the Management

The Board of Directors exercises the following powers:

(i) Convening and reporting to shareholders' meetings;

(ii) Implementing resolutions of shareholders' meetings;

(iii) Deciding on the Company's business plans and investment proposals;

(iv) Formulating the Company's profit distribution plans and plans for making up losses;

(v) Formulating plans for increasing or decreasing the Company's registered capital, for issuing bonds or other securities, and for listing;

(vi) Formulating plans for the Company's significant acquisitions, repurchases of its own shares, or mergers, divisions, dissolutions and changes in the Company's form;

(vii) Within the scope of authority granted by the shareholders' meetings, deciding on the Company's external investments, acquisition and disposal of assets, asset mortgages, external guarantees, entrusted wealth management, related-party transactions, external donations, and other matters;

(viii) Determining the establishment of the Company's internal management bodies;

(ix) Deciding on the appointment or dismissal of the Company's President and Board Secretary, and determine their remuneration, rewards, and penalties; based on the President's nomination, deciding on the appointment or dismissal of senior management personnel such as the Chief Operating Officer (COO), Chief Technology Officer (CTO), Vice President, and Chief Financial Officer, and determining their remuneration, rewards, and penalties;

(x) Formulating the Company's fundamental management systems;

(xi) Drafting proposals for amending the Articles of Association;

(xii) Overseeing the Company's information disclosure matters;

(xiii) Proposing to the shareholders' meeting the appointment or replacement of the accounting firm responsible for auditing the Company;

(xiv) Receiving the work report from the President and review the President's work;

(xv) Other powers and functions granted by laws, administrative regulations, departmental rules, securities regulatory rules of the stock exchange where the Company's shares are listed, the Articles of Association, and the shareholders' meeting, including the functions set out in code provision A.2.1 of Part 2 of the Corporate Governance Code.

The Board of Directors retains the power to make decisions on all major matters of the Company, including approving and monitoring all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (especially those that may involve conflicts of interest), financial data, appointments of directors, and other significant financial and operational matters. The Group delegates the execution of daily management, administration and operational matters to the senior management.

(III) Chairman and President

According to Code Provision C.2.1 of Part 2 of the Corporate Governance Code, the roles of the chairman and chief executive officer shall be separate and not performed by the same individual. The division of responsibilities between the chairman and chief executive officer shall be clearly defined and set out in writing.

Mr. Zhang Zhengping currently holds both positions as the chairman and president of the Company. Mr. Zhang has served as the chairman since November 2020. Given his first appointment as a director in April 2017, he possesses extensive experience in the Group's business operations and management. The Board of Directors believes that, given Mr. Zhang's aforementioned experience, personal background, and his role in the Company, he is best suited to identify strategic opportunities and serve as a core director of the Board of Directors due to his extensive understanding of our business. The Board of Directors also believes that the concurrent holding of the positions of chairman and president by the same individual is beneficial for (i) exercising unified leadership within the Group; (ii) offering more effective and efficient overall strategic planning and simplifying the implementation of the strategies of the Board of Directors; and (iii) facilitating communication between the Group's management and the Board of Directors. Given the size of the Board of Directors and the contributions of a strong senior management team, the Board of Directors believes that the balance of power under the current arrangement will not be impaired, and this arrangement will enable the Company to make and execute decisions promptly and effectively. The Board of Directors will continuously review the overall circumstances of the Group and consider separating the positions of chairman and president of the Company when appropriate.

(IV) Independent Non-executive Directors

From the H Share Listing Date until December 31, 2025, the Board of Directors has consistently complied with the requirements of the Hong Kong Listing Rules regarding the appointment of at least three independent non-executive directors (comprising one-third of the Board of Directors), with one of them possessing appropriate professional qualifications or expertise in accounting or related financial management.

The Company has received confirmation letters from each independent non-executive director regarding their independence, in accordance with the independence guidelines set out in Rule 3.13 of the Hong Kong Listing Rules. The Company considers all independent non-executive directors to be independent persons.

(V) Board Independence Assessment

The Board has established mechanisms to ensure that it can obtain independent views and advice. The Company is committed to ensuring the appointment of at least three independent non-executive Directors and that at least one-third of the Board members are independent non-executive Directors. The Company also appoints independent non-executive Directors to Board committees in accordance with the requirements of the Listing Rules and where practicable, to ensure independent views and advice are obtained. When nominating and appointing independent non-executive Directors, the Nomination Committee strictly adheres to the independence assessment criteria set out in the Listing Rules. It is authorised to assess the independence of independent non-executive Directors on an annual basis to ensure that they can continue to exercise independent judgment.

The Company has established a Board independence assessment mechanism, which outlines the processes and procedures to ensure the Board of Directors possesses strong independence, enabling it to effectively exercise independent judgment and better safeguard shareholders' interests.

The objective of the assessment is to enhance Board efficiency, maximize its strengths, and identify the areas for improvement or further development. The assessment process also clarifies the actions the Company needs to take to maintain and improve Board performance, such as meeting the individual training and development needs of each director.

In accordance with the mechanism for Board independence assessment, the Board of Directors will conduct an annual review of its independence.

For the year ended December 31, 2025, the Board of Directors has reviewed the implementation and effectiveness of its independence assessment mechanism, and the results were satisfactory.

(VI) Model Code for Securities Transactions

The Company has adopted the Model Code as the code of conduct for directors' securities transactions.

The Company has made specific enquiries of all directors, and they have confirmed that they have complied with the Model Code during the Relevant Period. After making reasonable enquiries, no incident of non-compliance with the Model Code by the relevant employees of the Company was noted during the Relevant Period.

(VII) Directors' Continuous Professional Development

Directors shall keep abreast of regulatory developments and changes to effectively discharge their duties and ensure that their contributions to the Board of Directors are informed and relevant.

Each newly appointed Director receives formal, comprehensive, and tailored induction training upon their initial appointment to ensure a proper understanding of the Company's business and operations and full awareness of their duties and responsibilities under the Company Law, Securities Law, Shanghai Listing Rules, Hong Kong Listing Rules, and other relevant regulatory requirements.

Directors shall participate in appropriate continuous professional development to develop and update their knowledge and skills, thereby ensuring that their contributions to the Board of Directors are informed and relevant. Internal briefings for directors will be arranged, and reading materials on relevant topics (where applicable) will be circulated to directors. The Company encourages all directors to attend relevant training courses, with the costs borne by the Company.

During the Reporting Period, the following directors attended seminars/training/internal briefings/read materials:

Director's Name	**Attended Seminars/ Training/Internal Briefings**	**Read Materials**
Zhang Zhengping	✓	✓
Yin Xianzhi	✓	✓
Shen Wei	✓	✓
Zhang Zhengyuan	✓	✓
Zhang Kebang	✓	✓
You Zheng *(resigned on December 12, 2025)*	✓	✓
Yang Yanding *(appointed on January 6, 2026)*	N/A	N/A
Li Wei	✓	✓
Zhou Changling	✓	✓
Li Kaiguo	✓	✓
Zhang Guolin	✓	✓
Jing Xufeng	✓	✓
Li Ming	✓	✓
Ngai Ming Tak	✓	✓

(VIII) Directors' Responsibilities for Financial Reporting

The directors acknowledge their responsibilities for preparing the Company's financial statements for the year ended December 31, 2025.

The directors are not aware of any material uncertainties related to the events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The statement of the Company's independent auditors regarding their reporting responsibilities for the financial statements is set out in the Independent Auditor's Report in this annual report.

V. INFORMATION ON DIRECTORS AND THE SENIOR MANAGEMENT

(I) Shareholding Changes and Compensation of Current and Former Directors and Senior Management during the Reporting Period

✓ Applicable ☐ Not applicable

Unit: Shares

Name	Position	Gender	Age	Term Start Date	Term End Date	Shares Held at Beginning of Year	Shares Held at End of Year	Change in Shareholding During the Year	Reason for Change	Total pre-tax compensation received from the Company during the Reporting Period (RMB0'000)	Whether compensation is received from related parties of the Company
Zhang Zhengping	Chairman and President	Male	36	November 2020	May 2026					203.31	No
Yin Xianzhi	Executive Director and Vice President	Male	57	July 2022	May 2026	0	24,300	24,300	Increased holdings in secondary market	233.69	No
Zhang Kebang	Non-executive Director	Male	51	May 2023	May 2026					0	Yes
Shen Wei	Executive Director, Vice President and Board Secretary	Female	43	November 2019	May 2026	59,500	76,000	16,500	Increased holdings in secondary market	232.54	No
Zhang Zhengyuan	Executive Director	Male	44	June 2020	May 2026					236.82	No
Yang Yanding	Non-executive Director	Male	46	January 2026	May 2026					0	Yes
Li Wei	Non-executive Director	Male	60	June 2020	May 2026					0	Yes
Zhou Changling	Non-executive Director	Male	57	June 2020	May 2026	1,000	1,000	0		0	Yes
Li Kaiguo	Independent Non-executive Director	Male	63	November 2022	May 2026					20	No
Zhang Guolin	Independent Non-executive Director	Male	70	May 2023	May 2026					20	No
Jing Xufeng	Independent Non-executive Director	Male	55	May 2023	May 2026					20	No
Li Ming	Independent Non-executive Director	Male	61	February 2022	May 2026					20	No
Ngai Ming Tak	Independent Non-executive Director	Male	58	November 2025	May 2026					1.67	No
Liu Lian	Vice President and Chief Financial Officer	Female	58	June 2014	May 2026	291,500	308,100	16,600	Increased holdings in secondary market	233.69	No
Wang Ping	Vice President	Male	52	May 2023	May 2026	72,000	93,900	21,900	Increased holdings in secondary market	361.38	No
Kang Bo	Vice President	Male	50	May 2023	May 2026	0	26,297	26,297	Unlocking of shares under the 2024 Employee Stock Ownership Plan and increased holdings in secondary market	360.74	No
Huang Qizhong	Vice President	Male	55	May 2023	May 2026	35,000	60,997	25,997	Unlocking of shares under the 2024 Employee Stock Ownership Plan and increased holdings in secondary market	360.74	No
Zhou Lin	Chief Technology Officer	Male	45	May 2023	May 2026	146,900	168,800	21,900	Increased holdings in secondary market	405.83	No
You Zheng (Former)	Non-executive Director	Male	57	November 2019	December 2025					0	Yes
Total	/	/	/	/	/	**605,900**	**759,394**	**153,494**	/	**2,710.41**	

For the year ended December 31, 2025, the remuneration payable to directors and senior management members by category is set out as follows:

Remuneration (RMB)	**Number of Individuals**
0	5
1-2 million	5
2-4 million	8
Above 4 million	1

Name	Biographical Details
Zhang Zhengping (formerly known as: Zhang Zhengjiang)	Previously served as Deputy General Manager of Chongqing Sokon Holding Company Limited, CEO of SF Motors, INC., General Manager of the Marketing Center of Seres Auto Co., Ltd., Director of the Company, President of the Intelligent Vehicle Business Group, General Manager of Seres Auto Co., Ltd., Director of Yunnan Jinggu Forestry Co., Ltd., a company listed on the Shanghai Stock Exchange (stock code: 600265) from June 2017 to February 2019, and Director of Beijing Gaoke Shuju Technology Co., Ltd. Currently serves as Executive Director and Manager of Beijing Chuangxin Capital Management Co., Ltd., Director of SOKON INVESTMENT (USA), INC. and SOKON INVESTMENT (Singapore) PTE.LTD., and Executive Director, Chairman, and President of the Company. Mr. Zhang obtained his bachelor's degree in automotive management from Georgian College of Applied Arts and Technology in Canada in October 2014 and his executive master in business administration from Southwestern University of Finance and Economics (西南財經大學) in China in December 2018.
Yin Xianzhi	Previously served as Deputy Town Mayor and Town Mayor of Zengjia Town, Shapingba District; Town Mayor of Chenjiaqiao Subdistrict (formerly Chenjiaqiao Town), Shapingba District, and other positions; Chairman of Chongqing Fuyuan New Rural Investment and Construction Co., Ltd.; held positions in the Chongqing Public Works Bureau of Shapingba District, Chongqing; served as Chairman of Chongqing Mairui Urban Construction Investment Co., Ltd.; Director of the Finance Bureau of Shapingba District, Chongqing; Cadre of the Chongqing Western Modern Logistics Park Management Committee; worked at the Chongqing International Logistics Hub Park Management Committee; and served as a fourth-grade researcher at the logistics office of Shapingba District, Chongqing. Currently serves as Executive Director and Vice President of the Company. Mr. Yin attained postgraduate education from the Party School of the Chongqing Municipal Committee of the Communist Party of China (中國共產黨重慶市委黨校) in China in June 2003.

Name	Biographical Details
Zhang Kebang	Previously served as Secretary and Deputy Section Chief of the Luhuo County Sub-branch, Ganzi Prefecture Branch, People's Bank of China; Assistant General Manager of Chengdu Tiancheng Electromechanical Supporting Co., Ltd.; successively held positions as Customer Manager, Assistant to the Branch President, Manager, and Deputy Branch President at Ping An Bank Co., Ltd., formerly known as Shenzhen Development Bank, a company listed on the Shenzhen Stock Exchange (stock code: 000001) from March 2002 to November 2010, Department General Manager of the Chongqing Branch of Guangdong Nanyue Bank Co., Ltd.; Director and Vice President of Chongqing Hengnuo Saixin Investment Co., Ltd.; President of Chongqing Longhe Technology Co., Ltd.; Deputy General Manager of Pujin Financial Leasing Co., Ltd.; and Director and General Manager of Qianhai Huiyitong Fund Management (Shenzhen) Co., Ltd. Currently serves as Director and President of Chongqing Sokon Holding Company Limited, and Director and General Manager of Chongqing Yu'an Automobile Industry Co., Ltd., as well as Non-executive Director of the Company. Mr. Zhang obtained his master's degree in business administration from Chongqing University (重慶大學) in China in January 2008.
Shen Wei	Previously worked at King & Wood Mallesons (Chongqing), USUM Investment Group Limited, and Chongqing Southwest Securities Yufu Equity Investment Fund Management Co., Ltd. Currently serves as Executive Director, Vice President, Board Secretary, and Secretary of the Company. Ms. Shen obtained her bachelor's degree and her master's degree in law from China University of Political Science and Law (中國政法大學) in China in July 2004 and June 2007, respectively. Ms. Shen has also been accredited with the Qualification Certificate for Board Secretary from the Shanghai Stock Exchange.
Zhang Zhengyuan	Previously worked at the Purchasing Center of Seres Auto (Hubei) Co., Ltd. Currently serves as Executive Director and Employee Representative Director of the Company. Mr. Zhang obtained his advanced master's degree in business administration from Southwestern University of Finance and Economics (西南財經大學) in China in December 2013. Mr. Zhang obtained the senior economist qualification certificate from Chongqing Shapingba District Title Reform Office (重慶市沙坪壩區職稱改革辦公室) in July 2019.

Name	Biographical Details
Yang Yanding	Previously served as Deputy Director of Dongfeng Motor Technology Center, and Vice President and President of Dongfeng Motor Corporation Research & Development Institute. Currently serves as General Manager of the Strategic Planning Department (Brand Management Department) of Dongfeng Motor Group Company Limited; Director of Voyah Automobile Technology Co., Ltd., Zhixin Technology Co., Ltd., and CAIC Intelligent Technology Co., Ltd.; Chairman of T Engineering AB and Xiang Yang Da An Automobile Test Center Limited Corporation; and General Manager of Dongfeng Motor Group (Wuhan) Investment Co., Ltd., as well as Non-executive Director of the Company. Mr. Yang attained his bachelor's degree from Huazhong University of Science and Technology in July 2003, and his postgraduate education from the University of Nottingham in the UK in December 2005. Mr. Yang is a senior principal engineer.
Li Wei	Previously served as Deputy Director and Director of the Commodity Planning Division, Planning Department, Dongfeng Motor Company; Director of the Passenger Vehicle Business Development Division, Deputy General Manager of the Strategic Planning Department, and General Manager of the Joint Venture Cooperation Management Department at Dongfeng Motor; Deputy Director of the New Business Promotion Office, Dongfeng Motor Engineering Research Institute; Deputy Manager of Product Development, Product Development Office, Dongfeng Motor Co., Ltd., and Deputy Manager for Product Development of the Product Planning Headquarters at the Commercial Vehicle Company and Director of Zhongfalian Investment Co., Ltd. Currently serves as Executive Director of Dongfeng Motor (Wuhan) Co., Ltd.; Deputy General Manager of the Strategic Planning and Science and Technology Development Department and General Manager of the Joint Venture Cooperation Management Department of Dongfeng Motor Group Company Limited; and Non-executive Director of the Company. Mr. Li obtained his bachelor's degree in automobile engineering from Hubei University of Automotive Technology (湖北汽車工業學院) in the PRC in July 1986 and his master's degree in vehicle design and manufacturing from the School of Automotive Engineering of Jilin University of Technology (吉林工業大學) in the PRC in April 1997. Mr. Li is a senior engineer.

Name	Biographical Details
Zhou Changling	Previously served successively as Software Development and Application Accountant in the Technology Section and Cost & Pricing Accountant in the Finance Section at Dongfeng Motor Wheel Rim Co., Ltd.; successively served as Cost Accountant and General Accountant in the Finance Department and Section Chief of the Accounting Section at Aeolus Automobile Co., Ltd; served as Section Chief and Deputy Director of the Comprehensive Accounting Section in the Accounting Department of the Financial Accounting Headquarters, Dongfeng Motor Co., Ltd., and Deputy Director and Director of the Passenger Vehicle Accounting Department, Passenger Vehicle Financial Accounting Headquarters; served as Director of the Service Support Procurement Department, Procurement Headquarters, Dongfeng Nissan Passenger Vehicle Company, Dongfeng Motor Co., Ltd.; and served as Deputy General Manager of the Financial Accounting Department, Deputy Director of the Finance Department, and Deputy General Manager of the Audit and Compliance Department at Dongfeng Motor Group Company Limited. Currently serves as Executive Director and General Manager of Dongfeng Motor Investment (Wuhan) Co., Ltd., and Non-executive Director of the Company. Mr. Zhou obtained his bachelor's degree in computer software and application engineering from Hubei University of Automotive Technology (湖北汽車工業學院) in the PRC in June 1991, and his master's degree in accounting from the Open University of Hong Kong (香港公開大學) in Hong Kong in June 2012.
Li Kaiguo	Previously served as Engineer, Deputy Head, and Head of the Component Testing Laboratory of Chongqing Automotive Research Institute; General Manager of the Automotive Test Equipment Development Center, Chongqing Automobile Research Institute; Deputy Director of Chongqing Automobile Research Institute; and Director, Deputy General Manager, General Manager, and Chairman of China Automotive Engineering Research Institute Co., Ltd. Currently serves as Expert and Head of the Technology Committee, China Automotive Engineering Research Institute Co., Ltd.; Independent Director of Bethel Automotive Safety System Co., Ltd., a company listed on the Shanghai Stock Exchange (stock code: 603596) since September 2024; Independent Director of Zhuzhou CRRC Times Electric Co., Ltd., a company listed on the Shanghai Stock Exchange (stock code: 688187) and the Hong Kong Stock Exchange (stock code: 3898) since October 2022; External Director of Qingling Motors (Group) Co., Ltd.; Director of Guangxi Yuchai Machinery Co., Ltd. and Independent Non-executive Director of the Company. Mr. Li obtained his bachelor's degree in automotive engineering from Hunan University (湖南大學) in the PRC in July 1983. Mr. Li is a senior engineer at the researcher level, a Machinery Industry Technology Specialist of the PRC and a State Council special allowance expert.

Name	Biographical Details
Zhang Guolin	Previously served as Professor and Vice President of Chongqing University; Professor of Economics Teaching and Research Office, Southwest University of Political Science and Law; Standing Director of the 7th Council of the Chinese Association of Political Science and President of the 1st Council of Chongqing Association of Political Science; President of Chongqing Vocational and Technical University of Mechatronics; Independent Director of Chongqing Beer Co., Ltd.; and Independent Non-executive Director of Chongqing Iron & Steel Company Limited, a company listed on the Shanghai Stock Exchange (stock code: 601005) and Hong Kong Stock Exchange (stock code: 1053), from May 2007 to April 2013 and from June 2009 to December 2014, respectively. Currently serves as Independent Non-executive Director of the Company. Mr. Zhang obtained his bachelor's degree in ironmaking in January 1982 and his doctoral degree in technology economy and management in December 2009 from Chongqing University (重慶大學) in the PRC. Mr. Zhang is the standing member of the seventh council of the Chinese Association of Political Science (中國政治學會) and the chairman of the first council of the Chongqing Association of Political Science (重慶市政治學會). He is also a doctoral supervisor, and a State Council special allowance expert.
Jing Xufeng	Previously worked at Jiangsu Branch of Xinhua News Agency; served as Executive Director of Ningbo Meishan Free Trade Port Lianshi Investment Management Co., Ltd.; Chairman of Tengyue Culture Media (Beijing) Group Co., Ltd.; Independent Director of CITIC Press Corporation; Director, a company listed on the Shenzhen Stock Exchange (stock code: 300788)) from May 2017 to March 2023 and General Manager of Tianjin Tengyue Tianxia Culture and Technology Co., Ltd.; Director of Moer Xingling (Beijing) Network Technology Co., Ltd.; Director of 360 Enterprise Security Technology (Beijing) Group Co., Ltd.; Director of Qi An Xin Technology Group Inc.; and Executive Director of Beijing Jinhui Graham Investment Limited. Currently serves as Director of Zhejiang Huazhi Digital Media Co., Ltd.; Executive Director and Chairman of Smart Digital Technology Group Limited; and Independent Non-executive Director of the Company. Mr. Jing graduated from Yangzhou University (揚州大學) in the PRC, majoring in Chinese language and literature in June 1994.

Name	Biographical Details
Li Ming	Previously served as lecturer and professor of the Accounting School of Chongqing University of Technology; and Independent Non-executive Director of Chongqing Port Co., Ltd., a company listed on the Shanghai Stock Exchange (stock code: 600279), from July 2018 to August 2024 and Chongqing Wangbian Electric (Group) Co., Ltd., a company listed on the Shanghai Stock Exchange (stock code: 603191), from September 2017 to November 2023; Director of Chongqing Banghao Seed Co., Ltd.; Supervisor of Chongqing Zhubajie Yichuang Microfinance Co., Ltd. Currently serves as Independent Director of Minsheng Shipping Co., Ltd.; Independent Director of Huapont Life Sciences Co., Ltd., a company listed on the Shanghai Stock Exchange (stock code: 603191), from September 2017 to November 2023; Independent Director of Dencare (Chongqing) Oral Care Co., Ltd; Independent Non-executive Director of Changan Minsheng APLL Logistics Co., Ltd., a company listed on the Hong Kong Stock Exchange (stock code: 1292) since June 2023; and Independent Non-executive Director of the Company. Mr. Li obtained his master's degree in accounting from the Accounting Department of the Southwestern University of Finance and Economics (西南財經大學) in the PRC in June 1989. He has been accredited as a non-practising member of the Chongqing Institute of Certified Public Accountants (重慶市註冊會計師協會) since August 2001.

Name	Biographical Details
Ngai Ming Tak	Previously served as Managing Director of UBS AG; Independent Non-executive Director of Smart Digital Technology Group Limited, formerly known as Starlight Culture Entertainment Group Limited (星光文化娛樂集團有限公司), a company listed on the Hong Kong Stock Exchange (stock code: 1159)) from May 2017 to September 2023; President of Green Economy Development Limited; and External Director of China COSCO Shipping Corporation. Currently serves as Chairman of The Red Group; Chairman of Asia GreenTech Fund; External Director of China Merchants Group; and Independent Non-executive Director of CRRC Corporation Limited, a company listed on the Hong Kong Stock Exchange (stock code: 1766) and the Shanghai Stock Exchange (stock code: 601766) since December 2021, China Longyuan Power Group Corporation Limited, a company listed on the Hong Kong Stock Exchange (stock code: 0916) and the Shenzhen Stock Exchange (stock code: 001289) since November 2021, Sanergy Group Limited, a company listed on the Hong Kong Stock Exchange (stock code: 2459) since December 2022, True Partner Capital Holding Limited, a company listed on the Hong Kong Stock Exchange (stock code: 8657) since March 2020, and of the Company. Mr. Ngai is a member of the 12th, 13th and 14th National Committee of Chinese People's Political Consultative Conference (中國人民政治協商會議全國委員會), a member of the Legislative Council of Hong Kong (香港立法會); the chairman of the Hong Kong Finance Association (香港金融發展協會), the council chairman of the City University of Hong Kong (香港城市大學), a Fellow Commoner of Clare Hall, University of Cambridge, an honorary fellow of Lingnan University (嶺南大學), and an honorary citizen of Harbin City, Heilongjiang Province. Mr. Ngai obtained his master's degree from the University of Cambridge in the United Kingdom in July 1991.
Liu Lian	Previously served as Deputy General Manager of the Business Unit of Chongqing Yu'an Co., Ltd., Audit Supervisory Director, and Assistant to the President. Currently serves as Vice President and Chief Financial Officer of the Company. Ms. Liu obtained her master's degree in business administration from Southwestern University of Finance and Economics (西南財經大學) in China in December 2013. She has been certified as an accountant by MOF since October 1998 and obtained the senior economist qualification certificate from Chongqing Shapingba District Title Reform Office (重慶市沙坪壩區職稱改革辦公室) in May 2018.

Name	Biographical Details
Wang Ping	Previously worked at Qingling Motors Co., Ltd., Zongshen Technology Development and Research Co., Ltd., and Chang'an Ford Automobile Co., Ltd. Currently serves as Vice President of the Company. Mr. Wang obtained his bachelor's degree in mechanical design and manufacturing from the Jilin University of Industry (吉林工業大學) in the PRC in July 1997. Mr. Wang obtained the senior principal engineer certificate from Chongqing Title Reform Office (重慶市職稱改革辦公室) in December 2023.
Kang Bo	Previously worked at Delphi Automotive PLC and BMW AG and its group companies. Currently serves as Vice President of the Company. Mr. Kang obtained his bachelor's degree in investment and economic management from East China University of Science and Technology (華東理工大學) in China in July 1997, his master's degree in business administration from China Europe International Business School (中歐國際工商學院) in China in September 2009, and his doctoral degree in business administration from City University of Hong Kong in October 2020.
Huang Qizhong	Previously worked at Huawei Technologies Co., Ltd. and Huawei Terminal Device (Shenzhen) Co., Ltd. Currently serves as Vice President of the Company. Mr. Huang obtained his bachelor's degree in industrial management engineering from Southwest Jiaotong University (西南交通大學) in China in July 1993.
Zhou Lin	Previously served as Technical Director of the Company. Currently serves as Chief Technology Officer (CTO) of the Company. Mr. Zhou obtained his advanced master's degree in business administration from Southwestern University of Finance and Economics (西南財經大學) in China in December 2018. Mr. Zhou is a senior principal engineer.

(II) Information on Current and Former Directors and Senior Management During the Reporting Period

1. Positions Held at Shareholder Entities

✓ Applicable ☐ Not applicable

Name of Personnel Holding Positions	Name of Shareholder Entity	Positions Held in Shareholder Entities	Term Start Date	Term End Date
Zhang Kebang	Chongqing Sokon Holding Company Limited	Director	October 18, 2020	
Zhang Kebang	Chongqing Sokon Holding Company Limited	General Manager	July 10, 2020	
Zhang Kebang	Chongqing Yu'an Automobile Industry Co., Ltd.	Director	May 4, 2023	
Explanation of Positions Held at Shareholder Entities	None			

2. Positions held at other entities

✓ Applicable ☐ Not applicable

Name of Personnel Holding Positions	Name of Other Entities	Position Held at Other Entities	Term Start Date	Term End Date
Zhang Zhengping	Beijing Chuangxin Capital Management Co., Ltd.	Executive Director and Manager	December 21, 2015	
Zhang Zhengping	SOKON INVESTMENT (USA), INC.	Director	May 2016	
Zhang Zhengping	SOKON INVESTMENT (Singapore) PTE. LTD.	Director	August 21, 2015	
You Zheng	Dongfeng Motor Group Company Limited	Executive Director	November 29, 2019	
You Zheng	Dongfeng Motor Group Company Limited	Vice President	January 15, 2020	
You Zheng	CAIC Intelligent Technology Co., Ltd.	Chairman	November 1, 2023	
You Zheng	CAIC Intelligent Technology Co., Ltd.	Director	June 2, 2020	
You Zheng	Beijing BeyonCa Intelligent Technology Co., Ltd.	Director	September 24, 2021	
You Zheng	Beijing BeyonCa Information Technology Co., Ltd.	Director	September 24, 2021	
You Zheng	Hong Kong BeyonCa Co., Ltd.	Director	September 24, 2021	
Yang Yanding	Voyah Automobile Technology Co., Ltd.	Director	June 18, 2021	
Yang Yanding	Zhixin Technology Co., Ltd.	Director	May 29, 2024	
Yang Yanding	CAIC Intelligent Technology Co., Ltd.	Director	April 25, 2025	
Yang Yanding	Xiang Yang Da An Automobile Test Center Limited Corporation	Chairman	March 14, 2024	
Yang Yanding	Dongfeng Motor Group (Wuhan) Investment Co., Ltd.	General Manager	August 22, 2025	
Yang Yanding	T Engineering AB	Chairman	January 3, 2025	

Name of Personnel Holding Positions	Name of Other Entities	Position Held at Other Entities	Term Start Date	Term End Date
Li Wei	Dongfeng Motor (Wuhan) Co., Ltd.	Executive Director	June 25, 2021	
Li Wei	Zhongfalian Investment Co., Ltd.	Director	August 23, 2017	June 30, 2025
Zhou Changling	Dongfeng Motor Investment (Wuhan) Co., Ltd.	Executive Director and General Manager	August 28, 2020	
Li Ming	Minsheng Shipping Co., Ltd.	Independent Director	November 2012	
Li Ming	Changan Minsheng APLL Logistics Co., Ltd.	Independent Director	June 30, 2023	
Li Ming	Huapont Life Sciences Co., Ltd.	Independent Director	August 13, 2021	
Li Ming	Dencare (Chongqing) Oral Care Co., Ltd.	Independent Director	July 28, 2025	
Li Kaiguo	China Automotive Engineering Research Institute Co., Ltd.	Expert and Head of the Technology Committee	May 2022	
Li Kaiguo	China Society of Automotive Engineers	Chairman of Supervisory Board	October 2022	
Li Kaiguo	Qingling Motors (Group) Co., Ltd.	Director	June 2022	
Li Kaiguo	Bethel Automotive Safety System Co., Ltd.	Independent Director	September 19, 2024	
Li Kaiguo	Zhuzhou CRRC Times Electric Co., Ltd.	Independent Director	October 21, 2022	
Li Kaiguo	Guangxi Yuchai Machinery Co., Ltd.	Director	November 2023	
Jing Xufeng	Zhejiang Huazhi Digital Media Co., Ltd.	Director	August 21, 2019	
Jing Xufeng	Smart Digital Technology Group Limited	Executive Director and Chairman	March 2, 2023	
Ngai Ming Tak	The Red Group	Chairman	December 2013	
Ngai Ming Tak	Sanergy Group Limited	Independent Non-executive Director	December 2022	
Ngai Ming Tak	China Merchants Group	External Director	June 23, 2025	
Ngai Ming Tak	CRRC Corporation Limited	Independent Non-executive Director	December 2021	
Ngai Ming Tak	China Longyuan Power Group Corporation Limited	Independent Non-executive Director	November 2021	
Ngai Ming Tak	True Partner Capital Holding Limited	Independent Non-executive Director	March 2020	
Ngai Ming Tak	Asia GreenTech Fund	Chairman	January 2020	
Ngai Ming Tak	China COSCO Shipping Corporation Limited	External Director	March 2022	June 2025
Ngai Ming Tak	Green Economy Development Limited	President	August 2021	March 2025
Explanation of Positions Held at Other Entities	None			

(III) Compensation of Directors and the Senior Management

✓ Applicable ☐ Not applicable

Process of deciding the compensation for directors and the senior management	The compensation for the Company's executive directors and senior management consists of a basic annual salary and a performance-based annual salary. The basic annual salary is the fundamental annual remuneration, while the performance-based annual salary is primarily linked to the Company's operating performance, meaning the payout level of the performance-based annual salary is determined based on the annual operating performance assessment results. The allowance amounts for non-executive directors and independent non-executive directors are formulated by the Human Resources Department of the Company according to the compensation policy, submitted to the Board Remuneration and Appraisal Committee for review, and approved by a vote at the shareholders' meeting. The compensation for the senior management is reviewed by the Board Remuneration and Appraisal Committee and approved by a vote of the Board of Directors. As deliberated and approved by the 2022 Annual Shareholders' Meeting, the annual allowance for the Company's independent directors is RMB200,000 per person. Following the approval by the 2024 Annual Shareholders' Meeting, the Company's compensation policy for non-independent directors for 2025 is as follows: Non-independent directors serving at the Company do not receive compensation in their capacity as directors of the Company; their total compensation for 2025 will be determined based on their actual positions held within the Company and their 2025 performance evaluation; non-independent directors who do not hold other positions within the Company will not receive compensation from the Company.

Did directors recuse themselves when their own compensation was discussed by the Board of Directors?	Yes
Specific opinions/recommendations issued by the Remuneration and Appraisal Committee or special meetings of independent directors regarding the compensation of directors and senior management	The Board Remuneration and Appraisal Committee approved the Company's 2025 compensation for directors and the senior management, deeming that the annual compensation for the Company's directors and senior management complies with relevant regulations.
Basis for determining the compensation for directors and the senior management	The remuneration of directors and the senior management are determined upon review and assessment in accordance with the Company's Remuneration Management System for Directors and the Senior Management, taking into account the remuneration levels of comparable positions in other enterprises within the local region and the industry, adhering to the principle of aligning "responsibility, authority and interest", as well as based on the achievement of annual operation and management targets, job scope, job requirements and performance of duties.
Actual payment of the compensation for directors and the senior management	For details, refer to Section V (I) "Shareholding Changes and Compensation of Current and Former Directors and Senior Management during the Reporting Period" of this section.
Total actual compensation received by all directors and senior management at the end of the Reporting Period	RMB27,104,100

Evaluation basis and completion status of actual compensation for all directors and senior management at the end of the Reporting Period	For the year 2025, the allowances for independent directors were not included in the scope of evaluation; the serving in the company non-independent directors and senior management were evaluated according to the Remuneration Management System for Directors and the Senior Management and other regulations, combined with the operational performance of the Company and their respective areas of responsibility, as well as their individual contributions to duty fulfillment. Compensation appraisal has been effectively implemented and completed.
Deferred payment arrangements for actual compensation received by all directors and the senior management at the end of the Reporting Period	None
Status of clawback provisions for actual compensation received by all directors and the senior management at the end of the Reporting Period	None

(IV) Changes in the Company's Directors and Senior Management

✓ Applicable ☐ Not applicable

Name	Position Held	Type of Change	Reason for Change
You Zheng	Director	Departure	Job Transfer

On December 12, 2025, the Company convened the 28th meeting of the 5th Board of Directors, which deliberated and approved the Proposal on the Change of Non-executive Directors, agreeing to appoint Mr. Yang Yanding as a candidate for director of the 5th Board, with a term of office starting from the date of approval by the shareholders' meeting until the expiration of the term of office of the current Board of Directors. On January 6, 2026, the Company held its first extraordinary shareholders' meeting in 2026, which deliberated and approved the Proposal on the Change of Non-executive Directors.

Section V Corporate Governance, Environment and Society

(V) Explanation of Penalties Imposed by Securities Regulatory Authorities in the Past Three Years

☐ Applicable ✓ Not Applicable

VI. PERFORMANCE OF DUTIES BY DIRECTORS

(I) Directors' Attendance at Board Meetings and Shareholders' Meetings

		Attendance at Board Meetings						Attendance at Shareholders' Meetings
Director Name	Whether an Independent Director	Number of Board meetings to be attended this year	Number of meetings attended in person	Number of meetings attended remotely	Number of meetings attended by proxy	Number of absences	Whether absent in person from two consecutive meetings	Number of shareholders' meetings attended
Zhang Zhengping	No	10	10	1	0	0	No	3
Li Wei	No	10	10	9	0	0	No	3
Zhou Changling	No	10	10	9	0	0	No	3
Zhang Zhengyuan	No	10	10	1	0	0	No	3
Yin Xianzhi	No	10	10	1	0	0	No	3
Zhang Kebang	No	10	10	1	0	0	No	3
Shen Wei	No	10	10	1	0	0	No	3
Li Kaiguo	Yes	10	10	1	0	0	No	3
Jing Xufeng	Yes	10	10	9	0	0	No	3
Zhang Guolin	Yes	10	10	1	0	0	No	3
Li Ming	Yes	10	10	1	0	0	No	3
Ngai Ming Tak	Yes	2	2	2	0	0	No	0
You Zheng (Former)	No	8	8	7	0	0	No	3

Explanation of Absence from Two Consecutive Board Meetings in Person

☐ Applicable ✓ Not Applicable

Number of Board meetings held during the year	10
Including: Number of on-site meetings	1
Number of meetings held remotely	1
Number of hybrid meetings (on-site and remotely)	8

(II) Objections Raised by Directors to Relevant Matters of the Company

☐ Applicable ✓ Not Applicable

VII. INFORMATION ON SPECIAL COMMITTEES UNDER THE BOARD OF DIRECTORS

✓ Applicable ☐ Not applicable

(I) Members of Special Committees under the Board of Directors

Category of Special Committee	Member Name
Strategic Decision-making Committee	Zhang Zhengping (Chairman), Li Kaiguo, Li Wei
Audit Committee	Li Ming (Chairman), Zhang Kebang, Li Kaiguo, Zhang Guolin, Zhou Changling
Nomination Committee	Li Kaiguo (Chairman), Zhang Guolin, Shen Wei
Remuneration and Appraisal Committee	Li Kaiguo (Chairman), Li Ming, Yin Xianzhi
Environmental, Social, and Governance (ESG) Committee	Zhang Zhengping (Chairman), Li Kaiguo, Yin Xianzhi, Shen Wei

(II) During the Reporting Period, the Strategic Decision-making Committee held 2 meetings

The Company's Strategic Decision-making Committee has established written terms of reference. The primary responsibilities of the Strategic Decision-making Committee include (but are not limited to) making recommendations on the Company's long-term development plans, business strategies and objectives, and proposals for major strategic investments and financing.

