



Shanghai Zhida Technology Development Co., Ltd.
上海摯達科技發展股份有限公司

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

Stock Code: 2650

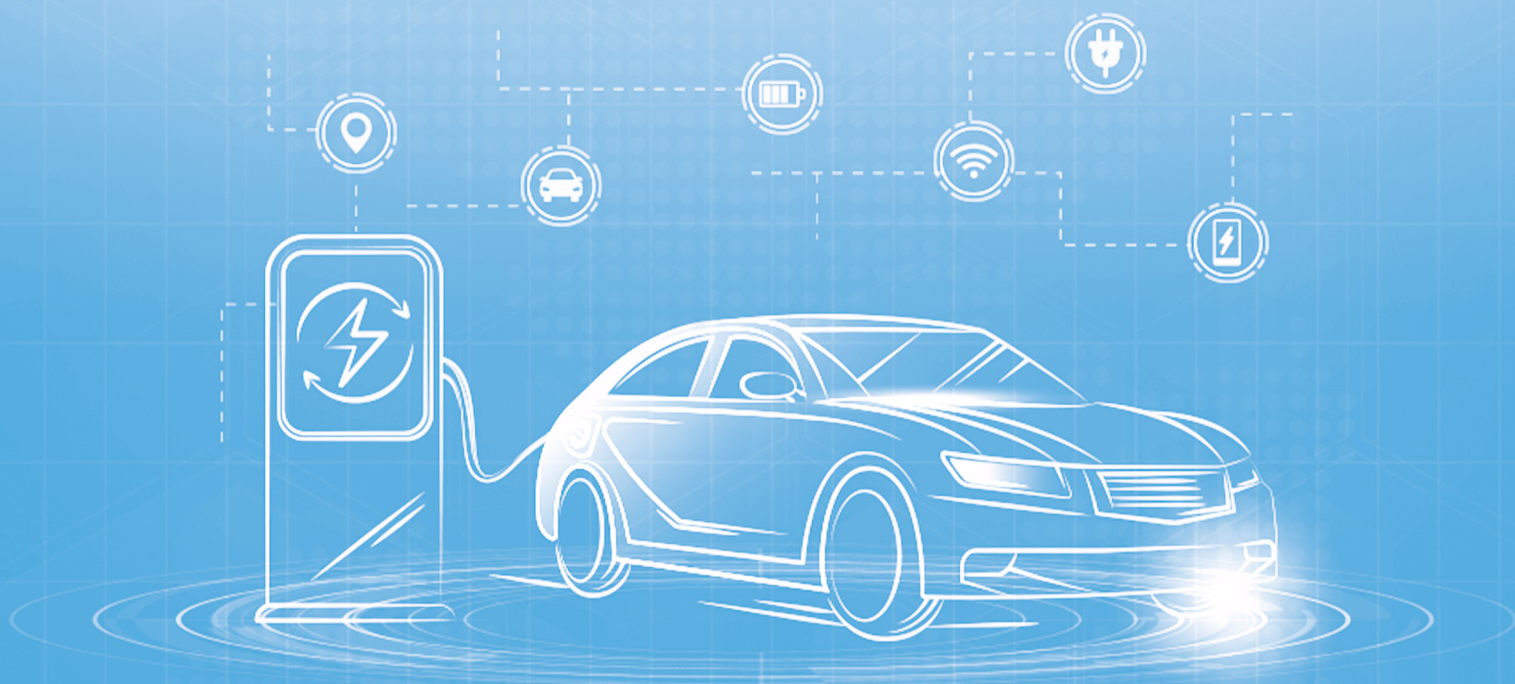
2025

ANNUAL REPORT



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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Dr. Huang Zhiming (*Chairman*)
Mr. Li Xinrui

Independent Non-executive Directors

Ms. Sun Zhili
Ms. Wu Yushan
Dr. Lu Ming

SUPERVISORS

Mr. Shen Qi
Ms. Dai Can
Mr. Liu Xi

JOINT COMPANY SECRETARIES

Mr. Jiang Yuxiao
Ms. Au Wing Sze

AUTHORISED REPRESENTATIVES

Dr. Huang Zhiming
Ms. Au Wing Sze

AUDIT COMMITTEE

Ms. Wu Yushan (*Chairperson*)
Ms. Sun Zhili
Dr. Lu Ming

REMUNERATION COMMITTEE

Ms. Sun Zhili (*Chairperson*)
Dr. Huang Zhiming
Dr. Lu Ming

NOMINATION COMMITTEE

Dr. Huang Zhiming (*Chairperson*)
Ms. Sun Zhili
Dr. Lu Ming

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

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Yangpu District, Shanghai
PRC

REGISTERED OFFICE IN THE PRC

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Yangpu District, Shanghai
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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Hong Kong

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Computershare Hong Kong Investor Services Limited
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Wan Chai, Hong Kong

LEGAL ADVISORS

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Hong Kong

As to PRC law
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COMPLIANCE ADVISOR

Shenwan Hongyuan Capital (H.K.) Limited
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**Industrial and Commercial Bank of China
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Yangpu District, Shanghai
PRC

COMPANY'S WEBSITE

www.shzhida.com

STOCK CODE

2650

Financial Highlights

FINANCIAL SUMMARY

| | For the year ended 31 December | |
|--|--------------------------------|-----------------|
| | 2025 RMB'000 | 2024 RMB'000 |
| Revenue | 716,513 | 593,408 |
| Gross profit | 108,914 | 88,575 |
| Gross profit margin | 15.2% | 14.9% |
| Loss for the year | (163,844) | (235,897) |
| Loss attributable to owners of the Company | (163,846) | (238,842) |
| Basic loss per share (RMB per share) | (2.97) | (4.54) |

For the year ended 31 December 2025, the total revenue of the Group was approximately RMB716.5 million, representing an increase of approximately 20.7% from approximately RMB593.4 million for the year ended 31 December 2024.

For the year ended 31 December 2025, the gross profit of the Group was approximately RMB108.9 million, representing an increase of approximately 23.0% from approximately RMB88.6 million for the year ended 31 December 2024. The Group's gross profit margin was approximately 15.2%, representing an increase of approximately 0.3 percentage points as compared with the gross profit margin of approximately 14.9% for the year ended 31 December 2024.

For the year ended 31 December 2025, the loss of the Group for the year was approximately RMB163.8 million, representing a decrease of approximately 30.5% from approximately RMB235.9 million for the year ended 31 December 2024.

The Board does not recommend the payment of a final dividend for the year ended 31 December 2025 (2024: nil).

Operational Highlights

- In 2025, the total revenue of the Group reached a historic high at approximately RMB716.5 million, representing an increase of approximately 20.7% from approximately RMB593.4 million for 2024.
- In 2025, the Group delivered approximately 619.5 thousand EV chargers, representing an increase of approximately 76.4% from approximately 351.1 thousand EV chargers in 2024, among which approximately 340.2 thousand EV chargers were sold to domestic automakers, representing a year-on-year growth of approximately 68.8%.
- In 2025, the Group's overseas business was over RMB100.0 million, reaching a historic high and accounting for approximately 17.1% of the total revenue, whereas it accounted for approximately 12.1% in 2024. The revenue from overseas operations grew by approximately 70.5% year-on-year with approximately 102.5 thousand EV chargers exported, representing a year-on-year growth of approximately 79.6%.
- The Group accelerated the application and implementation of EV charging robots, successfully deploying them in multiple domestic and overseas locations. Its revenue grew by approximately 88.83% year-on-year.

Management Discussion and Analysis

OVERVIEW

Starting with offering EV chargers to both automakers and users, the Group has since developed a “three-in-one” EV home charging solution consisting of products, services, and a digital platform.

- **Products:** During the Reporting Period, the Group delivered a cumulative number of approximately 619.5 thousand EV chargers globally, representing an increase of approximately 76.4% from approximately 351.1 thousand EV chargers in 2024. Among them, approximately 517.0 thousand EV chargers were delivered in China, while approximately 102.5 thousand EV chargers were exported, representing a year-on-year growth of approximately 79.6% in export. The Group has also developed advanced products with higher gross profit margin and strong revenue potential, including EV charging robots and EMS solutions. The Group has successfully deployed EV charging robots in multiple domestic and overseas locations. Its customers include automakers, intelligent driving companies, energy companies, specialized vehicle manufacturers and public infrastructure operators, and its revenue grew by approximately 88.83% year-on-year.
- **Services:** To empower homes across the country with our EV chargers and digital energy management services, the Group has established China’s largest EV charger service network to provide door-to-door installation and after-sales services, covering over 360 cities nationwide as of 31 December 2025. During the Reporting Period, the Group fulfilled a total of 492.9 thousand installation and after-sales service tasks. The Group is also developing a variety of other services to further digitalize home energy management for its users.
- **Digital Platform:** To connect the Group’s products and services as part of its integrated energy management solutions, the Group has constructed a digital platform. The Group’s platform digitizes the management of its installation and after-sales network and supports its community-shared charging services.

The H Shares were listed on the Main Board of the Stock Exchange on 10 October 2025 by way of Global Offering.

BUSINESS REVIEW

The Group is a trusted partner for leading automakers in China. During the Reporting Period, the Group provided EV chargers and accessories and/or services to nine of the top ten automakers in China in terms of sales volume in 2025. During the Reporting Period, approximately 340.2 thousand EV chargers were sold to domestic automakers, representing a year-on-year growth of approximately 68.8%. Through the Group’s partnerships with well-known automakers, the Group has established its brand reputation as an advanced provider of EV home charging solutions, while expanding into overseas markets alongside these major automakers. Today, the Group’s products and services serve 23 countries. In Thailand and Brazil, two fast-growing EV markets outside of China, the Group is one of the first movers that have established a presence as a recognized provider of EV chargers and services.

Management Discussion and Analysis

Drawing upon its brand influence and service capabilities the Group accumulated through its partnerships with leading automakers, the Group launched its own retail brand “摯達(Zhida)” in 2020. Since its launch, the Group has efficiently and rapidly accumulated a vast user base, which lays a solid foundation for the Group to directly reach and better understand the needs of retail users. The Group covers retail users through multiple channels domestically and internationally. The Group operates e-stores on platforms such as Amazon, Tmall (天貓), Douyin (抖音) and Youzan (有贊) and has expanded its business layout on international e-commerce platforms. The Group was one of the top three brands in terms of retail sales of EV chargers on e-commerce platforms in 2022, 2023 and 2024, according to Frost & Sullivan.

During the Reporting Period, the Group derived its revenue primarily from two business lines, namely, (i) production, research and development and sales of EV chargers and related parts; and (ii) EV chargers installation services, after-sales services and others.

Products

The Group’s product portfolio, including EV chargers and accessories, EV charging robots, EMS solutions, and pipeline products, serves as the key entry portals to digital home energy management. The delivery and use of these smart products are enabled by a digital platform that connects a vast network of third-party installation and after-sales service providers and supports our community-shared charging services.

Over the years, the Group has developed various models of EV chargers and accessories that comply with the latest national standard (the new 3C Standard), catering to customer’s EV home charging needs. The Group manufactures its EV chargers either for sales by automakers as part of their vehicles sold to their customers, or under the Group’s own brand sold to users through the Group’s self-operated retail channels and third-party distributors. Based on the Group’s deep understanding of automakers’ specifications, the Group is capable of customizing its EV chargers to their specific requirements. In addition, the Group has launched advanced products with higher gross profit margin and strong revenue potential such as EV charging robots and EMS solutions. Substantially all of the Group’s revenues generated from EV chargers.

Services

As part of its integrated EV home charging solutions and complementary to our products, the Group offers services to users to help them to unlock the full potential of its product offerings. Such service offerings include EV charger installation and after-sales services provided through third-party service providers connected through the Group’s digital platform. Through corporate service providers, the Group assists users in effortlessly setting up and maintaining their EV chargers. In addition, the Group also provides a growing range of digital home energy management services, which encompass data analytics, safe charging, and other digital functions that enable users to manage their daily EV home charging and home energy management needs more effectively. These services also include providing users with community shared charging through the Group’s apps and mini-program. During the Reporting Period, substantially all of the revenues the Group generated from services were derived from providing users with EV charger installation and after-sales services.

Management Discussion and Analysis

Digital Platform

To seamlessly integrate its products and services and provide users with a digital home energy management solution, the Group has built and is continuously developing a digital platform that supports EV charger installation and community shared charging. The Group's customers, business partners and employees are connected through the digital platform for information exchange and service requests. This platform supports our "online-to-offline" installation and after-sales services by allowing the Group to deploy a nationwide network of service providers to provide reliable installation and after-sales services. Through deployment of reliable third-party service providers through this digital platform, the Group ensures the timely accessibility and sharing of information by and among the Group, automakers, users, and service providers, which significantly enhances service quality and efficiency. This digital platform also supports community shared charging which allows users to conveniently locate and share the use of EV chargers. The Group currently generates revenues from the digital platform. Leveraging platform-supported community shared charging service, the Group enables users to locate available EV chargers with ease and promote the sharing of charging resources, thereby optimizing the efficient use of existing infrastructure and contributing to a sustainable EV ecosystem. The Group's digital platform is strictly segregated for China and overseas markets in compliance with relevant laws and regulations in data security and privacy protection.