The Strategic Decision-making Committee is comprised of one executive director (i.e., Mr. Zhang Zhengping), one non-executive director (i.e., Mr. Li Wei), and one independent non-executive director (i.e., Mr. Li Kaiguo).

Date of Meeting	Meeting Agenda	Key Opinions and Recommendations	Other Performance of Duties
March 30, 2025	Deliberated on the 2025 Annual Business Plan, Proposal on the Issuance of H Shares and Listing on The Stock Exchange of Hong Kong Limited by the Company, Proposal on the Plan for Issuing H Shares and Listing on The Stock Exchange of Hong Kong Limited by the Company, Proposal on the Conversion into a Joint Stock Limited Company for Overseas Listing by the Company, Proposal on the Use of Proceeds from the Company's H Share Issuance, Proposal on the Validity Period of Resolutions Regarding the Issuance and Listing of H Shares, Proposal on Authorizing the Board of Directors and its Authorized Persons to Fully Handle Matters Related to This H Share Issuance and Listing, Proposal on Determining the Authorized Persons of the Board of Directors, Proposal on Amending the "Rules of Procedure for the Strategic Decision-Making Committee of the Board of Directors of Seres Group Co., Ltd. (Draft)".	Unanimously approved and agreed to submit the relevant proposals to the Board of Directors for deliberation.	None
October 14, 2025	Deliberated on the Proposal on Determining Matters Related to the H-share Global Offering (including Hong Kong Public Offering and International Offering) and Listing on the Hong Kong Stock Exchange.	Unanimously approved and agreed to submit the relevant proposal to the Board of Directors for deliberation.	None

During the Reporting Period, the Strategic Decision-making Committee closely aligned with the strategic deployment of the Board of Directors, reviewed the Company's annual operating plan, researched major capital operations, and made recommendations.

Attendance of each member at Strategic Decision-making Committee meetings:

Name of Member	Number of Meetings Required to Attend This Year	Number of Attendances
Zhang Zhengping	2	2
Li Wei	2	2
Li Kaiguo	2	2

(III) During the Reporting Period, the Audit Committee held 6 meetings

The Audit Committee has established written terms of reference, which comply with the Code of Corporate Governance for Listed Companies, Rule 3.21 of the Hong Kong Listing Rules, and paragraph D.3 of Part 2 of the Corporate Governance Code. The primary responsibilities of the Audit Committee include (but are not limited to) reviewing the Company's financial information and its disclosures, and overseeing and evaluating internal and external audit work and internal control matters.

The Audit Committee is comprised of two non-executive directors (i.e., Mr. Zhang Kebang and Mr. Zhou Changling) and three independent non-executive directors (i.e., Mr. Li Ming, Mr. Li Kaiguo, and Mr. Zhang Guolin). Mr. Li Ming possesses the appropriate professional qualifications as stipulated by the Code of Corporate Governance for Listed Companies as well as Rule 3.10 (2) and Rule 3.21 of the Hong Kong Listing Rules.

Date of Meeting	Meeting Agenda	Key Opinions and Recommendations	Other Performance of Duties
January 8, 2025	Deliberated on the Proposal on the Estimation of Daily Related Transactions for 2025.	Unanimously approved and agreed to submit the relevant proposal to the Board of Directors for deliberation.	None

Date of Meeting	Meeting Agenda	Key Opinions and Recommendations	Other Performance of Duties
March 30, 2025	Deliberated on the 2024 Annual Performance Report of the Board Audit Committee, the 2024 Annual Report and its Summary, the 2024 Annual Financial Final Account Report, the Proposal for 2024 Annual Profit Distribution, the 2024 Annual Internal Control Evaluation Report, the Special Report on the Deposit and Use of Raised Funds for 2024, the Report of the Board Audit Committee on the Performance of Oversight Responsibilities by the Accounting Firm for 2024, the 2024 Annual Assessment Report on the Accounting Firm's Performance of Duties, the Proposal on Re-appointment of an Accounting Firm, the Proposal on the Provision for Credit Impairment Losses and Asset Impairment Losses, the 2024 Annual Internal Audit Work Report, the Proposal on Amending the "Rules of Procedure for the Audit Committee of the Board of Directors of Seres Group Co., Ltd. (Draft), and the Proposal on the Appointment of the Auditors for the H Share Offering and Listing".	Unanimously approved and agreed to submit the relevant proposals to the Board of Directors for deliberation.	None
April 29, 2025	Deliberated on the 2025 Q1 Report and the 2025 Q1 Internal Audit Work Report.	Unanimously approved and agreed to submit the relevant proposals to the Board of Directors for deliberation.	None
August 29, 2025	Deliberated on the 2025 Semi-Annual Report and its Summary and the 2025 Semi-Annual Internal Audit Work Report.	Unanimously approved and agreed to submit the relevant proposals to the Board of Directors for deliberation.	None
October 30, 2025	Deliberated on the 2025 Q3 Report and the 2025 Q3 Internal Audit Work Report.	Unanimously approved and agreed to submit the relevant proposals to the Board of Directors for deliberation.	None

Date of Meeting	Meeting Agenda	Key Opinions and Recommendations	Other Performance of Duties
December 12, 2025	Deliberated on the Proposal on the Appointment of an Accounting Firm.	Unanimously approved and agreed to submit the relevant proposal to the Board of Directors for deliberation.	None

During the Reporting Period, the Audit Committee reviewed the Company's quarterly, semi-annual, and annual financial statements, monitored the effectiveness of the Company's financial reporting process, risk management, and internal control systems, reviewed the audit plans of external auditors, and evaluated their performance.

Attendance of each member at Audit Committee meetings:

Name of Member	Number of Meetings Required to Attend This Year	Number of Attendances
Li Ming	6	6
Zhang Kebang (appointed on October 15, 2025)	1	1
Li Kaiguo	6	6
Zhang Guolin	6	6
Zhou Changling (appointed on October 15, 2025)	1	1

(IV) During the Reporting Period, the Nomination Committee held 3 meetings

The Nomination Committee has established written terms of reference, which comply with the Code of Corporate Governance for Listed Companies, Rule 3.27A of the Hong Kong Listing Rules, and Paragraph B.3 of Part 2 of the Corporate Governance Code. The primary responsibilities of the Nomination Committee include (but are not limited to) formulating standards and procedures for the election of directors and senior management of the Company, and screening and reviewing the qualifications of candidates for directors and senior management of the Company.

The Nomination Committee is comprised of one executive director (i.e., Ms. Shen Wei) and two independent non-executive directors (i.e., Mr. Li Kaiguo and Mr. Zhang Guolin).

Date of Meeting	Meeting Agenda	Key Opinions and Recommendations	Other Performance of Duties
March 30, 2025	Deliberated on the Proposal on Delineating Roles and Functions of Directors and the Proposal on Amending the "Rules of Procedure for the Board Nomination Committee of Seres Group Co., Ltd. (Draft)".	Unanimously approved and agreed to submit the relevant proposals to the Board of Directors for deliberation.	None
April 9, 2025	Deliberated on the Proposal on the Election of Independent Directors for the 5th Board of Directors.	Unanimously approved and agreed to submit the relevant proposal to the Board of Directors for deliberation.	None
December 12, 2025	Deliberated on the Proposal on the Change of Non-executive Directors.	Unanimously approved and agreed to submit the relevant proposal to the Board of Directors for deliberation.	None

During the Reporting Period, the Nomination Committee studied the Company's demand for new directors, collected written materials on the professional background, education, titles, detailed work experience, and all concurrent positions of preliminary candidates, and conducted qualification reviews of preliminary candidates based on the appointment conditions for directors, subsequently making recommendations to the Board of Directors.

Attendance of each member at Nomination Committee meetings:

Name of Member	Number of Meetings Required to Attend This Year	Number of Attendances
Li Kaiguo	3	3
Zhang Guolin	3	3
Shen Wei (appointed on November 5, 2025)	1	1
Zhang Zhengyuan (resigned on November 5, 2025)	2	2

(V) During the Reporting Period, the Remuneration and Appraisal Committee held 1 meeting

The Remuneration and Appraisal Committee has established written terms of reference, which comply with the Code of Corporate Governance for Listed Companies, Rule 3.25 of the Hong Kong Listing Rules, and paragraph E.1 of Part 2 of the Corporate Governance Code. The primary responsibilities of the Remuneration and Appraisal Committee include (but are not limited to) formulating appraisal standards for directors and the senior management, taking measures for such appraisals, and formulating and reviewing compensation policies and plans for directors and the senior management.

The Remuneration and Appraisal Committee is comprised of one executive director (i.e., Mr. Yin Xianzhi) and two independent non-executive directors (i.e., Mr. Li Kaiguo and Mr. Li Ming).

Date of Meeting	Meeting Agenda	Key Opinions and Recommendations	Other Performance of Duties
March 30, 2025	Deliberated on the Proposal on the 2025 Annual Remuneration for Non-Independent Directors of the Company, the Proposal on the 2025 Annual Remuneration for the Senior Management of the Company, the Proposal on Amending the "Rules of Procedure for the Remuneration and Appraisal Committee of the Board of Directors of Seres Group Co., Ltd. (Draft)", the Proposal on Insuring Directors, Supervisors, Senior Management, and Prospectus Liability Insurance, and the Proposal on the Performance Appraisal of Directors and the Senior Management for 2024.	Unanimously approved and agreed to submit the relevant proposals to the Board of Directors for deliberation.	None

During the Reporting Period, the Remuneration and Appraisal Committee strictly carried out its duties in accordance with the responsibilities set out in the Code of Corporate Governance for Listed Companies and the Corporate Governance Code. It reviewed the directors' compensation policy, assessed the annual performance of executive directors, reviewed the terms of executive directors' service contracts, and made recommendations to the Board of Directors regarding the compensation of directors and senior management. In addition, the Remuneration and Appraisal Committee has reviewed matters related to the share plans as described in Chapter 17 of the Hong Kong Listing Rules.

Attendance of each member at Remuneration and Appraisal Committee meeting:

Name of Member	Number of Meetings Required to Attend This Year	Number of Attendances
Yin Xianzhi	1	1
Li Kaiguo	1	1
Li Ming	1	1

(VI) During the Reporting Period, the Environmental, Social, and Governance (ESG) Committee held 1 meeting

The ESG Committee has established written terms of reference. The primary responsibilities of the ESG Committee include (but are not limited to) formulating, adopting, and reviewing our ESG strategies and objectives, as well as assessing, determining, and addressing our short-term, medium-term, and long-term ESG-related risks.

The ESG Committee is comprised of three executive directors (i.e., Mr. Zhang Zhengping, Mr. Yin Xianzhi, and Ms. Shen Wei) and one independent non-executive director (i.e., Mr. Li Kaiguo).

Date of Meeting	Meeting Agenda	Key Opinions and Recommendations	Other Performance of Duties
March 30, 2025	Deliberated on the 2024 Environmental, Social, and Governance (ESG) Report and the Proposal on Amending the "Rules of Procedure for the Environmental, Social, and Governance (ESG) Committee (Draft)".	Unanimously approved and agreed to submit the relevant proposals to the Board of Directors for deliberation.	None

During the Reporting Period, the Environmental, Social, and Governance (ESG) Committee reviewed the Company's corporate governance policies, made recommendations to the Board of Directors regarding corporate governance practices, and reviewed the training and continuous professional development of directors and senior management.

Attendance of each member at ESG Committee meeting:

Name of Member	Number of Meetings Required to Attend This Year	Number of Attendances
Zhang Zhengping	1	1
Yin Xianzhi	1	1
Shen Wei	1	1
Li Kaiguo	1	1

VIII. EXPLANATION OF RISKS IDENTIFIED BY THE AUDIT COMMITTEE

□ Applicable ✓ Not Applicable

The Audit Committee raised no objections regarding the oversight matters during the Reporting Period.

IX. EMPLOYEES OF THE PARENT COMPANY AND MAJOR SUBSIDIARIES AS OF THE END OF THE REPORTING PERIOD

(I) Employee Information

Number of employees currently employed by the parent company	563
Number of employees currently employed by major subsidiaries	21,392
Total number of employees currently employed	21,955
Number of retired and former employees whose expenses are borne by the parent company and major subsidiaries	0

Professional Structure

Category of Professional Structure	Number of Professionals by Category
Production personnel	8,605
Sales personnel	1,875
Technical personnel	9,676
Financial personnel	392
Administrative personnel	687
Other personnel	720
Total	21,955

Educational Background

Category	Number (persons)
Ph.D.	80
Master's degree	3,110
Bachelor's degree	10,742
Associate's degree	3,612
High school or below	4,411
Total	21,955

(II) Remuneration Policy

✓ Applicable ☐ Not applicable

The Company designs its remuneration system on the basis of value creation. It continuously optimizes its remuneration standards by means of job analysis and job evaluation. The Company establishes and refines its competency level evaluation mechanism, builds a scientific performance management system, and implements targeted incentive mechanisms for various types of talent. By improving medium-to-long-term incentive mechanisms, we achieve deep integration of individual goals with company strategy, effectively motivating core talent to contribute long-term value and grow with the Company's business.

For the year ended December 31, 2025, the Group's total employee compensation expenses amounted to approximately RMB7,139.8 million.

(III) Training Program

✓ Applicable ☐ Not applicable

The Company aims to build a mission-driven and competency-driven talent pool, continuously improving its multi-level, categorized talent development system:

1. **Young Talent Development**: Tailoring the "SAI Freshmen" training program for fresh graduates recruited from campuses, this involves continuous development through four stages: induction training, on-the-job training, practical experience, and professional specialization, with comprehensive mentorship and coaching, and empowering methods such as university innovation competitions to accelerate the growth of university students.

2. **Leadership Development**: Guided by the mission and responsibilities of leaders and based on the "Five Competencies" standard for leaders, development programs are designed for leaders at different levels and stages of development, continuously honing their skills. This includes implementing several key talent development programs such as project management backbone, new leader transformation, middle management reserve, and overseas country CEOs, while also conducting ideological and belief education for leaders to strengthen their sense of mission and responsibility.

3. **Engineer Team Development**: Based on the qualification requirements for each position, we focus on key knowledge and skills, and systematically implement dozens of specialized training programs including "Product Sharing Experts", "Digital & Intelligent Talents", "Business-Finance Integration" and "Human Resources Management". Meanwhile, we continue to foster a team of engineers with professional aspirations, professional competence, professional methodologies and a down-to-earth work attitude, so as to consolidate the foundation of talent development.

4. **Learning Platform Upgrade**: We leverage AI technology to drive the development of learning resources, strengthen platform operation and management, integrate internal and external lecturers and course resources, build a connected online-plus-offline learning ecosystem, enhance employees' learning experience, and empower the growth of all staff.

5. **Deepen Industry-Education Integration**: The Company has deepened collaboration across "industry, academia, research, and application," partnering with leading domestic C9 League and Project 985 universities to efficiently integrate the industrial and educational value chains. This has accelerated breakthroughs in core technologies and talent development, driving the upgrading and growth of regional new energy industry clusters.

(IV) Outsourcing of Labor

□ Applicable ✓ Not Applicable

X. PROFIT DISTRIBUTION PLAN OR CAPITAL RESERVE CONVERSION PLAN

(I) Formulation, Implementation, or Adjustment of the Cash Dividend Policy

✓ Applicable □ Not applicable

The Company implements an active profit distribution policy, prioritizing reasonable returns for shareholders while balancing the Company's sustainable development. The profit distribution policy maintains continuity and stability. In accordance with relevant documents, including the Regulatory Guidelines for Listed Companies No. 3 – Distribution of Cash Dividends of Listed Companies issued by the China Securities Regulatory Commission, the relevant policies for profit distribution are clearly stipulated in "Chapter VII Financial Accounting System, Profit Distribution, and Audit" of the Articles of Association.

(II) Specific Explanation of the Cash Dividend Policy

✓ Applicable ☐ Not applicable

Whether in compliance with the Articles of Association or resolutions of the shareholders' meeting	√ Yes ☐ No
Whether the dividend standards and ratios are clear and explicit	√ Yes ☐ No
Whether the relevant decision-making procedures and mechanisms are complete and sound	√ Yes ☐ No
Whether the independent directors have performed their duties faithfully and diligently and played their due roles	√ Yes ☐ No
Whether minority shareholders have sufficient opportunities to express their opinions and demands, and whether their legitimate rights and interests are fully protected	√ Yes ☐ No

(III) If the Company made a profit during the Reporting Period and the parent company's distributable profit to shareholders was positive, but no cash profit distribution proposal was put forward, the Company shall disclose in detail the reasons, as well as the purpose and plan for the use of undistributed profits.

☐ Applicable ✓ Not Applicable

(IV) Cash Dividend History for the Last Three Fiscal Years

✓ Applicable ☐ Not applicable

Unit: RMB Currency: RMB

Cumulative cash dividends for the last three fiscal years (tax inclusive) (1)	3,984,034,565.28
Cumulative amount of repurchases and cancellations for the last three fiscal years (2)	0
Cumulative amount of cash dividends and repurchases and cancellations for the last three fiscal years (3) = (1) + (2)	3,984,034,565.28
Average annual net profit for the last three fiscal years (4)	3,151,015,235.13
Cash dividend ratio (%) for the last three fiscal years (5) = (3)/(4)	126.44%
Net profit attributable to ordinary shareholders of the listed company in the consolidated financial statements for the most recent fiscal year	5,956,787,449.91
Undistributed profit at the end of the year in the parent company's financial statements for the most recent fiscal year	1,562,107,211.57

(V) Others

2026 Action Plan on "Enhancing Quality and Efficiency with a Focus on Returns"

In order to implement the development philosophy of investor-oriented and promote the Company's high-quality development, the Company actively responded to the Initiative on Launching the Special Action on "Enhancing Quality and Efficiency with a Focus on Returns" for Companies Listed on the Shanghai Stock Exchange (《關於開展滬市公司"提質增效重回報"專項行動的倡議》) issued by the Shanghai Stock Exchange. On March 31, 2025, the Company published its 2025 Action Plan on "Enhancing Quality and Efficiency with a Focus on Returns" (《2025年度"提質增效重回報"行動方案》).

In 2025, the Company stayed committed to its development strategy, pursued innovation-driven growth, and remained focused on its core new energy vehicle business. Through continuous investment in R&D, the Company achieved further progress in product development and breakthroughs in core technologies, with its premium intelligent electric vehicles continuing to gain market recognition. The Company implemented an active profit distribution policy to share its development achievements with shareholders. Meanwhile, the core management team voluntarily increased their shareholdings in the Company, further solidifying the long-term confidence of investors. In addition, the Company strictly complied with the disclosure requirements of the Shanghai Stock Exchange and The Stock Exchange of Hong Kong Limited, continuously enhancing the quality and effectiveness of information disclosure based on investor needs. Through diversified communication channels, the Company actively addressed investor concerns and continued to improve corporate transparency.

In 2026, to further promote the Company's high-quality development and enhance its investment value, as well as to protect the legitimate rights and interests of investors, especially those of small and medium-sized investors, the Company has formulated the 2026 Action Plan on "Enhancing Quality and Efficiency with a Focus on Returns"(《2026年度"提質增效重回報"行動方案》). The specific achievements in 2025 and key initiatives for 2026 are reported as follows:

I. Strengthening Core Business to Enhancing Operational Quality

The Company actively responded to the national call to eliminate "involution" competition, serving the national strategy for high-quality development. Anchored in the core business of intelligent electric vehicles, it strived to provide high-quality products and continuously enhance product competitiveness. In 2025, the Company sold over 470,000 new energy vehicles, representing a year-on-year increase of 10.63%. AITO, one of our premium intelligent electric vehicle brands, gained market recognition and user preference, unlocking greater growth potential for China's premium intelligent electric vehicle market. In 2025, the Company achieved operating revenue of RMB165,054 million, a year-on-year increase of 13.69%; net profit attributable to shareholders of the listed company reached RMB5,957 million, a year-on-year increase of 0.18%, with profitability and operational quality continuously improving.

In 2026, the Company will continue to build premium vehicles centered on "high safety, high reliability, high performance, high quality, and high value", maintaining its leading position in the premium vehicle market and further refining its product portfolio. It will firmly adhere to the market-oriented principle of "car defined by users" and the technical path of "car defined by software", exploring a broader market space in the premium intelligent electric vehicle sector.

II. Strengthening R&D Innovation to Develop New Quality Productive Forces

The Company remains committed to driving long-term development through technological innovation. Through continuous investment in R&D for premium intelligent electric vehicles, it has achieved numerous technological breakthroughs, strengthening its technical capabilities in key areas such as vehicle architecture, electrification, and intelligence, thereby building a core competitive edge for its products. In 2025, the Company successfully launched several premium intelligent electric vehicle models, including the AITO M9 2025 edition, AITO M8, the all-new AITO M7, and the new AITO M5 Ultra, further optimising its product matrix and reinforcing its competitive advantage in the market.

In 2025, the Company's R&D investment increased year-on-year. During the year, the Company filed over 3,100 patent applications, including more than 2,200 invention patent applications, and obtained over 1,600 patent grants, representing a year-on-year increase of 78.9%. The total number of R&D personnel of the Company increased by 45.44% year-on-year, with the R&D team showing a trend toward being younger and more highly educated. While maintaining a high level of R&D investment, the Company's profitability continued to improve, forming a positive cycle of "technological breakthrough – sales growth – profit enhancement", effectively translating R&D investment into operational results.

In 2026, the Company will continue to refine its innovation system and accelerate the transformation of technological innovations into practical results. It will further strengthen its R&D team by recruiting specialized talents and enhancing internal training mechanisms. It will also improve the mechanism for converting R&D outcomes into practical applications, deeply integrating technological innovation with production operations and market demand to forge its core competitiveness through technical strength.

III. Prioritizing Investor Returns to Safeguard Shareholders' Rights and Interests

The Company places great emphasis on delivering returns to its investors. Guided by the principle of sharing operating results and boosting investor confidence, while also safeguarding the long-term interests of all shareholders, the Company has adopted an active profit distribution policy. In 2025, the total cash dividend (including interim cash dividends already distributed) amounted to RMB1,900 million, representing 31.90% of the net profit attributable to shareholders of the listed company for the year. The proposed distribution plan is subject to approval at the 2025 AGM before implementation.

In 2026, the Company will, in accordance with relevant laws, regulations, and the provisions of the Articles of Association, establish a continuous, stable, and scientific return mechanism for investors on the premise of ensuring the Company's stable, healthy, and sustainable development. This aims to enhance investors' sense of gain and strengthen their confidence in the capital market.

IV. *Strengthening Core Team Shareholding to Enhance Market Confidence*

The Company places great emphasis on market value management and actively adopts effective measures to stabilise market expectations. Based on confidence in the Company's future development and recognition of its investment value, in 2025, the Company's senior management and key team members increased their shareholding in the Company by an aggregate of 248,400 shares through centralised price bidding, which demonstrated their commitment to safeguarding shareholders' interests and bolstering the confidence of investors.

The Company will continue to improve its corporate governance system. It will strengthen the responsibilities and execution capabilities of its "key minority" in accordance with laws and regulations, optimise its performance assessment and incentive mechanisms, balance short-term operational goals with medium-to-long-term strategic objectives, prioritise key areas, and promote the optimisation of business resource allocation.

V. *Engaging in Diverse and Targeted Communication to Convey Corporate Value*

The Company consistently places great emphasis on information disclosure. It strictly adheres to the requirements of relevant laws, regulations, and normative documents concerning information disclosure for listed companies, actively fulfills its various information disclosure obligations, and continuously enhances the quality and transparency of its disclosures. With statutory disclosures as the foundation and voluntary disclosures as a supplement, the Company provided detailed information on its core operations in periodic reports. Key areas of investor concern, such as innovations in products, technologies, and business models, were highlighted in its disclosures. Information was disseminated through multiple formats, including official announcements and data visualization charts. Following the release of major announcements, the Company promptly published "One-Picture Understanding" interpretive materials to facilitate comprehension.

The Company adopts a diversified, targeted, and open communication mechanism to enable investors, particularly small and medium-sized investors, truly understand the Company's value. The Company has established a diverse range of communication channels, including roadshows and reverse roadshows, results briefings, SSE e-Interaction, investor hotlines, and email, to ensure that investors with varying preferences can find accessible communication channels, thereby laying a foundation for open communication. In 2025, the Company held three results briefings and one online collective investor reception day. Among these, the 2024 annual results briefing was conducted in a "live broadcast + online Q&A" format, allowing the Company's core management to delve into key issues of investor interest, thereby effectively and precisely conveying management's confidence to the market.

In 2026, the Company will further enhance its information disclosure system and continuously improve the quality of its disclosures. Guided by investor needs and aligned with the Company's core competitiveness and investment value, it will actively carry out communication activities with investors to effectively convey the Company's investment value, fostering deeper understanding and trust between the Company and its investors.

The Company will diligently implement and continuously assess the execution of the Action Plan on "Enhancing Quality and Efficiency with a Focus on Returns", improve operational efficiency and profitability, uphold standardized operations, strengthen investor returns and communication, and fulfill information disclosure obligations in a timely manner, collectively contributing to the stable and healthy development of the capital market.

The Company's plans, development strategies and other matters referred to in this plan are forward-looking statements rather than established facts, and do not constitute substantive commitments by the Company to investors. Investors are advised to be aware of the relevant risks.

SHAREHOLDER RETURN PLAN FOR THE NEXT THREE YEARS (2026-2028)

To improve and perfect the scientific, sustainable, and stable dividend decision-making and supervision mechanism, actively reward investors, and guide investors to adopt a rational long-term investment philosophy, the Company has formulated the Shareholder Return Plan of Seres Group Co., Ltd. for the Next Three Years (2026-2028) (the "Plan") in accordance with the requirements and regulations stipulated in relevant documents, including the No. 3 Guideline for the Supervision of Listed Companies — Cash Dividend Distribution of Listed Companies issued by the China Securities Regulatory Commission, the No. 1 Guideline for Self-Regulatory Supervision of Listed Companies on Standardized Operations (《上海證券交易所上市公司自律監管指引第1號－規範運作》) issued by the Shanghai Stock Exchange, and the Articles of Association of Seres Group Co., Ltd. The specific contents are as follows:

I. Factors Considered in Formulating the Plan

With a view to achieving long-term, sound and sustainable development, the Company has taken into account its actual operating conditions, the wishes and requirements of its shareholders, the cost of external financing and the financing environment, among other factors. Based on a comprehensive analysis of the Company's current and future profitability, cash flow position, stage of development, funding needs for project investment, as well as the bank credit and debt financing environment, the Company has established a long-term, stable and scientific return planning and mechanism for investors. It has formulated institutional arrangements for profit distribution, with the aim of ensuring the continuity and stability of its profit distribution policy.

II. Principles of the Plan

The Plan strictly complies with relevant laws and regulations as well as the provisions relating to profit distribution as set out in the Articles of Association. The Company implements a proactive profit distribution policy that emphasizes reasonable investment returns to shareholders and takes into account the sustainable development of the Company, and the profit distribution policy shall maintain continuity and stability. In the course of decision-making, deliberation and any adjustment regarding the profit distribution policy, the Board of Directors and the shareholders' meeting shall give full consideration to the views of the independent Directors and shareholders, in particular the minority shareholders.

III. Specific Policies on Shareholder Returns for 2026-2028

(1) Form of profit distribution: The Company may distribute profits in the form of cash or a combination of cash and shares, with cash dividends to be prioritized in profit distribution.

(2) Interval for profit distribution: The Company shall conduct profit distribution at least once a year. The Board may propose the Company to conduct interim cash or shares dividend distribution depending on the Company's profit and capital requirement.

(3) Conditions and Ratio for Profit Distribution

1. If the Company's audited net profit for the year is positive and meets the dividend conditions stipulated in the Company Law, after fully reserving statutory reserves and surplus reserves, if there are no major investment plans or major cash expenditures, the Company shall distribute dividends in cash. The annual cash dividends distributed to shareholders shall not be less than 20% of the Company's distributable profits for the year, and shall comply with the relevant requirements of the CSRC on cash dividends of listed companies.

   Major investment plans or major cash expenditures refer to the Company's planned cumulative expenditures on external investments, asset purchases, and other transactions in the next twelve months reaching or exceeding 10% of the Company's latest audited net assets, or exceeding RMB100 million.

2. If the Company distributes profits in the form of stock dividends, it must meet the following conditions at the same time: (1) The Company is doing well; (2) The Company's stock price does not match the size of the Company's capital and the issuance of stock dividends is in the overall interests of all shareholders of the Company; (3) The ratio of cash dividends to stock dividends paid is in accordance with the provisions of the Articles of Association; (4) Other conditions stipulated by laws, regulations and normative documents. When determining the specific amount of profit to be distributed in the form of shares, the Company should fully consider whether the total share capital after the distribution of profits in the form of shares is consistent with the Company's current operating scale and profit growth rate, and consider the impact on future debt financing costs to ensure that the distribution plan is in line with the overall interests of all shareholders.

3. The Company may make interim dividends. When the Company convenes the AGM to review the annual profit distribution plan, it may consider and approve the conditions, proportion limits and amount limits of interim cash dividends for the next year. The upper limits of interim cash dividends for the next year considered by the AGM shall not exceed the net profit attributable to the Company's shareholders during the corresponding period. The Board shall formulate a specific interim dividend plan based on the resolution of the shareholders' meeting, subject to the conditions for profit distribution.

4. The Company may not make profit distribution under any of the following circumstances: the audit report for the most recent year was either qualified or unqualified with a material uncertainty paragraph relating to going concern; no profit is recorded in the consolidated financial statements or the financial statements of the parent company for the year; operational net cash flow in the consolidated financial statements or the financial statements of the parent company for the year is negative.

(4) Profits Distribution Proposals

The objective of the cash dividend policy of the Company is residual dividends. The Board of the Company shall take into account, among other things, features of the industry where the Company operates, its development stage, business model, profit level and whether it has any significant capital expenditure plans in distinguishing the following situations, and formulate differentiated profits distribution proposals:

(1) Where the Company is in a mature stage of development and has no major capital expenditure arrangement, cash dividends shall account for at least 80% of all profits to be distributed by the Company in this round of profit distribution;

(2) Where the Company is in a mature stage of development but has major capital expenditure arrangements, cash dividends shall account for at least 40% of all profits to be distributed by the Company in this round of profit distribution;

(3) Where the Company is in the growing stage of development and has major capital expenditure arrangements, cash dividends shall account for at least 20% of all profits to be distributed by the Company in this round of profit distribution;

Where the Company's stage of development is difficult to distinguish, yet it has material investment plans or material cash expenditure arrangements, the provisions set out in item (3) of the preceding paragraph may apply.

IV. Revision of the Shareholder Return Plan

The Company may adjust its profit distribution policy based on its production and operational conditions, investment plans and long-term development needs. The Board of Directors shall formulate an annual or interim dividend plan by taking into account the Company's specific operational data, and giving full consideration to the Company's current profitability, cash flow position, stage of development and immediate funding requirements. Any adjusted profit distribution policy shall comply with the relevant laws, regulations, regulatory documents and the provisions of the Articles of Association.

XI. COMPANY'S EQUITY INCENTIVE PLANS, EMPLOYEE STOCK OWNERSHIP PLAN, OR OTHER EMPLOYEE INCENTIVE ARRANGEMENTS AND THEIR IMPACT

(I) Incentive Matters Already Disclosed in Extraordinary Announcements with No Subsequent Progress or Changes in Implementation

□ Applicable ✓ Not Applicable

(II) Incentive Status Not Disclosed in Extraordinary Announcements or With Subsequent Progress

Equity Incentive Status

□ Applicable ✓ Not Applicable

Employee Stock Ownership Plan Status

✓ Applicable □ Not applicable

The Company-level performance assessment target for the 2024 Employee Stock Ownership Plan has been achieved. According to the 2024 Employee Stock Ownership Plan (Draft), on May 29, 2025, the first lock-up period for the initial grant of the 2024 Employee Stock Ownership Plan expired, with an unlocking ratio of 50% of the total initial grant, i.e., 1,707,050 shares; on October 24, 2025, the first lock-up period for the reserved grant of the 2024 Employee Stock Ownership Plan expired, with an unlocking ratio of 50% of the total reserved grant, i.e., 212,500 shares. Regarding the unlocked shares, 636,200 shares have been sold through centralized trading, and 952,699 shares have been transferred from the "Seres Group Co., Ltd. – 2024 Employee Stock Ownership Plan" securities account to individual employee accounts via non-trading transfer. The remaining 330,651 shares await disposition by the Employee Stock Ownership Plan Management Committee.

Other Incentive Measures

☐ Applicable ✓ Not Applicable

(III) Equity Incentives Granted to Directors and the Senior Management During the Reporting Period

☐ Applicable ✓ Not Applicable

(IV) Assessment Mechanisms for the Senior Management During the Reporting Period, and the Establishment and Implementation of Incentive Mechanisms

✓ Applicable ☐ Not applicable

In accordance with the Remuneration Management System for Directors and the Senior Management and relevant standards, and in conjunction with the Company's strategic planning and operational management requirements, the Company sets performance indicators for the senior management and assesses the senior management based on actual performance.

(V) 2024 Employee Stock Ownership Plan

As the 2024 Employee Stock Ownership Plan does not involve issue of new shares after the listing of H Shares, the terms of the 2024 Employee Stock Ownership Plan are not subject to provisions of Chapter 17 of the Hong Kong Listing Rules, except for the disclosure requirements under Rule 17.12 of the Hong Kong Listing Rules.

1. Purpose: The purpose of the 2024 Employee Stock Ownership Plan is to establish and improve a profit-sharing mechanism for employees and shareholders, further enhance the Company's governance level, promote the Company's performance growth, maximize incentives for key employees, enhance employee cohesion and the Company's competitiveness, motivate employee enthusiasm and creativity, achieve the Company's key milestone tasks, and promote the long-term, sustainable, and healthy development of the Company.

2. Eligible Participants: Eligible participants in the 2024 Employee Stock Ownership Plan include directors (excluding independent non-executive directors), the senior management, core backbone personnel, and other personnel deemed by the Board of Directors to require incentives. All participants must have an employment, engagement, or labor service relationship with the Company during the assessment period of the 2024 Employee Stock Ownership Plan.

3. Source of Shares: The shares related to the 2024 Employee Stock Ownership Plan originate from the Company's ordinary A Shares repurchased from the secondary market. As the 2024 Employee Stock Ownership Plan does not involve issue of new shares by the Company, the calculations under Rules 17.07(3) and 17.09(3) of the Hong Kong Listing Rules are not applicable.

4. Share Scale: The number of A Shares under the 2024 Employee Stock Ownership Plan shall not exceed 3,839,100 shares. The total number of A Shares held by all effective employee stock ownership plans shall not exceed 10% of the Company's total share capital, and the number of target shares corresponding to the employee stock ownership plan shares held by any single participant shall not exceed 1% of the Company's total share capital. The 2024 Employee Stock Ownership Plan does not set any sub-limits for service providers.

5. Duration and Remaining Term: The 2024 Employee Stock Ownership Plan has a duration of 48 months, calculated from the date the 2024 Employee Stock Ownership Plan was approved at the shareholders' meeting and the Company announced the transfer of the last batch of target shares to the 2024 Employee Stock Ownership Plan's name, i.e., October 24, 2024. As of the date of this report, the remaining duration of the 2024 Employee Stock Ownership Plan is approximately 2 years and 7 months. Upon expiration of the duration, if not extended, the 2024 Employee Stock Ownership Plan will terminate.