OUTLOOK

In 2026, the Group remains committed to making our products, platform, and services more global and more digitized through the following development strategies:

- **Accelerate Global Expansion for Market Leadership:** The Group plans to establish localized manufacturing facilities and service networks in selected overseas markets to support the global expansion of Chinese EV brands. This approach will accelerate the Group's penetration into high-margin markets, including Europe, and large emerging markets across Southeast Asia, South America, and the Middle East, enabling a seamless manufacturing-to-sales chain for its branded products and services. Currently, the Group's European and U.S. standards products are primarily sold in Thailand, Brazil, Australia, Malaysia and Indonesia.
- **Strengthen Retail Sales to Drive Sustainable Growth:** The Group aims to expand its retail sales channels to capture higher-margin opportunities and reduce reliance on automaker-driven sales. This strategy leverages the Group's established brand reputation and enables direct engagement with a broader consumer base across multiple markets.
- **Innovate Product Development for Enhanced Profitability:** To strengthen profitability and maintain a competitive edge, the Group focuses on advancing high-margin products and expanding its suite of intelligent energy solutions. This strategy leverages both new product launches and continuous technological innovation to create a differentiated market presence.
- **Optimize Cost Structure to Boost Profit Margins:** The Group's strategy to enhance profitability includes rigorous cost management and operational efficiency improvements, aimed at reducing overhead and maximizing resource utilization.

Management Discussion and Analysis

FINANCIAL REVIEW

Revenue

The following table sets forth a breakdown of the Group's revenues generated from sales of products and provision of services during the years indicated. The amount of revenue generated from sales of EV chargers represented 93.2% and 96.1% of revenue generated from sales of products in 2024 and 2025, respectively. The remaining revenue under sales of products represented accessories such as portable charging devices and electrical cables. The amount of revenue generated from provision of installation and after-sales services represented 95.9% and 94.8% of revenue generated from provision of services in 2024 and 2025, respectively. The remaining revenue under provision of services represented charging service and technology development service. The Group's technology development service mainly includes providing clients with system upgrades and optimization for pile installation, R&D of EV chargers, technical services for energy storage, site survey services, and software development services.

| | Year ended 31 December | | | |
|-----------------------|------------------------|--------------|---------|-------|
| | 2025 | | 2024 | |
| | RMB'000 | % | RMB'000 | % |
| By Nature | | | | |
| Sales of products | 447,059 | 62.4 | 304,537 | 51.3 |
| Provision of services | 269,454 | 37.6 | 288,871 | 48.7 |
| Total | 716,513 | 100.0 | 593,408 | 100.0 |

Revenue of the Group increased by approximately 20.7% from approximately RMB593.4 million for the year ended 31 December 2024 to approximately RMB716.5 million for the year ended 31 December 2025, mainly reflecting the following:

- (i) revenue from sales of products increased by approximately 46.8% from approximately RMB304.5 million for the year ended 31 December 2024 to approximately RMB447.1 million for the year ended 31 December 2025, primarily due to the increase in sales in overseas brought about by the expansion of overseas business; and
- (ii) revenue from provision of services decreased by approximately 6.7% from approximately RMB288.9 million for the year ended 31 December 2024 to approximately RMB269.5 million for the year ended 31 December 2025, primarily due to the overall decrease in unit selling price of installation services this year.

Cost of Sales

The Group's cost of sales increased by approximately 20.4% from approximately RMB504.8 million for the year ended 31 December 2024 to approximately RMB607.6 million for the year ended 31 December 2025, primarily due to the expanded business scale of the Group.

Management Discussion and Analysis

Gross Profit and Gross Profit Margin

The following table sets forth the Group's gross profit and gross profit margin by business line for the years indicated:

| | Year ended 31 December | | | |
|-----------------------|------------------------|--------------|----------------|--------------|
| | 2025 | | 2024 | |
| | Gross profit | Gross profit | Gross profit | Gross profit |
| | <i>RMB'000</i> | margin | <i>RMB'000</i> | margin |
| | | % | | % |
| Sales of products | 89,477 | 20.0 | 60,792 | 20.0 |
| Provision of services | 19,437 | 7.2 | 27,783 | 9.6 |
| Total | 108,914 | 15.2 | 88,575 | 14.9 |

The Group's gross profit increased by approximately 23.0% from approximately RMB88.6 million for the year ended 31 December 2024 to approximately RMB108.9 million for the year ended 31 December 2025, primarily due to the expansion of business of the Group.

The Group's gross profit margin for the year ended 31 December 2025 was approximately 15.2%, representing an increase of approximately 0.3 percentage points as compared with the gross profit margin of approximately 14.9% for the year ended 31 December 2024, mainly reflecting the following:

- (i) gross profit for sales of products increased by approximately 47.2% from approximately RMB60.8 million for the year ended 31 December 2024 to approximately RMB89.5 million for the year ended 31 December 2025, mainly due to the increase in sales volume this year, as well as the rise in the sales of high-margin products overseas, leading to a rise in gross profit; and
- (ii) gross profit for provision of services decreased by approximately 30.0% from approximately RMB27.8 million for the year ended 31 December 2024 to approximately RMB19.4 million for the year ended 31 December 2025, primarily due to the pressure from customers to reduce prices, resulting in a decrease in the installation unit price.

Other Income

The Group's other income primarily consists of government grants.

The Group's other income increased by approximately 66.5% from approximately RMB6.1 million for the year ended 31 December 2024 to approximately RMB10.1 million for the year ended 31 December 2025, primarily due to the receipt of more government grants.

Administrative Expenses and Research and Development Expenses

The Group's administrative expenses and research and development expenses decreased by approximately 3.6% from approximately RMB159.5 million for the year ended 31 December 2024 to approximately RMB153.8 million for the year ended 31 December 2025, primarily due to cost control measures.

Management Discussion and Analysis

Impairment Losses on Financial Assets

The Group's impairment loss on financial assets decreased by approximately 79.2% from approximately RMB38.5 million for the year ended 31 December 2024 to approximately RMB8.0 million for the year ended 31 December 2025, primarily due to the reduction in individual provision for credit impairment losses.

Sales and Marketing Expenses

The Group's sales and marketing expenses decreased by approximately 11.7% from approximately RMB114.7 million for the year ended 31 December 2024 to approximately RMB101.2 million for the year ended 31 December 2025, primarily due to cost control measures.

Finance Costs

The Group's finance costs increased by approximately 3.9% from approximately RMB14.0 million for the year ended 31 December 2024 to approximately RMB14.6 million for the year ended 31 December 2025, primarily due to the increase in the amount of short-term borrowings.

Income Tax Expense

The Group's income tax expense decreased by approximately 6.8% from approximately RMB4.0 million for the year ended 31 December 2024 to approximately RMB3.7 million for the year ended 31 December 2025.

Loss for the Year

As a result of the foregoing, loss of the Group for the year decreased by approximately 30.5% from approximately RMB235.9 million for the year ended 31 December 2024 to approximately RMB163.8 million for the year ended 31 December 2025.

Property, Plant and Equipment

The Group's investment property, plant and equipment mainly consist of machinery and moulds, vehicles, electronic equipment and others, leasehold improvements and construction in progress.

The net carrying amount of the Group's property, plant and equipment decreased by approximately 9.8% from approximately RMB44.5 million as at 31 December 2024 to approximately RMB40.1 million as at 31 December 2025, primarily due to depreciation of property, plant and equipment.

Management Discussion and Analysis

Trade and Notes Receivables

Trade and notes receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 1 year and therefore all classified as current. Trade and notes receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, in which case they are recognised at fair value. The Group holds the trade and notes receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

The Group's trade and notes receivables increased by approximately 41.1% from approximately RMB306.4 million as at 31 December 2024 to approximately RMB432.3 million as at 31 December 2025, primarily due to the increase in sales this year.

Financial Assets at Fair Value

In May 2024, the Group entered into a share purchase agreement to acquire 9.3% issued shares of an unlisted entity at a consideration of RMB15,600,000. Since the Group has no significant influence on the investee, and the purpose of the investment is not held for trading, this equity investment was accounted for as financial assets at fair value through other comprehensive income. In December 2024, the Group's shareholding percentage was diluted to 8.5% following the entry of new investors.

The Group's financial assets at fair value through other comprehensive income increased by approximately 1.5% from approximately RMB16.5 million as at 31 December 2024 to approximately RMB16.7 million as at 31 December 2025, mainly due to the increase in the fair value of the investee.

Trade Payables

Trade and other payables primarily represent the Group's obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers.

The Group's trade payables increased by approximately 0.3% from approximately RMB324.9 million as at 31 December 2024 to approximately RMB325.7 million as at 31 December 2025, primarily due to the increase in purchase.

Cash and Cash Equivalents

The Group's cash and cash equivalents increased by approximately 106.3% from approximately RMB141.4 million as at 31 December 2024 to approximately RMB291.6 million as at 31 December 2025, 59.0% of which is denominated in RMB, primarily due to the net proceeds received from the Global Offering led to an increase in cash.

Net Current Assets

The Group's net current assets increased from net current liability of approximately RMB86.4 million as at 31 December 2024 to net current assets of approximately RMB57.3 million as at 31 December 2025, primarily attributable to the increase in cash and cash equivalents.

Management Discussion and Analysis

LIQUIDITY AND CAPITAL RESOURCES

The Group's principal use of cash has been for working capital purposes. The Group's main source of liquidity has been generated from cash flows from operations and net proceeds received from the Global Offering. As at 31 December 2025, cash and cash equivalents of the Group amounted to approximately RMB291.6 million (31 December 2024: approximately RMB141.4 million), 59.0% of which were denominated in RMB. Going forward, the Group will closely monitor the use of cash and strive to maintain a healthy liquidity for its operations.

Bank Borrowings

As at 31 December 2025, the Group had interest-bearing bank and other borrowings of approximately RMB470.3 million (31 December 2024: approximately RMB390.3 million), 100.0% of which was denominated in RMB and 100.0% of which is subject to a fixed interest rate.

Pledge of Assets

As at 31 December 2025, the Group had pledged assets of RMB255,000 (31 December 2024: RMB591,000).

Total liabilities to assets ratio

Total liabilities to assets ratio equals to total liabilities divided by total assets as at the end of the period. The Group's total liabilities to assets ratio as at 31 December 2025 was approximately 78.3% (31 December 2024: approximately 94.1%).

Contingent Liabilities

As at 31 December 2025, the Group did not have any outstanding material contingent liabilities (31 December 2024: nil).

Capital Expenditures

The Group's capital expenditures are incurred primarily in connection with purchase of property, plant and equipment and intangible assets such as software and patents. The Group incurred capital expenditures of approximately RMB62.6 million for the year ended 31 December 2025 (2024: approximately RMB27.9 million).

MARKET RISK

The Group is exposed to a variety of market risks, including interest rate risk, credit risk and liquidity risk, as set out below. The Group manages and monitors these risks to ensure appropriate measures are implemented on a timely and effective manner. During the Reporting Period, the Group did not hedge or consider necessary to hedge any of these risks.

Interest Rate Risk

The exposure of the Group to risk for changes in market interest rates relates primarily to its interest-bearing borrowings. The Group does not use derivative financial instruments to hedge interest rate risk.

Management Discussion and Analysis

Foreign Exchange Risk

The Group's operations are primarily conducted in Renminbi, which is the functional currency of the Group. The Group is exposed to exchange rates changes in RMB/USD and RMB/HKD.

As at 31 December 2025, if USD strengthened/weakened by 10% against RMB, with all other variables held constant, the loss before income tax for the year then ended would have been approximately RMB2,103,000 (31 December 2024: approximately RMB1,167,000) lower/higher as a result of foreign exchange gains/losses on translation of USD denominated cash and cash equivalents.

As at 31 December 2025, if HKD strengthened/weakened by 10% against RMB, with all other variables held constant, the loss before income tax for the year then ended would have been approximately RMB10,588,000 (31 December 2024: Nil) lower/higher as a result of foreign exchange gains/losses on translation of HKD denominated cash and cash equivalents. Currently, the Group does not implement any foreign currency hedging policy and the management of the Group will closely monitor any exposure to foreign exchange.

Credit Risk

Credit risk arises from cash and cash equivalents, restricted cash, trade and notes receivables and other receivables. The carrying amount of each class of the above financial assets represents the Group's maximum exposure to credit risk in relation to the corresponding class of financial assets.

Cash at bank and in hand

To manage risk arising from cash and cash equivalents and restricted cash, the Group only transacts with state-owned or reputable financial institutions in Mainland China. There has been no recent history of default in relation to these financial institutions. These instruments are considered to have low credit risk because they have a low risk of default and the counterparty has a strong capacity to meet its contractual cash flow obligations in the near term. Cash and cash equivalents and restricted cash are also subject to the impairment requirements of IFRS 9, while the identified credit loss was immaterial.

Trade and notes receivables

The Group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade and notes receivables. To measure the expected credit losses, trade and notes receivables have been grouped based on shared credit risk characteristics and aging.

For trade receivable balances with objective evidence of impairment and significant different credit risk characteristics, individual provision was made based on the present value of the difference between contractual cashflows and the cash flows that were expected to be received, with the considerations on current and future economic situations.