6. Lock-up/Vesting Period: Under the 2024 Employee Stock Ownership Plan, the lock-up periods for both the initial and reserved portions are as follows: The equity interests in the underlying shares held will vest in two tranches. The vesting dates are 12 months and 24 months, respectively, from the date on which the Company announces that the final batch of underlying shares has been transferred into the name of this employee shareholding plan. Each tranche accounts for 50% of the underlying shares. The actual vesting ratio and number of shares for each tranche will be determined based on the Company's performance and the individual performance of the participants. No shares may be traded under the 2024 Employee Stock Ownership Plan (i) within thirty days prior to the announcement of the Company's annual or interim report, or (if delayed due to special reasons) within thirty days prior to the originally scheduled announcement date; (ii) within ten days prior to the announcement of the Company's quarterly report, earnings forecast, and preliminary results; (iii) from the date of occurrence of a major event that may have a significant impact on the trading price of the Company's A Shares and their derivatives, or the date of entering the decision-making process, until the date of legal disclosure; and (iv) during other periods specified by the CSRC and the Shanghai Stock Exchange. No exercise period has been stipulated under the 2024 Employee Stock Ownership Plan.

7. Purchase Price: The price for the 2024 Employee Stock Ownership Plan (including reserved shares) to acquire the Company's repurchased shares is RMB44.37 per share. Method: The purchase price is not less than the par value of the shares, and not less than the higher of the following prices: (1) 50% of the average trading price of the Company's shares for the 1 trading day preceding the announcement of this Employee Share Ownership Plan draft (total share trading value for the 1 trading day preceding/total share trading volume for the 1 trading day preceding), which is RMB88.73 per share, amounting to RMB44.37 per share; (2) 50% of the average trading price of the Company's shares for the 120 trading days preceding the announcement of this Employee Share Ownership Plan Draft (total share trading value for the 120 trading days preceding/total share trading volume for the 120 trading days preceding), which is RMB70.76 per share, amounting to RMB35.38 per share. In addition, employees are not required to pay any consideration for applying for or accepting shares under the 2024 Employee Stock Ownership Plan.

As of the H Share Listing Date and December 31, 2025, 68,371 A Shares and 83,946 A Shares were held under the 2024 Employee Stock Ownership Plan respectively, which may be granted in the future under the 2024 Employee Stock Ownership Plan.

During the Reporting Period, the Company did not grant any shares under the 2024 Employee Stock Ownership Plan.

As at December 31, 2025, the Company had granted a total of 1,919,550 unvested target A Shares to 252 participants under the 2024 Employee Stock Ownership Plan. Among the unvested target shares, 4 of the Company's Directors and 248 participants (who are employees of the Company but not directors or chief executive officers of the Company) were granted 113,550 A Shares and 1,806,000 A Shares , respectively. As of December 31, 2025, details of the granted unvested A Shares are set out below:

Category and Name of Participants	Grant Date	Transfer Price/ Purchase Price per Share (RMB Yuan)	Vesting Period	Number of A Shares Unvested as of January 1, 2025	Number of A Shares Granted during the Relevant Period	Number of A Shares Vested during the Relevant Period	Number of A Shares Lapsed during the Relevant Period	Number of A Shares Cancelled during the Relevant Period	Number of A Shares Unvested as of December 31, 2025	Weighted Average Closing Price of A Shares Immediately Preceding Vesting Date (RMB Yuan)
Directors and Chief Executive Officers										
Mr. Zhang Zhengping	May 27, 2024	44.37	2 years	67,600	0	33,800	0	0	33,800	133.8
Mr. Yin Xianzhi	May 27, 2024	44.37	2 years	51,800	0	25,900	0	0	25,900	133.8
Ms. Shen Wei	May 27, 2024	44.37	2 years	51,800	0	25,900	0	0	25,900	133.8
Mr. Zhang Zhengyuan	May 27, 2024	44.37	2 years	55,900	0	27,950	0	0	27,950	133.8
Subtotal				**227,100**	**0**	**113,550**	**0**	**0**	**113,550**	**133.8**
The Five Highest-Paid Individuals during the Reporting Period (Excluding Directors) (Total)	May 27, 2024	44.37	2 years	469,900	0	234,950	0	0	234,950	133.8
Other employee participants	May 27, 2024	44.37	2 years	2,717,100	0	1,358,550	0	0	1,358,550	133.8
	October 22, 2024	44.37	2 years	425,000	0	212,500	0	0	212,500	158.17

Note: For the purpose of disclosure under Rule 17.12 of the Hong Kong Listing Rules, "vesting" as referred to in the above table shall have the meaning of "unlocking" as defined under the terms of the 2024 Employee Stock Ownership Plan.

XII. CONSTRUCTION AND IMPLEMENTATION OF INTERNAL CONTROL SYSTEMS DURING THE REPORTING PERIOD

✓ Applicable □ Not applicable

The Company's internal control system structure is reasonable, and its internal control operating mechanism is effective, capable of meeting the Company's management and development needs, achieving the expected goals of internal control, and safeguarding the interests of the Company and all its shareholders. At the 30th meeting of the 5th Board of Directors, the Company's 2025 Annual Internal Control Assessment Report was reviewed and approved. The full text is available on the websites of the SSE and the Stock Exchange.

Explanation of Material Weaknesses in Internal Control During the Reporting Period

□ Applicable ✓ Not Applicable

XIII. MANAGEMENT AND CONTROL OF SUBSIDIARIES DURING THE REPORTING PERIOD

✓ Applicable □ Not applicable

In accordance with the Company's relevant internal control systems, subsidiaries report their operating conditions to the Company. The Company conducts internal management and risk control over its subsidiaries, managing or supervising their standardized operations, information disclosure, financial capital, operations, and other matters. It promptly tracks significant events such as the subsidiaries' financial status, and timely fulfills its information disclosure obligations. There are no matters that shall have been disclosed but were not, and there are no instances where subsidiaries have lost control.

Risk Warning Regarding Abnormalities in Management and Control of Subsidiaries

□ Applicable ✓ Not Applicable

XIV. EXPLANATION OF THE INTERNAL CONTROL AUDIT REPORT

✓ Applicable □ Not applicable

The Company engaged Deloitte Touche Tohmatsu Certified Public Accountants LLP to conduct an independent audit of the effectiveness of its internal control over financial reporting as at December 31, 2025. Deloitte Touche Tohmatsu Certified Public Accountants LLP issued a standard unqualified internal control audit report, which is consistent with the opinions in the internal control assessment report of the Board of Directors.

Whether an internal control audit report is disclosed: Yes
Type of opinions in the internal control audit report: Standard unqualified opinions

XV. RECTIFICATION OF PROBLEMS IDENTIFIED IN THE SELF-INSPECTION OF THE SPECIAL CAMPAIGN ON CORPORATE GOVERNANCE OF LISTED COMPANIES

In accordance with the requirements of the Opinions of the State Council on Further Improving the Quality of Listed Companies (《關於進一步提高上市公司質量的意見》) (GF [2020] No. 14) and the Announcement on Carrying out Special Actions on Corporate Governance of Listed Companies issued by the CSRC (《關於開展上市公司治理專項行動的公告》) (CSRC Announcement [2020] No. 69), the Company conducted a comprehensive review and self-inspection of its basic situation, independence as a listed company, related-party transactions, and external guarantees, in accordance with laws, administrative regulations, and internal systems such as the Articles of Association. Upon self-inspection, the Company has complete rules and regulations and a sound organizational structure. There are no non-operating fund occupancies, illegal guarantees, or other such irregularities.

XVI. ENVIRONMENTAL INFORMATION OF LISTED COMPANIES AND THEIR MAJOR SUBSIDIARIES INCLUDED IN THE LIST OF ENTERPRISES WITH MANDATORY ENVIRONMENTAL INFORMATION DISCLOSURE

✓ Applicable ☐ Not applicable

Number of Enterprises Included in the List of Enterprises with Mandatory Environmental Information Disclosure (Number of Enterprises)	6

No.	Company Name	Index for searching mandatory environmental information disclosure reports
1	Seres Auto Co., Ltd.	http://183.66.66.47:10001/eps/index/enterprise-search
2	Chongqing Shapingba Branch of Seres Auto Co., Ltd.	
3	Chongqing Liangjiang Branch of Seres Auto Co., Ltd.	
4	Chongqing Branch of Seres Auto (Hubei) Co., Ltd.	
5	Chongqing Sokon Power Co., Ltd.	
6	Seres Auto (Hubei) Co., Ltd.	http://219.140.164.18:8007/hbyfpl/frontal/index.html#/home/index

Section V Corporate Governance, Environment and Society

XVII. SOCIAL RESPONSIBILITY WORK

(I) Whether to Separately Disclose a Social Responsibility Report, Sustainable Development Report or ESG Report

✓ Applicable ☐ Not applicable

For details, please refer to the 2025 Environmental, Social and Governance (ESG) Report disclosed on the SSE website (www.sse.com.cn).

(II) Specific Details on Social Responsibility Work

✓ Applicable ☐ Not applicable

External Donations and Public Welfare Projects	Quantity/Content	Remarks
Total investment (RMB'000)	29,222.6	Including: RMB4,557,000 was equivalent to HKD5,000,000 converted at the exchange rate at the time of payment
Including: Funds (RMB'000)	27,957.0	
Monetary value of goods (RMB'000)	1,265.6	
Number of beneficiaries (persons)	/	

Detailed Description

✓ Applicable ☐ Not applicable

1. In 2025, Seres Group invested RMB10,557,000 in disaster relief efforts (of which RMB4,557,000 was equivalent to HKD5,000,000 converted at the exchange rate at the time of payment), providing living assistance and support for post-disaster reconstruction to victims of the earthquake in Shigatse, Tibet on January 7, 2025, victims of the landslide in Junlian County, Sichuan on February 8, 2025, and victims of the Tai Po fire accident in Hong Kong on November 26, 2025.

2. In May and November 2025, a total of RMB2,000,000 was donated in two installments to Chongqing No. 1 Middle School, to support the "Hongzhi Scholarship" for Seres Auto students, the "Seres Auto Talent" Science and Technology Competition Excellence Award, and the "Seres Auto Innovation Base Study Tour and Exchange" activities established at Chongqing No. 1 Middle School.

3. In June 2025, RMB500,000 was donated to Tsinghua University to support the "Tsinghua Friends – Seres Talents Scholarship" program.

4. In September 2025, RMB250,000 was donated to the Chongqing Disabled Welfare Foundation to support the education of children with disabilities.

XVIII. SPECIFIC DETAILS ON CONSOLIDATING AND EXPANDING ACHIEVEMENTS IN POVERTY ALLEVIATION AND RURAL REVITALIZATION

✓ Applicable ☐ Not applicable

Poverty Alleviation and Rural Revitalization Projects	Quantity/Content	Remarks
Total investment (RMB'000)	9,159.7	
Including: Funds (RMB'000)	0	
Monetary value of goods (RMB'000)	9,159.7	
Number of beneficiaries (persons)	/	
Forms of assistance (e.g., poverty alleviation through industrial development, poverty alleviation through employment assistance, and poverty alleviation through educational support)	Consumption-based assistance	

Detailed Description

✓ Applicable ☐ Not applicable

Consumption-based assistance: Purchased agricultural products from farmers in Wuxi and Fengjie of Chongqing, and other areas, totaling RMB9,159,700, representing an increase of 103.93% compared to 2024.

XIX. OTHERS

✓ Applicable ☐ Not applicable

(I) Joint Company Secretaries

Ms. Shen Wei (Executive Director, Vice President, and Board Secretary of the Company) was appointed as a Joint Company Secretary in March 2025, effective from the H Share Listing Date.

Ms. Ho Wing Tsz Wendy was appointed as a Joint Company Secretary in March 2025, effective from the H Share Listing Date. Ms. Ho was nominated by Tricor Services Limited, an external service provider, and appointed by the Company as its Joint Company Secretary.

During the period from H Share Listing Date to December 31, 2025, Ms. Shen Wei was the primary contact person between the Company and Ms. Ho Wing Tsz Wendy.

Ms. Shen Wei and Ms. Ho Wing Tsz Wendy both complied with Rule 3.29 of the Hong Kong Listing Rules by receiving no less than fifteen hours of relevant professional training for the year ended December 31, 2025.

(II) Risk Management and Internal Control

The Board of Directors confirms its responsibility for the risk management and internal control systems and for reviewing their effectiveness. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable, not absolute, assurance against material misstatement or loss.

We have established and implemented risk management policies and internal control measures related to business operations, financial reporting, and general compliance. To monitor the continuous implementation of post-listing risk management policies and corporate governance measures, we have adopted, including but not limited to, the following risk management measures.

- We have designed a comprehensive package of policies to identify, analyze, manage, and monitor various risks. We regularly assess (least once a year) and update our risk management policies.

- The Board of Directors is responsible for overseeing overall risk management and internal control. Our Audit Committee is authorized to review and evaluate our financial controls, internal audit risk management, and internal control systems. For information on the composition, membership, and experience of the Audit Committee, please refer to "VII. Information on Special Committees under the Board of Directors"-"(III) Audit Committee" of this section.

- We will adopt various policies to ensure compliance with the Shanghai Listing Rules and the Hong Kong Listing Rules, including but not limited to those related to conflict-of-interest management, related-party transactions, and information disclosure.

- We will continue to provide directors and the senior management with training courses on the relevant provisions of the Shanghai Listing Rules and the Hong Kong Listing Rules, and the responsibilities of directors of listed companies.

The Group has established an internal audit department, which is supported by independent external service providers. We have engaged independent internal control consultants to evaluate the effectiveness of our internal controls, identify weaknesses in the internal control system, and propose recommendations for strengthening internal control measures. The scope of work of our internal control consultants includes reviewing and assessing various aspects of our operations, including internal control environment, financial reporting and disclosure, sales and receivables management, procurement and payables management, inventory management, engineering and manufacturing management, fixed assets and intangible assets management, human resources and compensation, treasury management, and information systems management. The Company conducts an internal control assessment at least once a year to confirm that all departments are in proper compliance with the internal control system. For any internal control deficiencies identified through the self-assessment process, internal communication and confirmation are carried out, and rectification recommendations are proposed.

During the review by our independent internal control consultants, certain deficiencies were identified, including those related to some of our corporate governance policies, and we have amended these corporate governance policies in accordance with the requirements of the Listing Rules. We have substantially adopted all recommendations made by the independent internal control consultants and improved our internal control systems to comply with the Listing Rules.

Having considered the internal control measures we have adopted, the directors are of the opinion that our enhanced internal control measures are adequate and effective with respect to the Company's and directors' obligations under the Shanghai Listing Rules, the Hong Kong Listing Rules, and other relevant laws and regulatory provisions.

The Group complies with the requirements of the SFO and the Listing Rules. Upon becoming aware of any such information, the Group will disclose it to the public as soon as reasonably practicable, unless such information falls within the scope of any safe harbour provisions under the SFO. The Group ensures that such information remains strictly confidential until it is fully disclosed to the public. Should the Group consider that the required confidentiality cannot be maintained, or that the information may have been leaked, it will immediately disclose the information to the public. We are also committed to ensuring that the information contained in the annual report is not false or misleading as to any material fact, nor rendered false or misleading by the omission of any material fact, so that the public may have equal, timely and effective access to the disclosed inside information. In the event of a material risk event, relevant information will be disclosed to the appropriate departments and personnel, enabling the Group to make timely and appropriate decisions and take measures to address the risk event. Concurrently, to strengthen the corporate risk management culture and enhance risk awareness among all employees, the Group has conducted relevant training to increase risk awareness of employees, ensuring that its business operations strike a balance between business expansion and risk control.

(III) Auditors' Remuneration and Auditor-Related Matters

For the year ended December 31, 2025, the remuneration paid/payable for audit and non-audit services to the Company's external auditors is set out below:

Types of Services Provided by External Auditors	**Amount (RMB'000)**
Audit services	5,700
Non-audit services	5,625
Total	11,325

Note 1: Non-audit services primarily include data governance consulting services, health check services, and internal control consulting services.

Note 2: For the year ended December 31, 2025, professional fees paid/payable to the Company's reporting accountants, Deloitte Touche Tohmatsu, in connection with the Company's initial public offering amounted to RMB7,800,000.

(IV) Diversity Policy

We are committed to promoting the diversification of the Company. To maintain a robust corporate governance structure and achieve sustainable and balanced corporate development, we have adopted the Board of Directors and workforce diversity policy (the "diversity policy"), which sets out the objectives for achieving diversity within the Company and the methods for maintaining it.

In accordance with the diversity policy, we are committed to achieving diversity of the Board of Directors by considering multiple factors when selecting Board candidates, including but not limited to gender, age, cultural and educational background, and professional experience. The final decision on all appointments to the Board of Directors will be based on the value and contributions that selected candidates are expected to bring to the Board of Directors.

The Company's directors possess a balanced range of knowledge and skills, including but not limited to extensive experience in corporate management, financial investment, automotive business management, law, and accounting. We have five independent non-executive directors, who possess diverse industry backgrounds and profound professional experience in areas such as accounting, automotive, and investment management, and their number exceeds one-third of the total number of Board members.

Considering the skill matrix of Board members, the Company has evaluated the structure, size, and composition of the Board of Directors and believes that the Board of Directors is reasonably composed, and the directors' experience and skills will enable the Company to maintain a high level of operation, which can be evidenced by our track record. The directors' ages range from 35 to 70, and the Board of Directors consists of one female director and twelve male directors. Considering our existing business model and specific needs, as well as the diverse backgrounds of our directors, the composition of the Board of Directors complies with our diversity policy. Our Nomination Committee is responsible for ensuring Board diversity.

In addition to Board diversity, we deeply understand the importance of gender diversity and have taken and will continue to take measures to promote gender diversity at all levels of the Company, including the Board of Directors, senior management, and employees (excluding the senior management). As of December 31, 2025, the gender ratio of the Group's employees (including the Company's senior management) was approximately 78.93% male to 21.07% female. To achieve the goal of enhancing fairness and creating more opportunities for female employees, the Group has implemented measures in recruitment, employment, training and promotion to consider a broad range of candidates. The Group also provides physical and mental well-being support, care benefits, a safe workplace and communication channels to empower female employees. During the Relevant Period, the Board of Directors was not aware of any facilitating factors or circumstances that made achieving gender diversity among the Group's employees (including senior management) more challenging or less relevant. For further details on the Group's employee diversity, please refer to the Company's 2025 Environmental, Social, and Governance (ESG) Report.

Looking ahead, in accordance with the diversity policy, we will always maintain at least one female director, ensure that there is always a female director on the Nomination Committee, and continue to enhance gender diversity when screening and recommending suitable candidates for the Board of Directors, senior management, and employees (excluding the senior management). We will strive to increase the proportion of women within the Company and ensure that the Board of Directors always maintains a non-single-gender composition, by referring to stakeholders' expectations, international standards, and best practices. Specifically, our goal is to cultivate a group of female employees among our workforce who can be promoted to the senior management and become potential Board candidates, by implementing comprehensive programs aimed at identifying and training female employees with leadership and potential, thereby ensuring that female managers enjoy equal opportunities for development and performance of duties, enabling them to grow into Board members.

The Nomination Committee's obligations include reviewing the diversity policy and its implementation from time to time to ensure its continued effectiveness.

(V) Shareholder Rights

To protect shareholders' interests and rights, the Company will propose separate resolutions at shareholders' meetings for individual material matters (including the election of individual directors). All resolutions proposed at shareholders' meetings will be put to a vote in accordance with the Shanghai Listing Rules and the Hong Kong Listing Rules, and the results of the voting will be published on the websites of the Company, the SSE, and the Stock Exchange after each shareholders' meeting.

(i) Convening an Extraordinary Shareholders' Meeting

Shareholders holding 10% or more of the Company's shares, individually or in aggregate, have the right to request the Board of Directors to convene an extraordinary shareholders' meeting and shall submit such request to the Board of Directors in writing. The Board of Directors shall, in accordance with the provisions of laws, administrative regulations, and the Articles of Association of the Company, provide written feedback within 10 days of receiving the request, stating whether it agrees or disagrees to convene the extraordinary shareholders' meeting.

(ii) Proposing Resolutions at an Extraordinary Shareholders' Meeting

At shareholders' meetings convened by the Company, the Board of Directors, the Audit Committee, and shareholders holding 1% or more of the Company's shares, individually or in aggregate, have the right to submit proposals to the Company.

Shareholders holding 1% or more of the Company's shares, individually or in aggregate, may submit ad hoc proposals at least 10 days before the shareholders' meeting and submit them in writing to the convener.

The content of the proposals shall fall within the scope of the authority of the shareholders' meeting, have clear topics and specific resolution items, and comply with the relevant provisions of laws, administrative regulations, departmental rules, and the Articles of Association of the Company.

(iii) Enquiries to the Board of Directors

For any enquiries directed to the Board of Directors, shareholders may submit written enquiries to the Company. The Company generally does not process verbal or anonymous enquiries.

(iv) Contact Information

Shareholders may send enquiries or requests through the following channels:

Address	No. 7 Wuyunhu Road, Shapingba District, Chongqing
Fax	023-65179777
Email	601127@seres.cn

For the avoidance of doubt, shareholders shall lodge and submit at the above address original copies of duly signed written requests, notices, statements, or enquiries (as the case may be), and provide their full names, contact details, and identification for the Company to respond. Shareholder information may be disclosed in accordance with legal requirements.

(VI) Investor Relations

(i) Constitutional Documents

During the period from the H Share Listing Date to December 31, 2025, there have been no material changes to the Company's Articles of Association.

(ii) Shareholder Communication Policy

The Company believes that effective communication with shareholders is essential for promoting investor relations and for investors to understand the Group's business performance and strategies.

The Company has adopted a shareholder communication policy. This policy aims to promote effective communication with shareholders and other stakeholders, encourage active engagement between shareholders and the Company, and enable shareholders to effectively exercise their rights as shareholders.

The Board of Directors reviewed the implementation and effectiveness of the shareholder communication policy during the Reporting Period. After considering various existing communication and engagement channels, the Company deems the results satisfactory.

(iii) Dividend Policy

For details on the Group's dividend policy, please refer to the "Dividends" section of this report.

I. FULFILMENT OF COMMITMENTS

(I) Commitments made by the Company's actual controller, shareholders, related parties, acquirers, and the Company, among other relevant parties, during or continuing into the Reporting Period

✓ Applicable ☐ Not applicable

Background of Commitment	Commitment Type	Committing Party	Commitment Content	Commitment Date	Does it have a performance deadline	Commitment Period	Has it been strictly and timely fulfilled	If not fulfilled in a timely manner, specific reasons for non-fulfilment should be explained	If not fulfilled in a timely manner, the next steps should be explained
Commitments related to Material Asset Restructuring	Resolution of related party transactions	Sokon Holding Zhang Xinghai	After the completion of this transaction, Sokon Holding/Zhang Xinghai and enterprises controlled by Sokon Holding/Zhang Xinghai shall, to the extent possible, avoid and reduce related party transactions with the Company and its subsidiaries. For related party transactions that are unavoidable or exist for reasonable reasons, Sokon Holding/Zhang Xinghai and enterprises controlled by Sokon Holding/Zhang Xinghai shall lawfully enter into agreements with the Company and its subsidiaries in accordance with principles such as fairness, impartiality, and equivalent consideration. The Company shall, in accordance with relevant laws, regulations, other normative documents, and its Articles of Association, lawfully complete relevant internal decision-making and approval procedures and timely fulfill its information disclosure obligations. Sokon Holding/Zhang Xinghai guarantees that Sokon Holding/Zhang Xinghai and enterprises controlled by Sokon Holding/Zhang Xinghai will not engage in transactions with the Company and its subsidiaries under terms that are obviously unfair compared to market prices, will not illegally transfer funds or profits of the Company and its subsidiaries through related party transactions, nor will they utilize such transactions to engage in any acts that harm the legitimate rights and interests of the Company, its subsidiaries, and other shareholders. Sokon Holding/Zhang Xinghai warrants that it/he has the right to sign this letter of commitment, and that this letter of commitment, once signed by Sokon Holding/Zhang Xinghai, constitutes a valid, legal, and binding obligation for Sokon Holding/Zhang Xinghai, which shall remain valid and irrevocable during the period in which Sokon Holding/Zhang Xinghai are related parties of the Company. Sokon Holding/Zhang Xinghai warrants to strictly fulfill all commitments made in this letter of commitment. If the Company suffers losses due to a breach of the relevant commitments, Zhang Xinghai shall bear corresponding legal liabilities.	2019	No	Valid indefinitely	Yes	Not applicable	Not applicable

Section VI Significant Matters

Background of Commitment	Commitment Type	Committing Party	Commitment Content	Commitment Date	Does it have a performance deadline	Commitment Period	Has it been strictly and timely fulfilled	If not fulfilled in a timely manner, specific reasons for non-fulfilment should be explained	If not fulfilled in a timely manner, the next steps should be explained
	Resolution of related party transactions	Dongfeng Motor Group	1. With respect to possible future related party transactions, Dongfeng Motor Group shall not leverage its shareholder status to intentionally cause the Company's shareholders' meeting or Board of Directors to make resolutions that prejudice the legitimate rights and interests of the Company and other shareholders. 2. Dongfeng Motor Group and its related parties shall not, in any way, illegally or irregularly occupy the Company's funds or demand the Company to illegally or irregularly provide guarantees. 3. If unavoidable related party transactions or related party transactions with reasonable causes occur between the Company and Dongfeng Motor Group and its controlled enterprises, Dongfeng Motor Group undertakes to ensure that such related party transactions adhere to the principles of market fairness, impartiality, and openness, are conducted under normal commercial terms and at fair prices, and comply with the relevant approval procedures and information disclosure obligations as stipulated by relevant laws, regulations, normative documents, the Articles of Association of SERES, and its Related Party Transaction Management System, thereby ensuring that no related party transaction prejudices the legitimate rights and interests of the Company and other shareholders. 4. Dongfeng Motor Group shall strictly comply with and implement the relevant provisions of the Articles of Association of SERES, and its Related Party Transaction Management System, exercise its shareholder rights or urge directors to exercise their directorial rights in accordance with the law, and fulfill its obligation to abstain from voting during shareholders' meetings and Board meetings when voting on related party transactions involving Dongfeng Motor Group. 5. If Dongfeng Motor Group breaches the above commitments causing losses to the Company or prejudicing the interests of other shareholders, Dongfeng Motor Group shall bear corresponding legal liabilities in accordance with the law.	2019	No	Valid indefinitely	Yes	Not applicable	Not applicable
	Others	Dongfeng Motor Group	The trademark licensing matters stipulated in the Dongfeng Trademark License Agreement signed between Dongfeng Motor Group and Hubei Seres on June 20, 2010, the Dongfeng Trademark License Agreement signed on April 15, 2014, and the Supplemental Agreement to the Dongfeng Trademark License Agreement signed on March 1, 2017, will not be affected by this transaction. Dongfeng Motor Group will continue to fulfill the relevant provisions in these contracts. After the expiration of the aforementioned contract term, if Hubei Seres, in accordance with the contract, submits a written request for renewal to Dongfeng Motor Group one month before the contract expires, Dongfeng Motor Group will cooperate with Hubei Seres to renew the trademark license agreement according to the renewal clauses stipulated in the contract, including continuing to authorize Hubei Seres, for the license fees stipulated in the contract, to use the " " trademark with registration number 571137, the "東風" trademark with registration number 110702, and the "DONGFENG" trademark with registration number 1018708 in the production, sales, and after-sales service of micro-vans, micro-trucks, micro-panel vans, and passenger vehicles (passenger vehicles other than crossover passenger vehicles and micro-vans).	2019	No	Valid indefinitely	Yes	Not applicable	Not applicable

Background of Commitment	Commitment Type	Committing Party	Commitment Content	Commitment Date	Does it have a performance deadline	Commitment Period	Has it been strictly and timely fulfilled	If not fulfilled in a timely manner, specific reasons for non-fulfilment should be explained	If not fulfilled in a timely manner, the next steps should be explained
	Others	Dongfeng Motor Group	The commitment not to seek control of the Company is as follows: After the completion of this restructuring, provided that the actual control of the Company remains unchanged, Dongfeng Motor Group will not proactively seek the status of the Company's Controlling Shareholder or largest shareholder. Nor will it, alone or with others, proactively seek the status of the Company's actual controller through any of the following means: (1) Directly or indirectly, through enterprises controlled by Dongfeng Motor Group, increase its shareholding in the Company by purchasing shares on the secondary market, accepting share transfers by agreement, subscribing for new shares, etc. (excluding passive increases such as converting capital reserves into share capital, bonus shares, etc.); (2) Expand its voting rights in the Company's shares through any means, including but not limited to accepting mandates, soliciting voting rights, or contractual arrangements; Act in concert with any other shareholders of the Company (including but not limited to its original shareholders, excluding enterprises controlled by Dongfeng Motor Group); or jointly expand the voting rights it can control over the Company's shares through agreements or other arrangements with other shareholders of the Company; (3) Implement any other transaction or measure aimed at obtaining control of the Company.	2019	No	Valid indefinitely	Yes	Not applicable	Not applicable
	Others	All directors, supervisors, and senior management of the listed company	1. As of the date of this letter of commitment, none of the Company's directors, supervisors, or senior management holding Company shares has any plan to voluntarily reduce their shareholding; if any reduction plan exists during the period from the date of the announcement of the first Board resolution regarding the issuance of shares to acquire assets until its completion, any such share reduction shall be carried out in strict compliance with relevant laws, regulations, and normative documents. 2. If any of the Company's directors, supervisors, or senior management fails to fulfill the above commitment, they shall bear the legal liabilities arising from such breach in accordance with the law.	2024	Yes	From the date of the announcement of the first Board resolution regarding the issuance of shares to acquire assets until its completion	Yes	Not applicable	Not applicable
	Others	Actual controller, Controlling Shareholder, and their parties acting in concert of the listed company	As of the date of this letter of commitment, the Company's actual controller, Controlling Shareholder, and their parties acting in concert have no plan to voluntarily reduce their shareholdings in the Company; if any reduction plan exists during the period from the date of the announcement of the first Board resolution for the issuance of shares to acquire assets until its completion, any such share reduction shall be carried out in strict compliance with relevant laws, regulations, and normative documents.	2024	Yes	From the date of the announcement of the first Board resolution regarding the issuance of shares to acquire assets until its completion	Yes	Not applicable	Not applicable

Background of Commitment	Commitment Type	Committing Party	Commitment Content	Commitment Date	Does it have a performance deadline	Commitment Period	Has it been strictly and timely fulfilled	If not fulfilled in a timely manner, specific reasons for non-fulfilment should be explained	If not fulfilled in a timely manner, the next steps should be explained
	Others	All directors, supervisors, and senior management of the listed company	All directors, supervisors, and senior management of the Company undertake not to transfer benefits to other entities or individuals without consideration or on unfair terms, nor to harm the Company's interests in other ways; they undertake to restrain their work-related consumption behavior; they undertake not to utilize the Company's assets for investment or consumption activities unrelated to the performance of their duties; they undertake that the Company's compensation system shall be linked to the implementation of the Company's measures to compensate for the dilution of immediate returns; if the Company subsequently introduces an equity incentive policy, within their respective duties and powers, they will proactively ensure that the exercise conditions of the proposed Company equity incentives are linked to the implementation of the Company's measures to compensate for the dilution of immediate returns; from the date of this letter of commitment until the completion of the issuance of shares to acquire assets, if the China Securities Regulatory Commission (CSRC) or the Shanghai Stock Exchange (SSE) issues any new regulatory provisions regarding measures to compensate for the dilution of immediate returns and commitments, and the aforementioned commitments cannot satisfy such provisions of the CSRC or the SSE, all directors, supervisors, and senior management of the Company undertake to issue supplementary commitments in accordance with the latest provisions of the CSRC or the SSE at that time. If all directors, supervisors, and senior management of the Company fail to fulfill the aforementioned commitments, they shall bear the legal liabilities arising from the breach of such commitments in accordance with the law; this commitment shall terminate upon the occurrence of any of the following circumstances (whichever is earlier): (1) all directors, supervisors, and senior management of the Company cease to be directors/senior management of the Company; (2) the Company's shares cease to be listed on the SSE; (3) the transaction for the issuance of shares to acquire assets is terminated.	2024	No	Valid indefinitely	Yes	Not applicable	Not applicable
	Others	Actual controller, Controlling Shareholder, and their parties acting in concert of the listed company	1. The Company's actual controller, Controlling Shareholder, and their parties acting in concert shall not overstep their authority to interfere with the Company's operation and management, nor shall they encroach upon the Company's interests; 2. From the date of this letter of commitment until the completion of the issuance of shares to acquire assets, if the CSRC or the SSE issues new regulatory provisions regarding measures to compensate for the dilution of immediate returns and their commitments, and if the aforementioned commitments cannot satisfy such provisions of the CSRC or the SSE, the Company's actual controller, Controlling Shareholder, and their parties acting in concert commit to issue supplementary commitments in accordance with the latest provisions of the CSRC or the SSE at that time; 3. If the Company's actual controller, Controlling Shareholder, and their parties acting in concert fail to fulfill the above commitments, they shall bear the legal liabilities arising from the breach of such commitments in accordance with the law. 4. This commitment shall terminate upon the occurrence of any of the following circumstances (whichever occurs first): (1) the Company's actual controller, Controlling Shareholder, and their parties acting in concert cease to be the Company's Controlling Shareholder/ actual controller/parties acting in concert with the Controlling Shareholder; (2) the Company's shares cease to be listed on the SSE; (3) the transaction for the issuance of shares to acquire assets is terminated.	2024	No	Valid indefinitely	Yes	Not applicable	Not applicable

Background of Commitment	Commitment Type	Committing Party	Commitment Content	Commitment Date	Does it have a performance deadline	Commitment Period	Has it been strictly and timely fulfilled	If not fulfilled in a timely manner, specific reasons for non-fulfilment should be explained	If not fulfilled in a timely manner, the next steps should be explained
	Others	Actual controller, Controlling Shareholder, and their parties acting in concert of the listed company	After the completion of the issuance of shares to acquire assets transaction, the Company's actual controller, Controlling Shareholder, and their parties acting in concert shall strictly abide by the relevant regulations of the CSRC, the SSE, and the Company's Articles of Association, exercise shareholder rights and perform shareholder obligations equally with other shareholders, and not exploit their status as shareholders/actual controller to seek improper benefits, ensuring that the listed company remains completely separate from other enterprises controlled by the Company's actual controller, Controlling Shareholder, and their parties acting in concert in terms of personnel, assets, finance, organization, and business, thereby maintaining the independence of the listed company in its business, assets, personnel, finance, and organization. If the Company's actual controller, Controlling Shareholder, and their parties acting in concert fail to fulfill the above commitments, they shall bear the legal liabilities arising from the breach of such commitments in accordance with the law.	2024	No	Valid indefinitely	Yes	Not applicable	Not applicable
	Others	Chongqing Industrial Parent Fund, Liangjiang Investment Group, Liangjiang Industrial Group	Chongqing Industrial Parent Fund hereby makes the following commitments: 1. The shares of the listed company obtained by this enterprise in the issuance of shares to acquire assets transaction shall not be transferred within the following periods from the date of completion of this issuance (i.e., the date when the shares are registered in the name of the subscriber and approved for listing on the SSE): (1) the 15,043,416 shares issued by the listed company and obtained by this enterprise in this transaction (corresponding to the portion of capital contributed by this enterprise to the Target Company before or during November 2023, totaling RMB937,292,900), shall not be transferred within 12 months from the date of completion of this issuance; (2) the 38,081,608 shares issued by the listed company and obtained by this enterprise in this transaction (corresponding to the portion of capital contributed by this enterprise to the Target Company on June 28, 2024, totaling RMB2,372,707,100), shall not be transferred within 36 months from the date of completion of this issuance. The shares of the listed company obtained by this enterprise in this transaction, when transferred between different entities under the control of the same actual controller, shall not be subject to the aforementioned restrictions. 2. During the aforementioned share lock-up period, any additional shares obtained by this enterprise through this transaction due to rights issues, bonus shares, capitalization of reserves, or other reasons affecting the listed company shall also comply with the above share lock-up arrangements. 3. If the information disclosed or provided in the issuance of shares to acquire assets transaction is suspected of containing false records, misleading statements, or material omissions, and is subject to investigation by judicial authorities or by the CSRC, before an investigation conclusion is reached, this enterprise shall not transfer the shares it holds in the listed company, and shall submit a written application for suspension of transfer and its stock account to the listed company's Board of Directors within two trading days of receiving the investigation notice, whereupon the Board of Directors shall apply to the SSE and the securities registration and clearing institution for a lock-up on its behalf; if the application for lock-up is not submitted within two trading days, the Board of Directors is authorized, after verification, to directly submit this enterprise's identity information and account information to the SSE and the securities registration and clearing institution and apply for a lock-up; if the Board of Directors fails to submit this enterprise's identity information and account information to the SSE and the securities registration and clearing institution, the SSE and the securities registration and clearing institution are authorized to directly lock up the relevant shares. If the investigation concludes that there are illegal or non-compliant acts, this enterprise commits that the locked-up shares will be voluntarily used for compensation arrangements for relevant investors. 4. If the CSRC or the SSE has different opinions or requirements regarding the aforementioned lock-up period arrangements, this enterprise will revise and implement the said lock-up arrangements in accordance with the opinions or requirements of the CSRC or the SSE. Liangjiang Investment Group hereby makes the following commitments:	2024	Yes	Shall not be transferred within 12 months/36 months from the date of completion of this issuance	Yes	Not applicable	Not applicable

Section VI Significant Matters

Background of Commitment	Commitment Type	Committing Party	Commitment Content	Commitment Date	Does it have a performance deadline	Commitment Period	Has it been strictly and timely fulfilled	If not fulfilled in a timely manner, specific reasons for non-fulfilment should be explained	If not fulfilled in a timely manner, the next steps should be explained
			1. Shares of the listed company acquired by this enterprise in the issuance of shares to acquire assets transaction shall not be transferred within the following periods from the date of completion of this issuance (i.e., the date when the shares are registered in the name of the subscriber and approved for listing on the SSE): (1) the 23,010,081 shares issued by the listed company and acquired by this enterprise in this transaction (corresponding to the portion of capital contributed by this enterprise to the Target Company before or during November 2023, totaling RMB1,433,662,750), shall not be transferred within 12 months from the date of completion of this issuance; (2) the 9,520,249 shares issued by the listed company and acquired by this enterprise in this transaction (corresponding to the portion of capital contributed by this enterprise to the Target Company on June 28, 2024, totaling RMB593,167,250), shall not be transferred within 36 months from the date of completion of this issuance. The shares of the listed company obtained by this enterprise in this transaction, when transferred between different entities under the control of the same actual controller, shall not be subject to the aforementioned restrictions. 2. During the aforementioned share lock-up period, any additional shares obtained by this enterprise through this transaction due to rights issues, bonus shares, capitalization of reserves, or other reasons affecting the listed company shall also comply with the above share lock-up arrangements. 3. If the information disclosed or provided in the issuance of shares to acquire assets transaction is suspected of containing false records, misleading statements, or material omissions, and is subject to investigation by judicial authorities or by the CSRC, before an investigation conclusion is reached, this enterprise shall not transfer the shares it holds in the listed company, and shall submit a written application for suspension of transfer and its stock account to the listed company's Board of Directors within two trading days of receiving the investigation notice, whereupon the Board of Directors shall apply to the SSE and the securities registration and clearing institution for a lock-up on its behalf; if the application for lock-up is not submitted within two trading days, the Board of Directors is authorized, after verification, to directly submit this enterprise's identity information and account information to the SSE and the securities registration and clearing institution and apply for a lock-up; if the Board of Directors fails to submit this enterprise's identity information and account information to the SSE and the securities registration and clearing institution, the SSE and the securities registration and clearing institution are authorized to directly lock up the relevant shares. If the investigation concludes that there are illegal or non-compliant acts, this enterprise commits that the locked-up shares will be voluntarily used for compensation arrangements for relevant investors. 4. If the CSRC or the SSE has different opinions or requirements regarding the aforementioned lock-up period arrangements, this enterprise will revise and implement the said lock-up arrangements in accordance with the opinions or requirements of the CSRC or the SSE. Liangjiang Industrial Group makes						

Background of Commitment	Commitment Type	Committing Party	Commitment Content	Commitment Date	Does it have a performance deadline	Commitment Period	Has it been strictly and timely fulfilled	If not fulfilled in a timely manner, specific reasons for non-fulfilment should be explained	If not fulfilled in a timely manner, the next steps should be explained
			the following commitments: 1. Shares of the listed company acquired by this enterprise in the issuance of shares to acquire assets transaction shall not be transferred within the following periods from the date of completion of this issuance (i.e., the date when the shares are registered in the name of the subscriber and approved for listing on the SSE): (1) the 9,367,702 shares issued by the listed company and acquired by this enterprise in this transaction (corresponding to the portion of capital contributed by this enterprise to the Target Company before or during November 2023, totaling RMB583,662,700), shall not be transferred within 12 months from the date of completion of this issuance; (2) the 28,560,837 shares issued by the listed company and acquired by this enterprise in this transaction (corresponding to the portion of capital contributed by this enterprise to the Target Company on June 28, 2024, totaling RMB1,779,507,300), shall not be transferred within 36 months from the date of completion of this issuance. The shares of the listed company obtained by this enterprise in this transaction, when transferred between different entities under the control of the same actual controller, shall not be subject to the aforementioned restrictions. 2. During the aforementioned share lock-up period, any additional shares obtained by this enterprise through this transaction due to rights issues, bonus shares, capitalization of reserves, or other reasons affecting the listed company shall also comply with the above share lock-up arrangements. 3. If the information disclosed or provided in the issuance of shares to acquire assets transaction is suspected of containing false records, misleading statements, or material omissions, and is subject to investigation by judicial authorities or by the CSRC, before an investigation conclusion is reached, this enterprise shall not transfer the shares it holds in the listed company, and shall submit a written application for suspension of transfer and its stock account to the listed company's Board of Directors within two trading days of receiving the investigation notice, whereupon the Board of Directors shall apply to the SSE and the securities registration and clearing institution for a lock-up on its behalf; if the application for lock-up is not submitted within two trading days, the Board of Directors is authorized, after verification, to directly submit this enterprise's identity information and account information to the SSE and the securities registration and clearing institution and apply for a lock-up; if the Board of Directors fails to submit this enterprise's identity information and account information to the SSE and the securities registration and clearing institution, the SSE and the securities registration and clearing institution are authorized to directly lock up the relevant shares. If the investigation concludes that there are illegal or non-compliant acts, this enterprise commits that the locked-up shares will be voluntarily used for compensation arrangements for relevant investors. 4. If the CSRC or the SSE has different opinions or requirements regarding the aforementioned lock-up period arrangements, this enterprise will revise and implement the said lock-up arrangements in accordance with the opinions or requirements of the CSRC or the SSE.						