For other customers with similar credit risk characteristics, the expected loss rates are based on the payment profiles of sales over a period and the corresponding historical credit losses experienced. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the Fixed Asset Investment and the Manufacturing PMI to be the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Management Discussion and Analysis

Other receivables

Other receivables mainly include deposits and others. All of the Group's financial assets at amortised cost are measured as either 12-month expected credit losses or lifetime expected credit losses, depending on whether there has been a significant increase in credit risk since initial recognition. Other receivables that are not credit-impaired on initial recognition are classified in stage 1 and the expected credit losses are measured as 12-month expected credit losses. If a significant increase in credit risk of other receivable has occurred since initial recognition, the financial asset is moved to stage 2 but is not yet deemed to be credit-impaired. The expected credit losses are measured as lifetime expected credit loss. If any financial asset is credit-impaired, it is then moved to stage 3 and the expected credit loss is measured as lifetime expected credit loss. Almost all of the Group's other receivables as at 31 December 2025 and 2024 were classified in stage 1. There is no other receivables classified in stage 2. The amount of other receivables in stage 3 is minimal.

Liquidity Risk

The Group aims to maintain a balance between the continuity of funding and flexibility through the use of interest-bearing borrowings. Cash flows are closely monitored on an ongoing basis.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Significant Investments, Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

The Company did not have any significant investment, material acquisition or disposal of subsidiaries, associates and joint ventures during the Reporting Period.

Future Plans for Material Investments or Capital Assets

Save as disclosed in the paragraph headed "Use of proceeds from the Listing" in this section, as of 31 December 2025, the Company did not have any future plans for material investments or additions of capital assets.

Management Discussion and Analysis

Use of Proceeds from the Listing

The 5,978,900 H Shares were listed on the Main Board of the Stock Exchange on the Listing Date at HK\$66.92 per H Share, with net proceeds received by the Company from the Global Offering in the amount of approximately HK\$326.6 million after deducting the listing expenses payable by the Company in connection with the Global Offering. The following table sets forth the Company's use of the proceeds from the Global Offering as of 31 December 2025.

| Planned use of net proceeds | % of the total net proceeds | Net proceeds from the Global Offering (HK\$ in millions) | Actual utilised amount during the period from the Listing Date to 31 December 2025 (HK\$ in millions) | Unutilised amount as of 31 December 2025 (HK\$ in millions) | Expected timeline of full utilization of the remaining net proceeds |
|---|-----------------------------|---|--|--|---|
| Overseas expansion | 38.0 | 124.1 | 54.7 | 69.4 | By 31 December 2030 |
| Research and development | 36.5 | 119.2 | 13.8 | 105.4 | By 31 December 2030 |
| Mergers or acquisitions activities | 10.0 | 32.7 | 0 | 32.7 | N/A |
| Upgrading existing production facilities and equipment in the Group's Xuancheng factory | 5.5 | 18.0 | 0.4 | 17.6 | By 31 December 2026 |
| General corporate purposes | 10.0 | 32.6 | 21.2 | 11.4 | N/A |
| Total | 100.0 | 326.6 | 90.1 | 236.5 | |

The net proceeds have been and will be utilized in accordance with the purposes set out in the section headed "Future Plans and Use of Proceeds" of the Prospectus. The expected timeline for utilizing the remaining proceeds is based on the best estimation of the future progress of business expansion and market conditions made by the Company. It will be subject to change based on the current and future development of market conditions.

Employees and Remuneration Policy

As at 31 December 2025, the Group had a total of 552 full-time employees (31 December 2024: 523), substantially all of whom are stationed in China. For the year ended 31 December 2025, the employee benefit expenses of the Group amounted to approximately RMB127.8 million (for the year ended 31 December 2024: approximately RMB134.8 million).

The Group believes that the expertise, experience and professional development of its employees contributes to its growth. The Group proactively recruits skilled and qualified personnel with relevant working experience to support the sustainable growth of business.

Management Discussion and Analysis

The remuneration package of employees of the Group includes salary and bonus, which are generally based on their qualifications, industry experience, position and performance. In addition, the Group provides training programs regularly and across management levels, in compatible with practical needs, covering key areas in its business operations, including but not limited to corporate culture and policies, technical knowledge required for certain positions, leadership skills and general knowledge about the nature of the Group's services.

As of 31 December 2025, save for the pre-IPO share incentive plan adopted by the Company on 1 October 2022 under which 126,558 restricted shares have been granted to certain eligible employees of the Group through Tongdu Technology in 2022, there was no other share incentive schemes adopted by the Company.

Report of the Board

The Board is pleased to present this Report of the Board together with the audited consolidated financial statements of the Group for the Reporting Period.

PRINCIPAL ACTIVITIES

The Group is principally engaged in the provision of the following goods and services: (i) production, research and development and sales of electric vehicle chargers (“**EV chargers**”) and related parts, and (ii) EV chargers installation services, after-sales services, etc in the PRC. During the Reporting Period and up to the date of this report, there has been no major change in the nature of the Group’s principal business activities.

PERFORMANCE REVIEW

A review of the Group’s business during the Reporting Period, which includes an analysis of the Group’s performance using key financial performance indicators, particulars of important events affecting the Group during the Reporting Period, and an indication of likely future development in the Company’s business are set out in the section headed “Management Discussion and Analysis” in this annual report.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to the long-term sustainability of the environment and communities in which it operates and has not noted any material non-compliance with applicable environmental protection laws and regulations in relation to its business. The Group has established detailed internal rules regarding environmental protection and adopted effective measures to achieve efficient use of resources, waste reduction and energy saving.

A comprehensive review of the Group’s environmental policy and performance for the Reporting Period is set out in the Environmental, Social and Governance Report.

COMPLIANCE WITH LAWS AND REGULATIONS

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, the Group has complied in all material aspects with the relevant laws and regulations that have a significant impact on the Group during the Reporting Period.

PRINCIPAL RISKS AND UNCERTAINTIES

The following list is a summary of certain principal risks and uncertainties faced by the Group, some of which are beyond its control.

- A limited number of customers accounted for a substantial portion of the Group’s revenue during the Reporting Period. Any decreases in the Group’s future sales to them could adversely affect the Group’s business, results of operations, financial condition and prospects.
- Many of the Group’s major customers are automakers who have substantial bargaining power, which exposes the Group to significant pricing pressure.
- The Group’s future growth and success are dependent upon the continued acceptance and adoption of EVs.

Report of the Board

- The Group faces competition as the EV home charging solution market develops and evolves.
- The EV home charging related technologies are rapidly evolving. If the Group cannot keep up with the latest development, its business, results of operations, financial condition and prospects may be materially and adversely affected.
- The Group's nationwide service network relies on third-party service providers to deliver high standard performance, and may not be able to manage the expansion of such service network efficiently.
- Higher labor costs and inflation may adversely affect the Group's provision of installation and after-sales services.
- The Group may be liable for personal and property damages caused by the use of its products. Any quality issues related to its products could result in a loss of customers and may subject it to product liability claims and reputational risks.
- The Group relies on a limited number of suppliers for our production. A significant interruption in the operations of its suppliers could potentially affect its operations and any material misconduct or disputes involving its suppliers could adversely affect its business, results of operations, financial condition and prospects.
- The EV market in China has benefited from the availability of rebates, tax credits and other incentives from governments, and any reduction, modification, or elimination of such benefits could cause reduced demand for EVs and EV home charging products and services.
- The current tensions in international trade and rising geopolitical tensions involving China may adversely impact the Group's plan to expansion into overseas markets, which may subject the Group to governmental economic sanctions and export controls laws, which could subject it to liability and impair its ability to compete in overseas markets.

However, the above is not an exhaustive list. Investors are advised to make their own judgment or consult their own investment advisors before making any investment in the Shares.

KEY RELATIONSHIPS WITH STAKEHOLDERS

The Group actively communicates with stakeholders such as customers, employees, investors and Shareholders, suppliers and partners, and attaches great importance to the suggestions and feedback of stakeholders, which the Group regards as an important basis for improving operational management and sustainable development standards. In order to fully listen to the voices of stakeholders, the Group has established a variety of communication channels to ensure open and transparent information and efficient communication processes. We are fully aware that communication with stakeholders is an important and continuous process. In the future, we will continue to improve the communication mechanism, actively respond to the demands of stakeholders, optimize the management and operation standards of the Company, and enhance the sustainable development performance of the Group.

Details of the Company's key relationships with its employees, customers, suppliers and others that have a significant impact on the Group are set out in the Environmental, Social and Governance Report.

Report of the Board

MAJOR CUSTOMERS AND SUPPLIERS

During the Reporting Period, revenue generated from the Group's largest and five largest customers in aggregate accounted for 24.74% and 54.11% of the Group's total revenue, respectively.

During the Reporting Period, purchases attributable to the Group's largest supplier and the five largest suppliers in aggregate accounted for 9.73% and 24.68% of the Group's total purchase, respectively.

During the Reporting Period, none of the Directors, Supervisors, any of their close associates or any Shareholder (which to the knowledge of the Directors owns more than 5% of the number of the issued Shares) was interested in the five largest customers or suppliers of the Group.

DIRECTORS AND SUPERVISORS

The Directors and Supervisors during the Reporting Period and up to the date of this report were:

Executive Directors

Dr. Huang Zhiming (*Chairman*)
Mr. Li Xinrui

Independent non-executive Directors

Ms. Sun Zhili
Ms. Wu Yushan
Dr. Lu Ming

Supervisors

Mr. Shen Qi
Ms. Dai Can
Mr. Liu Xi

BIOGRAPHIES OF THE DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Biographies of our Directors, Supervisors and senior management of our Group are set out in the section headed "Directors, Supervisors and Senior Management" of this annual report.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

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

Report of the Board

SERVICE CONTRACTS AND APPOINTMENT LETTERS OF THE DIRECTORS AND SUPERVISORS

Each of our Directors and Supervisors has entered into a service contract or appointment letter with our Company. The appointment of all Directors and Supervisors is effective from the respective appointment date for three (3) years subject to the termination by no less than 30 days' written notice served by either party.

When the Directors' terms expire and re-elections are not held in time, the existing Directors shall still perform their duties as Directors in accordance with the laws, administrative regulations, departmental rules and the Articles of Association before newly elected Directors take office. Their re-elections shall be subject to the provisions of the Articles of Association.

Save as disclosed above, none of the Directors or the Supervisors has entered into a service contract or an appointment letter with the Group, which is not determinable within one year without payment of compensation (other than statutory compensation).

DIRECTORS' AND SUPERVISORS' INTERESTS IN TRANSACTION, ARRANGEMENT OR CONTRACT OF SIGNIFICANCE

No Directors, Supervisors or any entity connected with the Directors or Supervisors had material interests in, either directly or indirectly, any transactions, arrangements or contracts of significance to the business of the Group to which the Company, its holding company or any of its subsidiaries or fellow subsidiaries was a party subsisted during or at the end of the Reporting Period.

DIRECTORS' AND SUPERVISORS' INTERESTS IN COMPETING BUSINESSES

No Directors, Supervisors or any of their respective associates had engaged in or had any interest in any business which competes or may compete with the business of the Group during the Reporting Period.

PERMITTED INDEMNITY PROVISION

The Group has purchased and maintained liability insurance to provide appropriate coverage for the Directors since March 2026. The permitted indemnity provisions are set out in such liability insurance.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Reporting Period.

ARRANGEMENT TO ACQUIRE SHARES OR DEBENTURES

During the Reporting Period, the Company did not grant any rights to any Directors, Supervisors or their respective spouse or children under the age of 18 to acquire benefits by means of the acquisition of Shares in or debentures of the Company, and none of the above persons have exercised the said rights. Save as the pre-IPO share incentive plan referred to in Appendix I to the Prospectus, the Company, its holding company, or any of its subsidiaries or fellow subsidiaries were not a party to any arrangements to enable the Directors or Supervisors to acquire such rights in any other body corporate.

Report of the Board

REMUNERATION OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

Details of the remuneration of the Directors and Supervisors and the five highest paid individuals for the Reporting Period are set out in Note 40 and Note 9 to the consolidated financial statements in this annual report.

CONNECTED TRANSACTIONS

The Group has not entered into any connected transaction during the Reporting Period which is discloseable under Chapter 14A of the Listing Rules.

RELATED PARTY TRANSACTIONS

Details of the related party transactions conducted by the Group during the Reporting Period is set out in Note 38 to the consolidated financial statements in this annual report. With respect to such related party transactions, those transactions which constitute continuing connected transactions of the Company constitute fully exempted continuing connected transactions of the Company under the Listing Rules. The Board confirmed that Group has complied with the disclosure requirements for connected transactions or continuing connected transactions in accordance with Chapter 14A of the Listing Rules (if any) during the Reporting Period.

CONTRACT OF SIGNIFICANCE WITH CONTROLLING SHAREHOLDERS

Save as disclosed in this report, no contract of significance (including contract of significance for the provision of services) was entered into between the Group and the Controlling Shareholders or any of its subsidiaries during the Reporting Period.

DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 December 2025, the interests and short positions of the Directors, the Supervisors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors, the Supervisors and chief executive of the Company were taken or deemed to have under such provisions of the SFO); (ii) recorded in the register kept by the Company pursuant to Section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Interest in the Company

| Name | Position | Nature of Interest | Number and class of Shares held | Approximate percentage of shareholding in the Shares ⁽¹⁾ |
|-----------|---|--|---------------------------------|---|
| Dr. Huang | Chairman of the Board, Executive Director and chief executive officer | Beneficial owner | 15,063,372 H Shares (L) | 25.19% |
| | | Interest in controlled corporations ⁽²⁾ | 10,605,643 H Shares (L) | 17.74% |

Report of the Board

Notes:

- (L) All interests stated are long positions.
- (1) The percentage is calculated with the total number of 59,788,807 H Shares in issue as at 31 December 2025.
- (2) As at 31 December 2025, Tongdu E-Commerce, Tongdu Intelligent and Tongdu Technology directly held 8,287,500, 2,168,540 and 149,603 H Shares, which represents 15.40%, 4.03% and 0.28% interests in the Company respectively. Tongdu E-Commerce and Tongdu Intelligent are both controlled by Dr. Huang as its sole general partner. The general partner of Tongdu Technology is Tongdu Enterprise which is controlled by Dr. Huang as to 70% and his spouse, Ms. Liu Jing (defined below), as to 30%. Therefore, by virtue of SFO, Dr. Huang, is deemed to be interested in the Shares held by Tongdu E-Commerce, Tongdu Intelligent, Tongdu Technology and Tongdu Enterprise.

Save as disclosed above, as at 31 December 2025, none of the Directors, Supervisors or chief executive of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors, Supervisors or chief executive of the Company were taken or deemed to have under such provisions of the SFO); (ii) recorded in the register kept by the Company pursuant to Section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at 31 December 2025, the following persons/entities have interests and/or short positions in the Shares or the underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or as recorded in the register required to be kept by the Company under Section 336 of the SFO:

| Name of Shareholders | Nature of interest | Number of Shares | Description of Shares | Approximate percentage of shareholding in the total share capital ⁽¹⁾ |
|---|-------------------------------------|------------------|-----------------------|--|
| Dr. Huang ⁽²⁾ | Beneficial owner | 15,063,372 | H Shares (L) | 25.19% |
| | Interest in controlled corporations | 10,605,643 | H Shares (L) | 17.74% |
| Ms. Liu Jing (劉靜) ("Ms. Liu") ⁽²⁾ | Interests of spouse | 25,669,015 | H Shares (L) | 42.93% |
| | Beneficial owner | 8,287,500 | H Shares (L) | 13.86% |
| Jingzhou Zhida ⁽³⁾ | Beneficial owner | 4,691,991 | H Shares (L) | 7.85% |
| Chen Hanlin (陳涵霖) ⁽³⁾ | Interest in controlled corporation | 4,691,991 | H Shares (L) | 7.85% |
| Shanghai China Power Investment ⁽⁴⁾ | Beneficial owner | 4,170,008 | H Shares (L) | 6.97% |
| State Power Investment Corporation Industrial Fund Management Co., Ltd.* (國家電投集團產業基金管理有限公司) ⁽⁴⁾ | Interest in controlled corporation | 4,170,008 | H Shares (L) | 6.97% |
| State Power Investment Corporation Innovation Investment Co., Ltd.* (國家電投集團創新投資有限公司) ⁽⁴⁾ | Interest in controlled corporation | 4,170,008 | H Shares (L) | 6.97% |
| State Power Investment Corporation Co., Ltd.* (國家電力投資集團有限公司) ⁽⁴⁾ | Interest in controlled corporation | 4,170,008 | H Shares (L) | 6.97% |

Report of the Board

| Name of Shareholders | Nature of interest | Number of Shares | Description of Shares | Approximate percentage of shareholding in the total share capital ⁽¹⁾ |
|--|-------------------------------------|------------------|-----------------------|--|
| China Power Investment Ronghe New Energy Technology Co., Ltd.* (中電投融和新能源科技有限公司) ⁽⁴⁾ | Interest in controlled corporation | 4,170,008 | H Shares (L) | 6.97% |
| Power Investment Ronghe New Energy Development Co., Ltd.* (電投融和新能源發展有限公司) ⁽⁴⁾ | Interest in controlled corporation | 4,170,008 | H Shares (L) | 6.97% |
| Anhui Zhongding ⁽⁵⁾ | Beneficial owner | 4,128,405 | H Shares (L) | 6.90% |
| Anhui Zhongding Holding (Group) Co., Ltd.* (安徽中鼎控股(集團)股份有限公司) ⁽⁵⁾ | Interest in controlled corporation | 4,128,405 | H Shares (L) | 6.90% |
| Anhui Jintong Zhihui Private Equity Fund Management Co., Ltd.* (安徽金通智匯私募基金管理有限公司) ⁽⁶⁾ | Interest in controlled corporations | 4,028,407 | H Shares (L) | 6.74% |
| Shanghai Rongqian Enterprise Management Center (Limited Partnership)* (上海榮乾企業管理中心(有限合夥)) ⁽⁶⁾ | Interest in controlled corporations | 4,028,407 | H Shares (L) | 6.74% |
| Li Zhe (李哲) ⁽⁶⁾ | Interest in controlled corporations | 4,028,407 | H Shares (L) | 6.74% |
| Qin Daqian (秦大乾) ⁽⁶⁾ | Interest in controlled corporations | 4,028,407 | H Shares (L) | 6.74% |

Notes:

- (L) All the interests stated are long positions.
- (1) The percentage is calculated with the total number of 59,788,807 H Shares in issue as at 31 December 2025.
- (2) As at 31 December 2025, the general partner of Tongdu E-Commerce is Tongdu Enterprise and none of the limited partners of Tongdu E-Commerce holds more than 30% of the partnership interest of Tongdu E-Commerce. Tongdu Enterprise is held by Dr. Huang as to 70% and his spouse, Ms. Liu, as to 30%. By virtue of SFO, each of Dr. Huang and Tongdu Enterprise is deemed to be interested in the Shares held by Tongdu E-Commerce.
- (3) As at 31 December 2025, Jingzhou Zhida has four shareholders, among which, Chen Hanlin (陳涵霖) held 33.75% of the voting power at the general meeting of Jingzhou Zhida and none of the other three shareholders of Jingzhou Zhida holds more than 30% voting power thereof. By virtue of SFO, Chen Hanlin (陳涵霖) is deemed to be interested in the Shares held by Jingzhou Zhida.
- (4) As at 31 December 2025, the general partner of Shanghai China Power Investment is State Power Investment Corporation Industrial Fund Management Co., Ltd.* (國家電投集團產業基金管理有限公司), holding 7% partnership interests in Shanghai China Power Investment, which is a company controlled by State Power Investment Corporation Innovation Investment Co., Ltd.* (國家電投集團創新投資有限公司) as to 90.01%. State Power Investment Corporation Innovation Investment Co., Ltd.* (國家電投集團創新投資股份有限公司) is a wholly-owned subsidiary of State Power Investment Corporation Co., Ltd.* (國家電力投資集團有限公司), which is wholly owned by State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會, "SASAC"). The sole limited partner of Shanghai China Power Investment is China Power Investment Ronghe New Energy Technology Co., Ltd.* (中電投融和新能源科技有限公司), which is wholly owned by Power Investment Ronghe New Energy Development Co., Ltd.* (電投融和新能源發展有限公司), which is in turn controlled by State Power Investment Corporation Co., Ltd.* (國家電力投資集團有限公司), a wholly-owned subsidiary of SASAC.

Report of the Board

By virtue of SFO, each of State Power Investment Corporation Industrial Fund Management Co., Ltd.* (國家電投集團產業基金管理有限公司), State Power Investment Corporation Innovation Investment Co., Ltd.* (國家電投集團創新投資股份有限公司), State Power Investment Corporation Co., Ltd.* (國家電力投資集團有限公司), China Power Investment Ronghe New Energy Technology Co., Ltd.* (中電投融和新能源科技有限公司), Power Investment Ronghe New Energy Development Co., Ltd.* (電投融和新能源發展有限公司) is deemed to be interested in the Shares held by Shanghai China Power Investment.

- (5) Anhui Zhongding is listed on the Shenzhen Stock Exchange (stock code: 000887.SZ). As at 31 December 2025, Anhui Zhongding is controlled by Anhui Zhongding Holding (Group) Co., Ltd.* (安徽中鼎控股(集團)股份有限公司) as to approximately 40.46%. By virtue of SFO, Anhui Zhongding Holding (Group) Co., Ltd.* (安徽中鼎控股(集團)股份有限公司) is deemed to be interested in the Shares held by Anhui Zhongding.
- (6) As at 31 December 2025, Anhui Jintong New Energy Vehicle Phase II Fund Partnership (limited Partnership)* (安徽金通新能源汽車二期基金合夥企業(有限合夥), "Anhui Jintong") directly held 2,653,647 Unlisted Shares of our Company. The general partner of Anhui Jintong is Anhui Jintong New Energy Phase II Investment Management Partnership (Limited Partnership)* (安徽金通新能源二期投資管理合夥企業(有限合夥)). Xuancheng Jintong Technology Innovation Venture Capital Fund Partnership (Limited Partnership)* (宣城金通科技創新創業投資基金合夥企業(有限合夥), "Xuancheng Jintong") directly held 824,856 Unlisted Shares of our Company; and Anqing Economic Development Zone Jintong New Energy Automobile Industry Fund Partnership (Limited Partnership)* (安慶經開區金通新能源汽車產業基金合夥企業(有限合夥), "Anqing Jintong") directly held 549,904 Shares.

The general partner of Anhui Jintong New Energy Phase II Investment Management Partnership (Limited Partnership)* (安徽金通新能源二期投資管理合夥企業(有限合夥)) is Anhui Jintong Zhihui Private Equity Fund Management Co., Ltd.* (安徽金通智匯私募基金管理有限公司, "Jintong Zhihui"), an investment arm of Jintong Capital. Jintong Zhihui is also the sole general partner of Xuancheng Jintong and Anqing Jintong.

Jintong Zhihui is controlled by Shanghai Rongqian Enterprise Management Center (Limited Partnership)* (上海榮乾企業管理中心(有限合夥), "Shanghai Rongqian") as to approximately 73.3333%. The partners of Shanghai Rongqian include (a) Li Zhe (李哲) as its general partner, holding 2% partnership interest, (b) Qin Daqian (秦大乾), as a limited partner, holding 78% partnership interest, and (c) an Independent Third Party, as a limited partner, holding 20% partnership interest.

By virtue of SFO, each of Jintong Zhihui, Shanghai Rongqian, Li Zhe (李哲) and Qin Daqian (秦大乾) is deemed to be interested in the Shares in aggregate held by Anhui Jintong, Xuancheng Jintong and Anqing Jintong.

Save as disclosed above, as at 31 December 2025, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no other persons/entities who had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

Interest of substantial shareholder in non wholly owned subsidiary of the Company

| Our subsidiary | Registered capital | Party with 10% or more equity interest (other than members of the Group) | Approximate percentage of shareholding |
|---|--------------------|---|--|
| Sanming Xunda New Energy Automobile City Operation Co., Ltd.* (三明明達新能源汽車城市運營有限公司) | RMB10 million | Sanming Jiaoyun Group Co., Ltd.* (三明明市交運集團有限公司) | 25% |
| | | Sanming Luqiao Group Highway Management and Development Co., Ltd.* (三明明市路橋集團公路經營發展有限公司) | 20% |

Report of the Board

DONATIONS

The Group made a donation of RMB248,000 during the Reporting Period.

SHARE CAPITAL

The Company issued 5,978,900 H Shares at HK\$66.92 per H Share on the Listing Date for the Listing. Details of the share capital of the Company are set out in Note 25 to the consolidated financial statements in this annual report.

DEBENTURE

The Group did not issue any debenture during the Reporting Period.

EQUITY-LINKED AGREEMENTS

No equity-linked agreement was entered into by the Company at any time during or subsisted at the end of the Reporting Period.

DIVIDEND

The Board does not recommend the payment of a final dividend for the Reporting Period.

DISTRIBUTABLE RESERVES

As of 31 December 2025, there was no reserves available for distribution to equity shareholders of the Company.

USE OF PROCEEDS FROM THE LISTING

Details of the Group's use of proceeds from the Listing as of 31 December 2025 are set out in the section headed "Management Discussion and Analysis – Use of Proceeds from the Listing" in this annual report.

PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES OF THE COMPANY

As of 31 December 2025, there were no treasury shares held by the Company. Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) since the Listing Date and up to 31 December 2025.

CORPORATE GOVERNANCE

The Company is committed to maintaining high level of corporate governance practices. Information about principal corporate governance practices adopted by the Company are set out in the section headed "Corporate Governance Report" in this annual report.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information publicly available to our Company and to the best of our Directors' knowledge, information and belief, since the Listing Date and as of the date of this report, our Company has maintained sufficient public float as required under the Listing Rules.

Report of the Board

As at 31 December 2025, the Company's public float was approximately 57.07% of its total H Shares in issue.

Changes in the Share Capital of the Company

| | As at Listing Date | | Increase/Decrease during the Reporting Period (+, -) | | | As at 31 December 2025 | |
|----------|--------------------|-----|--|--------|----------|------------------------|-----|
| | Number | % | New shares issued | Others | Subtotal | Number | % |
| H shares | 59,788,807 | 100 | – | – | – | 59,788,807 | 100 |
| Total | 59,788,807 | 100 | – | – | – | 59,788,807 | 100 |

Shareholdings of the top 5 holders of tradeable H Shares

| Name of holders <i>(Note)</i> | Increase/Decrease during period from the Listing Date to the end of the Reporting Period | Number of shares held as at the end of the Reporting Period | Percentage as at the end of the Reporting Period | |
|--|--|---|--|---|
| | | | In total share capital (Approximate %) | In relevant class of shares (Approximate %) |
| China Securities Depository and Clearing Corporation Limited | – | 53,809,907 | 89.99 | 89.99 |
| Livermore Holdings Limited | -147,300 | 2,522,300 | 4.21 | 4.21 |
| Yellow River Securities Ltd | – | 1,740,500 | 2.91 | 2.91 |
| Yuen Meta (International) Securities Ltd | -2,100 | 448,900 | 0.75 | 0.75 |
| CCB International Securities Ltd | -50 | 239,000 | 0.39 | 0.39 |

Note: Please refer to the section headed “Report of the Board – Substantial Shareholders’ Interests and Short Positions in the Shares and Underlying Shares” for the number of H Shares in which persons are deemed to have interests pursuant to Part XV of the SFO.

Report of the Board

TAX RELIEF AND EXEMPTION

During the Reporting Period, the Directors are not aware of any tax relief or exemption available to the Shareholders by reason of their holding of the securities of the Company.

PRE-EMPTIVE RIGHTS

There is no arrangement for pre-emptive rights in accordance with the PRC laws and the Articles of Association, which would oblige the Company to offer new Shares on a pro-rata basis to existing Shareholders.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Save for the passing of resolutions at the 2026 first extraordinary general meeting of the Company held on 13 February 2026 approving the proposed share subdivision of each one (1) H Share with a par value of RMB1.00 each into five (5) H Shares with a par value of RMB0.20 each, which has taken effect on 3 March 2026, there were no material events undertaken by the Group subsequent to 31 December 2025 and up to the date of this annual report.

AUDITOR

PricewaterhouseCoopers has audited the consolidated financial statements for the year ended 31 December 2025. The resolution on the re-appointment of PricewaterhouseCoopers as the auditor of the Company will be proposed at the forthcoming 2025 annual general meeting of the Company (the “**2025 AGM**”) for approval. There has been no change of auditors of the Company since the Listing Date up to the date of this annual report.

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The 2025 AGM will be held on Friday, 24 April 2026. Shareholders should refer to details regarding the 2025 AGM in the circular to be published onto the websites of the Stock Exchange and the Company and the notice of meeting and form of proxy accompanying therewith.

For determining the entitlement to attend and vote at the 2025 AGM to be held on Friday, 24 April 2026, the register of members of the Company will be closed from Tuesday, 21 April 2026 to Friday, 24 April 2026 (both days inclusive), during which period no transfer of H Shares will be registered. In order to be eligible to attend and vote at the 2025 AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s H Share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong for registration no later than 4:30 p.m. on Monday, 20 April 2026 (Hong Kong time). The record date for determining the eligibility of Shareholders who are entitled to attend and vote at the 2025 AGM is Friday, 24 April 2026.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

As of the date of this annual report, save as disclosed in this annual report, the Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

On Behalf of the Board
Shanghai Zhida Technology Development Co., Ltd.
Dr. Huang Zhiming
Chairman of the Board and Executive Director

Hong Kong, 2 April 2026

Report of the Supervisory Committee

In 2025, pursuant to the duties conferred by the Company Law of the People's Republic of China (hereinafter referred to as the "Company Law"), the Securities Law of the People's Republic of China (hereinafter referred to as the "Securities Law"), other relevant laws and regulations, normative documents, the Articles of Association and the Rules of Procedure for the Supervisory Committee, the Supervisory Committee of Shanghai Zhida Technology Development Co., Ltd. diligently performed its functions in a manner responsible to all Shareholders, and effectively safeguarded the rights and interests of the Company and its Shareholders.

I. CONVENING OF MEETINGS OF THE SUPERVISORY COMMITTEE

Since its establishment, the Supervisory Committee has convened a total of three meetings. The convening, holding and voting procedures of these meetings complied with the provisions of the Company Law, the Securities Law, other relevant laws and regulations, normative documents, the Articles of Association and the Rules of Procedure for the Supervisory Committee. The Supervisors carried out various duties of the Supervisory Committee in a lawful, compliant and diligent manner, carefully reviewed all proposals submitted to the Supervisory Committee, and gave full play to the supervisory and inspection roles of the Supervisory Committee.

II. WORK OF THE SUPERVISORY COMMITTEE

In strict compliance with the duties conferred by the Company Law, the Securities Law, other relevant laws and regulations, normative documents and the Articles of Association, the Supervisory Committee of the Company exercised its supervisory functions with a focus on, among others, lawful operations of the Company, the performance of duties by Directors and senior management and the Company's financial audits, and expressed the following opinions regarding the relevant matters of the Company:

(I) Lawful Operation

In 2025, the Supervisors attended all general meetings held in 2025 and supervised the convening, holding, review and voting procedures of such general meetings. The Board and the senior management of the Company operated in strict compliance with the relevant provisions of the Company Law and the Articles of Association. They performed their duties diligently and responsibly, formulated scientific and reasonable decision-making procedures and conscientiously implemented the resolutions of the general meeting. No illegal activities or behaviors that would harm the interests of the Company have been discovered.

(II) Financial Position

The Supervisory Committee has reviewed and agreed to the audited consolidated financial statements for the year ended 31 December 2025, and believes that the financial statements of the Company has objectively and truthfully reflected the Company's financial position and operating performance, without false records, misleading statements or significant omissions. The audit opinion issued by the auditor appointed by the Company is objective and fair.

(III) Internal Control

The Supervisory Committee has inspected the establishment and operation of the Company's internal control system and believes that a relatively complete internal control system and corresponding internal control framework have been established. The Supervisory Committee also believes that the internal control evaluation report of the Company has accurately and objectively reflected the Company's internal control system and its operation.

Report of the Supervisory Committee

(IV) Related Party Transactions

The Company's related party transactions for 2025 were in line with the actual needs of the Company's normal business operations and adhered to the principles of fairness, impartiality and openness. The related party transactions were priced in a reasonable, well-founded, objective and fair manner, and were conducted based on a fair and just market principle, without harming the interests of the Company and its non-related Shareholders. The related party transactions underwent the necessary approval procedures and complied with the relevant provisions of the Company Law, the Securities Law, other laws and regulations, normative documents and the Articles of Association.

III. 2026 WORK PLAN

According to the relevant provisions of the Company Law and the requirements of the China Securities Regulatory Commission, the Company has a Supervisory Committee and an Audit Committee. In order to further simplify the corporate governance structure and respond to the recommendations of the securities regulatory authorities, the Company will simplify its governance and further improve the functions of the Audit Committee of the Board. The Supervisory Committee will be abolished, and the rights of the Supervisory Committee will be exercised by the Audit Committee of the Board.

Shanghai Zhida Technology Development Co., Ltd.
Supervisory Committee

Corporate Governance Report

CORPORATE GOVERNANCE

The Company is committed to maintaining and promoting high standards of corporate governance, which is essential to the Group's development and protection of the interests of its Shareholders.

The Group is fully aware of the importance of the Board in providing targeted guidance for the Group's business and ensuring the operational transparency and accountability system. The Board fully understands that good corporate governance is key to leading the Group to success and enhancing Shareholders' value. Therefore, the Board has elaborated a series of corporate governance policies and systems with the aim of fully protecting Shareholders' interests and continuously enhancing corporate value. At the same time, all Directors shall adhere to the principle of impartiality, lead by example and actively promote and practice the corporate culture to jointly facilitate the steady development of the Group.

The Company has adopted the relevant code provisions of the Corporate Governance Code as the basis for its corporate governance practices. Save for the deviation from code provision C.2.1 of the Corporate Governance Code, the Board is of the view that the Company has complied with all applicable code provisions set out in the Corporate Governance Code during the period from the Listing Date to 31 December 2025.

THE BOARD

The Board is the core decision-making organization of the Company and assumes the responsibilities for the leadership and control of the Group, and supervising and approval of financial performance, strategic development objectives and major business decisions. Meanwhile, the Board has delegated to the management the responsibilities for the Group's daily operations and business management according to the Board's instructions.

1. Board Composition

The composition of the Board since the Listing Date and up to the date of this report is as follows:

| | Date of Appointment | Current Period of Appointment |
|--|---------------------|-------------------------------|
| Executive Directors | | |
| Dr. Huang Zhiming (<i>Chairman</i>) | 11 August 2025 | 3 years |
| Mr. Lin Xinrui | 11 August 2025 | 3 years |
| Independent non-executive Directors | | |
| Ms. Sun Zhili | 11 August 2025 | 3 years |
| Ms. Wu Yushan | 11 August 2025 | 3 years |
| Dr. Lu Ming | 11 August 2025 | 3 years |

Biographies of the Directors are set out in the section headed "Directors, Supervisors and Senior Management" of this annual report. To the best of the Directors' knowledge, there are no other relationships (including financial, business, family or other material/relevant relationship(s)) between any member of the Board and other Directors and senior management.

Each of the executive Directors, non-executive Directors and independent non-executive Directors has entered into a service contract or an appointment letter with the Company for a term of three years.

Corporate Governance Report

The H Shares were listed on the Main Board of the Stock Exchange on 10 October 2025, from which date the Corporate Governance Code commenced. Each of the Directors has confirmed that he/she obtained the legal advice on 23 February 2024 with regards to the requirements under the Listing Rules that are applicable to him/her as a director of a listed issuer and the possible consequences of making a false declaration or giving false information to the Stock Exchange as set out in Rule 3.09D of the Listing Rules and he/she understood his/her obligations as a director of a listed issuer.

2. Appointment of the Directors

Pursuant to code provision B.2.2 of the Corporate Governance Code, every Director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years. The term of office of each Director shall be three years. Their re-election shall be subject to the provisions of the Articles of Association.

3. Independent Non-executive Directors

The Company has complied with Rule 3.10 and Rule 3.10A of the Listing Rules, which relates to the appointment of independent non-executive Directors representing at least one-third of the Board with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise since the Listing Date and up to 31 December 2025.

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

4. Board Independence Evaluation

The combination of executive Directors and independent non-executive Directors in the Board is balanced, so that the Board of Directors maintains independence and can make effective independent judgments.

Meanwhile, to ensure the fairness and transparency of decision-making of the Board, when there is a Director who is connected to companies involved in a resolution of the Board meeting and has a material interest in a resolution or there are other abstention circumstances stipulated by laws, such Director shall take the initiative to abstain from voting on the resolution and shall not exercise the voting rights on behalf of other Directors. When calculating the quorum of Directors present at the meeting, such Director shall not be counted. The fairness and legality of resolution is so guaranteed. Implementation of such measures may help to maintain the authority and credibility of the Board and promote the healthy development of the Group.

5. Chairman and Chief Executive

Pursuant to code provision C.2.1 of the Corporate Governance Code, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from, the requirement that the roles of chairman and chief executive should be separate and should not be performed by the same individual.

The Group does not have a separate chairman and chief executive and Dr. Huang, the chairman of the Board, executive Director and chief executive officer of the Company, currently performs these two roles. Dr. Huang is the founder of the Company and has extensive experience in the automotive industry. The Board believes that vesting the roles of both chairman and chief executive in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group.

Corporate Governance Report

The Board considers that the balance of power and authority for the present arrangement will not be impaired, given that: (1) decision to be made by the Board requires approval by at least a majority of the Directors; (2) Dr. Huang and the other Directors are aware of and undertake to fulfil their fiduciary duties as Directors, which require, among other things, that he acts for the benefit and in the best interests of the Company and will make decisions for the Company accordingly; (3) the balance of power and authority is ensured by the operations of the Board of Directors, including three independent non-executive Directors, and has a fairly strong independence element; and (4) the overall strategic and other key business, financial, and operational policies of the Company are made collectively after thorough discussion at both Board of Directors, and senior management levels.

The Board will continue to review and consider splitting the roles of chairman and chief executive of the Company if and when it is appropriate taking into account the circumstances of the Group as a whole.

6. Role of the Board and the Management

The Board is the core decision-making organization of the Company and assumes the responsibilities for the leadership and control of the Group, and supervising and approval of financial performance, strategic development objectives and major business decisions. Meanwhile, the Board has delegated to the management the responsibilities for the Group's daily operations and business management according to the Board's instructions. The Board has established three special committees, namely the Audit Committee, the Remuneration Committee and the Nomination Committee, and has delegated to the Board Committees various duties to improve governance efficiency. All the Board Committees perform their distinct roles in accordance with their respective terms of reference and jointly facilitate the steady development of the Group.

The Board reserves for its decision of all major matters relating to approval and supervision of corporate governance and policy matters, planning of overall strategies and budgets, establishment and improvement of internal control systems, approval of major transactions involving potential conflicts of interest, review and analysis of financial data, appointment of Directors and other material financial and operational decisions. Responsibilities relating to implementing decisions of the Board, directing and coordinating the daily operation and management of the Company are delegated to the management.

7. Continuous Professional Development

Directors should participate in appropriate continuing professional development to develop and refresh their knowledge and skills, which shall cover the following topics:

- (a) the roles, functions and responsibilities of the Board, its committees and its Directors, and Board effectiveness;
- (b) the Company's obligations and the Directors' duties under Hong Kong law and the Listing Rules, and key legal and regulatory developments (including Listing Rule updates) relevant to the discharge of such obligations and duties;
- (c) corporate governance and environmental, social and governance matters (including developments on sustainability or climate-related risks and opportunities relevant to the Company and its business);
- (d) risk management and internal controls; and
- (e) updates on industry-specific developments, business trends and strategies relevant to the Company.

Corporate Governance Report

The Group will organize seminars regularly to provide Directors with the latest development and changes of Listing Rules and other relevant laws and regulations in a timely manner.