Section VI Significant Matters

Background of Commitment	Commitment Type	Committing Party	Commitment Content	Commitment Date	Does it have a performance deadline	Commitment Period	Has it been strictly and timely fulfilled	If not fulfilled in a timely manner, specific reasons for non-fulfilment should be explained	If not fulfilled in a timely manner, the next steps should be explained
	Others	Actual controller, Controlling Shareholder, and their parties acting in concert of the listed company	Upon completion of the major asset acquisition transaction, the Company's actual controller, Controlling Shareholder, and their parties acting in concert shall strictly comply with the relevant regulations of the CSRC, the SSE, and the listed company's Articles of Association, exercise shareholder rights and perform shareholder obligations equally with other shareholders, not exploit their status as shareholders/actual controller to seek improper benefits, ensure that the listed company remains completely separate from other enterprises controlled by the Company in terms of personnel, assets, finance, organization, and business, and maintain the listed company's independence in business, assets, personnel, finance, and organization. If the Company's actual controller, Controlling Shareholder, and their parties acting in concert fail to fulfill the above commitments, they shall bear the legal liabilities arising from the breach of such commitments in accordance with the law.	2024	No	Valid indefinitely	Yes	Not applicable	Not applicable
Commitments related to Initial Public Offering	Resolution of horizontal competition	Sokon Holding, Yu'an Industry	1. Sokon Holding does not directly or indirectly engage in any business or activities that are the same as, similar to, or commercially competitive with the Company's business; 2. During the period in which Sokon Holding acts as a shareholder of the Company, Sokon Holding shall not seek for itself or others any business opportunities belonging to the Company. If any business opportunity obtained from any third party competes or may compete with the Company's business, Sokon Holding shall immediately notify the Company and endeavor to transfer such business opportunity to the Company; 3. During the period in which Sokon Holding acts as a shareholder of the Company, Sokon Holding shall not in any way directly or indirectly engage in or participate in any business or activities that are the same as, similar to, or commercially competitive with the Company, nor shall it hold any equity interest in any economic entity that has a competitive relationship with the Company.	Prior to Listing	No	Valid indefinitely	Yes	Not applicable	Not applicable
	Resolution of horizontal competition	Zhang Xinghai	1. I do not directly or indirectly engage in any business or activities that are the same as, similar to, or commercially competitive with the Company's business; 2. During the period in which I act as the actual controller of the Company, I shall not seek for myself or others any business opportunities belonging to the Company. If any business opportunity obtained from any third party competes or may compete with the Company's business, I shall immediately notify the Company and endeavor to transfer such business opportunity to the Company; 3. During the period in which I act as the actual controller, I shall not in any way directly or indirectly engage in or participate in any business or activities that are the same as, similar to, or commercially competitive with the Company, nor shall I hold any equity interest in any economic entity that has a competitive relationship with the Company.	Prior to Listing	No	Valid indefinitely	Yes	Not applicable	Not applicable

Background of Commitment	Commitment Type	Committing Party	Commitment Content	Commitment Date	Does it have a performance deadline	Commitment Period	Has it been strictly and timely fulfilled	If not fulfilled in a timely manner, specific reasons for non-fulfilment should be explained	If not fulfilled in a timely manner, the next steps should be explained
Other Commitments	Others	Yin Xianzhi, Shen Wei, Wang Ping, Zhou Lin, Liu Lian, Kang Bo, Huang Qizhong	They shall not reduce holdings of the Company shares increased in this plan during the implementation period of the share increase plan and within six months after the completion of the share increase.	2025	Yes	During the implementation period of the share increase plan and for six months following its completion	Yes	Not applicable	Not applicable
	Others	Zhou Changling	He shall not reduce holdings of the Company shares held within 12 months from the date of this share increase.	2024	Yes	Within 12 months from the date of this share increase	Yes	Not applicable	Not applicable

(II) If the Company's assets or projects have profit forecasts, and the Reporting Period is still within the profit forecast period, the Company shall explain whether the assets or projects have achieved the original profit forecast and the reasons for it

☐ Achieved ☐ Not achieved ✓ Not Applicable

(III) Performance Commitment Status

☐ Applicable ✓ Not Applicable

II. NON-OPERATING APPROPRIATION OF FUNDS BY CONTROLLING SHAREHOLDER AND OTHER RELATED PARTIES DURING THE REPORTING PERIOD

☐ Applicable ✓ Not Applicable

III. IRREGULAR GUARANTEES

☐ Applicable ✓ Not Applicable

IV. EXPLANATION FROM THE BOARD OF DIRECTORS ON THE "NON-STANDARD AUDIT REPORT" ISSUED BY THE ACCOUNTING FIRM

☐ Applicable ✓ Not Applicable

V. ANALYTICAL EXPLANATION FROM THE COMPANY ON THE REASONS AND IMPACT OF CHANGES IN ACCOUNTING POLICIES, ACCOUNTING ESTIMATES, OR CORRECTIONS OF SIGNIFICANT ACCOUNTING ERRORS

(I) Analytical explanation from the Company on the reasons and impact of changes in accounting policies and accounting estimates

☐ Applicable ✓ Not Applicable

(II) Analytical explanation from the Company on the reasons and impact of corrections to significant accounting errors

☐ Applicable ✓ Not Applicable

(III) Communication with the Former Accounting Firm

☐ Applicable ✓ Not applicable

(IV) Approval Procedures and Other Explanations

☐ Applicable ✓ Not applicable

VI. APPOINTMENT AND DISMISSAL OF ACCOUNTING FIRMS

Unit: RMB'000 Currency: RMB

	Previously Appointed	Currently Appointed
Name of domestic accounting firm	WUYIGE Certified Public Accountants LLP	Deloitte Touche Tohmatsu Certified Public Accountants LLP
Remuneration of domestic accounting firm	1,500.00	1,550.00
Audit tenure of domestic accounting firm	13	1
Names of Certified Public Accountants (CPAs) of domestic accounting firm	/	Ma Qianghui, Liu Fang
Cumulative years of audit services provided by CPAs of domestic accounting firm	/	1
Name of overseas accounting firm	Not applicable	Deloitte Touche Tohmatsu
Remuneration of overseas accounting firm	Not applicable	3,500.00
Audit tenure of overseas accounting firm	Not applicable	1

	Name	Remuneration
Internal control audit firm	Deloitte Touche Tohmatsu Certified Public Accountants LLP	650.00

Except as disclosed above, there have been no changes in the Company's accounting firm since its H-share listing.

Statement on the Appointment and Removal of Accounting Firms

✓ Applicable ☐ Not applicable

Following the Company's listing on the Main Board of the Stock Exchange of Hong Kong Limited on November 5, 2025, it is required to prepare financial statements in accordance with the China Accounting Standards for Business Enterprises (CAS) and IFRS Accounting Standards, respectively. To meet the Company's overall audit requirements and in consideration of its business development needs, the Company has, through mutual consultation, appointed Deloitte Touche Tohmatsu Certified Public Accountants LLP as the Company's domestic auditor for 2025 and Deloitte Touche Tohmatsu as the Company's overseas auditor for 2025.

Explanation Regarding the Change of Accounting Firm During the Audit Period

✓ Applicable □ Not applicable

Given that the Company has been listed on the Main Board of the Stock Exchange of Hong Kong Limited since November 5, 2025, officially becoming an "A+H" dual-listed company, it is required to prepare financial statements in accordance with the China Accounting Standards for Business Enterprises and IFRS Accounting Standards, respectively. To ensure the synergy, efficiency, and compliance of domestic and overseas audit work, the Company intends to cease the re-appointment of WUYIGE Certified Public Accountants LLP, and instead appoint Deloitte Touche Tohmatsu Certified Public Accountants LLP as the domestic auditor for 2025, and appoint Deloitte Touche Tohmatsu as the overseas auditor for 2025, to provide unified professional audit services.

Explanation of audit fees decreasing by 20% or more (including 20%) compared to the previous year

□ Applicable ✓ Not Applicable

VII. DELISTING RISK

(I) Reasons for delisting risk warning

□ Applicable ✓ Not Applicable

(II) Response measures planned by the Company

□ Applicable ✓ Not Applicable

(III) Termination of Listing and Reasons

□ Applicable ✓ Not Applicable

VIII. BANKRUPTCY AND RESTRUCTURING

□ Applicable ✓ Not Applicable

IX. MATERIAL LITIGATION AND ARBITRATION

☐ The Company has material litigation and arbitration this year ✓ The Company has no material litigation and arbitration this year.

X. VIOLATIONS, PENALTIES, AND RECTIFICATION INVOLVING THE LISTED COMPANY, ITS DIRECTORS, SENIOR MANAGEMENT, CONTROLLING SHAREHOLDER, AND ACTUAL CONTROLLER

☐ Applicable ✓ Not Applicable

XI. STATEMENT ON THE INTEGRITY OF THE COMPANY, ITS CONTROLLING SHAREHOLDER, AND ACTUAL CONTROLLER DURING THE REPORTING PERIOD

☐ Applicable ✓ Not Applicable

XII. MAJOR RELATED PARTY TRANSACTIONS

(I) Related Party Transactions Related to Ordinary Operations

1. Matters already disclosed in extraordinary announcements with no further progress or changes in subsequent implementation

   ☐ Applicable ✓ Not Applicable

2. Matters already disclosed in extraordinary announcements with further progress or changes in subsequent implementation

   ✓ Applicable ☐ Not Applicable

The Company's estimated and actual amounts of relevant related party transactions for 2025 are as follows:

Unit: RMB0'000

Related-Party Transaction Category	Related Party	Estimated Amount for 2025	Actual Amount for 2025
Purchases of goods and acceptance of services	Chongqing Sokon Holding Company Limited and its controlled companies	90,000.00	58,190.40
	Dongfeng Motor Corporation and its controlled companies	500,000.00	358,515.8
	Chongqing Ruichi Automobile Industry Co., Ltd. and its controlled companies	120,000.00	45,017.00
	Shenzhen Yinwang Intelligent Technology Co., Ltd.	22,550,000.00	22,335,055.40
	Subtotal	23,260,000.00	22,796,778.50
Sales of goods and provision of services	Chongqing Sokon Holding Company Limited and its controlled companies	30,000.00	4,687.10
	Dongfeng Motor Corporation and its controlled companies	210,000.00	59,776.90
	Chongqing Ruichi Automobile Industry Co., Ltd. and its controlled companies	3,000,000.00	1,131,466.70
	Subtotal	3,240,000.00	1,195,930.70
Leasing of premises and equipment	Dongfeng Motor Corporation and its controlled companies	2,000.00	0.00
	Chongqing Ruichi Automobile Industry Co., Ltd. and its controlled companies	20,000.00	12,428.00
	Subtotal	22,000.00	12,428.00
Leasing out of premises and equipment	Chongqing Sokon Holding Company Limited and its controlled companies	20,000.00	12,091.60
	Dongfeng Motor Corporation and its controlled companies	2,000.00	99.10
	Chongqing Ruichi Automobile Industry Co., Ltd. and its controlled companies	1,000.00	1,719.00
	Subtotal	23,000.00	13,909.70

Related Party Transaction Category	Related Party	Estimated Limit for 2025	Balance as of December 31, 2025
Financing and credit facilities with related parties	Dongfeng Motor Finance Co., Ltd.	1,000,000	0
Deposit with related parties	Dongfeng Motor Finance Co., Ltd.	800,000	0

3. Matters not disclosed in extraordinary announcements

☐ Applicable ✓ Not Applicable

(II) Related Party Transactions from the Acquisition or Disposal of Assets or Equity

1. Matters already disclosed in extraordinary announcements with no further progress or changes in subsequent implementation

☐ Applicable ✓ Not Applicable

2. Matters already disclosed in extraordinary announcements with further progress or changes in subsequent implementation

☐ Applicable ✓ Not Applicable

3. Matters not disclosed in extraordinary announcements

☐ Applicable ✓ Not Applicable

4. Where performance commitments are involved, the achievement of performance during the Reporting Period should be disclosed.

☐ Applicable ✓ Not Applicable

(III) Major Related Party Transactions from Joint External Investment

1. Matters already disclosed in extraordinary announcements with no further progress or changes in subsequent implementation

☐ Applicable ✓ Not Applicable

2. Matters already disclosed in extraordinary announcements with further progress or changes in subsequent implementation

☐ Applicable ✓ Not Applicable

3. Matters not disclosed in extraordinary announcements

☐ Applicable ✓ Not Applicable

(IV) Related party receivables and payables

1. Matters already disclosed in extraordinary announcements with no further progress or changes in subsequent implementation

☐ Applicable ✓ Not Applicable

2. Matters already disclosed in extraordinary announcements with further progress or changes in subsequent implementation

☐ Applicable ✓ Not Applicable

3. Matters not disclosed in extraordinary announcements

☐ Applicable ✓ Not Applicable

(V) Financial Business Between the Company and Related Finance Companies, and Between the Company's Controlled Finance Companies and Related Parties

✓ Applicable ☐ Not applicable

1. Deposit Business

✓ Applicable ☐ Not applicable

Unit: RMB'000 Currency: RMB

Related Party	Relationship	Maximum Daily Deposit Limit	Range of Deposit Interest Rates	Opening Balance	Amount Incurred During the Period: Total Amount Deposited During the Period	Amount Incurred During the Period: Total Amount Withdrawn During the Period	Closing Balance
Dongfeng Motor Finance Co., Ltd.	Subsidiary of Dongfeng Motor Corporation	Not exceeding RMB800 million	No less than the bank deposit interest rate for the same period	8.8	0.01	8.81	0
Total	/	/	/	8.8	0.01	8.81	0

2. Loan Business

☐ Applicable ✓ Not Applicable

XIII. MAJOR CONTRACTS AND THEIR FULFILLMENT

(I) Trusteeship, Contracting, and Leasing

1. Trusteeship

☐ Applicable ✓ Not Applicable

2. Contracting

☐ Applicable ✓ Not Applicable

3. Leasing

☐ Applicable ✓ Not Applicable

(II) Guarantees

✓ Applicable ☐ Not applicable

Unit: RMB'000 Currency: RMB

External Guarantees Provided by the Company (Excluding Guarantees to Subsidiaries)														
Guarantor	Relationship between the Guarantor and the Listed Company	Guaranteed Party	Amount of Guarantee	Date of Occurrence of Guarantee (Date of Agreement Signing)	Commencement Date of Guarantee	Expiry Date of Guarantee	Type of Guarantee	Collateral (if any)	Whether the Guarantee Has Been Fully Performed	Whether the Guarantee Is Overdue	Overdue Amount of Guarantee	Counter-guarantee Status	Whether It Is a Related Party Guarantee	Related Relationship
Total amount of guarantees occurred during the Reporting Period (excluding guarantees to subsidiaries)														
Total balance of guarantees at the end of the Reporting Period (A) (excluding guarantees to subsidiaries)														
Guarantees Provided by the Company and its Subsidiaries to Subsidiaries														
Total guarantee amount provided to subsidiaries during the Reporting Period														2,627,820.00
Total balance of guarantees provided to subsidiaries at the end of the Reporting Period (B)														2,662,520.00
Total Guarantee Amount of the Company (including Guarantees to Subsidiaries)														
Total guarantee amount (A+B)														2,662,520.00
Proportion of total guarantee amount to the Company's net assets (%)														6.51
Of which:														
Amount of guarantees provided for shareholders, the actual controller, and their related parties (C)														
Amount of debt guarantees provided directly or indirectly for guaranteed parties with an asset-liability ratio exceeding 70% (D)														2,662,520.00
Amount of total guarantees exceeding 50% of net assets (E)														
Total amount of the above three categories of guarantees (C+D+E)														2,662,520.00
Explanation of potential joint and several liability for outstanding guarantees														
Explanation of guarantees														

(III) Information on Entrusted Cash Asset Management

1. Entrusted wealth management

☐ Applicable ✓ Not Applicable

2. Entrusted loan status

☐ Applicable ✓ Not Applicable

(IV) Other Major Contracts

☐ Applicable ✓ Not Applicable

XIV. EXPLANATION OF PROGRESS IN THE USE OF RAISED FUNDS

✓ Applicable ☐ Not applicable

(I) Overall use of raised funds

✓ Applicable ☐ Not applicable

Unit: RMB0'000

Source of Raised Funds	Time of Receipt of Raised Funds	Total Amount of Raised Funds	Net Amount of Raised Funds (1)	Total Promised Investment Amount of Raised Funds in Prospectus or Offering Circular (2)	Total Over-raised Funds (3) = (1) - (2)	Total Raised Funds Cumulatively Invested as of the End of the Reporting Period (4)	Of Which: Total Over-raised Funds Cumulatively Invested as of the End of the Reporting Period (5)	Cumulative Investment Progress of Raised Funds as of the End of the Reporting Period (%) (6) = (4)/(1)	Cumulative Investment Progress of Over-raised Funds as of the End of the Reporting Period (%) (7) = (5)/(3)	Amount Invested This Year (8)	Percentage of Amount Invested This Year (%) (9) = (8)/(1)	Total Amount of Raised Funds with Changed Use
Issuance of shares to specific objects	June 11, 2021	259,297.00	256,789.96	270,497.00	Not applicable	256,377.43	Not applicable	99.84%	Not applicable		0.00%	37,157.50
Issuance of shares to specific objects	June 30, 2022	713,000.00	705,855.61	713,000.00	Not applicable	509,920.92	Not applicable	72.24%	Not applicable	80,492.73	11.40%	21,000.00
Total	/	972,297.00	962,645.57	983,497.00	Not applicable	766,298.35	Not applicable	/	/	80,492.73	/	58,157.50

(II) Details of Raised Fund Investment Projects

✓ Applicable ☐ Not applicable

1. Detailed Use of Raised Funds

✓ Applicable ☐ Not applicable

Unit: RMB0'000

Source of Raised Funds	Project Name	Project Nature	Is It an Investment Project Promised in the Prospectus or Offering Circular?	Does It Involve a Change in the Use of Raised Fund?	Total Planned Investment Amount of Raised Funds (1)	Amount Invested This Year	Total Raised Funds Cumulatively Invested as of the End of the Reporting Period (2)	Cumulative Investment Progress as of the End of the Reporting Period (%) (3) = (2)/(1)	Date When Project Reached Predetermined Usable State	Has the Project Been Completed?	Does the Investment Progress Align With the Planned Progress?	Specific Reasons for Investment Progress Not Meeting Plan	Benefits Realized This Year	Benefits or R&D Achievements Realized for This Project	Have There Been Any Significant Changes to the Project's Feasibility? If Yes, Please Provide Details.	Remaining Balance
Issuance of shares to specific objects	SERES Intelligent Connected New Energy Vehicle Series Development and Product Technology Upgrade Project	R&D	Yes	Yes, this project has not been cancelled, but the total investment amount of raised funds has been adjusted.	162,172.00		151,031.77	93.13	July and August 2023	Yes	Yes		Not applicable	Not applicable	No	11,140.23
Issuance of shares to specific objects	Marketing Channel Construction Project	Others	Yes	Yes, this project has been cancelled.	12,867.50		12,864.68	99.98	December 2022	Yes	Yes		Not applicable	Not applicable	Terminated	2.82
Issuance of shares to specific objects	Replenishment of working capital	Replenish working capital	Yes	No	69,800.00		69,150.00	99.07	Not applicable	Not applicable	Yes		Not applicable	Not applicable	No	650.00
Issuance of shares to specific objects	Permanent replenishment of working capital	Replenish working capital	Yes	No	14,457.50		23,330.98	Not applicable	Not applicable	Not applicable	Yes		Not applicable	Not applicable	No	(8,873.48)
Issuance of shares to specific objects	Electrified Vehicle Development and Product Platform Technology Upgrade Project	R&D	Yes	No	450,462.00	69,505.50	258,375.54	57.36	December 2027	No	No	To better adapt to market changes, incubate new technology applications, expand version development, and strengthen product intelligence and safety, the Company dynamically adjusted its vehicle model development plan. The Company has extended the date for the Electrified Vehicle Development and Product Platform Technology Upgrade Project to reach its predetermined usable state to December 2027.	Not applicable	Not applicable	No	192,086.46

Source of Raised Funds	Project Name	Project Nature	Is It an Investment Project Promised in the Prospectus or Offering Circular?	Does It Involve a Change in the Use of Raised Fund?	Total Planned Investment Amount of Raised Funds (1)	Amount Invested This Year	Total Raised Funds Cumulatively Invested as of the End of the Reporting Period (2)	Cumulative Investment Progress as of the End of the Reporting Period (%) (3) = (2)/(1)	Date When Project Reached Predetermined Usable State	Has the Project Been Completed?	Does the Investment Progress Align With the Planned Progress?	Specific Reasons for Investment Progress Not Meeting Plan	Benefits Realized This Year	Benefits or R&D Achievements Realized for This Project	Have There Been Any Significant Changes to the Project's Feasibility? If Yes, Please Provide Details.	Remaining Balance
Issuance of shares to specific objects	Project for Factory Intelligent Upgrade and Electric Drive Production Line Construction	Production and Construction	Yes	No	41,538.00	3,622.40	39,217.99	64.29	June 2025	Yes	Yes		Not applicable	Not applicable	No	2,320.01
Issuance of shares to specific objects	User Center Construction Project	Others	Yes	Yes, this project has not been cancelled, but the total investment amount of raised funds has been adjusted.	21,000.00	7,364.83	12,327.39	58.70	December 2027	No	No	Based on the actual capital requirements of the raised funds investment project and to better provide user services, the Company plans to adjust the internal investment structure of the User Center Construction Project by increasing expenditures for site leasing and maintenance. Additionally, the Company dynamically adjusts the pace of raised funds investment according to market demand. Based on the actual capital requirements of the raised funds investment project, it intends to extend the date for the User Center Construction Project to reach its predetermined usable state to December 2027.	Not applicable	Not applicable	No	8,672.61
Issuance of shares to specific objects	Replenishment of Working Capital Project	Replenish working capital	Yes	No	200,000.00		200,000.00	100.00	Not applicable		Yes		Not applicable	Not applicable	No	0.00
Total	/	/	/	/	972,297.00	80,492.73	766,298.35	/	/	/	/	/		/	/	205,998.65

Note: On December 12, 2025, the Company convened the 28th meeting of the 5th Board of Directors, which reviewed and approved the "Proposal on Completing Certain Fundraising Investment Projects, Adjusting Internal Investment Structure, and Extending Deadlines." The Company's "Project for Factory Intelligent Upgrade and Electric Drive Production Line Construction" had reached its predetermined usable status and been put into operation by June 2025. As of October 31, 2025, the estimated remaining balance of fundraising funds for this project was RMB194.62 million. Accordingly, the Company increased the fundraising investment amount for the "Electrified Vehicle Development and Product Platform Technology Upgrade Project" by RMB194.62 million. For details, please refer to the "Announcement on Completing Certain Fundraising Investment Projects, Adjusting Internal Investment Structure, and Extending Deadlines" (Announcement No. 2025-103) disclosed by the Company on the Shanghai Stock Exchange on December 13, 2025.

2. **Detailed Use of Over-raised Funds**

☐ Applicable ✓ Not Applicable

(III) Changes or Termination of Raised Fund Investment Projects During the Reporting Period

☐ Applicable ✓ Not Applicable

(IV) Other Uses of Raised Funds During the Reporting Period

1. Advance Investment and Replacement of Raised Fund Investment Projects

☐ Applicable ✓ Not Applicable

2. Temporary Use of Idle Raised Funds to Supplement Working Capital

✓ Applicable ☐ Not applicable

On March 30, 2025, the 21st meeting of the Fifth Board of Directors of the Company reviewed and approved the Proposal on the Temporary Use of Part of Idle Raised Funds to Supplement Working Capital. The Board agreed to the Company's use of idle proceeds not exceeding RMB2 billion to temporarily replenish working capital for a period not exceeding 12 months from the date of approval by the Board.

As of December 31, 2025, the Company has used RMB1 billion of idle raised funds to temporarily supplement working capital. As of March 27, 2026, all such funds used for the temporary supplementation of working capital have been fully returned to the special account for raised funds.

3. Information on Cash Management of Idle Raised Funds and Investment in Related Products

✓ Applicable ☐ Not applicable

Unit: RMB'000 Currency: RMB

Board Approval Date	Approved Effective Limit for Cash Management of Raised Funds	Start Date	End Date	Cash Management Balance at the end of Reporting Period	Did Maximum Balance During Period Exceed Authorized Limit
August 23, 2024	200,000.00	August 23, 2024	August 22, 2025	0	No

Other Explanations

On August 23, 2024, the Company separately convened the 15th meeting of the 5th Board of Directors and the 12th meeting of the 5th Board of Supervisors, and reviewed and approved the Proposal on Using Part of Idle Raised Funds for Cash Management, agreeing that the Company would use no more than RMB2 billion of temporarily idle raised funds for cash management. Within the aforementioned limit, the funds could be used on a revolving basis, and the usage period would be valid for 12 months from the date of approval by the Board of Directors.

For details of the above situation, please refer to the Announcement on Using Part of Idle Raised Funds for Cash Management disclosed by the Company on August 26, 2024, on the Shanghai Stock Exchange, Announcement No.: 2024-081.

As of December 31, 2025, all wealth management products purchased by the Company using part of its idle raised funds had been redeemed, and the principal and returns of these products had been fully returned to the special bank account for raised funds. The balance of wealth management products purchased by the Company using idle raised funds was RMB0.

4. **Others**

✓ Applicable ☐ Not applicable

The Company has adjusted the internal investment structure of its 2022 private placement projects, namely the "Electrified Vehicle Development and Product Platform Technology Upgrade Project", the "Project for Factory Intelligent Upgrade and Electric Drive Production Line Construction" and the "User Center Construction Project". To meet the actual development needs of the fundraising investment projects, the Company has extended the expected date for the "User Center Construction Project" and the "Electrified Vehicle Development and Product Platform Technology Upgrade Project" to reach the intended usable state to December 2027. For details, please refer to the "Announcement on Completing Certain Fundraising Investment Projects, Adjusting Internal Investment Structure, and Extending Deadlines" (Announcement No. 2025-103) disclosed by the Company on the Shanghai Stock Exchange on December 13, 2025.

(V) Concluding Opinion on Special Verification and Attestation by Intermediary Agency Regarding the Storage and Use of Raised Funds

✓ Applicable ☐ Not applicable

After verification, the Sponsor is of the opinion that the Company's deposit, management, and use of raised funds in 2025 comply with the provisions of relevant laws and regulations, including the Regulatory Rules for Raised Funds of Listed Companies, the Administrative Measures for the Sponsorship Business of Securities Issuance and Listing, the Listing Rules of the Shanghai Stock Exchange, and the Self-Regulatory Guidelines No. 1 of the Shanghai Stock Exchange for Listed Companies – Standard Operation. The Company has deposited the raised funds in special accounts and used them for specific purposes. There are no circumstances involving a disguised change in the use of raised funds or infringement upon shareholders' interests, nor are there any instances of non-compliant use of raised funds. The Sponsor has no objection to the Company's storage and use of raised funds for the year 2025.

Deloitte Touche Tohmatsu Certified Public Accountants LLP is of the opinion that the Company's report on the deposit, management, and actual use of raised funds has been prepared in accordance with the provisions of the Regulatory Rules for Raised Funds of Listed Companies issued by the China Securities Regulatory Commission and the Shanghai Stock Exchange's Self-Regulatory Guidelines for Listed Companies No. 1 – Standardized Operations. The report truthfully reflects, in all material respects, the deposit, management, and actual use of the Company's raised funds as of December 31, 2025.

Explanation of Related Circumstances for Verification Anomalies

☐ Applicable ✓ Not Applicable

(VI) Subsequent Rectification Status for Unauthorized Change in Use or Illegal Occupation of Raised Funds

☐ Applicable ✓ Not Applicable

XV. EXPLANATION OF OTHER SIGNIFICANT MATTERS THAT MAY MATERIALLY AFFECT INVESTORS' VALUE JUDGMENT AND INVESTMENT DECISIONS

☐ Applicable ✓ Not Applicable

XVI. SUMMARY OF INTANGIBLE ASSET IMPAIRMENT ASSESSMENT

✓ Applicable ☐ Not applicable

During the current fiscal year, the Group performed an impairment assessment on its intangible assets (including development costs and non-patented technologies). For detailed disclosures regarding valuation methods, key parameters, underlying assumptions, and sensitivity analysis, please refer to Note 21 to the financial statements. A summary of the primary assessment results and significant changes is presented below:

Development Costs

As of December 31, 2025, the carrying amount of development costs was RMB1,041.6 million. The recoverable amount was determined based on value in use, while fair value less costs of disposal was estimated using the "Relief-from-Royalty" method. Key assumptions underlying the valuation included sales forecasts for a three-to-five-year period, royalty rates ranging from 0.01% to 4.82%, and pre-tax discount rates ranging from 16.50% to 19.76%. Following impairment testing and sensitivity analysis, no impairment loss was recognized for the current year.

Non-Patented Technologies

As of December 31, 2025, the carrying amount of non-patented technologies was RMB6,882.7 million.

Significant Impairment Events: Affected by accelerated product upgrades, the Group decided to discontinue production of certain vehicle models, rendering the value in use of the related non-patented technologies negligible. Consequently, the Group recognized an impairment loss of RMB363.9 million for these discontinued projects.

Assessment of Remaining Assets: The remaining non-patented technologies were also individually tested using the "Relief-from-Royalty method". Key assumptions included sales forecasts for a three-to-five-year period, royalty rates ranging from 0.13% to 5.62%, and pre-tax discount rates ranging from 16.33% to 17.62%. Based on prudent expectations regarding future sales and adjustments for risk premiums, the Group recognized an additional impairment loss of RMB394.9 million for the remaining assets.

The valuation methodology remained consistent with that of the previous year. Changes in parameter values primarily reflect shifts in the market environment, updates to product life cycles, and adjustments to the specific risk characteristics of the assets.

Section VII Changes in Share Capital and Shareholders

I. CHANGES IN SHARE CAPITAL

(I) Table of Changes in Share Capital

1. Table of Changes in Share Capital

Unit: Shares

	Before Change		Increase/Decrease (+, -)					After Change	
	Number	Percentage (%)	Issuance of New Shares	Bonus Share	Capitalization of Reserves	Others	Subtotal	Number	Percentage (%)
I. Restricted Shares	0	0	123,583,893	0	0	0	123,583,893	123,583,893	7.09
1. State-held shares	0	0	0	0	0	0	0	0	0
2. State-owned legal person shares	0	0	70,458,869	0	0	0	70,458,869	70,458,869	4.04
3. Other domestic shares	0	0	53,125,024	0	0	0	53,125,024	53,125,024	3.05
Of which: Domestic non-state-owned legal person shares	0	0	53,125,024	0	0	0	53,125,024	53,125,024	3.05
Domestic natural person shares	0	0	0	0	0	0	0	0	0
4. Foreign-held shares	0	0	0	0	0	0	0	0	0
Of which: Overseas legal person shares	0	0	0	0	0	0	0	0	0
Overseas natural person shares	0	0	0	0	0	0	0	0	0
II. Unrestricted Tradable Shares	1,509,782,193	100.00	108,619,000	0	0	0	108,619,000	1,618,401,193	92.91
1. RMB ordinary shares	1,509,782,193	100.00	0	0	0	0	0	1,509,782,193	86.67
2. Domestically listed foreign shares	0	0	0	0	0	0	0	0	0
3. Overseas listed foreign shares	0	0	108,619,000	0	0	0	108,619,000	108,619,000	6.24
4. Others	0	0	0	0	0	0	0	0	0
III. Total number of shares	1,509,782,193	100.00	232,202,893	0	0	0	232,202,893	1,741,985,086	100.00

2. Explanation of changes in share capital

✓ Applicable ☐ Not applicable

(1) Changes in A shares

During the Reporting Period, the Company received the Approval on the Registration of Seres Group Co., Ltd.'s Issuance of Shares to Acquire Assets (CSRC Permit (2025) No. 307) issued by CSRC, approving the Company's application for the registration of issuing 53,125,024 A Shares to Chongqing Industrial Parent Fund, 32,530,330 A Shares to Liangjiang Investment Group, and 37,928,539 A Shares to Liangjiang Industrial Group to acquire relevant assets. For specific details, please refer to the Announcement on the Company's Issuance of Shares to Acquire Assets Being Approved for Registration by the China Securities Regulatory Commission (CSRC) disclosed by the Company on February 22, 2025.

According to the Certificate of Securities Change Registration provided by China Securities Depository and Clearing Corporation Limited, Shanghai Branch, the registration procedures for the new shares issued by the Company to acquire assets were completed at China Securities Depository and Clearing Corporation Limited (CSDC), Shanghai Branch on March 27, 2025. The closing price of the Company's A Shares on April 30, 2024 (pricing benchmark date) was RMB91.15 per share.

The newly issued shares from this offering will be listed and traded on the Shanghai Stock Exchange on the trading day immediately following the expiration of their lock-up period (if the estimated listing date falls on a statutory holiday or rest day, it will be postponed to the first trading day thereafter). The lock-up period begins from the date of completion of the share issuance.

(2) Changes in H shares

Approved by the Stock Exchange, the Company's 108,619,000 H Shares were listed and commenced trading on the Main Board of the Stock Exchange on November 5, 2025.

3. Impact of share changes on financial indicators such as earnings per share and net assets per share for the most recent year and period (if any)

✓ Applicable ☐ Not applicable

During the Reporting Period, the Company issued 123,583,893 A shares and 108,619,000 H shares.

The aforementioned changes in share capital led to the dilution of the Company's basic earnings per share and net assets per share in 2025. If calculated based on the total share capital of 1,509,782,193 shares before the change, the basic earnings per share and net assets per share for 2025 would be RMB3.95 and RMB27.10, respectively; if calculated based on the total share capital of 1,741,985,086 shares after the change, the basic earnings per share and net assets per share for 2025 would be RMB3.68 and RMB23.49, respectively.

4. Other information deemed necessary by the Company or required to be disclosed by securities regulatory authorities

☐ Applicable ✓ Not Applicable

(II) Changes in Restricted Shares

✓ Applicable ☐ Not applicable

Unit: Shares

Shareholder Name	Number of Restricted Shares at the Beginning of the Year	Number of Restricted Shares Released During the Year	Number of Restricted Shares Increased During the Year	Number of Restricted Shares at the End of the Year	Reason for Restriction	Date of Release from Restriction
Chongqing Yufu High-Quality Industrial Parent Fund Private Equity Investment Fund Management Co., Ltd. - Chongqing Industrial Investment Parent Fund Enterprise Partnership (L.P.)	0	0	53,125,024	53,125,024	Issuance of shares to specific subscribers	Note 1
Chongqing Liangjiang New Area Industrial Development Group Co., Ltd.	0	0	37,928,539	37,928,539	Issuance of shares to specific subscribers	Note 2
Chongqing Liangjiang New Area Development & Investment Group Co., Ltd.	0	0	32,530,330	32,530,330	Issuance of shares to specific subscribers	Note 3
Total	0	0	123,583,893	123,583,893	/	/

Note 1: The shares of the Company acquired by Chongqing Industrial Parent Fund shall not be transferred within the following periods, starting from the completion date of the Company's share issuance to acquire 100% equity of Longsheng New Energy (i.e., the date the shares are registered under the subscriber's name and approved for listing on the Shanghai Stock Exchange): (1) For the 15,043,416 shares issued by the Company and acquired by Chongqing Industrial Parent Fund in this transaction, they shall not be transferred within 12 months from the date of completion of this issuance; (2) For the 38,081,608 shares issued by the Company and acquired by Chongqing Industrial Parent Fund in this transaction, they shall not be transferred within 36 months from the date of completion of this issuance. The transfer of shares of the Company acquired by Chongqing Industrial Parent Fund in this transaction between different entities under the control of the same actual controller shall not be subject to the aforementioned restrictions.

Note 2: The shares of the Company acquired by Liangjiang Industrial Group shall not be transferred within the following periods, starting from the completion date of the Company's share issuance to acquire 100% equity of Longsheng New Energy (i.e., the date the shares are registered under the subscriber's name and approved for listing on the Shanghai Stock Exchange): (1) For the 9,367,702 shares issued by the Company and acquired by Liangjiang Industrial Group in this transaction, they shall not be transferred within 12 months from the date of completion of this issuance; (2) For the 28,560,837 shares issued by the Company and acquired by Liangjiang Industrial Group in this transaction, they shall not be transferred within 36 months from the date of completion of this issuance. The transfer of shares of the Company acquired by Liangjiang Industrial Group in this transaction between different entities under the control of the same actual controller shall not be subject to the aforementioned restrictions.

Note 3: The shares of the Company acquired by Liangjiang Investment Group shall not be transferred within the following periods, starting from the completion date of the Company's share issuance to acquire 100% equity of Longsheng New Energy (i.e., the date the shares are registered under the subscriber's name and approved for listing on the Shanghai Stock Exchange): (1) For the 23,010,081 shares issued by the Company and acquired by Liangjiang Investment Group in this transaction, they shall not be transferred within 12 months from the date of completion of this issuance; (2) For the 9,520,249 shares issued by the Company and acquired by Liangjiang Investment Group in this transaction, they shall not be transferred within 36 months from the date of completion of this issuance. The transfer of shares of the Company acquired by Liangjiang Investment Group in this transaction between different entities under the control of the same actual controller shall not be subject to the aforementioned restrictions.

II. SECURITIES ISSUANCE AND LISTING INFORMATION

(I) Securities Issuance Information During the Reporting Period

✓ Applicable ☐ Not applicable

Unit: Shares Currency: RMB

Type of Stocks and their Derivatives Securities	Issuance Date	Issue Price (or Interest Rate)	Net Value	Nominal Value	Issue Volume	Listing Date	Number of Shares Approved for Listing and Trading	Trading Termination Date
Ordinary Shares Category								
Domestic Renminbi ordinary shares (A Shares)	March 27, 2025	RMB66.06 per share	RMB65.95 per share	RMB1 per share	123,583,893 shares	March 27, 2025	123,583,893 shares	
Overseas listed foreign shares (H Shares)	November 5, 2025	HKD 131.50 per share	HKD129.79 per share	RMB1 per share	108,619,000 shares	November 5, 2025	108,619,000 shares	

Section VII Changes in Share Capital and Shareholders

Explanation of securities issuance during the Reporting Period (For bonds with different interest rates during their duration, please explain separately):

✓ Applicable ☐ Not applicable

For details, please refer to "Section VII Changes in Share Capital and Shareholders," "I. Changes in Share Capital," "(I) Table of Changes in Share Capital," "2. Explanation of Changes in Share Capital."

(II) Changes in the Company's Total Share Capital and Shareholder Structure, and Changes in the Company's Asset and Liability Structure

✓ Applicable ☐ Not applicable

During the Reporting Period, the Company issued 123,583,893 A shares and 108,619,000 H shares.

At the end of the previous period, the Company's total assets amounted to RMB94,364 million, and total liabilities amounted to RMB82,458 million; at the end of this Reporting Period, the Company's total assets amounted to RMB143,906 million, and total liabilities amounted to RMB102,048 million. The Company's asset-liability ratio decreased from 87.38% at the end of the previous period to 70.91% at the end of this Reporting Period. For specific changes in the asset and liability structure, please refer to "Section III Management Discussion and Analysis," "V. Principal Operating Results During the Reporting Period (III) Analysis of Assets and Liabilities" in this report.

(III) Existing Internal Employee Shares

☐ Applicable ✓ Not Applicable

III. SHAREHOLDERS AND ACTUAL CONTROLLER

(I) Total Number of Shareholders

As of December 31, 2025, the total number of shareholders of the Company was 290,583, including 290,573 A Share shareholders and 10 registered H Share shareholders.

Total number of ordinary shareholders at the end of the Reporting Period (accounts)	290,583
Total number of common shareholders (accounts) at the end of the month prior to the annual report disclosure date	292,275

(II) Table of Shareholding Status for the Top Ten Shareholders and Top Ten Public Shareholders (or Shareholders with Unrestricted Shares) as of the End of the Reporting Period

Unit: Shares

Shareholding Status of Top Ten Shareholders (Excluding Shares Lent via Securities Lending Program)

Shareholder Name (Full Name)	Changes During Reporting Period	Number of Shares Held at the End of the Periodz	Percentage (%)	Number of Restricted Shares Held	Pledged, Marked, or Frozen Status		Shareholder Type
					Share Status	Number	
Chongqing Sokon Holding Company Limited	-35,000,000	365,503,464	20.98	0	Pledged	4,600,000	Domestic non-state-owned legal person
Dongfeng Motor Corporation	0	327,380,952	18.79	0	None	0	State-owned legal person
HKSCC Nominees Limited	108,604,600	108,604,600	6.23	0	Unknown		Overseas legal person
Chongqing Yu'an Automobile Industry Co., Ltd.	0	66,090,950	3.79	0	None	0	Domestic non-state-owned legal person
Chongqing Yufu High-Quality Industrial Parent Fund Private Equity Investment Fund Management Co., Ltd. - Chongqing Industrial Investment Parent Fund Enterprise Partnership (L.P.)	53,125,024	53,125,024	3.05	53,125,024	None	0	Others
Chongqing Liangjiang New Area Industrial Development Group Co., Ltd.	37,928,539	37,928,539	2.18	37,928,539	None	0	State-owned legal person
Chongqing Liangjiang New Area Development & Investment Group Co., Ltd.	32,530,330	32,530,330	1.87	32,530,330	None	0	State-owned legal person
Hong Kong Securities Clearing Company Limited (HKSCC)	-10,056,576	27,203,364	1.56	0	None	0	Overseas legal person
Yan Min	0	24,033,897	1.38	0	None	0	Domestic natural person
Sokon Holding – Hongta Securities – 25 Kang 02EB Guarantee and Trust Property Special Account	17,500,000	17,500,000	1.00	0	None	0	Others

Shareholding Status of Top Ten Shareholders with Unrestricted Shares (Excluding Shares Lent via Securities Lending Program)

Shareholder Name	Number of Unrestricted Shares Held	Type and Number of Shares	
		Type	Number
Chongqing Sokon Holding Company Limited	365,503,464	RMB ordinary shares	365,503,464
Dongfeng Motor Corporation	327,380,952	RMB ordinary shares	327,380,952
HKSCC Nominees Limited	108,604,600	Overseas listed foreign shares	108,604,600
Chongqing Yu'an Automobile Industry Co., Ltd.	66,090,950	RMB ordinary shares	66,090,950
Hong Kong Securities Clearing Company Limited (HKSCC)	27,203,364	RMB ordinary shares	27,203,364
Yan Min	24,033,897	RMB ordinary shares	24,033,897
Sokon Holding – Hongta Securities – 25 Kang 02EB Guarantee and Trust Property Special Account	17,500,000	RMB ordinary shares	17,500,000
Sokon Holding – Hongta Securities – 25 Kang 01EB Guarantee and Trust Property Special Account	17,500,000	RMB ordinary shares	17,500,000
Industrial and Commercial Bank of China – SSE 50 ETF	15,140,623	RMB ordinary shares	15,140,623
Industrial and Commercial Bank of China Limited – Huatai-PineBridge CSI 300 ETF	13,507,770	RMB ordinary shares	13,507,770
Explanation of share repurchase special accounts among top ten shareholders	Not applicable		
Explanation of voting rights entrusted, voting rights held as trustee, and voting rights waived by the aforementioned shareholders	None		
Explanation of related party relationships or concerted actions among the above shareholders	Mr. Zhang Xinghai, the actual controller of the Company, holds 50% equity in Chongqing Sokon Holding Company Limited. Chongqing Sokon Holding Company Limited collectively holds 400,503,464 A Shares of the Company, accounting for approximately 22.99% of the Company's total issued share capital. Of these, 365,503,464 A Shares are directly held by Chongqing Sokon Holding Company Limited, accounting for approximately 20.98% of the Company's total issued share capital; guarantee and trust special accounts (Sokon Holding – Hongta Securities – 25 Kang 01EB Guarantee and Trust Property Special Account, Sokon Holding – Hongta Securities – 25 Kang 02EB Guarantee and Trust Property Special Account) hold 35,000,000 A Shares, accounting for approximately 2.01% of the Company's total issued share capital. Mr. Zhang Xinghai holds 11.97% equity in Chongqing Yu'an Automobile Industry Co., Ltd. Chongqing Sokon Holding Company Limited holds 17.33% equity in Chongqing Yu'an Automobile Industry Co., Ltd. Chongqing Yu'an Automobile Industry Co., Ltd. holds 3.79% equity in the Company. Chongqing Liangjiang New Area Development & Investment Group Co., Ltd. and Chongqing Liangjiang New Area Industrial Development Group Co., Ltd. are controlled by the same actual controller, Chongqing Liangjiang New Area Administrative Committee. Both Chongqing Liangjiang New Area Development & Investment Group Co., Ltd. and Chongqing Liangjiang New Area Industrial Development Group Co., Ltd. hold stakes in Chongqing Industrial Investment Parent Fund Enterprise Partnership (L.P.). Except for the above, the Company is unaware whether the other aforementioned shareholders have related party relationships or constitute a concerted action relationship as stipulated in the Measures for the Administration of the Takeover of Listed Companies (《上市公司收購管理辦法》).		

Note: All discrepancies in decimal places are due to rounding.

Section VII Changes in Share Capital and Shareholders

Information on shares lent by shareholders holding 5% or more, top ten shareholders, and top ten shareholders with unrestricted shares participating in Securities Lending Program

☐ Applicable ✓ Not Applicable

Changes in top ten shareholders and top ten shareholders with unrestricted shares compared to last period due to securities re-lending/repayment via Securities Lending Program

☐ Applicable ✓ Not Applicable

Number of shares held and restriction conditions of top ten shareholders with restricted shares

✓ Applicable ☐ Not Applicable

Unit: Shares

No.	Name of Shareholder with Restricted Shares	Number of Restricted Shares Held	Listing and Tradability of Restricted Shares: Date Available for Listing and Trading	Listing and Tradability of Restricted Shares: Number of Newly Tradable Shares	Restriction Conditions
1	Chongqing Yufu High-Quality Industrial Parent Fund Private Equity Investment Fund Management Co., Ltd. - Chongqing Industrial Investment Parent Fund Enterprise Partnership (L.P.)	53,125,024	Note 1	0	Note 1
2	Chongqing Liangjiang New Area Industrial Development Group Co., Ltd.	37,928,539	Note 2	0	Note 2
3	Chongqing Liangjiang New Area Development & Investment Group Co., Ltd.	32,530,330	Note 3	0	Note 3
Explanation of related party relationships or concerted actions among the above shareholders		Chongqing Liangjiang New Area Development & Investment Group Co., Ltd. and Chongqing Liangjiang New Area Industrial Development Group Co., Ltd. are controlled by the same actual controller, Chongqing Liangjiang New Area Administrative Committee. Both Chongqing Liangjiang New Area Development & Investment Group Co., Ltd. and Chongqing Liangjiang New Area Industrial Development Group Co., Ltd. hold stakes in Chongqing Industrial Investment Parent Fund Enterprise Partnership (L.P.).			

Note 1: Shares of the Company acquired by Chongqing Industrial Parent Fund shall not be transferred within the following periods, starting from the completion date of the Company's share issuance to acquire 100% equity of Longsheng New Energy (i.e., the date the shares are registered under the subscriber's name and approved for listing on the Shanghai Stock Exchange): (1) For the 15,043,416 shares issued by the Company and acquired by Chongqing Industrial Parent Fund in this transaction, they shall not be transferred within 12 months from the date of completion of this issuance; (2) For the 38,081,608 shares issued by the Company and acquired by Chongqing Industrial Parent Fund in this transaction, they shall not be transferred within 36 months from the date of completion of this issuance. The transfer of shares of the Company acquired by Chongqing Industrial Parent Fund in this transaction between different entities under the control of the same actual controller shall not be subject to the aforementioned restrictions.

Note 2: Shares of the Company acquired by Liangjiang Industrial Group shall not be transferred within the following periods, starting from the completion date of the Company's share issuance to acquire 100% equity of Longsheng New Energy (i.e., the date the shares are registered under the subscriber's name and approved for listing on the Shanghai Stock Exchange): (1) For the 9,367,702 shares issued by the Company and acquired by Liangjiang Industrial Group in this transaction, they shall not be transferred within 12 months from the date of completion of this issuance; (2) For the 28,560,837 shares issued by the Company and acquired by Liangjiang Industrial Group in this transaction, they shall not be transferred within 36 months from the date of completion of this issuance. The transfer of shares of the Company acquired by Liangjiang Industrial Group in this transaction between different entities under the control of the same actual controller shall not be subject to the aforementioned restrictions.

Note 3: Shares of the Company acquired by Liangjiang Investment Group shall not be transferred within the following periods, starting from the completion date of the Company's share issuance to acquire 100% equity of Longsheng New Energy (i.e., the date the shares are registered under the subscriber's name and approved for listing on the Shanghai Stock Exchange): (1) For the 23,010,081 shares issued by the Company and acquired by Liangjiang Investment Group in this transaction, they shall not be transferred within 12 months from the date of completion of this issuance; (2) For the 9,520,249 shares issued by the Company and acquired by Liangjiang Investment Group in this transaction, they shall not be transferred within 36 months from the date of completion of this issuance. The transfer of shares of the Company acquired by Liangjiang Investment Group in this transaction between different entities under the control of the same actual controller shall not be subject to the aforementioned restrictions.

(III) Strategic Investors or General Corporate Legal Persons Becoming Top 10 Shareholders Due to Placement of New Shares

□ Applicable ✓ Not Applicable

(IV) Interests and Short Positions of Substantial Shareholders in the Shares and Underlying Shares of the Company

As of December 31, 2025, the interests or short positions of persons (other than directors or the chief executive of the Company) in the shares or underlying shares of the Company required to be notified to the Company and the Stock Exchange under Divisions 2 and 3 of Part XV of the SFO, or required to be recorded in the register under Section 336 of the SFO, or who were directly and/or indirectly deemed to have an interest of 5% or more in the nominal value of any class of share capital carrying rights to vote in all circumstances at shareholders' meetings of the Company are as follows:

Name of Substantial Shareholder	Nature of Interest	Number and Class of Shares [1]	Approximate Percentage of Shareholding in the Relevant Class of Shares [2]	Approximate Percentage of the Company's Issued Share Capital [3]
Mr. Zhang Xinghai [3]	Interests in controlled corporations	466,594,414 shares A Shares (L)	28.57%	26.79%
Sokon Holding [3]	Beneficial interest	400,503,464 shares A Shares (L)	24.52%	22.99%
Dongfeng Motor [4]	Beneficial interest	327,380,952 shares A Shares (L)	20.04%	18.79%
Chongqing Yufu Holding Group Co., Ltd. [5]	Interests in controlled corporations	17,693,200 shares H Shares (L)	16.29%	1.02%
Chongqing Industrial Investment Parent Fund Enterprise Partnership (L.P.) [5]	Interests in controlled corporations	16,553,200 shares H Shares (L)	15.24%	0.95%
Chongqing Yufu High-Quality Industrial Parent Fund Private Equity Investment Fund Management Co., Ltd. [5]	Interests in controlled corporations	16,553,200 shares H Shares (L)	15.24%	0.95%
Chongqing Industrial Investment Parent Fund Investment Limited [5]	Interests in controlled corporations	16,553,200 shares H Shares (L)	15.24%	0.95%

Notes:

1. "L" denotes the relevant person's long position in the shares.

2. As of December 31, 2025, the Company had a total of 1,741,985,086 issued shares, consisting of 1,633,366,086 A Shares and 108,619,000 H Shares. The percentage of shares held has been rounded to the nearest two decimal places.

3. As of December 31, 2025, Sokon Holding held 400,503,464 A Shares and Yu'an Industry held 66,090,950 A Shares. Mr. Zhang Xinghai, Mr. Zhang Xingli, and Mr. Zhang Xingming hold 50%, 25%, and 25% equity interests in Sokon Holding, respectively. Pursuant to the Articles of Association of Sokon Holding, in the event of an equal split of votes (i.e., 50%: 50%), Mr. Zhang Xinghai, as the shareholder with the largest capital contribution, has the final deciding power.

   Yu'an Industry is owned by (including but not limited to) Sokon Holding and Mr. Zhang Xinghai as to 15.8419% and 11.9732%, respectively. Pursuant to the Articles of Association of Yu'an Industry, the voting rights of shareholders are held by Mr. Zhang Xinghai, Mr. Zhang Xingli, and Mr. Zhang Xingming as to 50%, 25%, and 25%, respectively. In the event of an equal split of votes (i.e., 50%: 50%), Mr. Zhang Xinghai, as the shareholder with the largest capital contribution to Yu'an Industry, has the final deciding power. Therefore, under the SFO, Mr. Zhang Xinghai is deemed to be interested in the A Shares held by Sokon Holding and Yu'an Industry.

   Dongfeng Motor is wholly owned by the State-owned Assets Supervision and Administration Commission of the State Council.

   Chongqing Industrial Investment Parent Fund Investment Co., Ltd. is 100% owned by Chongqing Industrial Investment Parent Fund Enterprise Partnership (L.P.). Chongqing Industrial Investment Parent Fund Enterprise Partnership (L.P.) is owned by Chongqing Yufu Holding Group Co., Ltd. and Chongqing Yufu High-Quality Industrial Parent Fund Private Equity Investment Fund Management Co., Ltd. (as the General Partner) as to 68.7491% and 0.0012%, respectively. Chongqing Yufu High-Quality Industrial Parent Fund Private Equity Investment Fund Management Co., Ltd. is 100% owned by Chongqing Yufu Holding Group Co., Ltd. Chongqing Yufu Holding Group Co., Ltd. is wholly owned by Chongqing State-owned Assets Supervision and Administration Commission.

Other than as disclosed above, as of December 31, 2025, the Company was not aware of any other person (other than the directors or chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company that was required to be recorded in the register maintained under Section 336 of the SFO.

IV. STATUS OF CONTROLLING SHAREHOLDER AND ACTUAL CONTROLLER

☐ Applicable ✓ Not Applicable

Section VIII Bond-Related Information

I. CORPORATE BONDS (INCLUDING ENTERPRISE BONDS) AND NON-FINANCIAL ENTERPRISE DEBT FINANCING INSTRUMENTS

☐ Applicable ✓ Not Applicable

II. CONVERTIBLE CORPORATE BONDS INFORMATION

☐ Applicable ✓ Not Applicable

Independent Auditor's Report

TO THE SHAREHOLDERS OF SERES GROUP CO., LTD.
賽力斯集團股份有限公司
(incorporated in the People's Republic of China with limited liability)

OPINION

We have audited the consolidated financial statements of Seres Group Co., Ltd. (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on page 166 to 271, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

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

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

Key audit matter	How our audit addressed the key audit matter
Revenue recognition on sales of vehicles	
We have identified revenue recognition on sales of vehicles as a key audit matter due to the significance of its amount to the consolidated financial statements as a whole. As disclosed in note 5 to the consolidated financial statements, sales of vehicles are recognised when control of assets has been transferred, that is when goods were delivered to the customers' specific locations and accepted by the customers. The revenue of the Group for the year ended 31 December 2025 amounting to approximately RMB157,513,910,000 was contributed from the sales of vehicles.	Our procedures in relation to revenue recognition on sales of vehicles included: • Understanding and evaluating the design and implementation of relevant controls over revenue recognition on sales of vehicles and testing their operating effectiveness; • Evaluating whether the accounting policy on revenue recognition on sales of vehicles had been compliance with IFRS 15 *Revenue from Contracts with Customers*; • Confirming the sales amounts of vehicles with a selection of distributors; • Checking the recorded sales of vehicles, on a sample basis, to corresponding supporting documents, including sales orders, delivery documents, customs declarations (if any) and sales invoices; and • Examine any significant sales returns occurred after the year end date.

Key audit matter	How our audit addressed the key audit matter
Capitalisation of development costs	
We have identified capitalisation of development costs as a key audit matter due to the significance of its amount to the consolidated financial statements as a whole and critical management judgment and estimates required for determining the amount of capitalisation of development costs. As disclosed in notes 3.2 and 4 to the consolidated financial statements, the expenditure in the development stage shall be capitalized 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. As further disclosed in note 20 to the consolidated financial statements, the additions of capitalised development costs of the Group were RMB4,546,922,000 during the year ended 31 December 2025.	Our procedures in relation to capitalisation of development costs included: • Understanding and evaluating the design and implementation of internal controls over capitalisation of development cost and tested their operating effectiveness; • Understanding the accounting policy for capitalisation conditions of development costs, and evaluating the appropriateness of the accounting policy; • Checking (a) research and development expenses charged to profit or loss and (b) additions of capitalised development costs during the year ended 31 December 2025, on a sample basis, to the corresponding supporting documents such, including meeting minutes, project approvals and analysis report of the relevant research and development projects (where relevant), and evaluating their authenticity and accuracy; and • Checking the additions of development costs during the year ended 31 December 2025, on a sample basis, to the analysis report of the relevant research and development projects, and evaluating whether the conditions of capitalisation of development costs have be fulfilled.

OTHER INFORMATION

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

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

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

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Chan, Men (practising certificate number: P06552).

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
30 March 2026

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2025

	NOTES	Year ended 31 December 2025 RMB'000	2024 RMB'000
Revenue	5	**164,888,013**	145,113,623
Cost of sales		**(120,564,037)**	(110,563,078)
Gross profit		**44,323,976**	34,550,545
Government grants and subsidies	7	**1,558,800**	1,068,213
Other income	8	**1,232,288**	672,305
Other gains and losses	9	**(1,146,513)**	(1,615,140)
Impairment losses reversed (recognised) under expected credit loss model, net	10	**1,037**	(131,107)
Research and development expenses		**(7,954,320)**	(5,585,504)
Selling and distribution expenses		**(24,194,263)**	(19,184,251)
Administrative expenses		**(6,216,227)**	(4,509,309)
Listing expenses		**(16,772)**	–
Share of results of associates		**77,947**	(76,055)
Share of result of a joint venture		**2,232**	2,032
Finance costs	11	**(198,656)**	(240,382)
Profit before tax		**7,469,529**	4,951,347
Income tax expenses	12	**(1,322,789)**	(211,231)
Profit for the year	13	**6,146,740**	4,740,116
Other comprehensive (expense) income			
Items that will not be reclassified subsequently to profit or loss:			
Share of other comprehensive loss of associates, net of related income tax		**(94)**	–
Fair value gain on:			
– investments in equity instruments at fair value through other comprehensive income ("FVTOCI")		**92,965**	–
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**25,880**	13,557
Non-controlling interests		**6,576**	578
Other comprehensive income for the year, net of income tax		**125,327**	14,135
Total comprehensive income for the year		**6,272,067**	4,754,251
Profit (loss) for the year attributable to:			
Owners of the Company		**5,956,787**	5,945,945
Non-controlling interests		**189,953**	(1,205,829)
		6,146,740	4,740,116
Total comprehensive income (expense) for the year attributable to:			
Owners of the Company		**6,075,538**	5,959,502
Non-controlling interests		**196,529**	(1,205,251)
		6,272,067	4,754,251
Profit per share			
Basic (RMB)	16	**3.68**	3.94
Diluted (RMB)	16	**3.67**	3.94

Consolidated Statement of Financial Position

As at 31 December 2025

		As at 31 December	
	NOTES	**2025**	2024
		RMB'000	RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	17	**15,860,169**	10,063,416
Right-of-use assets	18	**3,223,568**	3,639,336
Goodwill	19	**497,392**	–
Intangible assets	20	**10,051,324**	8,651,552
Interests in associates	22	**13,562,376**	1,972,303
Interest in a joint venture	23	**8,777**	6,545
Equity instruments at FVTOCI	24	**155,597**	78,260
Deferred tax assets	36	**1,450,485**	1,475,267
Finance lease receivables		**23,509**	35,249
Prepayment for investment and other receivables	27	**4,178**	2,313,027
Amounts due from related companies	34	**10,370**	1,606
Amount due from immediate holding company	34	**2,044**	1,060
Deposits paid for property, plant and equipment and intangible assets		**273,061**	128,485
		45,122,850	28,366,106
CURRENT ASSETS			
Inventories	26	**2,446,801**	2,552,449
Trade and other receivables	27	**4,250,991**	5,230,545
Notes receivable	28	**260,888**	214,159
Contract assets		**–**	52,476
Financial assets at fair value through profit or loss ("FVTPL")	25	**258,040**	4,048,748
Amounts due from related companies	34	**19,326**	40,183
Pledged and restricted bank deposits	29	**38,923,447**	39,621,756
Time deposits	29	**4,260,255**	7,903,854
Bank balances and cash	29	**48,363,265**	6,333,682
		98,783,013	65,997,852
CURRENT LIABILITIES			
Trade and other payables	30	**78,071,991**	72,274,335
Borrowings	31	**513,480**	10,187
Contract liabilities	32	**6,850,686**	2,991,532
Amounts due to related companies	34	**7,329,148**	47,343
Amount due to immediate holding company	34	**637**	–
Lease liabilities	33	**263,544**	510,084
Income tax payable		**670,927**	431,313
		93,700,413	76,264,794
NET CURRENT ASSETS (LIABILITIES)		**5,082,600**	(10,266,942)
TOTAL ASSETS LESS CURRENT LIABILITIES		**50,205,450**	18,099,164

Consolidated Statement of Financial Position

As at 31 December 2025

		As at 31 December	
	NOTES	**2025**	2024
		RMB'000	RMB'000
NON-CURRENT LIABILITIES			
Other payables	30	**1,710,166**	1,149,655
Borrowings	31	**3,858,387**	687,000
Lease liabilities	33	**769,944**	2,217,782
Deferred income	35	**1,582,928**	1,656,177
Deferred tax liabilities	36	**425,697**	482,993
		8,347,122	6,193,607
NET ASSETS		**41,858,328**	11,905,557
CAPITAL AND RESERVES			
Share capital	37	**1,741,985**	1,509,782
Reserves		**39,176,148**	10,754,463
Equity attributable to owners of the Company		**40,918,133**	12,264,245
Non-controlling interests		**940,195**	(358,688)
TOTAL EQUITY		**41,858,328**	11,905,557

The consolidated financial statements on pages 166 to 271 were approved and authorised for issue by the board of directors on 30 March 2026 and are signed on its behalf by:

Zhang Zhengping
DIRECTOR

Shen Wei
DIRECTOR

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

	Attributable to owners of the Company										
	Share capital RMB'000	Share premium RMB'000	FVTOCI reserve RMB'000	Statutory surplus reserve RMB'000	Translation reserve RMB'000	Treasury shares RMB'000	Other reserves RMB'000	(Accumulated losses) retained profits RMB'000	Sub-total RMB'000	Non-controlling interests RMB'000	Total RMB'000
At 1 January 2024	1,509,782	13,280,833	–	373,977	(77,936)	(205,236)	4,592,779	(8,068,372)	11,405,827	(4,205,880)	7,199,947
Profit (loss) for the year	–	–	–	–	–	–	–	5,945,945	5,945,945	(1,205,829)	4,740,116
Other comprehensive income for the year	–	–	–	–	13,557	–	–	–	13,557	578	14,135
Total comprehensive income (expense) for the year	–	–	–	–	13,557	–	–	5,945,945	5,959,502	(1,205,251)	4,754,251
Capital injection from non-controlling shareholders of subsidiaries	–	–	–	–	–	–	1,138,782	–	1,138,782	384,218	1,523,000
Recognition of equity-settled share-based payments	–	–	–	–	–	–	67,419	–	67,419	–	67,419
Share base payment granted to employees and repurchase of shares	–	(34,896)	–	–	–	205,236	–	–	170,340	–	170,340
Dividends recognised as distribution (Note 15)	–	–	–	–	–	–	–	(499,738)	(499,738)	–	(499,738)
Provision and utilisation of safety production reserve	–	–	–	–	–	–	22,039	–	22,039	82	22,121
Acquisition of non-controlling interests	–	(6,003,977)	–	–	–	–	1,845	–	(6,002,132)	4,668,143	(1,333,989)
Transfer to statutory surplus reserve (Note i)	–	–	–	47,657	–	–	–	(47,657)	–	–	–
Change of reserves of an associate	–	–	–	–	–	–	2,206	–	2,206	–	2,206

Consolidated Statement of Changes in Equity

	Attributable to owners of the Company										
	Share capital RMB'000	Share premium RMB'000	FVTOCI reserve RMB'000	Statutory surplus reserve RMB'000	Translation reserve RMB'000	Treasury shares RMB'000	Other reserves RMB'000	(Accumulated losses) retained profits RMB'000	Sub-total RMB'000	Non-controlling interests RMB'000	Total RMB'000
At 31 December 2024	1,509,782	7,241,960	-	421,634	(64,379)	-	5,825,070	(2,669,822)	12,264,245	(358,688)	11,905,557
Profit for the year	-	-	-	-	-	-	-	5,956,787	5,956,787	189,953	6,146,740
Other comprehensive income (expense) for the year	-	-	92,965	-	25,880	-	(94)	-	118,751	6,576	125,327
Total comprehensive income (expense) for the year	-	-	92,965	-	25,880	-	(94)	5,956,787	6,075,538	196,529	6,272,067
Dividends recognised as distribution (Note 15)	-	-	-	-	-	-	-	(2,090,709)	(2,090,709)	-	(2,090,709)
Capital injection from non-controlling shareholders of subsidiaries	-	4,554,834	-	-	-	-	-	-	4,554,834	792,070	5,346,904
Recognition of equity-settled share-based payments	-	-	-	-	-	-	76,434	-	76,434	-	76,434
Vesting of restricted shares	-	82,087	-	-	-	-	(82,087)	-	-	-	-
Issuance of A shares for acquisition of a subsidiary (Notes 37 & 41)	123,584	8,380,806	-	-	-	-	-	-	8,504,390	-	8,504,390
Issuance of H shares (Note 37)	108,619	12,748,388	-	-	-	-	-	-	12,857,007	-	12,857,007
Provision and utilisation of safety production reserve	-	-	-	-	-	-	68,455	-	68,455	2,180	70,635
Acquisition of non-controlling interests	-	(1,400,166)	-	-	-	-	-	-	(1,400,166)	307,696	(1,092,470)
Transfer to statutory surplus reserve (Note i)	-	-	-	173,487	-	-	-	(173,487)	-	-	-
Change of reserves of an associate	-	-	-	-	-	-	8,105	-	8,105	408	8,513
At 31 December 2025	1,741,985	31,607,909	92,965	595,121	(38,499)	-	5,895,883	1,022,769	40,918,133	940,195	41,858,328

Note:

(i) Pursuant to the relevant laws in the People's Republic of China (the "PRC"), each of the subsidiaries established in the PRC is required to transfer 10% of its profit after tax as per statutory financial statements to the statutory reserve. The transfer is discretionary when the reserve balance reaches 50% of the registered capital of the respective company and the reserve can be used to make up for previous years' losses or expand the existing operations or can be converted into additional capital of the subsidiary.