During the Reporting Period, the training records of the Directors are summarized as follows.

| | Types of training ^(Note) | Total number of hours of training |
|--|-------------------------------------|-----------------------------------|
| Executive Directors | | |
| Dr. Huang Zhiming (<i>Chairman</i>) | A, B | 10.95 |
| Mr. Lin Xinrui | A, B | 10.60 |
| Independent non-executive Directors | | |
| Ms. Sun Zhili | A, B | 10.30 |
| Ms. Wu Yushan | A, B | 10.00 |
| Dr. Lu Ming | A, B | 10.00 |

Notes:

A: Read relevant news alerts, newspapers, journals, magazines and other publications.

B: Obtained learning resources through the Internet.

To ensure independent views and input from any Director are available to the Board, the following mechanisms implemented in the corporate governance framework of the Company has been reviewed by the Board:

Proceedings of the Board

Board and Board Committee meetings are held on a periodic basis. At least 14 days' formal notice of regular Board and Board Committee meetings was given to all Directors, and all Directors were invited to include matters for discussion in the agenda. Directors were provided with the meeting agenda and the relevant board papers containing complete, adequate and timely information at least three business days in advance of every regular Board and Board Committee meeting, which enables full deliberation on the issues to be considered at the respective meetings.

Board decision making

During the Board and Board Committee meetings, all Directors were encouraged to freely express their independent views and inputs in an open and candid manner, provide open and objective challenges, offer informed insight and responses to the management, and contribute their knowledge of the businesses and markets in which the Group operates. Independent non-executive Directors may express their views through formal or informal channels in an open and candid manner as well as in a confidential manner. Comments and concerns raised by the Directors were closely followed up by the management.

In addition to regular Board meetings, the chairman of the Board scheduled an annual meeting with the independent non-executive Directors without the presence of other Directors to discuss the affairs of the Group, the first of which was held in 2026.

Corporate Governance Report

The joint company secretaries of the Company prepared minutes of meetings of the Board and Board Committees to record not only the decisions reached but also any concerns raised or dissenting views expressed by Directors. The draft version of the minutes is circulated to all Directors for their comments and confirmations.

The final versions were provided to the Directors for records. Minutes of all Board and Board Committee meetings are available for Directors' inspection.

Supply of and access to information

Directors were provided with regular reports covering highlights of the Group's major businesses, keeping them abreast of the Group's business performance and enabling them to make informed decisions in the best interests of the Company and its Shareholders. More thorough and comprehensive management and financial updates were provided to all Board members on a regular basis to ensure each member was aware of the Group's financial performance and position.

The Board met the management on a regular basis, reporting the Group's business performance, risk management, internal controls, and legal and compliance matters.

Directors also had access to the advice and services of the joint company secretaries of the Company who supported the Board, ensured proper information flow within the Board, and Board policies and procedures were followed.

To facilitate the proper discharge of Directors' duties and responsibilities, all Directors were entitled to seek advice from the joint company secretaries of the Company or in-house legal team, as well as from independent professional advisers, at the expense of the Company, in which the joint company secretaries of the Company were responsible for making all necessary arrangements.

As such, the Board considered the Company has established the mechanism to ensure independent views and input are available to the Board, and the implementation and effectiveness of the mechanism is effective throughout the Reporting Period.

The implementation and effectiveness of the above mechanism shall be reviewed by the Board on an annual basis.

BOARD COMMITTEES

The Board has established three committees, namely, the Audit Committee, Remuneration Committee and Nomination Committee, for overseeing particular aspects of the Company's affairs.

1. Audit Committee

The Group has established the Audit Committee pursuant to Rule 3.21 of the Listing Rules with written terms of reference in compliance with paragraph D.3 of Part 2 of the Corporate Governance Code. The primary duties of the Audit Committee are to review and supervise our financial reporting process and internal control system of our Group, risk management and internal audit, provide advice and comments to the Board and perform other duties and responsibilities as may be assigned by the Board.

Corporate Governance Report

The Audit Committee consists of three members, namely Ms. Wu Yushan, Ms. Sun Zhili and Dr. Lu Ming. The chairperson of the Audit Committee is Ms. Wu Yushan, who is an independent non-executive Director with the appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10(2) of the Listing Rules.

The Company was listed on the Main Board of the Stock Exchange on 10 October 2025, and thereafter, two meetings have been held by the Audit Committee during the Reporting Period.

2. Remuneration Committee

The Group has established the Remuneration Committee pursuant to Rule 3.25 of the Listing Rules with written terms of reference in compliance with paragraph E.1 of Part 2 of the Corporate Governance Code. The primary duties of the Remuneration Committee are to (i) establish, review and provide advice to the Board on the policies concerning remuneration of Directors and senior management officers and on the establishment of a formal and transparent procedure for developing policies concerning such remuneration, (ii) determine, with delegated responsibility, the terms of the specific remuneration package of each executive Director and senior management; (iii) review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the Directors from time to time; and (iv) review and approve matters relating to share schemes under Chapter 17 of the Listing Rules.

The Remuneration Committee consists of three members, namely Ms. Sun Zhili, Dr. Huang Zhiming and Dr. Lu Ming. The chairperson of the Remuneration Committee is Ms. Sun Zhili.

The Company was listed on the Main Board of the Stock Exchange on 10 October 2025, and thereafter, one meeting has been held by the Remuneration Committee during the Reporting Period.

3. Nomination Committee

The Group has established the Nomination Committee pursuant to Rule 3.27A of the Listing Rules with written terms of reference in compliance with paragraph B.3 of Part 2 of the Corporate Governance Code. The primary duties of the Nomination Committee are to (i) review the structure, size and composition of the Board on a regular basis and make recommendations regarding any proposed changes to the composition of the Board, (ii) identify, select or make recommendations to the Board on the selection of individuals nominated for directorship, and ensure the diversity of the Board, and (iii) assess the independence of our independent non-executive Directors and make recommendations on matters relating to the appointment, reappointment and removal of the Directors and succession planning.

The Nomination Committee consists of three members, namely Dr. Huang Zhiming, Ms. Sun Zhili and Dr. Lu Ming. The chairman of the Nomination Committee is Dr. Huang Zhiming.

The Company was listed on the Main Board of the Stock Exchange on 10 October 2025, and thereafter, one meeting has been held by the Nomination Committee during the Reporting Period.

Corporate Governance Report

Nomination Policy

The Company has also adopted the director nomination policy (the “**Director Nomination Policy**”).

The Director Nomination Policy sets out the nomination criteria of a proposed candidate, including without limitation to the following: (i) qualifications including professional qualifications, skills, knowledge and experience, requirements of independent non-executive Directors; (ii) character and integrity; (iii) diversity in all aspects, including without limitation to gender, age, cultural and educational background, professional qualifications, skills, knowledge, industry and regional experience, length of service; (iv) commitment in respect of available time and relevant interest to discharge duties as a member of the Board and/or Board committee(s) of the Company; (v) independence of the proposed independent non-executive Directors in accordance with the Listing Rules; and (vi) any other relevant factors as may be determined by the Nomination Committee or the Board from time to time.

The Director Nomination Policy also sets out the following nomination procedure:

- (a) If the Nomination Committee determines that an additional or replacement Director is required, the secretary of the Nomination Committee shall convene a meeting, and invite nominations from the Board members (if any) prior to the meeting, and the Nomination Committee may also put forward candidates who are not nominated by the Board members. The Nomination Committee shall take such measures that it considers appropriate in connection with its identification and/or evaluation of a candidate.
- (b) In the context of appointment of any proposed candidate to the Board, the Nomination Committee shall submit the candidate’s personal profile and a proposal to the Board for its consideration. In order to be a valid proposal, the proposal must clearly indicate the nominating intention and the candidate’s consent to be nominated and the personal profile must incorporate and/or be accompanied by the full particulars of the candidate that are required to be disclosed under the Listing Rules, including the information and/or confirmation required under Rule 13.51(2) of the Listing Rules. If the candidate is proposed to be appointed as an independent non-executive Director, his or her independence shall be assessed in accordance with the factors set out in Rule 3.13 of the Listing Rules, subject to any amendments as may be made by the Stock Exchange from time to time.
- (c) In the context of re-appointment of any existing member(s) of the Board, the Nomination Committee shall make recommendations to the Board for its consideration and recommendation, for the proposed candidates to stand for re-election at a general meeting.

Directors’ Time Commitment and Contribution Assessment

The Nomination Committee has assessed the Directors’ time commitment and contribution to the Board for the Reporting Period based on the following factors:

- (a) Other Listed Directorships and/or Other Significant External Commitments: All Non-executive Directors and Independent Non-executive Directors have annually disclosed to the REIT Manager their other directorships held in Hong Kong listed companies, as well as any other significant commitments. As at 31 December 2025, none of the Directors concurrently holds more than six other listed company directorships in other listed companies in Hong Kong.

Corporate Governance Report

- (b) Attendance Record: All Directors have attended all Board Meetings, Board Committees Meetings, AGM and EGM held during the Year.
- (c) Responsibilities and Skills: Directors are able to contribute effectively to the Board through their responsibilities and skills. The expertise and skills of each of the Directors are set out in the Board Skills Matrix section of this report.

In view of the above, the Nomination Committee believes that the Directors are able to devote sufficient time to the affairs of the Company without being over-occupied with the business of other listed companies.

Board Skills Matrix

| Skills Area | Description | Importance ^(Note) | Adequacy | Plans to Address Gaps/Expand Skills |
|--|---|------------------------------|----------|---|
| Strategy | Ability to identify strategic opportunities and threats, whilst developing and implementing plans to achieve corporate objectives | High | Adequate | Continuous optimisation to be incorporated into annual strategy review |
| Leadership | Ability to lead corporate teams and implement plans and policies | High | Adequate | Support Directors in continuous professional development |
| Industry Knowledge and Experience | Familiarity with the Group's business daily operations, market development, competitors, technology and innovation | High | Adequate | Support Directors in continuous professional development; arrange briefings on compliance and financial updates |
| Risk Management and Compliance | Ability and experience in implementing, managing or overseeing risk management and internal control systems for legal and regulatory compliance | High | Adequate | Regularly arrange compliance training and review internal control framework |
| People Management Experience | Experience at a senior level with responsibilities for people management and successful implementation of change | Medium | Adequate | Leverage internal experience to drive organisational talent development initiatives |
| Diversity (e.g., age, gender, culture) | Contribution to Board diversity in terms of age, gender, cultural background, etc. | Medium | Adequate | Continue to proactively consider candidates with more diverse backgrounds through the nomination process when making future director appointments |

Corporate Governance Report

| Skills Area | Description | Importance ^(Note) | Adequacy | Plans to Address Gaps/Expand Skills |
|-----------------|---|------------------------------|------------------------|---|
| Emerging Topics | Understanding and knowledge of emerging topics to ensure that the Company is forward-thinking | Medium | Continuously improving | Encourage Directors to stay abreast of relevant trends and arrange thematic learning sessions as appropriate |
| Qualifications | Formal qualifications in relevant fields to assist the Board in its decision-making, for example, accounting/finance, economics/business, law | High | Adequate | Support Directors in continuous professional development to maintain continued validity of relevant professional qualifications |

Note: The relevance of each skill to the Company's business needs:

- High: Skills currently essential for the Board
- Medium: Skills that are beneficial but not essential.

Board Performance Review

As the Company completed the Listing on 10 October 2025, no Board performance review was conducted during the Reporting Period. The Nomination Committee expects to conduct the next Board performance review after the financial year ending 31 December 2026.

GENERAL MEETINGS, BOARD MEETINGS AND BOARD COMMITTEES' MEETINGS

1. Board Meetings

Regular Board meetings should be held at least 4 times a year involving active participation of the Directors, either in person or through electronic means of communication. During the Reporting Period, the Board convened 9 meetings.

2. Attendance records of Directors

The attendance record of each Director at general meetings, Board meetings and meetings of Board Committees held during the period from the Listing Date to 31 December 2025 is set out in the table below.

Number of attendance/Number of meetings held

| Name of Director | General meetings | Board | Audit Committee | Remuneration Committee | Nomination Committee |
|-------------------|------------------|-------|-----------------|------------------------|----------------------|
| Dr. Huang Zhiming | 1/1 | 4/4 | – | 1/1 | 1/1 |
| Mr. Li Xinrui | 1/1 | 4/4 | – | – | – |
| Ms. Sun Zhili | 1/1 | 4/4 | 2/2 | 1/1 | 1/1 |
| Ms. Wu Yushan | 1/1 | 4/4 | 2/2 | – | – |
| Dr. Lu Ming | 1/1 | 4/4 | 2/2 | 1/1 | 1/1 |

Corporate Governance Report

The Corporate Governance Code requires that the chairman should at least annually hold one meeting with the independent non-executive directors without the presence of other directors. During the Reporting Period, no separate meeting with the independent non-executive Directors has been held by the Chairman.

DIVERSITY

1. Board Diversity

The Board has adopted a board diversity policy which sets out the approach to achieve diversity on the Board. The Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level as an essential element in supporting the attainment of the Company's strategic objectives and sustainable development. The Company seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to talent, skills, gender, age, cultural and education background, ethnicity, professional experience, independence, knowledge and length of service. Potential Board candidates will be selected based on merit and his/her potential contribution to the Board while taking into consideration the Group's own business model and specific needs from time to time. All Board appointments will be based on meritocracy and candidates will be considered against objective criteria, having due regard to the benefits of diversity on the Board.