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
OPERATING ACTIVITIES		
Profit before tax	**7,469,529**	4,951,347
Adjustments for:		
Bank interest income	**(808,846)**	(527,251)
Other interest income	**(153,156)**	(55,738)
Finance costs	**198,656**	240,382
Depreciation of property, plant and equipment	**2,000,101**	1,416,899
Depreciation of right-of-use assets	**349,624**	375,556
Amortisation of intangible assets	**2,414,906**	2,573,854
Gain from fair value changes and disposal of financial assets as at FVTPL	**(25,549)**	(27,118)
Impairment loss, net of reversal	**919,640**	1,887,241
Write-down of inventories	**654,829**	304,529
(Gain) loss on disposal of property, plant and equipment and intangible assets	**(2,986)**	10,929
Gain on disposal of a subsidiary	**(1,928)**	–
Interest expense on discounting notes receivable	**(31,244)**	(1,496)
Share of (profit) loss of associates and a joint venture	**(80,179)**	74,023
Unrealised foreign exchange gain	**50,850**	(14,718)
Operating cash flows before movements in working capital	**12,954,247**	11,208,439
(Increase) decrease in inventories	**(549,181)**	976,723
Decrease (increase) in pledged bank deposits	**1,500,374**	(32,025,493)
Decrease in trade and other receivables	**1,700,109**	3,259,060
Increase in notes receivable	**(15,485)**	(11,346)
Decrease in finance lease receivables	**11,740**	9,672
Decrease in contract assets	**48,980**	255,236
(Increase) decrease in amount due from immediate holding company	**(984)**	11
Decrease in amounts due from related companies	**12,093**	95,780
Decrease in deferred income	**(73,249)**	(82,777)
Increase in trade and other payables	**2,648,884**	39,032,412
Increase (decrease) in contract liabilities	**3,859,154**	(278,775)
Increase in amount due to immediate holding company	**637**	–
Increase in amounts due to related companies	**7,281,805**	22,289
Cash generated from operations	**29,379,124**	22,461,231
Income tax paid	**(1,258,649)**	(473,217)
NET CASH FROM OPERATING ACTIVITIES	**28,120,475**	21,988,014

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
INVESTING ACTIVITIES		
Interest received	**943,500**	527,251
Purchase of property, plant, equipment and intangible assets	**(4,169,914)**	(7,143,934)
Consideration paid for acquisition of equity investments	**(9,200,000)**	(2,300,000)
Placement of pledged bank deposits	**(724,085)**	(621,586)
Placement of time deposits and structure deposits	**(60,785,772)**	(17,778,447)
Cash acquired from an acquisition of a subsidiary	**1,203,548**	–
Proceeds from disposal of time deposits and structured deposits upon maturity	**68,231,848**	9,708,913
Proceeds from disposal of equity investment at FVTOCI	**21,954**	21,286
Proceeds from disposal of property, plant, equipment and other assets	**184,337**	155,125
Proceeds from disposal of a subsidiary	**19,905**	–
Compensation received from the immediate holding company	**–**	1,374,169
Proceeds from other investing activities	**35,404**	75,140
NET CASH USED IN INVESTING ACTIVITIES	**(4,239,275)**	(15,982,083)
FINANCING ACTIVITIES		
Dividends paid	**(2,090,709)**	(499,738)
Consideration paid for the acquisition of non-controlling interest of subsidiaries	**(1,092,470)**	(1,340,917)
Proceeds from bank borrowings	**8,515,220**	72,000
Repayments of bank borrowings	**(4,843,479)**	(2,346,070)
Repayments of other borrowings	**–**	(1,224,422)
Proceeds from issuance of shares	**12,898,025**	–
Proceeds from release of deposits for banking facilities	**–**	94,507
Interests paid	**(129,276)**	(110,112)
Repayments of obligation under lease	**(281,637)**	(406,343)
Capital injection from non-controlling shareholders of subsidiaries	**5,331,904**	1,523,000
Transaction costs attributable to issue of new shares	**(38,085)**	–
Proceeds from restricted shares granted to employees	**–**	85,170
Proceeds from other financing activities	**7,137**	(13,761)
NET CASH FROM (USED IN) FINANCING ACTIVITIES	**18,276,630**	(4,166,686)
NET INCREASE IN CASH AND CASH EQUIVALENTS	**42,157,830**	1,839,245
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	**6,333,682**	4,479,719
Effect of foreign exchange rate changes	**(128,247)**	14,718
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, representing bank balances and cash	**48,363,265**	6,333,682

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

1. GENERAL INFORMATION

Seres Group Co., Ltd., formerly named as Chongqing Sokon Industrial Group Co., Ltd., (the "Company") is a joint stock company with limited liability established in the PRC on 11 May 2007. The Company's A shares have been listed on the Main Board of the Shanghai Stock Exchange since 15 June 2016. The Company's H shares have been listed on the Main Board of the Stock Exchange of Hong Kong Limited since 5 November 2025.

The address of the registered office and the principal place of business of the Company is No. 7 Wuyunhu Road, Shapingba District, Chongqing, PRC.

The Company is a technology-driven automotive enterprise with new energy vehicles (NEVs) at the core of its business. The principal activities of the Company and its subsidiaries (collectively referred to as the "Group") encompass research and development, manufacturing, sales and after-sales service of NEVs and key components.

The consolidated financial statements are presented in RMB, which is the same as the functional currency of the Company.

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

Amendments to an IFRS Accounting Standard that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to an IFRS Accounting Standard as issued by the IASB for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to IAS 21	Lack of Exchangeability

The application of the amendments to an IFRS Accounting Standard in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Notes to the Consolidated Financial Statements

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS *(continued)*

New and amendments to IFRS Accounting Standards in issue but not yet effective

The Group has not early adopted the following new and amendments to IFRS Accounting Standards that have been issued but are not yet effective:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments[2]
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity[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 IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11[2]
IFRS 18	Presentation and Disclosure in Financial Statements[3]
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency[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 2026
[3] Effective for annual periods beginning on or after 1 January 2027

Except for the new IFRS Accounting Standard mentioned below, the directors of the Company anticipate that the application of all amendments to IFRS Accounting Standards will have no material impact on the 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 standard introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures (MPMs) 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* (the title of which will be changed to *Basis of Preparation of Financial Statements* upon effective of IFRS 18) and IFRS 7. Minor amendments to IAS 7 *Statement of Cash Flows* and IAS 33 *Earnings Per Share* are also made.

IFRS 18, and amendments to other standard, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. IFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss and other comprehensive income.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the IASB. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("Listing Rules") and by the Hong Kong Companies Ordinance.

3.2 Material accounting policy information

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 organised 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, other than business combination under common control 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 owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

The identifiable assets acquired and liabilities assumed must meet the definitions of an asset and a liability in the *Conceptual Framework for Financial Reporting* (the "Conceptual Framework") except for transactions and events within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC – Int 21 *Levies*, in which the Group applies IAS 37 or IFRIC -Int 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Business combinations *(continued)*

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.

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 recognised amounts of the acquiree's identifiable net assets or at fair value. The choice of measurement basis is made on a transaction-by-transaction basis.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or group of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in an annual period, the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of that annual period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of cash-generating units).

The Group's policy for goodwill arising on the acquisition of an associate and a joint venture is described below.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates and joint ventures are incorporated in the consolidated financial statements using the equity method of accounting. The financial statements of associates and joint ventures used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statements of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment.

The Group assesses whether there is an objective evidence that the interest in an associate or a joint venture may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

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 where 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.

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/period are included in the consolidated statements of profit or loss and other comprehensive income from the date of the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Changes in the Group's interests in existing subsidiaries

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company.

All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRS Accounting Standards).

Revenue from contracts with customers

The Group recognises 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 customer.

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 recognised 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 recognised at a point in time when the customer obtains control of the distinct good or service.

Notes to the Consolidated Financial Statements

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Revenue from contracts with customers *(continued)*

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with IFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customers.

A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

Variable consideration

For contracts that contain variable consideration, the Group estimates the amount of consideration to which it will be entitled using the expected value method, which better predicts the amount of consideration to which the Group will be entitled.

The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved.

At the end of each reporting period, the Group updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of each reporting period and the changes in circumstances during the reporting period.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

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

Right-of-use assets

The cost of right-of-use assets includes the amounts of the initial measurement of the lease liabilities and any lease payments made at or before the commencement date, less any lease incentives received.

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 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 statements 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 recognises 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.

Notes to the Consolidated Financial Statements

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Leases *(continued)*

The Group as a lessee (continued)

Lease liabilities *(continued)*

The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group presents lease liabilities as a separate line item on the consolidated statements of financial position.

The Group as a lessor

Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Amounts due from lessees under finance leases are recognised as receivables at commencement date at amounts equal to net investments in the leases, measured using the interest rate implicit in the respective leases. Interest income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term except for investment properties measured under fair value model.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

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 recognised 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 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 recognised in profit or loss in the period in which they arise.

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 recognised in other comprehensive income and accumulated in equity under the heading of translation reserve (attributed to non-controlling interests as appropriate).

Borrowing costs

Any specific borrowing that remain outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Government grants

Government grants are not recognised 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 recognised in profit or loss on a systematic basis over the periods in which the Group recognises 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 recognised as deferred income in the consolidated statements of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Employee benefits

Retirement benefit costs

Payments to defined contribution retirement benefit plan and state-managed retirement benefit scheme are recognised as an expense when employees have rendered services entitling them to the contributions.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised 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 recognised for benefits accruing to employees (such as wages and salaries) after deducting any amount already paid.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Share-based payments

Equity-settled share-based payments transactions

Shares/share options granted to employees

Equity-settled share-based payments to employees and others providing similar services 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 (other 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 recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the other reserve.

When share options are exercised, the amount previously recognised in other reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in other reserves will continue to be held in other reserves.

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.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Taxation *(continued)*

Deferred tax is recognised 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 recognised for all taxable temporary differences. Deferred tax assets are generally recognised 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 utilised. Such deferred tax assets and liabilities are not recognised 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. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised 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 are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise 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 realised, based on tax rates (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.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Taxation *(continued)*

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 Income Taxes requirements to the lease liabilities and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

Current and deferred tax are recognised in profit or loss.

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. Property, plant and equipment are stated in the consolidated statements of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised 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 derecognised 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 plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation 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.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Intangible assets *(continued)*

Intangible assets acquired separately (continued)

An intangible asset is derecognised 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 recognised in profit or loss when the asset is derecognised.

Internally-generated intangible assets – research and development expenditure

Expenditure on research activities is recognised 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 recognised 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 recognised 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 recognised, development expenditure is recognised 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 amortisation and accumulated impairment losses (if any), on the same basis as intangible assets that are acquired separately.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Impairment on property, plant and equipment, right-of-use assets, and intangible assets other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets, intangible assets with finite useful lives and to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any). Intangible development assets not ready to use are not subject to amortisation and are tested annually for impairment and whenever there is an indication of impairment.

The recoverable amount of property, plant and equipment, right-of-use assets and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

Notes to the Consolidated Financial Statements

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Impairment on property, plant and equipment, right-of-use assets, and intangible assets other than goodwill *(continued)*

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in, first-out method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale, including costs to be incurred in marketing, selling and distribution.

Provisions

Provisions are recognised 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 recognised 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 (when the effect of the time value of money is material).

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Financial instruments

Financial assets and financial liabilities are recognised 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. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or 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 recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised 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 recognised and derecognised 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 recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Financial instruments *(continued)*

Financial assets (continued)

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised 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.

Financial assets 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 investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised 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 a designated and effective hedging instrument.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Financial instruments *(continued)*

Financial assets (continued)

Classification and subsequent measurement of financial assets *(continued)*

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. 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 recognised by applying the effective interest rate to the amortised 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 recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of each reporting period following the determination that the asset is no longer credit-impaired.

(ii) 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 recognised in other comprehensive income and accumulated in the revaluation reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will be transferred to accumulated losses.

Dividends from these investments in equity instruments are recognised 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. Dividends are included in the "other income" line item in profit or loss.

(iii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised 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 recognised in profit or loss.

Notes to the Consolidated Financial Statements

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Financial instruments *(continued)*

Financial assets (continued)

Impairment of financial assets

The Group performs impairment assessment under expected credit loss ("ECL") model on financial assets (including trade and other receivables, notes receivable, pledged and restricted bank deposits, time deposits, amounts due from related companies, amount due from immediate holding company and bank balances), and other items (finance lease receivables and contract assets) which are subject to impairment assessment under IFRS 9 *Financial instruments*. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment 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 the current conditions at the of reporting period as well as the forecast of future economic conditions.

The Group always recognises lifetime ECL for trade receivables, amounts due from related companies – trade-related and amount due from immediate holding company – trade-related.

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Financial instruments *(continued)*

Financial assets (continued)

Impairment of financial assets *(continued)*

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the end of each reporting period 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.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Financial instruments *(continued)*

Financial assets (continued)

Impairment of financial assets *(continued)*

(i) Significant increase in credit risk *(continued)*

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

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

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, The Group considers that default has occurred when a financial assets 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:

(a) significant financial difficulty of the issuer or the borrower;

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Financial instruments *(continued)*

Financial assets (continued)

Impairment of financial assets *(continued)*

(iii) Credit-impaired financial assets *(continued)*

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

(e) the disappearance of an active market for that financial asset because of financial difficulties.

(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. 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 recognised 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 adjusted by 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.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Financial instruments *(continued)*

Financial assets (continued)

Impairment of financial assets *(continued)*

(v) Measurement and recognition of ECL *(continued)*

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

Lifetime ECL for certain trade receivables, contract assets, amounts due from related companies – trade-related and amount due from immediate holding company – trade-related 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 amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables and contract assets where the corresponding adjustment is recognised through a loss allowance account.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Financial instruments *(continued)*

Financial assets (continued)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified either as 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 entities are recognised at the proceeds received, net of direct issue costs.

Financial liabilities at amortised cost

Financial liabilities, including trade and other payables, borrowings, amount due to immediate holding company and amounts due to related companies are subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

The Group derecognises 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 derecognised and the consideration paid and payable is recognised in profit or loss.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management of the Group is 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 recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Capitalisation of development costs

If the expenditure in the development stage meets the conditions as described in note 3.2, it shall be capitalised, or included in profit or loss for the period if not. Whether the expenditure in the development stage is capitalised or expensed requires critical judgment and estimates.

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.

Deferred tax assets

As at 31 December 2025, a deferred tax asset of RMB416,494,000 (2024: RMB617,469,000) in relation to unused tax losses for certain operating subsidiaries has been recognised in the consolidated statements of financial position. No deferred tax asset has been recognised on the tax losses of RMB7,408,849,000 (2024: RMB8,838,696,000) for certain subsidiaries due to the unpredictability of future profit streams. The realisability of the deferred tax asset mainly depends on whether sufficient taxable profits will be available in the foreseeable future or taxable temporary differences are expected to reverse in the same period as the expected reversal of the deductible temporary differences, which is a key source of estimation uncertainty. The uncertainty would depend on how the ongoing uncertain macroeconomic and geopolitical environment. In cases where the actual future taxable profits generated are less or more than expected, or change in facts and circumstances which result in revision of future taxable profits estimation, a material reversal or further recognition of deferred tax assets may arise, which would be recognised in profit or loss for the period in which such a reversal or further recognition takes place.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(continued)*

Key sources of estimation uncertainty *(continued)*

Provision of ECL for trade and other receivables and contract assets

Trade and other receivables and contract assets with significant balances and credit-impaired are assessed for ECL individually.

In addition, for trade and other receivables and contract assets which are individually insignificant or when the Group does not have reasonable and supportable information that is available without undue cost or effort to measure ECL on individual basis, collective assessment is performed by grouping debtors based on the Group's internal credit ratings.

Estimated impairment of property, plant and equipment, right-of-use assets and intangible assets

Property, plant and equipment, right-of-use assets and intangible assets are stated at costs less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgement and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount. Recoverable amount should be higher of fair value less costs of disposal and value in use. The net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset (including right-of-use assets), the Group estimates the recoverable amount of the cash generating unit to which the assets belongs, including allocation of corporate assets when a reasonable and consistent basis of allocation can be established, otherwise recoverable amount is determined at the smallest group of cash generating units, for which the relevant corporate assets have been allocated. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the recoverable amounts.

Provisions for warranty

Provision for warranty granted by the Group in respect of certain products are recognised based on the historic data and current conditions of warranty, taking into consideration all relevant information such as product improvements and market changes, among others. The estimate of the provision for warranty may not be equal to the actual warranty fee in the future. The Group reassesses the provision for warranty at least annually at least on each balance sheet date and determines its estimated liabilities based on the reassessed provision for warranty.

5. REVENUE

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Revenue from contracts with customers		
Sales of goods	**163,571,795**	144,682,522
Provision of services and others	**1,316,218**	431,101
Total	**164,888,013**	145,113,623
Geographical markets		
The PRC	**162,490,067**	140,902,880
Overseas	**2,397,946**	4,210,743
Total	**164,888,013**	145,113,623

(i) Disaggregation of revenue from contracts with customers

The Group's revenue from contracts with customers mainly represents sale of vehicles and parts and materials. The following is an analysis of the Group's revenue from contracts with customers:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Types of goods and services		
Sales of vehicles	**157,513,910**	138,938,228
– NEVs	**155,611,342**	135,490,526
– Internal combustion engine vehicles	**1,902,568**	3,447,702
Sales of parts and materials	**6,057,885**	5,744,293
Others	**1,316,218**	431,102
Total	**164,888,013**	145,113,623
Timing of revenue recognition		
A point in time	**164,888,013**	145,113,623

5. REVENUE *(continued)*

(ii) Performance obligations for contracts with customers

The Group mainly sells vehicles, and parts and materials, to external customers, according to the relevant sales agreements.

For sales of vehicles, and parts and materials, revenues are recognised when control of assets has been transferred, that is when goods were delivered to the customers' specific locations and accepted by the customers. No provisions for returns of vehicles, and parts and materials are set out in the relevant sales agreements, except for replacement due to quality problems. The Group required cash advance from majority of its customers in the PRC upon the Group entered into the sales agreements with the customers. The transaction price received by the Group is recognised as a contract liability until the goods have been delivered to the customers.

(iii) Transaction price allocated to the remaining performance obligation for contracts with customers

The Group applies the practical expedient of not disclosing the transaction price allocated to the remaining performance obligation as the original expected duration of all the contracts from customers of the Group are within one year or less.

6. SEGMENT INFORMATION

Revenue and operating result of the Group are reported to the executive directors of the Company, being the chief operating decision maker ("CODM"), for the purposes of resource allocation and performance assessment. No other analysis of the Group's results nor assets and liabilities is regularly provided to the CODM for review and the CODM reviews the overall results and financial position of the Group as a whole. Accordingly, the CODM has identified one operating and reportable segment and only entity-wide disclosures, geographical information and major customers are presented in accordance with IFRS 8 *Operating Segments*.

(i) Geographical information

Information about the Group's revenue from external customers disclosed pursuant to the requirements of IFRS 8 *Operating Segment* is presented based on the geographical location of its customers as disclosed in note 5.

Information about the Group's non-current assets excluding deferred tax assets and financial instruments is presented based on the geographical location of the assets.

6. SEGMENT INFORMATION *(continued)*

(i) Geographical information *(continued)*

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
The PRC	**43,217,190**	26,497,339
Rest of the world	**263,655**	277,325
	43,480,845	26,774,664

(ii) Information about major customers

No single external customer contributed 10% or more of the Group's total revenue for both years.

7. GOVERNMENT GRANTS AND SUBSIDIES

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Subsidies on research and development	**12,995**	11,674
Amortisation of government grants related to assets	**153,219**	144,657
Subsidies on stability of employee	**10,281**	7,361
Subsidies on industry development	**656,693**	51,408
Additional deduction on value added tax (note)	**719,896**	846,570
Others	**5,716**	6,543
	1,558,800	1,068,213

Note: The items represent subsidies obtained from the General Office of the Ministry of Industry and Information Technology Regarding the Compilation of the List of Advanced Manufacturing Enterprises Eligible for Additional Deduction Policy under Value-Added Tax for 2023 Annual Implementation.

8. OTHER INCOME

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Interest income from bank balances and deposits	**962,002**	582,989
Rental income	**165,624**	62,199
Others	**104,662**	27,117
	1,232,288	672,305

9. OTHER GAINS AND LOSSES

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Impairment loss recognised in respect of		
– goodwill	**–**	(46,915)
– intangible assets	**(758,824)**	(1,626,684)
– property, plant and equipment	**(75,874)**	(82,535)
– prepayment	**(48,090)**	–
– interests in associates	**(37,889)**	–
Net foreign exchange (loss)/gain	**(179,098)**	26,843
Gain/(loss) on disposal of property, plant and equipment and intangible assets	**2,986**	(10,929)
Change in fair value of financial assets measured at FVTPL	**17,184**	100,507
Others	**(66,908)**	24,573
	(1,146,513)	(1,615,140)

10. IMPAIRMENT LOSSES REVERSED (RECOGNISED) UNDER EXPECTED CREDIT LOSS MODEL, NET

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Impairment losses reversed (recognised) on:		
– trade receivables	**(29,907)**	(90,364)
– other receivables	**33,339**	(27,066)
– amounts due from related companies	**1,101**	(1,009)
– contract assets	**(3,496)**	(12,668)
	1,037	(131,107)

Details of impairment assessment are set out in note 46(b).

11. FINANCE COSTS

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Interest expenses on borrowings	**132,215**	91,210
Interest expenses on lease liabilities	**66,441**	149,172
	198,656	240,382

12. INCOME TAX EXPENSES

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
PRC Enterprise Income Tax:		
Current tax	**1,477,609**	1,032,751
Under provision in respect of prior years	**52,668**	62,125
Deferred tax (note 36)	**(207,488)**	(883,645)
	1,322,789	211,231

No provision for tax in Hong Kong has been made as the Group's income neither arises in, nor is derived from, Hong Kong.

No provision for taxation in Indonesia and the United States have been made as subsidiaries of the Group in these jurisdictions did not arise any assessable profits for both years.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

Certain subsidiaries operating in Mainland China were approved to be high and new technology enterprises ("HNTE") and were entitled to a reduced EIT rate of 15%. The HNTE certificates need to be renewed every three years so as to enable those subsidiaries to enjoy the reduced EIT rate of 15%.

Certain subsidiaries operating in Mainland China were entitled to a reduced EIT rate of 15% for both years pursuant to the Western Development Policy. These subsidiaries are required to retain records for inspection, if requested, pursuant to the policies by the State Taxation Administration so as to be entitled to the reduced EIT rate.

12. INCOME TAX EXPENSES *(continued)*

The income tax expenses for the year can be reconciled to the profit before tax per the consolidated statements of profit or loss and other comprehensive income as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Profit before tax	**7,469,529**	4,951,347
Tax at PRC enterprise income tax rate of 25%	**1,867,382**	1,237,837
Effect of preferential tax rate and different tax rate of subsidiaries operating in other jurisdictions	**(905,590)**	(584,240)
Tax effect of expenses not deductible for tax purpose	**25,958**	8,764
Under provision in respect of prior years	**52,668**	62,125
Tax effect of tax losses and temporary difference not recognised	**698,840**	331,551
Utilisation of tax losses and temporary difference previously not recognised	**(340,874)**	(734,382)
Tax effect of tax concession for research and development expenses	**(75,595)**	(110,424)
Income tax expenses for the year	**1,322,789**	211,231

13. PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Depreciation of property, plant and equipment	**2,000,101**	1,416,899
Depreciation of right-of-use assets	**349,624**	375,556
Amortisation of intangible assets	**2,414,906**	2,573,854
Total depreciation and amortization	**4,764,631**	4,366,309
Cost of inventories recognised as cost of sales (including write-down of inventories amounting to RMB654,829,000 (2024: RMB408,491,000))	**116,377,500**	106,924,411
Auditors' remuneration		
– audit services	**5,700**	2,100
– non-audit services	**5,625**	–
Employee benefit expenses, including directors' remunerations (note 14)		
– salaries and other allowances	**6,833,558**	5,220,690
– retirement benefit scheme contributions (note 40)	**229,822**	192,957
– equity-settled share-based payment expense	**76,434**	67,419
Total employee benefit expenses	**7,139,814**	5,481,066

14. DIRECTORS', CHIEF EXECUTIVE'S, SUPERVISORS' AND EMPLOYEES' EMOLUMENTS

Executive directors, non-executive directors and supervisors

Details of the emoluments paid or payable (including emoluments for services as directors of the group entities prior to becoming the directors of the Company) to the directors of the Company for the year for their services rendered to the entities comprising the Group are as follows:

	Fee RMB'000	Salaries and other allowances RMB'000	Discretionary bonus RMB'000	Retirement benefit scheme contributions RMB'000	Total RMB'000
For the year ended 31 December 2025:					
Executive directors and non-executive directors					
Mr. Zhang Zhengping (Note i)	–	1,482	530	21	2,033
Mr. Zhang Zhengyuan	–	1,540	808	21	2,369
Mr. Yin Xianzhi	–	1,131	1,185	21	2,337
Ms. Shen Wei	–	1,131	1,173	21	2,325
Mr. Zhang Kebang (Note ii)	–	–	–	–	–
Mr. You Zheng (Note ii & iv)	–	–	–	–	–
Mr. Li Wei (Note ii)	–	–	–	–	–
Mr. Zhou Changling (Note ii)	–	–	–	–	–
	–	5,284	3,696	84	9,064
Independent non-executive directors					
Mr. Li Kaiguo	200	–	–	–	200
Mr. Zhang Guolin	200	–	–	–	200
Mr. Ngai Ming Tak (Note vii)	17	–	–	–	17
Mr. Jing Xufeng	200	–	–	–	200
Mr. Li Ming	200	–	–	–	200
	817	–	–	–	817
Supervisors					
Mr. Zhang Zhengcheng	–	824	1,233	14	2,071
Mr. Song Yunxing	–	546	250	14	810
Mr. Deng Wenhui (Note ii)	–	–	–	–	–
	–	1,370	1,483	28	2,881
	817	6,654	5,179	112	12,762

14. DIRECTORS', CHIEF EXECUTIVE'S, SUPERVISORS' AND EMPLOYEES' EMOLUMENTS *(continued)*

Executive directors, non-executive directors and supervisors *(continued)*

	Fee RMB'000	Salaries and other allowances RMB'000	Discretionary bonus RMB'000	Retirement benefit scheme contributions RMB'000	Total RMB'000
For the year ended 31 December 2024:					
Executive directors and non-executive directors					
Mr. Zhang Zhengping (Note i)	–	1,529	466	19	2,014
Mr. Zhang Zhengyuan	–	1,570	889	19	2,478
Mr. Yin Xianzhi	–	1,145	568	20	1,733
Ms. Shen Wei	–	1,157	622	19	1,798
Mr. Zhang Kebang (Note ii)	–	–	–	–	–
Mr. You Zheng (Note ii)	–	–	–	–	–
Mr. Li Wei (Note ii)	–	–	–	–	–
Mr. Zhou Changling (Note ii)	–	–	–	–	–
	–	5,401	2,545	77	8,023
Independent non-executive directors					
Mr. Li Kaiguo	200	–	–	–	200
Mr. Zhang Guolin	200	–	–	–	200
Mr. Jing Xufeng	200	–	–	–	200
Mr. Li Ming	200	–	–	–	200
	800	–	–	–	800
Supervisors					
Mr. Zhang Zhengcheng	–	990	960	14	1,964
Mr. Song Yunxing	–	549	233	14	796
Mr. Hu Weidong (Notes ii & vi)	–	–	–	–	–
Mr. Deng Wenhui (Notes ii & v)	–	–	–	–	–
	–	1,539	1,193	28	2,760
	800	6,940	3,738	105	11,583

14. DIRECTORS', CHIEF EXECUTIVE'S, SUPERVISORS' AND EMPLOYEES' EMOLUMENTS *(continued)*

Executive directors, non-executive directors and supervisors *(continued)*

Notes:

(i) Mr. Zhang Zhengping acts as chief executive of the Company for both years and his emoluments disclosed above included those for services rendered by him as the chief executive in management of the affairs of the group entities.

(ii) During both years, no emoluments have been paid to Mr. You Zheng, Mr. Li Wei, Mr. Zhou Changling, Mr. Hu Weidong, Mr. Zhang Kebang and Mr. Deng Wenhui by the Group.

(iii) During both years, no emoluments were paid by the Group to any of the directors or supervisors nor the chief executive officer of the Company as an inducement to join or upon joining the Group or as compensation for loss of office.

(iv) Mr. You Zheng resigned in December 2025.

(v) Mr. Deng Wenhui was appointed in October 2024.

(vi) Mr. Hu Weidong resigned in October 2024.

(vii) Mr. Ngai Ming Tak was appointed in November 2025.

(viii) The share-based payment expense recognised for the year ended 31 December 2025 granted to the executive director, non-executive director and supervisors above of the Group was RMB5,156,000 (2024: RMB5,108,000), which is not included in the above remuneration.

(ix) The Company dissolved its committee of supervisors, pursuant to a resolution approved by the shareholders at the shareholders' meeting on 15 October 2025.

14. DIRECTORS', CHIEF EXECUTIVE'S, SUPERVISORS' AND EMPLOYEES' EMOLUMENTS (continued)

Employees

The five highest paid individuals of the Group during the year included nil (2024: nil) director. Details of the remuneration of the remaining five (2024: five) individuals of the Group for the year, are as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Salaries and other allowances	**16,236**	17,526
Discretionary bonus	**12,383**	5,528
Retirement benefit scheme contributions	**97**	89
	28,716	23,143

The number of the highest paid individuals, other than the directors of the Company, whose emoluments fell within the following bands is as follows (presented in Hong Kong dollars ("HK$")):

	Year ended 31 December	
	2025	2024
	Number of employees	Number of employees
HK$3,500,001 to HK$4,000,000	**–**	2
HK$4,000,001 to HK$4,500,000	**2**	1
HK$4,500,001 to HK$5,000,000	**1**	–
HK$5,000,001 to HK$5,500,000	**–**	1
HK$6,500,001 to HK$7,000,000	**1**	–
HK$7,500,001 to HK$8,000,000	**–**	1
HK$11,000,001 to HK$11,500,000	**1**	–

The share-based payment expense recognised for the year ended 31 December 2025 granted to the five employees above of the Group was RMB8,963,000 (2024: RMB7,816,000) which is not included in the above remuneration.

During both years, no emoluments was paid by the Group to the directors of the Company or the five highest paid employees as an inducement to join or upon joining the Group or as compensation for loss of office.

Notes to the Consolidated Financial Statements

15. DIVIDENDS

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Dividends for ordinary shareholders of the Company recognised as distribution during the year:		
2025 Interim dividend – RMB0.310 (2024: 2024 interim dividend – RMB0.331) per share (note i)	**506,344**	499,738
2024 Final dividend – RMB0.970 (2024: 2023 final dividend – nil) per share (note ii)	**1,584,365**	–

Notes:

(i) During the current year, an interim dividend of RMB0.310 per ordinary share in respect of the six months ended 30 June 2025 (2024: RMB0.331 per ordinary share in respect of the nine months ended 30 September 2024) was declared and paid to the shareholders of the Company. The aggregate amount of the interim dividend declared and paid in the current year amounted to approximately RMB506,344,000 (2024: RMB499,738,000).

(ii) During the current year, a final dividend of RMB0.970 per ordinary share in respect of the year ended 31 December 2024 (2024: nil per ordinary share in respect of the year ended 31 December 2023) was declared and paid to the shareholders of the Company. The aggregate amount of the final dividend declared and paid in the current year amounted to approximately RMB1,584,365,000 (2024: nil).

(iii) Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 December 2025 of RMB0.800 per ordinary share, in an aggregate amount of RMB1,393,588,000 has been proposed by the directors of the Company and is subject to approval by the shareholders at the forthcoming annual general meeting.

16. PROFIT PER SHARE

The calculation of the basic profit per share attributable to owners of the Company is based on the following data:

Profit figures are calculated as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Profit for the year attributable to owners of the Company	**5,956,787**	5,945,945

Number of shares

	Year ended 31 December	
	2025	2024
	'000	'000
Weighted average number of ordinary shares for the purpose of basic profit per share:	**1,620,573**	1,508,148
Effect of dilutive potential ordinary shares:		
Share-based payment	**2,463**	601
Weighted average number of ordinary shares for the purpose of diluted profit per share	**1,623,036**	1,508,749

The computation of diluted earnings per share for the year ended 31 December 2025 does not assume the exercise of the over-allotment option, as the exercise price was higher than the average market price of the shares during the over-allotment period.

17. PROPERTY, PLANT AND EQUIPMENT

	Buildings and plants RMB'000	Moulds and machinery RMB'000	Motor vehicles RMB'000	Furniture, fixture and office equipment RMB'000	Construction in progress RMB'000	Total RMB'000
COST						
At 1 January 2024	3,658,875	10,606,328	153,791	1,315,500	195,039	15,929,533
Additions	16,260	1,211,316	107,637	366,591	565,347	2,267,151
Transfer from construction in progress	52,023	445,437	–	21,866	(519,326)	–
Exchange adjustments	(2,498)	(6,431)	(41)	(69)	(6)	(9,045)
Disposals	(450)	(200,312)	(76,753)	(21,177)	(28,150)	(326,842)
At 31 December 2024	3,724,210	12,056,338	184,634	1,682,711	212,904	17,860,797
Additions	94,057	237,313	141,740	505,210	1,703,801	2,682,121
Transfer from construction in progress	13,949	1,878,649	1,212	97,176	(1,990,986)	–
Acquired on acquisition of a subsidiary	3,869,877	975,842	21,599	104,260	657,162	5,628,740
Exchange adjustments	(10,929)	(31,635)	(233)	(2,104)	–	(44,901)
Disposals	(9,345)	(702,381)	(80,462)	(202,333)	–	(994,521)
Disposal of subsidiary	(1,930)	(22,921)	(1,727)	(5,704)	–	(32,282)
At 31 December 2025	**7,679,889**	**14,391,205**	**266,763**	**2,179,216**	**582,881**	**25,099,954**
DEPRECIATION						
At 1 January 2024	708,079	5,063,673	46,819	678,578	–	6,497,149
Depreciation provided for the year	128,579	1,043,548	23,364	221,408	–	1,416,899
Depreciation eliminated on disposals	(79)	(175,499)	(20,398)	(15,888)	–	(211,864)
Exchange adjustments	(708)	(4,394)	(18)	(24)	–	(5,144)
At 31 December 2024	835,871	5,927,328	49,767	884,074	–	7,697,040
Depreciation provided for the year	234,013	1,376,553	36,548	352,987	–	2,000,101
Depreciation eliminated on disposals	(116)	(482,440)	(22,613)	(66,359)	–	(571,528)
Exchange adjustments	(3,595)	(26,007)	(125)	(932)	–	(30,659)
Disposal of subsidiary	(323)	(15,570)	(980)	(1,496)	–	(18,369)
At 31 December 2025	**1,065,850**	**6,779,864**	**62,597**	**1,168,274**	**–**	**9,076,585**
IMPAIRMENT						
At 1 January 2024	–	17,806	–	–	–	17,806
Impairment provided for the year	–	80,564	–	1,971	–	82,535
At 31 December 2024	–	98,370	–	1,971	–	100,341
Impairment provided for the year	–	75,874	–	–	–	75,874
Impairment eliminated on disposals	–	(13,015)	–	–	–	(13,015)
At 31 December 2025	**–**	**161,229**	**–**	**1,971**	**–**	**163,200**
CARRYING VALUES						
At 31 December 2025	**6,614,039**	**7,450,112**	**204,166**	**1,008,971**	**582,881**	**15,860,169**
At 31 December 2024	2,888,339	6,030,640	134,867	796,666	212,904	10,063,416

17. PROPERTY, PLANT AND EQUIPMENT *(continued)*

The above items of property, plant and equipment, except for construction in progress, after taking into account their estimated residual value, are depreciated on a straight-line basis at the following estimated useful lives:

Buildings and plants	10-35 years
Moulds and machinery	5-10 years
Motor vehicles	3-8 years
Furniture, fixture and office equipment	3-5 years

Impairment assessment

At the end of each reporting period, the management of the Group assess the sales and production of moulds and machinery. For those discontinued production, the Group provide impairment allowance on the relevant moulds and machinery. During the year ended 31 December 2025 and 2024, the management of the Group made the decision to discontinue production of certain product models due to accelerated product upgrades. The recoverable amount of relevant moulds and machinery is estimated individually.

The recoverable amount of the relevant moulds and machinery has been determined based on its fair value less costs of disposal. The Group uses direct comparison to estimate the fair value less costs of disposal of the assets which is based on the recent transaction prices for similar properties adjusted for nature, location and conditions of the property. The fair value measurement is categorised into Level 3 fair value hierarchy. The relevant assets were impaired to their recoverable amount of RMB6,575,000 (2024: RMB5,829,000), which is their carrying values at year end and the impairment of RMB75,874,000 (2024: RMB80,564,000) has been recognised in profit or loss within the relevant functions to which these assets relate during the year.

18. RIGHT-OF-USE ASSETS

	Leasehold lands RMB'000	**Leased properties RMB'000**	**Equipment and machinery RMB'000**	**Total RMB'000**
At 31 December 2025				
Carrying amount	**2,272,669**	**950,379**	**520**	**3,223,568**
At 31 December 2024				
Carrying amount	980,043	822,382	1,836,911	3,639,336
For the year ended 31 December 2025				
Depreciation charge	**45,358**	**252,710**	**51,556**	**349,624**
For the year ended 31 December 2024				
Depreciation charge	26,755	224,324	124,477	375,556

18. RIGHT-OF-USE ASSETS *(continued)*

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Expense relating to short-term leases	**9,967**	10,118
Expense relating to leases of low-value assets, excluding short-term leases of low-value assets	**6,144**	1,535
Total cash outflow for leases	**356,920**	462,619
Additions to right-of-use assets	**1,935,516**	1,743,730

The Group leases various leased properties and equipment and machinery for its operations. Lease contracts are entered into for fixed term of 1.33 to 27.60 years (2024: 1.84 to 27.60 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.

19. GOODWILL

	Acquisition of Luzhou Rongda Intelligent Transmission Limited Company ("Luzhou Rongda") RMB'000	Acquisition of Chongqing Liangjiang New Area Longsheng New Energy Technology Co., Ltd. ("Longsheng New Energy") RMB'000	Total RMB'000
COST			
At 1 January 2024 and 31 December 2024	156,052	–	156,052
Arising on acquisition of a subsidiary	–	497,392	497,392
At 31 December 2025	**156,052**	**497,392**	**653,444**
IMPAIRMENT			
At 1 January 2024	109,137	–	109,137
Impairment loss recognised in the year	46,915	–	46,915
At 31 December 2024 and 2025	**156,052**	**–**	**156,052**
CARRYING VALUES			
At 31 December 2025	**–**	**497,392**	**497,392**
At 31 December 2024	–	–	–

Particulars regarding impairment testing on goodwill are disclosed in note 21.