The Directors have a balanced mix of knowledge, skills and experience, including property management, business management, auditing, finance and investment. They obtained degrees in various majors, including property management, auditing, business management, engineering, electric power system and automation, industrial electrical automation and operations and management science. The Board consists of three independent non-executive Directors who have different industry backgrounds, representing over one-third of the Board members. With regard to gender diversity of the Board, we recognize the particular importance of gender diversity. The Board currently comprises two female Directors and three male Directors. We have taken and will continue to take steps to promote and enhance gender diversity at all levels. The board diversity policy provides that the Board should aim to increase the proportion of female members over time after the Listing where possible when selecting and making recommendations on suitable candidates for Board appointments. We will also ensure that there is gender diversity when recruiting staff at mid to senior level so that we will have a pipeline of female senior management and potential successors to the Board going forward. It is our objective to maintain an appropriate balance of gender diversity with reference to the expectation of stakeholders and international and local recommended best practices. Taking into account our existing business model and specific needs as well as the different background of the Directors, the Directors consider that the composition of the Board satisfies the board diversity policy.

The Nomination Committee is responsible for ensuring the diversity of the Board members and will review the board diversity policy from time to time to ensure its continued effectiveness.

2. Employee Diversity

The Group encourages gender diversity across its workplace, including its senior management. We maintain approximately 1:1.08 and 3:1 ratio of males to females in the workforce and senior management respectively as at 31 December 2025. The Nomination Committee considered that the current ratio of male and female employees is relatively balanced, and the Group will continue to maintain the gender diversity in workforce while considering steps to improve the gender diversity in senior management. The Group will also ensure the gender diversity when recruiting staff at mid to senior level of the Group so that it will have a pipeline of female employees and potential successors to the senior management in the future.

Corporate Governance Report

CORPORATE GOVERNANCE FUNCTIONS

Pursuant to code provision A.2.1 of the Corporate Governance Code, the Board is responsible for performing corporate governance duties, including:

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

During the Reporting Period, the Board has performed the above duties.

JOINT COMPANY SECRETARIES

Mr. Jiang Yuxiao and Ms. Au Wing Sze currently serves as the joint company secretaries of the Company. Ms. Au is a manager of the Listing Services Department of TMF Hong Kong Limited (a global corporate services provider) and is responsible for provision of corporate secretarial and compliance services to listed company clients.

All Directors have access to the advice and services of the joint company secretaries on corporate governance and board practices and matters.

Mr. Jiang Yuxiao has been designated as the primary contact person at the Company, and is responsible for working and communicating with Ms. Au Wing Sze on the Company's corporate governance and secretarial and administrative matters.

Each of Mr. Jiang Yuxiao and Ms. Au Wing Sze has undertaken not less than 15 hours of relevant professional training respectively in compliance with Rule 3.29 of the Listing Rules for the Reporting Period.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its code of conduct regarding dealings in the securities of the Company by the Directors, the Supervisors and the Group's employees who, because of his/her office or employment, are likely to possess inside information. Specific enquiries have been made by the Company to all the Directors and Supervisors, and all of the Directors and Supervisors have confirmed that they have complied with the Model Code during the period from the Listing Date to 31 December 2025. No incident of non-compliance of the Model Code by the employees was identified by the Company during the period from the Listing Date to 31 December 2025.

Corporate Governance Report

RISK MANAGEMENT AND INTERNAL CONTROLS

The Group's internal control system is designed to safeguard assets against misappropriation and unauthorized disposition through implementation of a set of internal control procedures. Internal control procedures are intended to manage significant risks in the Group's business activities and bring them to an acceptable level, but not eliminating the risks of failure to achieve business objectives. Moreover, it can only provide reasonable, and not absolute, assurance against material misstatement or loss.

1. Board of Directors' Responsibilities

The Board recognises its responsibility for the risk management and internal control systems and reviewing their adequacy and effectiveness. The Board conducts annual review of the Group's internal controls covering major financial, operational and compliance controls, as well as risk management functions.

The Audit Committee assists the Board in leading the review of the Company's financial supervision and control, risk management and internal control systems. Such review is formally conducted at each Audit Committee meeting, which includes an annual review of the effectiveness of the risk management and internal control systems.

2. Risk Management Process

The risk management process is cascaded throughout the Group, from the Board level to management level.

Senior management and department heads are required to identify, evaluate and manage risks associated with business operations on an on-going basis with defined parameters, and record these in the risk registers. For each risk identified, management assesses their root causes, consequences and mitigating controls. Such assessment takes into account of the (i) probability of risk occurrence and (ii) degree of potential loss. The result of the assessment is summarised on a risk register and is reviewed by the Board. It is mandatory for this process to be conducted at least once a year.

3. Confirmation from the Board and the Audit Committee on the Group's Risk Management and Internal Control

The Board and the Audit Committee have conducted a review on and are satisfied with the adequacy and effectiveness of the Group's risk management and internal control system for the Reporting Period including financial, operational and compliance controls. The review covers, among others, the nature and extent of significant risks (including ESG risks) and the scope and quality of management's ongoing monitoring of risks (including ESG risks).

From the review, there were no material control failures or adverse compliance events that have directly resulted in any material loss to the Group. During the Reporting Period, the Board was not aware of any material defect in internal control of the Group.

The Group will continue to strengthen its internal control system in order to maintain proper corporate governance and safeguard the interest of its shareholders.

Corporate Governance Report

Internal Audit

During the Reporting Period, in accordance with the internal audit work system (內部審計工作制度) which officially took effect after listing, and combining the requirements of state-owned assets supervision and superior management, the Group formulated the internal audit management measures (內部審計管理辦法) as a detailed supplementary system to the internal audit work system. The measures clarify the audit management organization and the responsibilities and authorities of relevant departments, and conduct independent and objective supervision, evaluation, and recommendations on financial revenues and expenditures, economic activities, internal controls, risk management, and other aspects related to the Company's internal business operations, so as to promote the Company's governance improvement, operational efficiency enhancement, and achievement of business objectives.

The audit focuses on key areas and critical links in daily operations, including but not limited to corporate governance, asset preservation and appreciation, internal controls, bidding management, and outsourcing management.

To address potential integrity risks in audit work, the measures stipulate that during audits, the audit work and reporting hotline must be publicized. Audit teams must commit to abiding by work discipline, and audited units must commit to the truthfulness and completeness of the information provided. Third-party audit institutions may be introduced as appropriate, and interested parties should recuse themselves.

To address audit quality control risks, key business processes (such as bidding, procurement, and contract management) are prioritized during audits to ensure audit quality. Clues discovered during audits are promptly transferred to discipline inspection and other relevant departments.

Annually, based on feedback from internal audit work, the Group assess the scientificity and rationality of the system and formulate revision plans. We also conduct routine management review activities to evaluate the suitability, sufficiency, and effectiveness of the current system, identifying and filling gaps in existing systems.

Whistleblowing and Anti-corruption Policy

To combat fraudulent activities and corruption, we have adopted and implemented the Anti-bribery, Reporting and Complaint Management Measures (反舞弊及舉報投訴管理辦法), which stipulate, among other things, that:

- all of the Directors, Supervisors, management and employees of the Company are strictly prohibited from accepting or offering bribes, rebates or kickbacks and any other kind of bribery, abuse of power or corruption acts;
- anti-bribery policies and procedures are incorporated in the employees' handbook;
- all employees committing fraudulent acts would receive disciplinary actions as advised by the office of discipline inspection of the Company according to the relevant regulations and be reported to the judicial authority as appropriate; and
- the Company has established a whistle-blower program and designated an email address for whistle-blowers to provide named or anonymous tips regarding fraudulent activities and corruption.

Corporate Governance Report

Procedures for Handling and Dissemination of Inside Information

The Company maintains a policy on disclosure of inside information with reference to the Listing Rules, the Securities and Futures Ordinance, the Guidelines on Disclosure of Inside Information issued by the Securities and Futures Commission of Hong Kong and other applicable laws and regulations. The policy sets out procedures and internal controls for handling and disseminating inside information in an appropriate and timely manner, such as taking steps to determine sufficient details, conducting internal assessment of the matter and its possible impact on the Company, seeking professional advice when required and verifying the facts. Anyone in possession of the information must ensure such information is kept in strict confidentiality and is not allowed to buy or sell any securities of the Company until the information is fully disclosed to the public.

DIRECTORS' AND AUDITOR'S RESPONSIBILITY OF FINANCIAL REPORTING

The Directors acknowledge their responsibility for the preparation of the consolidated financial statements of the Company for each financial year with a true and fair view of the financial position of the Group, and present a balanced, clear and comprehensive assessment of the Group's performance and prospects.

The Directors consider that the Company's consolidated financial statements are prepared in accordance with all statutory requirements and appropriate accounting standards are applied consistently.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. The statement by the external auditor of the Company about their reporting responsibilities on the financial statements is set out in the section headed "Independent Auditor's Report" of this annual report.

AUDITORS' REMUNERATION

Remuneration paid and payable to the external auditors of the Company in respect of audit services for the Reporting Period is set out below.

| Services provided by the auditor | Amount <i>RMB'000</i> |
|---|---------------------------------|
| Audit services | 3,180 |
| Non-audit services | 200 |
| | <hr/> |

The non-audit services related to the collection and analysis of ESG related data, and preparation and issue of the ESG report of the Company.

SHAREHOLDERS' RIGHTS

In order to safeguard the interests and rights of Shareholders, the Company proposes separate resolutions on significant events (including the election of individual director) at general meetings. All resolutions proposed at general meetings will be voted by poll pursuant to the Listing Rules, and the poll results will be published on the websites of the Company and the Stock Exchange upon the conclusion of each general meeting.

Corporate Governance Report

Convening of general meetings

Pursuant to the Articles of Association, the general meetings are generally convened by the Board.

Independent non-executive Directors shall be entitled to propose to the Board to convene an extraordinary general meeting. Regarding the proposal requesting to convene an extraordinary general meeting by the independent non-executive Directors, the Board shall, in accordance with laws, administrative regulations and the Articles of Association, inform in writing whether it agrees or disagrees to convene an extraordinary general meeting within ten days upon receipt of the proposal.

The Supervisory Committee shall be entitled to propose to the Board to convene an extraordinary general meeting, and shall put forward its proposal to the Board in writing. The Board shall, in accordance with laws, administrative regulations, departmental rules, the Listing Rules and the Articles of Association, give a written reply on whether it agrees or disagrees to convene an extraordinary general meeting within ten days upon receipt of the proposal.

Shareholder(s) severally or jointly holding 10% or more of the shares of the Company shall be entitled to request the Board to convene an extraordinary general meeting, and add resolutions to the agenda of the meeting, and shall put forward such request to the Board in writing, stating the topics to be discussed at the meeting. The Board shall, in accordance with laws, administrative regulations and the Articles of Association, give a written reply on whether it agrees or disagrees to convene an extraordinary general meeting within ten days upon receipt of the proposal, without unreasonable delay or obstruction.

Proposals of general meetings

When a general meeting is convened by the Company, the Board, and Shareholder(s) who severally or jointly hold(s) more than three percent of the shares of the Company shall be entitled to make proposals to the general meetings.

Shareholder(s), who severally or jointly hold(s) more than three percent of the shares of the Company, may submit ad hoc proposals in writing to the convener ten days before the convening of the general meeting. The convener shall issue a supplemental notice of the general meeting within two days upon receipt of the proposals and announce the contents of the ad hoc proposals, and place the proposals on the agenda for the general meeting and submit the proposals for consideration at the general meeting if such proposals fall within the scope of duties of general meetings. Except for circumstances provided in the above paragraph, the convener, after issuing the notice of the general meeting, shall neither modify the proposals stated in the notice of general meetings nor add new proposals.

Enquiries to the Board

The Company maintains a website at www.shzhida.com, where information on the Company's businesses and projects, key corporate governance policies and announcements, financial reports and other information are available for public access. Shareholders and investors may send written enquiries or requests to the Company by the following ways:

Address: Room 1001-1, No. 127, Guotong Road, Yangpu District, Shanghai, PRC

Email: ir@shzhida.com

Corporate Governance Report

ARTICLES OF ASSOCIATION

The Company has not amended the Articles of Association since the Listing Date and up to 31 December 2025. The latest version of the Articles of Association is available on the Company's website (www.shzhida.com) and the website of the Stock Exchange (www.hkexnews.hk).

DIVIDEND POLICY

The Company has adopted a dividend policy (the “**Dividend Policy**”) on payment of dividends, including the proposal of declaration and/or payment of dividend and determination of the dividend amount. The Company currently does not set any pre-determined dividend payout ratio.

Depending on the financial conditions of the Company and the Group and the conditions and factors as set out below, interim and/or special dividends may be proposed and/or declared by the Board in its sole and absolute discretion during a financial year and any final dividends for a financial year will be subject to the shareholders' approval.

In considering the payment of dividends, there shall be a balance between maintaining sufficient capital to grow the Group's business and rewarding the shareholders of the Company. The Board shall take into account the following factors, among other factors:

- (a) the Group's overall results of operation, financial position, liquidity position, capital requirements, cash flow and future prospects;
- (b) the amount of distributable reserves of the Company;
- (c) the general business and regulatory conditions, the business cycle of the Group and other internal or external factors that may have an impact on the business or financial performance and position of the Group;
- (d) the statutory and regulatory restrictions;
- (e) the contractual restrictions on the payment of dividends by the Company to the Shareholders or by the subsidiaries of the Company to the Company;
- (f) the Shareholders' interests; and
- (g) other factors that the Board deems relevant.