20. INTANGIBLE ASSETS

	Development costs RMB'000	Licenses and franchises RMB'000	Trademark RMB'000	Non-patented technology RMB'000	Total RMB'000
COST					
At 1 January 2024	1,000,984	272,471	–	11,392,674	12,666,129
Additions	941,674	–	2,502,424	224,094	3,668,192
Transfer	(1,161,577)	–	–	1,161,577	–
At 31 December 2024	781,081	272,471	2,502,424	12,778,345	16,334,321
Additions	4,546,922	–	–	40,905	4,587,827
Transfer	(4,286,439)	–	–	4,286,439	–
Disposals	–	–	–	(27,335)	(27,335)
At 31 December 2025	**1,041,564**	**272,471**	**2,502,424**	**17,078,354**	**20,894,813**
AMORTISATION AND IMPAIRMENT					
At 1 January 2024	–	272,471	–	3,209,760	3,482,231
Charge for the year	–	–	125,125	2,448,729	2,573,854
Impairment loss recognised	–	–	–	1,626,684	1,626,684
At 31 December 2024	–	272,471	125,125	7,285,173	7,682,769
Charge for the year	–	–	250,239	2,164,667	2,414,906
Impairment loss recognised	–	–	–	758,824	758,824
Eliminated on disposals	–	–	–	(13,010)	(13,010)
At 31 December 2025	**–**	**272,471**	**375,364**	**10,195,654**	**10,843,489**
CARRYING VALUES					
At 31 December 2025	**1,041,564**	**–**	**2,127,060**	**6,882,700**	**10,051,324**
At 31 December 2024	781,081	–	2,377,299	5,493,172	8,651,552

Development costs are internally generated and are not available for use.

The above intangible assets (other than development costs) have finite useful lives. Such intangible assets are amortised on a straight-line basis over the following periods:

Non-patented technology	5 years
Licenses and franchises	5-10 years
Trademark	10 years

21. IMPAIRMENT TESTING ON GOODWILL AND INTANGIBLE ASSETS

(a) Goodwill

For the purposes of impairment testing, goodwill set out in note 19 is allocated to two individual cash generating units ("CGUs"), comprising two subsidiaries, Luzhou Rongda and Longsheng New Energy. In addition to goodwill above, property, plant and equipment, intangible assets and right-of-use assets (including allocation of corporate assets) that generate cash flows together with the related goodwill is also included in these CGUs for the purpose of impairment assessment.

The recoverable amount of the units has been determined based on a value in use calculation. As at 31 December 2025 and 2024, goodwill related to Luzhou Rongda CGU had been fully impaired. No other write-down of the assets of Luzhou Rongda is considered necessary.

For Longsheng New Energy CGU, the calculation uses cash flow projections based on financial budgets approved by the management covering a five-year period, and pre-tax discount rate of 12.90%, as of 31 December 2025. The CGU's cash flows beyond the five-year period are extrapolated using a steady nil growth rate. This growth rate is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry. Other key assumptions for the value in use calculations relate to the estimation of cash inflows/outflows which include growth rate of sales and budgeted gross margin, such estimation is based on the unit's past performance and the management's expectations for the market development.

Based on the impairment assessment performed, the management of the Group determined that the recoverable amount of Longsheng New Energy CGU are higher than the corresponding carrying amount as at 31 December 2025. Therefore, no impairment loss was recognised for the current year.

(b) Intangible assets

Development costs

As at 31 December 2025, the recoverable amount of development costs with carrying amount of RMB1,041,564,000 (2024: RMB781,081,000) is estimated individually. The recoverable amount has been determined based on a value in use calculation.

21. IMPAIRMENT TESTING ON GOODWILL AND INTANGIBLE ASSETS *(continued)*

(b) Intangible assets *(continued)*

Development costs *(continued)*

The management of the Group estimated that the value in use to be close to its fair value less costs of disposal. The fair value less cost of disposal is estimated using the Relief-from-Royalty method which assumes that, in lieu of ownership, a third party would be willing to pay a royalty in order to obtain the rights to use the intangible assets. Key assumptions used in the valuation included projected future sales of product models related to each development costs, royalty rate and pre-tax discount rate. The projected future sales of related products cover three to five years period as at 31 December 2025 (2024: three to five years). The fair value measurement is categorised into Level 3 fair value hierarchy.

The following table sets out the information of other key assumptions for the value in use calculation:

	As at 31 December	
	2025	2024
Pre-tax discount rate	**16.50% to 19.76%**	16.45% to 19.47%
Royalty rate	**0.01% to 4.82%**	0.10% to 2.84%

The Group has not recognised any impairment losses for both years based on the impairment assessment performed.

The Group performed sensitivity test for the development costs, by decreasing by 1%-5% of royalty rate or increasing by 1%-5% of pre-tax discount rate, with all other variables held constant. Based on the sensitivity test performed, no material impairment issue was noted for both years. The management believes that any reasonably possible change in any of above assumptions would not change the carrying amount of the development costs significantly as at 31 December 2025 and 2024.

Non-patented technology

At the end of each reporting period, the management of the Group assess the sales and production of product models and application on relevant non-patented technology. For those discontinued production, the Group provide impairment allowance on the relevant non-patented technology. During the year ended 31 December 2025 and 2024, the management of the Group made the decision to discontinue production of certain product models due to accelerated product upgrades. Impairment amounting to RMB363,916,000 (2024: RMB1,054,082,000) is recognised to the non-patented technology related to these product models as the management are of the opinion that the value in use of the related technology is neglectable.

21. IMPAIRMENT TESTING ON GOODWILL AND INTANGIBLE ASSETS *(continued)*

(b) Intangible assets *(continued)*

Development costs *(continued)*

Non-patented technology (continued)

For the remaining balance of non-patented technology as at 31 December 2025 and 2024, respectively, the Group performed impairment testing for the non-patented technology. As at 31 December 2025, the recoverable amount of non-patented technology with carrying amount of RMB6,882,700,000 (2024: RMB5,493,172,000) is estimated individually. The recoverable amount has been determined based on a value in use calculation.

The management of the Group estimated that the value in use to be close to its fair value less costs of disposal. The fair value less cost of disposal is estimated using the Relief-from-Royalty method which assumes that, in lieu of ownership, a third party would be willing to pay a royalty in order to obtain the rights to use the non-patented technology. Key assumptions used in the valuation included projected future sales of product models related to each non-patented technology, royalty rate and pre-tax discount rate. The projected future sales of related products covers a three to five years period as at 31 December 2025 (2024: three to five years period). The fair value measurement is categorised into Level 3 fair value hierarchy.

The following table sets out the information of other key assumptions for the value in use calculation:

	As at 31 December	
	2025	2024
Pre-tax discount rate	**16.33% to 17.62%**	16.45% to 19.47%
Royalty rate	**0.13% to 5.62%**	0.01% to 7.41%

The Group has recognised impairment losses amounting to RMB394,908,000 for the year ended 31 December 2025 (2024: RMB572,602,000), based on the impairment assessment performed.

22. INTERESTS IN ASSOCIATES

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Cost of investments in associates	**13,533,000**	2,033,000
Share of post-acquisition profits (losses) and other comprehensive income (expense)	**67,265**	(60,697)
Impairment losses recognised	**(37,889)**	–
	13,562,376	1,972,303

Details of the Group's and the Company's associates at the end of the reporting period are as follows:

Name of entities	Country of incorporation/ registration	Principal place of business	Proportion of ownership interest held by the Group As at 31 December		Proportion of voting rights held by the Group As at 31 December		Principal activities
			2025	2024	**2025**	2024	
新能源汽車產業發展(重慶)有限公司 (New Energy Automobiles Industrial Development (Chongqing) Co., Ltd.)*	the PRC	the PRC	**33.00%**	33.00%	**33.00%**	33.00%	Industrial investment
重慶瑞馳汽車實業有限公司 (Chongqing Ruichi Automobile Industry Co., Ltd.)*	the PRC	the PRC	**49.88%**	49.88%	**49.88%**	49.88%	Manufacturing of automobiles
深圳引望智能技術有限公司 (Shenzhen Yinwang Intelligent Technology Co., Ltd.)* (Note i)	the PRC	the PRC	**9.36%**	N/A	**9.36%**	N/A	Provision of intelligent vehicle solutions

Note:

(i) On 28 February 2025, Seres Auto Co., Ltd., a subsidiary of the Group, acquired 10% equity interest in Shenzhen Yinwang Intelligent Technology Co., Ltd. at a total cash consideration of RMB11.5 billion. In the opinion of the directors of the Group, the entity is regarded as an associate of the Group because the Group is entitled to nominate one out of seven directors to the board of directors of the entity which indicates the Group has significant influence over the entity.

* For identification purposes only

23. INTEREST IN A JOINT VENTURE

Details of the Group's investment in a joint venture are as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Cost of investment in a joint venture	**10,000**	10,000
Share of post-acquisition loss	**(1,223)**	(3,455)
	8,777	6,545

Details of the Group's joint venture at the end of each reporting period are as follow:

Name of entity	Country of incorporation/ registration	Principal place of business	Proportion of ownership interest held by the Group As at 31 December		Interest voting rights held by the Group As at 31 December		Principal activity
			2025	2024	**2025**	2024	
重慶雲灣科技有限公司 (Chongqing CloudBay Technology Co., Ltd.)*	the PRC	the PRC	**46.82%**	49.39%	**46.82%**	49.39%	Research and development of 3D printing technology

* For identification purposes only

In the opinion of the directors of the Company, the interest in the joint venture is not material to the Group. As such, no financial information of the joint venture is disclosed.

24. EQUITY INSTRUMENTS AT FVTOCI

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Listed equity securities: Seyond Holdings Ltd.	**109,391**	10,100
Unlisted equity investments	**46,206**	68,160
	155,597	78,260

Note: Seyond Holdings Ltd. has been listed on the Stock Exchange of Hong Kong Limited since 10 December 2025. Other unlisted equity investments represent the Group's equity interest in private entities established in the PRC or the United States of America ("US"). The directors of the Company have elected to designate these investments in equity instruments as at FVTOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term strategic purposes and will realise their performance in the long run.

25. FINANCIAL ASSETS AT FVTPL

Financial assets mandatorily measured at FVTPL:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Listed equity securities (note)	**258,040**	239,046
Structured deposits	**–**	3,809,702
	258,040	4,048,748

Note: The amount represents investments in Chongqing Rural Commercial Bank, which is listed in the Shanghai Stock Exchange, and Zotye Automobile Co., Ltd., which is listed in the Shenzhen Stock Exchange, as at 31 December 2025 and 2024.

26. INVENTORIES

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Raw materials and consumables	**1,431,912**	1,345,329
Work in progress	**90,823**	125,930
Finished goods	**762,703**	672,218
Others	**161,363**	408,972
Total	**2,446,801**	2,552,449

27. TRADE AND OTHER RECEIVABLES

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Trade receivables	**1,895,328**	2,485,090
– contracts with customers	**1,765,642**	2,373,958
– subsidies from governments	**129,686**	111,132
Less: allowance for credit losses	**(177,821)**	(161,419)
	1,717,507	2,323,671
Other receivables, net of allowance	**490,719**	686,391
Value added tax and other tax recoverable	**1,082,220**	1,217,492
Prepayments	**964,723**	1,016,018
Prepaid consideration for investment on Shenzhen Yinwang Intelligent Technology Co, Ltd.	**–**	2,300,000
Total	**4,255,169**	7,543,572

Analysed for reporting purposes as:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Current assets	**4,250,991**	5,230,545
Non-current assets	**4,178**	2,313,027
	4,255,169	7,543,572

As at 1 January 2024, trade receivables from contracts with customers of the Group amounted to approximately RMB2,308,509,000.

The Group generally requires advance receipt of bank acceptance notes from majority of its customers before delivery of goods. For certain customers, the Group allows credit term of 30 to 90 days from the invoice date for trade receivables.

27. TRADE AND OTHER RECEIVABLES *(continued)*

The following is an ageing analysis of trade receivables, net of allowance for credit losses, presented based on invoice dates:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
0-90 days	**1,124,763**	1,534,220
91-180 days	**62,548**	158,231
181-365 days	**284,074**	238,986
Over 365 days	**246,122**	392,234
Total	**1,717,507**	2,323,671

As at 31 December 2025, included in the Group's trade receivable balance are debtors with aggregate carrying amount of RMB245,234,000 (2024: RMB98,654,000), which are past due 90 days or more but not as in default at the reporting date. The balances are expected to be fully received from the customers by reference to past experience and taking into consideration of forward-looking information. The Group does not hold any collateral over these balances.

Details of impairment assessment of trade and other receivables are set out in note 46(b).

28. NOTES RECEIVABLE

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Bank acceptance bills	**260,888**	214,159

The Group generally requires advance receipt of bank acceptance notes from majority of its customers of automobiles before delivery of goods. These notes receivable will be settled in 3 to 12 months since the issuing date.

Details of impairment assessment of notes receivable are set out in note 46(b).

As at 31 December 2025, total bills received amounting to RMB53,101,481,000 (2024: RMB33,521,612,000), were further discounted or endorsed by the Group. The Group derecognised these discounted or endorsed bills by their carrying amount at the time of discounting or endorsing and details are disclosed in note 47. All bills received by the Group are with a maturity period of less than one year.

29. BANK BALANCES AND CASH/PLEDGED AND RESTRICTED BANK DEPOSITS/TIME DEPOSITS

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Bank balances	**48,363,240**	6,333,622
Cash	**25**	60
Total	**48,363,265**	6,333,682
Restricted bank deposits	**15,531**	23,058
Pledged bank deposits	**38,907,916**	39,598,698
Total	**38,923,447**	39,621,756
Time deposits	**4,260,255**	7,903,854

Bank balances carry interest at prevailing market rates of 0.05%-1.75% per annum for year ended 31 December 2025 (2024: 0.01%-2.05%).

The pledged bank deposits represent deposits pledged to banks for issue of bank acceptance notes, letter of credit and banking facilities granted to the Group, which will be released upon the settlement of the described financing instruments. The pledged bank deposits carry fixed interest rate ranging of 0.05%-1.30% per annum for year ended 31 December 2025 (2024: 0.05%-3.45%).

Time deposits carry interest at rates of 1.00%-3.27% as at 31 December 2025 (2024: 1.35%-3.55%).

Details of the impairment assessment of bank balances and pledged bank deposits are set out in note 46(b).

30. TRADE AND OTHER PAYABLES

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Trade payables	**33,588,133**	27,265,766
Notes payable	**38,695,992**	41,144,620
Payroll and employee benefits payable	**2,580,777**	1,555,202
Receipt in advance	**41,191**	34,262
Other payables and provisions	**3,472,535**	2,412,811
Other tax payables	**1,403,529**	1,011,329
	79,782,157	73,423,990
Current	**78,071,991**	72,274,335
Non-current	**1,710,166**	1,149,655
	79,782,157	73,423,990

The ageing analysis of the Group's trade payables based on invoice date.

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
0-90 days	**31,460,810**	26,216,453
91-180 days	**617,066**	188,051
181-365 days	**1,273,488**	744,968
Over 365 days	**236,769**	116,294
Total trade payables	**33,588,133**	27,265,766

The credit terms for purchases of goods is 90 days.

31. BORROWINGS

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Bank loans	**4,371,867**	697,187
Secured	**826,377**	–
Unsecured	**3,545,490**	697,187
	4,371,867	697,187

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
The carrying amounts of the bank loans are repayable:		
Within one year	**513,480**	10,187
Within a period of more than one year but not exceeding two years	**681,560**	642,800
Within a period of more than two years but not exceeding five years	**1,883,346**	33,800
Within a period of more than five years	**1,293,481**	10,400
	4,371,867	697,187
Less: Amounts due within one year shown under current liabilities	**(513,480)**	(10,187)
Amounts shown under non-current liabilities	**3,858,387**	687,000

The exposure of the Group's borrowings are as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Fixed-rate borrowings	**700,251**	52,057
Variable-rate borrowings	**3,671,616**	645,130
	4,371,867	697,187

31. BORROWINGS *(continued)*

The ranges of effective interest rates (which are also equal to contractual interest rates) on the Group's borrowing are as follow:

	As at 31 December	
	2025	2024
Effective interest rate:		
Fixed-rate borrowings	**2.08% to 2.70%**	2.70% to 3.40%
Variable-rate borrowings	**1.98% to 2.80%**	2.50% to 4.25%

32. CONTRACT LIABILITIES

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Advance receipts from customers		
– sales of vehicles	**6,850,686**	2,991,532

As at 1 January 2024, contract liabilities amounted to approximately RMB3,270,307,000.

The Group generally requires advance receipts of bank acceptance notes from majority of its customers in the PRC. This will give rise to a contract liability, at the beginning of a contract, until the revenue recognised on the relevant contract exceeds the amount received.

Contract liabilities as at 31 December 2025 and 2024 are/will be recognised as revenue to profit or loss within one year after the end of the reporting period.

The following table shows how much of the revenue recognised relates to carried-forward contract liabilities:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Sale of goods	**2,901,069**	3,270,307

33. LEASE LIABILITIES

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Lease liabilities payable:		
Within one year	**263,544**	510,084
Within a period of more than one year but not more than two years	**181,254**	255,898
Within a period of more than two years but not more than five years	**252,637**	788,415
Within a period of more than five years	**336,053**	1,173,469
	1,033,488	2,727,866
Less: Amount due for settlement with 12 months shown under current liabilities	**(263,544)**	(510,084)
Amount due for settlement after 12 months shown under non-current liabilities	**769,944**	2,217,782

The weighted average incremental borrowing rates applied to lease liabilities of the Group are 4.34% as at 31 December 2025 (2024: 4.87%).

Notes to the Consolidated Financial Statements

34. AMOUNT(S) DUE FROM/TO RELATED COMPANIES/IMMEDIATE HOLDING COMPANY

Amounts due from related companies

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Trade in natures		
東風啟辰汽車銷售有限公司(Dongfeng Qichen Automobile Sales Co., Ltd.)* (note i)	**51**	51
東風柳州汽車有限公司(Dongfeng Liuzhou Motor Co., Ltd.)* (note i)	**3,968**	1,005
重慶瑞馳汽車實業有限公司(Chongqing Ruichi Automobile Industry Co., Ltd.)* (note ii)	**20,930**	31,919
重慶瑞馳新能源汽車銷售服務有限公司(Chongqing Ruichi New Energy Automobile Sales Service Co., Ltd.)* (note ii)	**516**	909
嵐圖汽車科技有限公司(Voyah Technology Co., Ltd.)* (note i)	**–**	1,960
嵐圖汽車銷售服務有限公司(Voyah Automobile Sales Service Co., Ltd.)* (note i)	**2,062**	4,983
重慶馳瑞物業管理有限公司(Chongqing Chi Rui Property Management Co., Ltd.)* (note iii)	**–**	49
鄭州日產汽車有限公司(Zhengzhou Nissan Automobile Co., Ltd.)* (note i)	**197**	913
東風汽車股份有限公司(Dongfeng Automobile Co., Ltd.)* (note i)	**1,542**	–
深圳引望智能技術有限公司(Shenzhen Yinwang Intelligent Technology Co., Ltd.) * (note ii)	**430**	–
	29,696	41,789

* For identification purposes only

Notes:

(i) The related parties are controlled by Dongfeng Motor Corporation ("Dongfeng Motor"), which is a substantial shareholder of the Group.

(ii) The related parties are associates of the Group.

(iii) The related parties are controlled by Chongqing Sokon Holding Company Limited ("Sokon Holding"), which is the immediate holding company of the Group.

34. AMOUNT(S) DUE FROM/TO RELATED COMPANIES/IMMEDIATE HOLDING COMPANY *(continued)*

Amounts due from related companies *(continued)*

(iv) The following is an aged analysis of the Group's trade related balances with related parties at the end of the reporting period presented based on invoice date.

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
0-90 days	**18,328**	38,134
91-180 days	**11,061**	349
181-365 days	**176**	1,684
Over 365 days	**131**	1,622
	29,696	41,789

Analysed for reporting purposes as:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Current	**19,326**	40,183
Non-current	**10,370**	1,606
	29,696	41,789

Amount due from immediate holding company

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Sokon Holding		
Trade in nature	**2,044**	1,060

Analysed for reporting purposes as:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Non-current	**2,044**	1,060

Details of impairment assessment of amount due from immediate holding company are set out in note 46(b).

34. AMOUNT(S) DUE FROM/TO RELATED COMPANIES/IMMEDIATE HOLDING COMPANY *(continued)*

Amounts due to related companies

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Trade in natures (note i)		
東誠惠眾資產經營有限公司 (Dongcheng Huizhong Assets Operation Co., Ltd.)* (note ii)	**4**	9
東風汽車車輪隨州有限公司 (Dongfeng Automotive Wheel Suizhou Co., Ltd.)* (note ii)	**500**	771
深圳聯友科技有限公司 (Shenzhen Lianyou Technology Co., Ltd.)* (note ii)	**68**	86
深圳引望智能技術有限公司 (Shenzhen Yinwang Intelligent Technology Co., Ltd.)* (note v)	**7,205,581**	N/A
重慶瑞馳汽車實業有限公司 (Chongqing Ruichi Automobile Industry Co., Ltd.)* (note v)	**2,663**	–
東風物流(武漢)有限公司 (Dongfeng Logistics (Wuhan) Co., Ltd.)* (note ii)	**70,501**	25,295
襄陽達安汽車檢測中心有限公司 (Xiang Yang Da An Automobile Test Center Limited Corporation)* (note ii)	**20,627**	5,947
東風物流集團股份有限公司 (Dongfeng Logistics Group Co., Ltd.)* (note ii)	**23,289**	–
滸金融資租賃有限公司 (Pujin Financial Leasing Co., Ltd.)* (note iii)	**61**	–
東風物流(武漢)有限公司重慶分公司 (Dongfeng Logistics (Wuhan) Co., Ltd. Chongqing Branch)* (note ii)	**33**	–
鄭州日產汽車有限公司 (Zhengzhou Nissan Automobile Co., Ltd)* (note ii)	**–**	7,956
廣州飛梭雲供應鏈有限公司 (Guangzhou Feisuo Cloud Supply Chain Co., Ltd)* (note ii)	**34**	48
廣州市錦上技研汽車用品有限公司 (Guangzhou Jinshang Jiyan Automotive Supplies Co., Ltd.)* (note ii)	**2,974**	–
重慶渝安智能懸架有限公司 (Chongqing Yu'an Intelligent Suspension Co., Ltd.)* (note iii)	**844**	7,144
重慶渝安機械製造有限公司 (Chongqing Yu'an Machinery Manufacturing Co., Ltd.) * (note iii)	**509**	–
東風啟辰汽車銷售有限公司 (Dongfeng Qichen Automobile Sales Co., Ltd.)* (note ii)	**24**	–
重慶雲灣科技有限公司 (Chongqing Yunwa Technology Co., Ltd)* (note iv)	**1,436**	87
	7,329,148	47,343

* For identification purposes only

34. AMOUNT(S) DUE FROM/TO RELATED COMPANIES/IMMEDIATE HOLDING COMPANY *(continued)*

Amounts due to related companies *(continued)*

Notes:

(i) Trade related balances with related parties arose from purchase of goods and provision of services. In general, 60 to 90 days credit period is allowed. The amounts are unsecured, interest-free and expected to be repaid within 12 months from the end of the reporting period.

(ii) The related parties are controlled by Dongfeng Motor.

(iii) The related parties are controlled by Sokon Holding.

(iv) The related party is a joint venture of the Group.

(v) The related parties are associates of the Group.

(vi) The following is the aged analysis of the Group's trade related balances with related parties at the end of the reporting period presented based on the invoice date. The amounts are unsecured, interest-free and expected to be repaid within 12 months from the end of the reporting period.

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
0-90 days	**7,166,004**	41,284
91-180 days	**149,291**	9
181-365 days	**7,599**	–
Over 365 days	**6,254**	6,050
	7,329,148	47,343

34. AMOUNT(S) DUE FROM/TO RELATED COMPANIES/IMMEDIATE HOLDING COMPANY *(continued)*

Amount due to immediate holding company

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Sokon Holding		
Trade in nature	**637**	–

Note: The amount is unsecured, interest-free and expected to be repaid within 12 months from the end of the reporting period. The aging of the amount is within 90 days.

35. DEFERRED INCOME

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
At the beginning of the year	**1,656,177**	1,738,954
Received during the year	**79,970**	61,880
Recognised as income during the year	**(153,219)**	(144,657)
At the end of the year	**1,582,928**	1,656,177

Various government grants have been received for basic research and development activities. Government grants received for which related expenditure has not yet been undertaken are included in deferred income in the consolidated statements of financial position.

Government grants relating to assets are also credited to deferred income and are released to profit or loss over the expected useful lives of the relevant assets by equal annual instalments.

36. DEFERRED TAX ASSETS/LIABILITIES

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 Group's deferred tax assets (liabilities) for financial reporting purposes:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Deferred tax assets	**1,450,485**	1,475,267
Deferred tax liabilities	**(425,697)**	(482,993)
	1,024,788	992,274

The following are the Group's major deferred tax liabilities and assets recognised and movements thereon during the current and prior years:

	Impairment Provision RMB'000	Deferred income RMB'000	Accelerated depreciation RMB'000	Revaluation on acquisition RMB'000	Deductible tax losses RMB'000	Others RMB'000	Total RMB'000
At 1 January 2024	37,892	52,195	13,102	(36,390)	27,204	14,629	108,632
Credit (charge) to profit or loss for the year (note 12)	101,868	(1,189)	9,753	4,372	590,265	178,576	883,645
Others	–	–	–	–	–	(3)	(3)
At 31 December 2024	139,760	51,006	22,855	(32,018)	617,469	193,202	992,274
Credit (charge) to profit or loss for the year (note 12)	144,170	16,256	(693)	9,158	(200,975)	239,572	207,488
Acquisition of a subsidiary	–	–	–	(142,960)	–	–	(142,960)
Others	–	–	–	–	–	(32,014)	(32,014)
At 31 December 2025	**283,930**	**67,262**	**22,162**	**(165,820)**	**416,494**	**400,760**	**1,024,788**

36. DEFERRED TAX ASSETS/LIABILITIES *(continued)*

As at 31 December 2025, no deferred tax asset has been recognised in respect unused tax losses of approximately RMB7,408,849,000 (2024: RMB8,838,696,000), and temporary difference of approximately RMB5,824,909,000 (2024: RMB6,552,377,000), due to the unpredictability of future profit streams. The unrecognised tax losses with expiry dates as disclosed in the following table.

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
2025	**–**	251,757
2026	**566,976**	925,485
2027	**775,011**	1,234,367
2028	**843,231**	4,580,242
2029	**1,700,802**	1,846,845
2030	**3,522,829**	–
	7,408,849	8,838,696

37. SHARE CAPITAL

The share capital of the Group represented the issued share capital of the Company.

	Number of Shares	**Amount**
		RMB'000
Ordinary share of RMB1 each Authorised, Issued and fully paid		
At 1 January 2024 and 31 December 2024	1,509,782,193	1,509,782
Issuance of A shares (note i)	123,583,893	123,584
Issuance of H shares (note ii)	108,619,000	108,619
At 31 December 2025	**1,741,985,086**	**1,741,985**

Notes:

(i) In March 2025, the Group acquired 100% equity interest in Longsheng New Energy from independent third-party shareholders by issuing 123,583,893 A shares of the Company as consideration. All the 123,583,893 A shares shall be locked up immediately upon the issuance. Commencing from the date of issuance, 47,421,199 A shares shall be locked up for 12 months while 76,162,694 A shares shall be locked up for 36 months.

(ii) On 5 November 2025, the Company was successfully listed on the Main Board of The Stock Exchange of Hong Kong Limited following the completion of issuance of 108,619,000 H shares of RMB1.00 each issued at an offer price of HK$131.50 (equivalent to approximately RMB120.30) per share and the total proceed was HK$14,283,400,000 (equivalent to approximately RMB13,026,000,000).

(iii) During the year ended 31 December 2024, the Company has transferred 3,839,100 treasury shares as restricted share awards under the share incentive scheme.

38. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

Details of the Group's subsidiaries that have material non-controlling interests are set out below:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Percentage of equity interests held by non-controlling interests:		
賽力斯汽車有限公司(Seres Auto Co., Ltd.)*	**6.37**	1.23

* For identification purposes only

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Profit for the year allocated to non-controlling interests:	**368,394**	681,809

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Accumulated balances of non-controlling interests at the year-end date:	**768,568**	17,008

38. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS *(continued)*

The following tables illustrate the summarised financial information of the above subsidiary. The amounts disclosed are before any intercompany eliminations:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Revenue	**155,485,556**	137,369,257
Profit for the year	**6,996,668**	5,118,256
Total comprehensive income for the year	**7,092,982**	5,124,129

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Current assets	**73,154,525**	53,969,819
Non-current assets	**34,130,767**	21,539,444
Current liabilities	**87,873,346**	70,232,765
Non-current liabilities	**7,337,824**	4,313,212

39. SHARE AWARD SCHEME

2024 Restricted Share Incentive Scheme

On 27 May 2024, the Company implemented a share incentive scheme ("2024 Restricted Share Incentive Scheme") and granted a total of 3,414,100 shares to no more than 200 executives and employees at grant prices of RMB44.37 per share. On 22 October 2024, the Company additionally granted a total of 425,000 shares to 56 employees at same price per share. These executives and employees (the "2024 Share Incentive Participants") include the senior management, core technical and management personnel of the Company.

2024 Restricted Share Incentive Scheme shall be valid for a term of 48 months, commencing from the date of grant of Restricted Shares and ending on the date on which all the restricted shares granted have been unlocked or otherwise repurchased and cancelled.

39. SHARE AWARD SCHEME *(continued)*

2024 Restricted Share Incentive Scheme *(continued)*

Restricted shares shall be locked up immediately upon the grant. All of the restricted shares granted to the 2024 Share Incentive Participants shall be subject to various lock-up periods ranging from 1 year to 2 years, immediately from the date of grant. Restricted shares held by the 2024 Share Incentive Participants shall be unlocked (or repurchased and cancelled by the Company) in two tranches upon the expiry of each lock-up period. The unlocking periods and unlock proportion for the restricted shares are as follows:

Unlocking period	Performance condition of the Group	Unlock proportion
First unlocking period:		
Commencing from the first trading day after the expiry of the 12-month period from the date of grant and ending on the last trading day of the 48-month period from the date of grant	Compared to the year 2023, the revenue for the year 2024 increases by more than 100%, or the sales volume of new energy vehicles increases by more than 100%	50%
Second unlocking period:		
Commencing from the first trading day after the expiry of the 24-month period from the date of grant and ending on the last trading day of the 48-month period from the date of grant	Compared to the year 2023, the revenue for the year 2025 increases by more than 150%, or the sales volume of new energy vehicles increases by more than 150%	50%

The 2024 Share Incentive Participants are eligible to unlock the restricted shares upon fulfillment of the performance condition of the Group and certain individual performance objectives.

The following table discloses movements of the shares under 2024 Restricted Share Incentive Scheme during the years ended 31 December 2025 and 2024:

	Year ended 31 December	
	2025	2024
Outstanding at 1 January	**3,839,100**	–
Granted	**–**	3,839,100
Unlocked	**(1,919,550)**	–
Forfeited	**(54,350)**	–
Outstanding at 31 December	**1,865,200**	3,839,100

39. SHARE AWARD SCHEME *(continued)*

2024 Restricted Share Incentive Scheme *(continued)*

The grant date fair value of the award share was RMB42.23 and RMB47.05 on 27 May 2024 and 22 October 2024, respectively, which was determined based on the difference between the grant date closing price of the Company's A Share and the subscription price of the award shares. The grant date closing price of the Company's A Shares was RMB86.60 and RMB91.42 per share on 27 May 2024 and 22 October 2024, respectively. The Group has recognised RMB76,434,000 as expenses under 2024 Restricted Share Incentive Scheme for the year ended 31 December 2025 (2024: RMB67,419,000).

40. RETIREMENT BENEFITS PLANS

The majority of the Group's employees are located in the PRC. The employees of the Group in the PRC are members of a state-managed retirement benefits scheme operated by the PRC government. The Group is required to contribute a specified percentage of payroll costs as determined by respective local government authority to the retirement benefits scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefits scheme is to make the specified contributions under the scheme.

The amounts of contributions made by the Group in respect of the retirement benefit scheme during both years are disclosed in note 13.

41. ACQUISITION OF A SUBSIDIARY

On 25 March 2025, the Group acquired 100% interest in Longsheng New Energy from independent third-party shareholders. Longsheng New Energy owned advanced new energy vehicle production factories and equipment and it is principally engaged in the leasing of these facilities to the Group prior to the acquisition. Longsheng New Energy was acquired with the objective of enhancing the Group's manufacturing capability. The acquisition has been accounted for as acquisition of business using the acquisition method.

Consideration transferred

	RMB'000
Shares issued	8,518,384
Total	8,518,384

No material acquisition-related cost has been excluded from the consideration transferred and recognised as an expense.

41. ACQUISITION OF A SUBSIDIARY *(continued)*

Assets acquired and liabilities recognised at the date of acquisition

	RMB'000
Property, plant and equipment	5,628,740
Right-of-use assets	1,159,861
Trade and other receivables	548,062
Amounts due from the Group	282,879
Bank balances and cash	1,203,548
Trade and other payables	(659,138)
Deferred tax liabilities	(142,960)
Total	8,020,992

The fair value of receivables acquired at the date of acquisition approximated to their gross contractual amounts.

Goodwill arising on acquisition:

	RMB'000
Consideration transferred	8,518,384
Less: recognised amounts of net assets acquired	8,020,992
Goodwill arising on acquisition	497,392

Goodwill arose on the acquisition of Longsheng New Energy because the acquisition included advanced production facilities and equipments of Longsheng New Energy which can enhance the Group's manufacturing capability. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

None of the goodwill arising on these acquisitions is expected to be deductible for tax purposes.

Net cash inflow on acquisition of Longsheng New Energy:

	RMB'000
Cash consideration paid	–
Add: cash and cash equivalents balances acquired	1,203,548
	1,203,548

41. ACQUISITION OF A SUBSIDIARY *(continued)*

Assets acquired and liabilities recognised at the date of acquisition *(continued)*

Impact of acquisition on the results of the Group:

No material impact on the results of the Group for the year ended 31 December 2025 is attributable to the additional business generated by Longsheng New Energy.

Had the acquisition of Longsheng New Energy been completed on 1 January 2025, there would have no change to revenue for the year ended 31 December 2025 of the Group, and profit for the year ended 31 December 2025 would have been RMB6,140,334,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2025, nor is it intended to be a projection of future results.

In determining the 'pro-forma' revenue and profit of the Group had Longsheng New Energy been acquired at the beginning of the period, the directors of the Company calculated depreciation of property, plant and equipment based on the recognised amounts of property, plant and equipment at the date of the acquisition.

42. DISPOSAL OF A SUBSIDIARY

Disposal of Chongqing Yu'an Damper Co., Ltd.

On 31 July 2025 the Company disposed of the entire equity interest in its subsidiary, Chongqing Yu'an Damper Co., Ltd., to an independent third party. Further details of the consideration, and assets and liabilities disposed of in this disposal are as follows:

	Year ended 31 December 2025 RMB'000
Gain on disposal of a subsidiary	
Consideration received	21,687
Less: net assets disposed of	22,130
Reclassification of cumulative other reserve upon disposal of Chongqing Yu'an Damper Co., Ltd. to profit or loss	2,371
Total	1,928
Net cash inflow arising on disposal	
Cash consideration received	21,687
Less: bank balances and cash disposed of	1,782
Net cash inflow arising on disposal	19,905

43. OPERATING LEASING ARRANGEMENTS

The Group as lessor

All properties and machineries held by the Group have been leased out to committed lessees, with lease terms ranging from one month to 24.35 years and 0.75 years to 6.67 years respectively (2024: 1 month to 25.35 years and 0.92 to 7.67 years). The lessee does not have an option to purchase the property or machineries at the expiry of the lease period.

Undiscounted lease payments receivable on leases are as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Within one year	**78,331**	47,956
In the second year	**22,102**	24,729
In the third year	**19,465**	19,584
In the fourth year	**19,135**	19,161
In the fifth year	**16,335**	18,897
After five years	**49,937**	16,097
	205,305	146,424

44. CAPITAL COMMITMENTS

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Contracted for but not provided in the consolidated financial statements in respect of the acquisition of		
– property, plant and equipment	**1,577,251**	447,080
– intangible assets	**277,736**	225,001
	1,854,987	672,081

45. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that it will be able to continues as a going concern while maximizing the return to equity holders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of borrowings and lease liabilities, net of cash and cash equivalents and equity attributable to the owners of the Group, comprising share capital and reserves.

The management of the Group reviews the capital structure on a continuous basis taking into account the cost of capital and the risks associated with each class of capital.

46. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Financial assets		
Amortised cost	**93,762,465**	56,941,169
Debt instruments at FVTOCI	**260,888**	214,159
Equity instruments at FVTOCI	**155,597**	78,260
Financial assets at FVTPL	**258,040**	4,048,748
Financial liabilities		
Amortised cost	**85,407,048**	70,180,839

(b) Financial risk management objectives and policies

The Group's major financial instruments include notes receivable, pledged and restricted bank deposits, time deposits, trade and other receivables, bank balances and cash, trade and other payables, amounts due to related companies, amount due to immediate holding company, amounts due from related companies and borrowings. Details of these financial instruments are disclosed in the 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 on a timely and effective manner. These risks include market risk (currency risk and interest rate risk), credit risk and liquidity risk.

46. FINANCIAL INSTRUMENTS *(continued)*

(b) Financial risk management objectives and policies *(continued)*

Market risk

Currency risk

The carrying amounts of the Group's major foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follow:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Assets		
HKD	**11,461,573**	1
USD	**2,111,934**	1,382,134
Indonesian Rupiah ("IDR")	**16,182**	22,586
EUR	**46,779**	9,367
Liabilities		
USD	**12,434**	5,687
IDR	**3,699**	3,845
EUR	**13,613**	2,288

The Group currently does not have a foreign exchange hedging policy. However, the management of the Group monitors foreign exchange exposure and will consider hedging significant foreign exchange exposure should the need arises.

46. FINANCIAL INSTRUMENTS *(continued)*

(b) Financial risk management objectives and policies *(continued)*

Market risk *(continued)*

Currency risk (continued)

Sensitivity analysis

The following table details the Group's sensitivity to a 5% (2024: 5%) increase and decrease in RMB against the relevant foreign currencies. 5% (2024: 5%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of each reporting period for a 5% change in foreign currency rates. A negative number below indicates a decrease in pre-tax profit where RMB strengthen 5% against the relevant currency. For a 5% weakening of RMB against the relevant currency, there would be an equal and opposite impact on the pre-tax profit and the amounts below would be positive.

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
HKD	**(573,079)**	–
USD	**(104,975)**	(68,822)
IDR	**(624)**	(937)
EUR	**(1,658)**	(354)

Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to variable-rate bank balances (note 29) and variable-rate borrowings (note 31). The Group is also exposed to fair value interest rate risk in relation to pledged bank deposits (note 29), restricted bank balance (note 29), finance lease receivables, lease liabilities (note 33) and fixed-rate borrowings (note 31).

The Group currently does not enter into any hedging instrument for cash flow interest rate risk. However, the Group monitors interest rate risk exposure and will consider hedging significant interest rate risk should the need arise.

46. FINANCIAL INSTRUMENTS *(continued)*

(b) Financial risk management objectives and policies *(continued)*

Market risk *(continued)*

Interest rate risk (continued)

Sensitivity analysis

No sensitivity analysis of bank balances and variable-rate borrowings of the Group is presented as the management of the Group considers that the interest rate fluctuations on bank balances and variable-rate borrowings are insignificant.

Credit risk and impairment assessment

The Group's maximum exposure to credit risk in the event of the counterparties' failure to perform its obligations is arising from the carrying amounts of the respective recognised financial assets, finance lease receivables and contract assets as stated in the consolidated statements of financial position. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets, finance lease receivables and contract assets.

The Group assessed impairment to financial assets, finance lease receivables and contract assets under the ECL model. Information about the Group's credit risk management, maximum credit risk exposures and the related impairment assessment, if applicable, are summarised below:

Trade receivables, contract assets and trade-related balances with related parties

In order to minimise the credit risk on trade receivables, contract assets and trade-related balances with related parties, the management of the Group has delegated a team responsible for making periodic collective assessments as well as individual assessment on the recoverability of receivables based on historical settlement records, reasons for extended repayment period, past experience and supportable forward-looking information. In addition, the Group performs impairment assessment under ECL model on the significant or credit-impaired trade receivables individually. For the remaining trade receivables, contract assets and trade-related balances with related parties which are individually insignificant and not credit-impaired, collective assessment is performed.

The Group has concentration of credit risk as 21% and 13% of the trade receivables was due from the Group's largest debtors as at 31 December 2025 and 2024, respectively. In addition, the Group also has concentration of credit risk as 45% and 47% of the trade receivables was due from the Group's top five debtors as at 31 December 2025 and 2024, respectively.

46. FINANCIAL INSTRUMENTS *(continued)*

(b) Financial risk management objectives and policies *(continued)*

Credit risk and impairment assessment *(continued)*

Other receivables

For other receivables, the management makes periodic individual assessment on the recoverability of other receivables based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. Except for the credit-impaired other receivables, there are no significant increase in credit risk of the remaining other receivables since initial recognition and the Group provided impairment based on 12m ECL. For the years ended 31 December 2025, the Group reversed total impairment allowance of RMB33,339,000 (2024: recognised total impairment allowance of RMB27,066,000).

Other than the concentration of credit risk on the other receivables as at 31 December 2025 0.10% (2024: 0.08%) of the other receivables was due from the Group's largest suppliers, respectively, the Group does not have any other significant concentration of credit risk.

Time deposits, notes receivable, bank balances and pledged bank deposits

Credit risk on time deposits, notes receivable, bank balances, restricted bank balances and pledged bank deposits are limited because the counterparties are reputable banks with high credit ratings assigned by credit agencies. The Group assessed 12m ECL for time deposits, notes receivable, bank balances, restricted bank balances and pledged 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. As at 31 December 2025 and 2024, the Group assessed that the ECL for time deposits, notes receivable, bank balances, restricted bank balances and pledged bank deposits are insignificant and thus no loss allowance is recognised.

46. FINANCIAL INSTRUMENTS *(continued)*

(b) Financial risk management objectives and policies *(continued)*

Credit risk and impairment assessment *(continued)*

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Finance lease receivables/trade receivables/contract assets/ trade-related balances with related parties	Other financial assets
Low risk	The counterparty has a low risk of default and does not have any material past-due amounts	Lifetime ECL – not credit-impaired	12m ECL
Watch list	Debtor frequently repays after due dates but usually settle in full	Lifetime ECL – not credit-impaired	12m ECL
Doubtful	Amount is >30 days past due or there have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL – not credit-impaired	Lifetime ECL – not credit-impaired
Loss	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-impaired	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

46. FINANCIAL INSTRUMENTS *(continued)*

(b) Financial risk management objectives and policies *(continued)*

Credit risk and impairment assessment *(continued)*

The table below details the credit risk exposures of the Group's financial assets, finance lease receivables and contract assets, which are subject to ECL assessment:

	Notes	External credit rating	Internal credit rating	12m or lifetime ECL	Gross carrying amount As at 31 December 2025 RMB'000	Gross carrying amount As at 31 December 2024 RMB'000
Debt instruments at FVTOCI						
Notes receivable	28	AA+	N/A	12m ECL	**260,888**	214,159
Financial assets at amortised cost						
Trade receivables	27	N/A	(note 1)	Lifetime ECL (collective assessment)	**1,885,462**	2,474,681
			Loss	Lifetime ECL (individual assessment)	**9,866**	10,409
Other receivables	27	N/A	Low risk	12m ECL	**584,713**	838,571
			Loss	Credit impaired	**29,012**	29,012
Time deposits	29	AA+	N/A	12m ECL	**4,260,255**	7,903,854
Bank balances	29	AA+	N/A	12m ECL	**48,363,265**	6,333,622
Pledged and restricted bank deposits	29	AA+	N/A	12m ECL	**38,923,447**	39,621,756
Amounts due from related companies – trade-related	34	N/A	(note 1)	Lifetime ECL (collective assessment)	**18,494**	43,169
Amount due from immediate holding company – trade-related	34	N/A	(note 1)	Lifetime ECL (collective assessment)	**–**	1,060
					94,074,514	57,256,134
Other items						
Contract assets	N/A	N/A	(note 1)	Lifetime ECL (collective assessment)	**–**	66,198
Finance lease receivables	N/A	N/A	(note 1)	Lifetime ECL	**34,466**	35,249
					34,466	101,447

Note:

(1) For trade receivables, finance lease receivables, trade-related balances with related parties and contract assets, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the ECL collectively with a grouping by using a provision matrix with common risk characteristics of respective receivables that are individually insignificant and not credit-impaired. In addition, significant or credit-impaired trade receivables, if any, are assessed for ECL individually.

46. FINANCIAL INSTRUMENTS *(continued)*

(b) Financial risk management objectives and policies *(continued)*

Credit risk and impairment assessment *(continued)*

As part of the Group's credit risk management, the Group segments its trade receivables based on type of customers, due to different loss patterns experienced in different customer segments.

The following table provides information about the exposure to credit risk and ECLs for trade receivables, contract assets and trade-related balances with related parties which are assessed on a collective basis by using provision matrix as at 31 December 2025 and 2024 within lifetime ECL.

Trade receivables and trade-related balances with related parties from contracts with customers:

	As at 31 December					
	2025			2024		
	Average loss rate	**Gross amount RMB'000**	**ECL amount RMB'000**	Average loss rate	Gross amount RMB'000	ECL amount RMB'000
0-90 days	**1%**	**1,158,424**	**16,288**	3%	1,513,277	52,059
91-180 days	**1%**	**60,417**	**871**	3%	164,236	5,639
181-365 days	**2%**	**260,356**	**6,039**	3%	249,186	8,516
Over 365 days	**44%**	**329,539**	**145,022**	17%	516,328	86,164
		1,808,736	**168,220**		2,443,027	152,378

46. FINANCIAL INSTRUMENTS *(continued)*

(b) Financial risk management objectives and policies *(continued)*

Credit risk and impairment assessment *(continued)*

Trade receivables and contract assets from subsidies from governments:

	As at 31 December					
	2025			2024		
	Average loss rate	**Gross amount RMB'000**	**ECL amount RMB'000**	Average loss rate	Gross amount RMB'000	ECL amount RMB'000
0-90 days	**–**	**781**	**–**	–	111,132	–
91-180 days	**–**	**3,039**	**–**	–	–	–
181-365 days	**–**	**29,756**	**–**	–	–	–
Over 365 days	**–**	**96,110**	**–**	21%	66,198	13,722
		129,686	**–**		177,330	13,722

The estimated loss rates are estimated based on expected default rates over the expected life of the debtors with reference to published information from credit agencies and are adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated.

For debtors with credit-impaired balances that are assessed individually, impairment allowance of RMB9,866,000 provided during the year ended 31 December 2025 (2024: nil).

The movement in the lifetime ECL in respect of trade receivables, contract assets and trade-related balances with related parties under the simplified approach using provision matrix is as follows:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Beginning balance	**166,100**	74,642
Loss allowance recognised, net	**22,434**	104,138
Write-offs	**(20,314)**	(12,680)
Closing balance	**168,220**	166,100

46. FINANCIAL INSTRUMENTS *(continued)*

(b) Financial risk management objectives and policies *(continued)*

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains levels 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 Group utilises internal generated fund as a significant source of liquidity.

The following tables detail the Group's remaining contractual maturity for its financial liabilities based on the agreed repayment terms. 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 and includes both interest and principal cash flows.

	Weighted average interest rate	On demand or less than 1 year RMB'000	1-2 years RMB'000	2-5 years RMB'000	More than 5 years RMB'000	Total undiscounted cash flow RMB'000	Carrying Amount RMB'000
As at 31 December 2025							
Trade and other payables	–	**73,708,621**	**–**	**–**	**–**	**73,708,621**	**73,708,621**
Amounts due to related companies	–	**7,326,310**	**–**	**–**	**–**	**7,326,310**	**7,326,310**
Amount due to immediate holding company	–	**250**	**–**	**–**	**–**	**250**	**250**
Borrowings	**2.66%**	**621,920**	**774,795**	**2,059,319**	**1,359,259**	**4,815,293**	**4,371,867**
Lease liabilities	**4.38%**	**301,006**	**208,627**	**305,757**	**416,032**	**1,231,422**	**1,033,488**
		81,958,107	**983,422**	**2,365,076**	**1,775,291**	**87,081,896**	**86,440,536**
As at 31 December 2024							
Trade and other payables	–	69,436,308	–	–	–	69,436,308	69,436,308
Amounts due to related companies	–	47,343	–	–	–	47,343	47,343
Borrowings	3.15%	32,089	649,607	39,139	11,171	732,006	697,187
Lease liabilities	4.87%	515,406	474,373	1,056,343	1,354,236	3,400,358	2,727,866
		70,031,146	1,123,980	1,095,482	1,365,407	73,616,015	72,908,704

46. FINANCIAL INSTRUMENTS *(continued)*

(c) Fair value measurements of financial instruments

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Financial assets	31 December 2025 RMB'000	2024 RMB'000	Fair value hierarchy	Valuation technique and key input
Listed equity securities	**258,040**	239,046	Level 1	Quoted bid prices in an active market.
Structured deposits	**–**	3,809,702	Level 2	Quoted value from banks and financial institutions based on expected return with reference to underlying investment.
Notes receivable at FVTOCI	**260,888**	214,159	Level 2	Discounted cash flow method. The key input is market interest rate.
Equity instruments at FVTOCI	**109,391**	N/A	Level 1	Quoted bid prices in an active market.
	46,206	78,260	Level 3	Net asset value of the private entities. (Note)

Note: A reasonably possible change in the unobservable input would not change the fair value of the relevant financial instrument significantly, therefore no sensitivity analysis is disclosed.

Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis

The management of the Group considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values at the end of the reporting period.

47. TRANSFER OF FINANCIAL ASSETS

Financial assets that are derecognised in their entirety

As at 31 December 2025 and 2024, the Group conducted bank acceptance bill discounting with several banks in China and endorsed to certain suppliers for settlement of trade payables (the "Derecognised Bills") with a carrying amount of RMB53,101,481,000 and RMB33,521,612,000, respectively. In the opinion of the directors, the Group has transferred substantially all risks and rewards relating to the Derecognised Bills at the time of discounting or endorsing, which meets the conditions of derecognition of financial assets, and therefore fully derecognised the Derecognised Bills at their carrying amount on the discounting or endorsing date. However, the Group continue to be exposed to the risks of repurchasing such bills at their carrying amount since the banks are entitled to recourse against the Group if the bills are rejected by the acceptors when falling due ("Continuing Involvement"). In the opinion of the directors, the risk of the Continuing Involvement is remote.

48. 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 Group's consolidated statements of cash flows as cash flows from financing activities.

	Borrowing RMB'000	Lease liabilities RMB'000	Dividend payable RMB'000	Total RMB'000
As at 1 January 2024	4,203,392	2,033,538	–	6,236,930
Financing cash flows	(3,597,415)	(406,343)	(499,738)	(4,503,496)
Interest charge	91,210	149,172	–	240,382
Change in right of use assets	–	951,499	–	951,499
Dividend declared	–	–	499,738	499,738
As at 31 December 2024	697,187	2,727,866	–	3,425,053
Financing cash flows	3,542,465	(281,637)	(2,090,709)	1,170,119
Interest charge	132,215	66,441	–	198,656
Change in right of use assets	–	(1,479,182)	–	(1,479,182)
Dividend declared	–	–	2,090,709	2,090,709
As at 31 December 2025	**4,371,867**	**1,033,488**	**–**	**5,405,355**

49. RELATED PARTIES TRANSACTIONS

The Group entered into the following transactions with related parties during both years:

	Relationships	Nature of transactions	Year ended 31 December 2025 RMB'000	2024 RMB'000
東誠惠眾資產經營有限公司 (Dongcheng Huizhong Asset Management Co., Ltd.)*	Entity controlled by Dongfeng Motor	Transportation and storage expense	**42**	164
		Miscellaneous Income	**–**	16
東風柳州汽車有限公司 (Dongfeng Liuzhou Motor Co., Ltd.)*	Entity controlled by Dongfeng Motor	Miscellaneous income	**4,998**	5,316
東風啟辰汽車銷售有限公司 (Dongfeng Venucia Automobile Sales Co., Ltd.)*	Entity controlled by Dongfeng Motor	Purchases	**24**	141
東風汽車財務有限公司 (Dongfeng Motor Finance Co., Ltd.)*	Entity controlled by Dongfeng Motor	Interest income	**–**	604
東風汽車車輪隨州有限公司 (Dongfeng Automobile Wheel Suizhou Co., Ltd.)*	Entity controlled by Dongfeng Motor	Purchases	**2,210**	2,993
東風汽車股份有限公司 (Dongfeng Automobile Co., Ltd.)*	Entity controlled by Dongfeng Motor	Sales	**1,986**	–
東風汽車金融有限公司 (Dongfeng Finance Company Ltd.)*	Entity controlled by Dongfeng Motor	Financial Service Revenue	**5,050**	822
		Miscellaneous expense	**6**	–
東風物流(武漢)有限公司 (Dongfeng Logistics (Wuhan) Co., Ltd.)*	Entity controlled by Dongfeng Motor	Transportation expense	**109,357**	152,832
		Miscellaneous Income	**749**	688
		Rental income	**99**	–
東風悦享科技有限公司 (Dongfeng Yuexiang Technology Co., Ltd.)*	Entity controlled by Dongfeng Motor	Sales	**–**	923
東風物流集團股份有限公司 (Dongfeng Logistics Group Co., Ltd.)*	Entity controlled by Dongfeng Motor	Transportation expense	**27,217**	–
		Miscellaneous income	**109**	–

49. RELATED PARTIES TRANSACTIONS *(continued)*

	Relationships	Nature of transactions	Year ended 31 December 2025 RMB'000	2024 RMB'000
廣州飛梭雲供應鏈有限公司 (Guangzhou Shuttle Cloud Supply Chain Co., Ltd.)*	Entity controlled by Dongfeng Motor	Miscellaneous expense	**438**	787
嵐圖汽車科技股份有限公司 (Voyah Auto Technology Co., Ltd.)*	Entity controlled by Dongfeng Motor	Miscellaneous expense	**14,826**	5,709
		Sales	**1,218**	46,102
嵐圖汽車銷售服務有限公司 (Voyah Automobile Sales and Service Co., Ltd.)*	Entity controlled by Dongfeng Motor	Sales	**13,261**	18,752
		Miscellaneous income	**838**	1,064
濬金融資租賃有限公司 (Pujin Financial Leasing Co., Ltd.)*	Entity controlled by Sokon Holding	Miscellaneous income	**25**	4
		Rental income	**71**	–
上海東風汽車進出口有限公司 (Shanghai Dong Feng Motor Industry Imp. & Exp. Co., Ltd.)*	Entity controlled by Dongfeng Motor	Sales	**244**	268
深圳聯友科技有限公司 (Shenzhen Lan-You Technology Co., Ltd.)*	Entity controlled by Dongfeng Motor	Miscellaneous expense	**133**	113
		Purchases	**10**	6,802
		Miscellaneous income	**–**	9
武漢達安科技有限公司 (Wuhan Da'an Technology Co., Ltd.)*	Entity controlled by Dongfeng Motor	Miscellaneous expense	**–**	72
武漢東風汽車進出口有限公司 (Wuhan Dong Feng Motor Industry Imp. & Exp. Co., Ltd.)*	Entity controlled by Dongfeng Motor	Purchases	**–**	210
		Sales	**–**	1,448
		Miscellaneous income	**–**	853
襄陽達安汽車檢測中心有限公司 (Xiang Yang Da An Automobile Test Center Limited Corporation)*	Entity controlled by Dongfeng Motor	Miscellaneous expense	**65,138**	15,443

49. RELATED PARTIES TRANSACTIONS *(continued)*

	Relationships	Nature of transactions	Year ended 31 December 2025 RMB'000	2024 RMB'000
鄭州日產汽車有限公司 (Zhengzhou Nissan Automobile Co., Ltd.)*	Entity controlled by Dongfeng Motor	Purchases	**129,010**	101,769
中國東風汽車工業進出口有限公司 (China Dongfeng Motor Industry Imp. & Exp. Co., Ltd.)*	Entity controlled by Dongfeng Motor	Sales	**31,323**	10,218
廣州市錦上技研汽車用品有限公司 (Guangzhou Jinshang Jiyan Automotive Supplies Co., Ltd)*	Entity controlled by Dongfeng Motor	Purchases	**9,888**	–
重慶馳瑞物業管理有限公司 (Chongqing Chi Rui Property Management Co., Ltd)*	Entity controlled by Sokon holding	Miscellaneous income	**2**	2
		Rental income	**7**	19
		Miscellaneous Expense	**16,256**	34
		Sale	**109**	–
重慶瑞馳汽車實業有限公司 (Chongqing Ruichi Automobile Industry Co., Ltd.)*	An associate of the Group	Miscellaneous income	**21,881**	850
		Sales	**1,099,344**	398,396
		Purchase	**42,861**	44,167
		Miscellaneous Expense	**1,097**	2,231
		Rental income	**1,716**	616
		Other purchase	**–**	1,494
重慶瑞馳新能源汽車銷售服務有限公司 (Chongqing Ruichi New Energy Automobile Sales Service Co., Ltd.)*	An associate of the Group	Miscellaneous income	**19**	77
		Sales	**10,222**	18,611
		Purchase	**1,058**	1,005
重慶康菲動力科技有限公司 (Chongqing Comfly Power Technology Co., Ltd.)*	An associate of the Group	Rental Payment	**12,428**	12,159
		Miscellaneous income	**618**	–

49. RELATED PARTIES TRANSACTIONS *(continued)*

	Relationships	Nature of transactions	Year ended 31 December 2025 RMB'000	2024 RMB'000
重慶賽航智行技術有限公司 (Chongqing Saihang Zhixing Technology Co., Ltd.) *	An associate of the Group	Rental income	**3**	–
重慶創惠智聯科技有限公司 (Chongqing Chuanghui Zhihui United Technology Co., Ltd.)*	Entity controlled by Sokon Holding	Miscellaneous expense	**–**	1,992
重慶騰康生態農業發展有限公司 (Chongqing Tengkang Eco-Agriculture Development Co., Ltd.)*	Entity controlled by Sokon Holding	Purchases	**127**	70
東風汽車集團有限公司融媒體新聞中心 (Dongfeng Motor Corporation Convergence Media News Center)*	Entity controlled by Dongfeng Motor	Miscellaneous Expense	**–**	19
重慶小康控股有限公司 (Sokon Holding)*	The immediate holding company	Miscellaneous expense	**25**	–
		Miscellaneous income	**647**	27
		Rental income	**754**	375
重慶新感覺摩托車有限公司 (Chongqing Xgjao Motorcycle Co., Ltd.)*	Entity controlled by Sokon Holding	Miscellaneous expense	**–**	55
		Sales	**104**	7,222
		Miscellaneous income	**19**	294
		Rental income	**1,117**	3,502
重慶渝安創新科技有限公司 (Chongqing Yu'an Co., Ltd.)*	Entity controlled by Sokon Holding	Sales	**–**	54
		Miscellaneous income	**12**	8
		Purchases	**–**	1
重慶渝安機械製造有限公司 (Chongqing Yu'an Machinery Manufacturing Co., Ltd.)*	Entity controlled by Sokon Holding	Purchases	**3,523**	4,090
		Miscellaneous income	**91**	207

Notes to the Consolidated Financial Statements

49. RELATED PARTIES TRANSACTIONS *(continued)*

	Relationships	Nature of transactions	Year ended 31 December 2025 RMB'000	2024 RMB'000
重慶渝安智能懸架有限公司 (Chongqing Yu'an Intelligent Suspension Co., Ltd.)*	Entity controlled by Sokon Holding	Miscellaneous income	**913**	977
		Sales	**817**	2,834
		Rental income	**9,099**	10,859
		Purchases	**40**	26,592
		Equipment purchase	**–**	2,886
重慶元圖機車工業有限公司 (Chongqing Yuantu Motorcycle Industrial Co., Ltd.)*	Entity controlled by Sokon Holding	Miscellaneous income	**1**	7
		Rental income	**17**	127
重慶雲灣科技有限公司 (Chongqing CloudBay Technology Co., Ltd.)*	A joint venture of the Group	Purchases	**29,308**	17,169
		Miscellaneous expense	**7,782**	6,597
重慶意來智能懸架有限公司 (Chongqing Yilai Intelligent Suspension Co., Ltd)*	Entity controlled by Sokon Holding	Miscellaneous income	**85**	–
		Purchases	**38,219**	–
		Sales	**1,863**	–
		Rental income	**1,027**	–
深圳引望智能技術有限公司 (Shenzhen Yinwang Intelligent Technology Co., Ltd)*	An associate of the Group	Purchases	**22,335,055**	N/A
		Miscellaneous income	**749**	N/A
東風汽車集團股份有限公司 (Dongfeng Motor Group Company Limited)*	Entity controlled by Dongfeng Motor	Miscellaneous expense	**218**	–

* For identification purposes only

49. RELATED PARTIES TRANSACTIONS *(continued)*

Financial service arrangement

The Group entered into a banking service framework agreement with Dongfeng Motor Finance Co., Ltd., an entity controlled by Dongfeng Motor. Pursuant to the agreement, Dongfeng Motor Finance Co., Ltd. provides banking facilities service and bank depositing service to the Group.

Details of the Group's notes payable and bank balances under the banking service framework agreement with Dongfeng Motor Finance Co., Ltd. are set out below:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Bank balances	**N/A**	9

Compensation of key management personnel

The remuneration of directors and other members of key management of the Group during both years are as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Salaries and other allowances	**19,580**	21,007
Discretionary bonus	**10,211**	6,395
Retirement benefit scheme contributions	**195**	179
	29,986	27,581

The remuneration of directors and key executives is determined having regard to the performance of individuals and market trends. The share-based payment expense recognised for the year ended 31 December 2025 granted to directors and other members of key management above of the Group was RMB11,521,000 (2024: RMB11,414,000) which is not included in the above remuneration.

50. PLEDGE OF OR RESTRICTIONS ON ASSETS

Pledge of assets

The following assets were pledged for certain bank and other borrowings, issuance of bills, short-term letters of credit for trade and other payables granted to the Group:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Property, plant and equipment	**3,543,658**	–
Pledge bank balances	**38,907,916**	39,598,698
Time deposits	**–**	1,612,207
Leasehold lands	**10,998**	–
	42,462,572	41,210,905
Restrictions on assets		
Restricted bank deposits	**15,531**	23,058

51. PARTICULARS OF SUBSIDIARIES

Details of the principal subsidiaries directly and indirectly held by the Company at the end of the reporting period are as follow:

Name of subsidiaries	Place and date of incorporation/ establishment/ operation	Registered capital	Proportion of ownership interest held by the Company As at 31 December 2025	2024	Principal activities
Directly held:					
賽力斯汽車(湖北)有限公司 (Seres Auto (Hubei) Co., Ltd.)*	The PRC 26 May 2003	RMB800,000,000	**100.00%**	100.00%	Manufacturing and provision sales of automobiles
賽力斯汽車有限公司(Seres Auto Co., Ltd.)*	The PRC 4 September 2012	RMB10,637,280,000	**93.63%**	98.77%	Provision of research and development, manufacturing and sales of automobiles

51. PARTICULARS OF SUBSIDIARIES *(continued)*

Name of subsidiaries	Place and date of incorporation/ establishment/ operation	Registered capital	Proportion of ownership interest held by the Company As at 31 December 2025	2024	Principal activities
Directly held: – continued					
重慶小康動力有限公司 (Chongqing Sokon Power Co., Ltd.)*	The PRC 7 April 2009	RMB350,000,000	**100.00%**	100.00%	Manufacturing of automobiles
重慶兩江新區龍盛新能源科技有限責任公司 (Chongqing Liangjiang New Area Longsheng New Energy Technology Co., Ltd.)* (note i)	The PRC 21 September 2022	RMB12,000,000	**100.00%**	N/A	Provision of rental service of new energy vehicle production factories
Indirectly held:					
重慶小康進出口有限公司 (Chongqing Sokon Motor (Group) IMP. & EXP. Co., LTD)*	The PRC 23 February 2004	RMB300,000,000	**100.00%**	100.00%	Provision of import and export activities
重慶問界汽車銷售有限公司 (Chongqing AITO Automobile Sales Co., Ltd.)*	The PRC 7 March 2019	RMB50,000,000	**93.63%**	50.83%	Provision of sale of automobiles
十堰東風風光汽車銷售有限公司 (Shiyan Dongfeng Fengon Automobile Sales Co., Ltd.)*	The PRC 23 December 2019	RMB5,000,000	**100.00%**	100.00%	Provision of sale of automobiles
重慶賽力斯新電動汽車銷售有限公司 (Chongqing Seres New Electric Vehicle Sales Co., Ltd.)*	The PRC 19 March 2018	RMB100,000,000	**93.63%**	98.77%	Provision of sale of automobiles
重慶金康動力新能源有限公司 (Chongqing Jinkang Powertrain New Energy Co., Ltd.)*	The PRC 5 January 2018	RMB1,030,000,000	**93.63%**	50.83%	Provision of research and development, manufacturing and sales of automobile parts
重慶問界智選精品汽車備件有限公司 (Chongqing AITO Premium Automotive Parts Co., Ltd.)*	The PRC 8 April 2003	RMB30,000,000	**100.00%**	100.00%	Provision of manufacturing and sales of automotive parts
重慶渝安淮海動力有限公司 (Chongqing Yu'an Huaihai Powertrain Co., Ltd.)*	The PRC 28 May 2004	RMB8,000,000	**100.00%**	100.00%	Provision of manufacturing and sales of Automotive material and parts
重慶小康機械配件有限公司 (Chongqing Sokon Machinery Parts Co., Ltd.)*	The PRC 15 June 2006	RMB5,000,000	**100.00%**	100.00%	Provision of manufacturing and sales of automotive material and parts

51. PARTICULARS OF SUBSIDIARIES *(continued)*

Name of subsidiaries	Place and date of incorporation/ establishment/ operation	Registered capital	Proportion of ownership interest held by the Company As at 31 December 2025	2024	Principal activities
Indirectly held: – continued					
重慶小康汽車部品有限公司 (Chongqing Sokon Automotive Parts Co., Ltd.)*	The PRC 18 February 2011	RMB50,000,000	**100.00%**	100.00%	Provision of research and development, manufacturing and sales of automotive materials and parts
瀘州容大智能變速器有限公司 (Luzhou Rongda Intelligent Transmission Limited Company)*	The PRC 18 December 2016	RMB547,485,000	**88.71%**	88.71%	Provision of manufacturing and sales of automotive material and parts
重慶賽力斯電動汽車有限公司 (Chongqing Seres Electric Vehicle Co., Ltd.)*	The PRC 31 December 2021	RMB2,000,000,000	**93.63%**	98.77%	Provision of software and information technology services
成都賽力斯科技有限公司 (Chengdu Seres Technology Co., Ltd.)*	The PRC 20 December 2021	RMB5,000,000	**93.63%**	98.77%	Provision of sales of service
重慶賽力斯鳳凰智創科技有限公司 (Chongqing Seres Phoenix Intelligent Innovation Technology Co., Ltd.)*	The PRC 29 December 2023	RMB1,222,250,000	**93.63%**	59.66%	Provision of software and information technology service
重慶東風小康汽車銷售有限公司 (Chongqing Dongfeng SOKON Automobile Sales Co., Ltd)*	The PRC 8 December 2011	RMB50,000,000	**100.00%**	100.00%	Provision of sale of automobiles
小康印尼汽車有限公司 (PT.SOKONINDO AUTOMOBILE)	Indonesia 31 August 2018	RMB499,399,200	**99.00%**	99.00%	Provision of manufacturing and sales of automotive

* For identification purposes only

All subsidiaries listed in the above table established in the PRC are limited liability companies.

The voting power of the subsidiaries held by the Company are same with the ownership interest held by the Company.

The above table lists the subsidiaries of the Company which, in the opinion of the directors of the Company, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors of the Company, result in particulars of excessive length.

None of the subsidiaries had issued any debt securities at the end of the reporting period.

Note:

(i) The entity was acquired by the Group on 25 March 2025.

52. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
NON-CURRENT ASSETS		
Property, plant and equipment	**403,279**	312,389
Right-of-use assets	**52,511**	101,267
Intangible Assets	**7,927**	–
Investment in subsidiaries	**24,197,848**	15,143,441
Interests in associates	**–**	38,095
Equity instruments at FVTOCI	**40,103**	62,057
Deferred tax assets	**9,219**	20,552
Amounts due from subsidiaries	**76,491**	104,757
Amounts due from related companies	**10,370**	1,606
Amount due from immediate holding company	**2,044**	1,060
Deposits paid for property, plant and equipment	**8,394**	4,899
	24,808,186	15,790,123
CURRENT ASSETS		
Inventories	**224**	–
Trade and other receivables	**67,919**	33,922
Financial assets at FVTPL	**255,105**	1,043,835
Amounts due from subsidiaries	**5,318,724**	3,653,459
Pledged bank deposits	**37,000**	37,000
Time deposits	**–**	441,940
Bank balances and cash	**15,622,246**	2,258,739
	21,301,218	7,468,895

52. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY *(continued)*

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
CURRENT LIABILITIES		
Trade and other payables	**235,107**	96,293
Borrowings	**293,183**	4,932
Contract liabilities	**2,408**	–
Amount due to related companies	**1,950**	–
Amounts due to subsidiaries	**340,402**	304,872
Amount due to immediate holding company	**366**	–
Lease liabilities	**85,552**	75,732
	958,968	481,829
NET CURRENT ASSETS	**20,342,250**	6,987,066
TOTAL ASSETS LESS CURRENT LIABILITIES	**45,150,436**	22,777,189
NON-CURRENT LIABILITIES		
Deferred tax liabilities	**4,001**	15,923
Borrowings	**1,389,214**	13,300
Lease liabilities	**38,333**	111,193
Deferred income	**576**	438
	1,432,124	140,854
NET ASSETS	**43,718,312**	22,636,335
CAPITAL AND RESERVES		
Share capital	**1,741,985**	1,509,782
Reserves	**41,976,327**	21,126,553
TOTAL EQUITY	**43,718,312**	22,636,335

52. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY *(continued)*

Movement in the Company's reserves is as follows:

	Share Premium RMB'000	Treasury shares RMB'000	Statutory surplus reserve fund RMB'000	Other reserve RMB'000	Retained profits RMB'000	Total RMB'000
At 1 January 2024	15,571,223	(205,236)	374,805	3,008,896	2,162,271	20,911,959
Total comprehensive income for the year	–	–	–	–	476,572	476,572
Recognition of equity-settled share-based payments	–	–	–	67,419	–	67,419
Share base payment granted to employees and repurchase of shares	–	205,236	–	(34,895)	–	170,341
Dividends recognised as distribution	–	–	–	–	(499,738)	(499,738)
Transfer to statutory surplus reserve	–	–	47,657	–	(47,657)	–
At 31 December 2024	15,571,223	–	422,462	3,041,420	2,091,448	21,126,553
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**1,734,855**	**1,734,855**
Dividends recognised as distribution	**–**	**–**	**–**	**–**	**(2,090,709)**	**(2,090,709)**
Recognition of equity-settled share-based payments	**–**	**–**	**–**	**76,434**	**–**	**76,434**
Vesting of restricted shares	**82,087**	**–**	**–**	**(82,087)**	**–**	**–**
Issuance of A shares for acquisition of a subsidiary	**8,380,806**	**–**	**–**	**–**	**–**	**8,380,806**
Issuance of H shares	**12,748,388**	**–**	**–**	**–**	**–**	**12,748,388**
Transfer to statutory surplus reserve	**–**	**–**	**173,487**	**–**	**(173,487)**	**–**
At 31 December 2025	**36,782,504**	**–**	**595,949**	**3,035,767**	**1,562,107**	**41,976,327**

53. EVENTS AFTER REPORTING PERIOD

There have been no material subsequent events identified subsequent to 31 December 2025.

Section XI Summary of Financial Results for the Past Years

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Unit: RMB'000 Currency: RMB

Item	**Year ended 31 December**			
	2022	**2023**	**2024**	**2025**
Revenue	34,056,074	35,788,885	145,113,623	164,888,013
Cost of sales	(31,328,448)	(33,217,792)	(110,563,078)	(120,564,037)
Selling and distribution expenses	(4,656,748)	(5,276,145)	(19,184,251)	(24,194,263)
Administrative expenses	(2,081,359)	(1,969,389)	(4,509,309)	(6,216,227)
Research and development expenses	(1,313,661)	(1,696,476)	(5,585,504)	(7,954,320)
(Loss) profit before tax	(4,930,410)	(4,080,859)	4,951,347	7,469,529
Income tax expenses	(290,147)	(75,857)	(211,231)	(1,322,789)
(Loss) profit for the year	(5,220,557)	(4,156,716)	4,740,116	6,146,740
(Loss) profit for the year attributable to:				
Owners of the Company	(3,831,866)	(2,449,687)	5,945,945	5,956,787
Non-controlling interests	(1,388,691)	(1,707,029)	(1,205,829)	189,953
(Loss) profit per share				
Basic (RMB)	(2.68)	(1.63)	3.94	3.68
Diluted (RMB)	(2.68)	(1.63)	3.94	3.67

ASSETS AND LIABILITIES

Unit: RMB'000 Currency: RMB

Item	**Year ended 31 December**			
	2022	**2023**	**2024**	**2025**
Total assets	47,160,127	51,244,671	94,363,958	143,905,863
Total liabilities	37,357,694	44,044,724	82,458,401	102,047,535
Total equity	9,802,433	7,199,947	11,905,557	41,858,328
Attributable to:				
Equity shareholders of the Company	11,419,629	11,405,827	12,264,245	40,918,133
Non-controlling interests	(1,617,196)	(4,205,880)	(358,688)	940,195

Chairman: Mr. Zhang Zhengping

Date of approval from the Board: March 30, 2026