The dividend decision made by the Board on account of the Reporting Period was made in accordance with the Company's dividend policy

The Board does not recommend the payment of a final dividend for the Reporting Period, as the Company is only recently listed and the Board considers it appropriate to retain the Group's cash reserve for the Group's operations.

There is no arrangement that a Shareholder has waived or agreed to waive any dividend.

Corporate Governance Report

COMMUNICATION WITH THE SHAREHOLDERS AND INVESTOR RELATIONS

The Company believes that effective communication with shareholder is essential to enhance investor relations and to keep investors informed of the Group's business performance and strategies. The Company has established various and a wide range of communication channels with Shareholders, including general meeting, annual results and interim results, annual and interim reports, announcements and circulars and performance conference. To facilitate the communication between the Company and investors, the Company holds meetings, briefings and roadshows with investors and analysts from time to time. Apart from that, the Company invites investors and business stakeholders to visit our management site every now and then, giving them the opportunities to meet with the local management and visit our facilities. Shareholders may make enquiries with the Company through channels mentioned above, and provide comments and recommendations to the Directors or managements at any time. Upon receipt of written enquiries from Shareholders, the Company will make actual responses to the Shareholders as soon as possible.

In addition, the Company updates its website from time to time to keep the Shareholders updated of the recent development of the Company. The Company endeavors to maintain an ongoing dialogue with shareholders. At the annual general meeting, the Directors (or their delegates as appropriate) will be available to meet with the Shareholders and answer their enquiries. Having considered the multiple channels of communication in place as described above, the Company considers the implementation of the Shareholders' communication policy during the Reporting Period was effective.

Directors, Supervisors and Senior Management

As of the date of this report, the information of the directors, supervisors and senior management of the Company is as follows:

DIRECTORS

Executive Directors

Dr. Huang Zhiming (黃志明) (“Dr. Huang”), aged 51, is the Group’s Founder, an executive Director, chairman of the Board and chief executive officer of the Company. Dr. Huang has been the chairman of the Board, a Director and chief executive officer since he founded our Group in November 2010, and he was redesignated as an executive Director in February 2024. Dr. Huang has also been serving as the legal representative, general manager, and/or director at certain of the Company’s subsidiaries. He is primarily responsible for the overall strategic planning, business and technology direction and operational management of the Group.

Dr. Huang has over 25 years of experience in the automotive industry. Prior to founding the Group, Dr. Huang worked at Shanghai Volkswagen Powertrain Co., Ltd.* (上海大眾動力總成有限公司) from November 2005 to May 2010. He previously worked at the engine factory of Shanghai Volkswagen Automotive Co., Ltd. (上海大眾汽車有限公司), currently known as SAIC Volkswagen Automotive Co., Ltd. (上汽大眾汽車有限公司), and served as its technical director from February 2001 to October 2005 and the production supervisor and process designer from August 1998 to November 1999.

Dr. Huang received his bachelor’s degree in mechanical engineering and automation from Tongji University (同濟大學) in the PRC in July 1998. He then obtained the master of business administration (international) degree (IMBA) issued by the University of Hong Kong in Hong Kong in December 2005. Dr. Huang also obtained his doctoral degree in management science and engineering from Tongji University (同濟大學) in the PRC in May 2013. Dr. Huang was also recognized as an engineer in mechanical engineering and automation by the Professional Qualification Evaluation Committee for Intermediate Professional and Technical Positions in Engineering Series of Shanghai Automotive Industry (Group) Corporation* (上海汽車工業(集團)總公司工程系列中級專業技術職務任職資格評審委員會) in December 2006.

In addition, Dr. Huang was appointed as an adjunct professor of innovation and entrepreneurship at Tongji University (同濟大學) from May 2017 to May 2020. He was also appointed as a vice president of the Seventh Council of the Tongji University Alumni Association (同濟大學校友會) in December 2022, a council member of the tenth council of Shanghai Management Science Society (上海市管理科學學會) in September 2020 and chairman of the University of Hong Kong – Fudan University IMBA Automotive Industry Club (香港大學 – 復旦大學 IMBA 汽車行業俱樂部) from September 2022 to September 2025.

Mr. Li Xinrui (李欣瑞) (“Mr. Li”), aged 56, is an executive Director and senior vice president of the Company. Mr. Li has been appointed as a Director since August 2022 and was redesignated as an executive Director and senior vice president in February 2024. Mr. Li joined the Group in March 2020, as a deputy general manager. He is primarily responsible for the investment and financing, securities and legal affairs of our Group and assisting the chairman of the Board in formulating the long-term development strategic plan of the Group.

Mr. Li has extensive experience in corporate management and investment financing operations. Prior to joining the Company, Mr. Li worked at Beijing Lewei Biology Technology Co., Ltd.* (北京樂維生物技術有限公司), a company established in the PRC principally engaged in technology promotion. He served as chairman and general manager from January 2005 to December 2018, overseeing the overall operation and development of the company.

Directors, Supervisors and Senior Management

Prior to that, he worked at certain members of State Development and Investment Group Co., Ltd. (國家開發投資集團有限公司), an state-owned backbone enterprise founded in 1995, including Guotou Xingye Co., Ltd.* (國投興業公司) and Guotou Pharmaceutical Investment Co., Ltd.* (國投藥業投資有限公司) from May 1995 to October 2001. Mr. Li was a director of Beijing Lewei Medical Technology Co., Ltd.* (北京樂維醫療科技有限公司, “Lewei Medical”), and Lewei Medical’s business license was revoked by local SAIC authority in October 2018 due to the fact that Lewei Medical was not engaging in any business activities for more than six months prior to the date of the revocation. As of the time of the revocation, such company was not insolvent, had any outstanding liabilities nor was involved in any pending claims. As of the Latest Practicable Date, Lewei Medical had not been dissolved, and since the revocation and as of the Latest Practicable Date, Lewei Medical had not carried out any business activities and, so far as Mr. Li was aware, the revocation of the business license of Lewei Medical has not resulted in any punishment or fines imposed by any competent authorities, nor has it resulted in any outstanding or potential claims or liabilities against Lewei Medical or Mr. Li.

Mr. Li received his bachelor’s degree in investment management from Dongbei University of Finance and Economics (東北財經大學) in July 1992 in the PRC. He obtained an executive master of business administration (EMBA) degree from Peking University (北京大學) in July 2010 in the PRC.

Independent non-executive Directors

Ms. Sun Zhili (孫枝麗) (“Ms. Sun”), aged 58, was appointed as an independent non-executive Director in February 2024. She is primarily responsible for participating in the decision making for the Company’s significant events, and advising on issues relating to corporate governance, audit and remuneration and assessment of the Directors, Supervisors and senior management of the Company.

Ms. Sun has nearly 27 years of extensive experience in the capital markets, corporate financing, and financial management of listed companies. She previously worked in financial institutions including Peregrine Capital Limited starting from 1997, which was renamed as BNP Paribas Capital (Asia Pacific) Limited in April 2003 until February 2004, HSBC Markets (Asia) Limited in 2004, Polaris Capital (Asia) Limited which was merged with Yuanta Asia Investment (Hong Kong) Limited from June 2005 to December 2007, Vision Finance International Company Limited from July 2008 to March 2012, Convoy Capital Hong Kong Limited from August 2012 to May 2015, Jun Yang Securities Co., Ltd. (君陽證券有限公司) from June 2015 to April 2016, Taiping Capital Limited from May 2016 to January 2018, and BNP Paribas Securities (Asia) Limited from July 2018 to September 2022.

Ms. Sun worked at Bosideng International Holdings Limited, a company listed on the Hong Kong Stock Exchange (stock code: 3998), and served as its vice president from July 2013 to March 2014, responsible for corporate development and investor relations of Bosideng group. Prior to that, she was appointed as a director in April 2008 and chief financial officer in December 2010 at China Mass Media Corp., a company previously listed on the New York Stock Exchange (stock symbol: CMM) and delisted in 2012 due to privatization.

Ms. Sun previously served as an independent non-executive director for several listed companies. From May 2015 to October 2018, she served as an independent non-executive director and chairman of the audit committee at Century Ginwa Retail Holdings Limited (世紀金花商業控股有限公司), a company listed on the Stock Exchange (stock code: 0162). From June 2017 to September 2018, she served as an independent non-executive director at Green International Holdings Limited (格林國際控股有限公司), a company listed on the Stock Exchange (stock code: 2700). From July 2017 to October 2018, she held the position of independent non-executive director and chairman of the audit committee at Huili Resources (Group) Limited (滙力資源(集團)有限公司), a company listed on the Stock Exchange (stock code: 1303).

Directors, Supervisors and Senior Management

Ms. Sun obtained her bachelor's degree in English from Nanjing Normal University (南京師範大學) in the PRC in July 1990 and her master's degree in education from the University of Houston in the United States in May 1993.

Ms. Wu Yushan (吳瑜珊) (“Ms. Wu”), aged 36, was appointed as an independent non-executive Director in February 2024. She is primarily responsible for participating in the decision making for our Company's significant events, and advising on issues relating to corporate governance, audit and remuneration and assessment of our Directors, Supervisors and senior management.

Ms. Wu has over 12 years of experience in accounting, investment banking and financial management. She was appointed as a finance director in June 2019 and a board secretary in October 2020 at Anyue Environment Technology Co., Ltd.* (安越環境科技股份有限公司), formerly known as Xiamen Anyue Non-Excavation Engineering Technology Co., Ltd.* (廈門安越非開挖工程技術股份有限公司), a company previously listed on the National Equities Exchange and Quotations (stock code: 871493) and voluntarily delisted in March 2020. She previously worked at the Xiamen branch of Industrial Securities Co., Ltd. (興業證券股份有限公司廈門分公司) from April 2017 to July 2018. Prior to that, she worked at Grant Thornton Certified Public Accountants LLP* (致同會計師事務所(特殊普通合夥)) from November 2012 to February 2017 and Ascenda Certified Public Accountants Ltd. (天健正信會計師事務所有限公司) from November 2011 to December 2012.

Ms. Wu obtained her bachelor's degree in accounting from Jimei University (集美大學) in the PRC in July 2011 and her master's degree in business administration from Xiamen University (廈門大學) in the PRC in June 2024. Ms. Wu obtained her certified public accountant qualification from the Fujian Institute of Certified Public Accountants (福建省註冊會計師協會) in July 2018. She was also awarded the certificate of secretary of board of the listed company (上市公司董事會秘書資格證書) in May 2019.

Dr. Lu Ming (陸銘) (“Dr. Lu”), aged 56, was appointed as an independent non-executive Director in February 2024. He is primarily responsible for participating in the decision making for our Company's significant events, and advising on issues relating to corporate governance, audit and remuneration and assessment of our Directors, Supervisors and senior management.

Dr. Lu possesses an extensive and diverse professional background. He has been the founder and the principal of Shanghai Pudong Technology Financial Services Association (上海浦東科技金融服務聯合會) since June 2017. He previously worked at Shanghai Municipal Pudong New Area Science and Technology Committee* (上海市浦東新區科學技術委員會) from October 2014 to May 2017.

Dr. Lu obtained his bachelor's degree in highway and urban road engineering from Shanghai Institute of Urban Construction (上海城市建設學院) (subsequently incorporated into Tongji University (同濟大學)) in the PRC in July 1990. He also obtained a master's degree in business administration from Tongji University (同濟大學) in the PRC in July 1999. He further obtained a master's degree in development and planning for urban economic development from University College London in the United Kingdom in November 2001 and a doctoral degree of management science majoring in management science and engineering from Tongji University (同濟大學) in the PRC in November 2012.

Directors, Supervisors and Senior Management

Dr. Lu has obtained various professional qualifications across diverse fields throughout his career. He was accredited as a senior engineer by Shanghai Municipal Engineering Series Civil Engineering Construction Senior Professional and Technical Qualification Evaluation Committee* (上海市工程系列土建施工專業高級專業技術職務任職資格評審委員會) in January 2001. He was also recognized as a professor-level senior economist in financial services industry by Shanghai Professor-level Senior Economist Professional Qualification Evaluation Committee* (上海市正高級經濟師職稱評審委員會) in September 2019. Dr. Lu passed the AMAC Fund Practitioner Qualification Examination in September 2016, and obtained the corresponding certificate from the Asset Management Association of China. He was appointed as an expert of Shanghai Institute for the Evaluation of Scientific and Technological Achievements Expert Database (上海市科技成果評價研究院) in June 2021. In October 2020, he was certified as a qualified independent director by the Shanghai Stock Exchange.

Supervisors

Mr. Shen Qi (沈琪) (“Mr. Shen”), aged 50, has been the chairperson of the Supervisory Committee and employees’ representative Supervisor of the Company since August 2022. He joined our Group in May 2015, as the assistant to the general manager. Mr. Shen is primarily responsible for supervising the Board and senior management. Mr. Shen has been serving as the legal representative, general manager, or a director at certain of the Company’s subsidiaries.

Prior to joining our Group, Mr. Shen has extensive experience in the automotive industry. Mr. Shen was the business director of Tesla Motors (Beijing) Co., Ltd.* (特斯拉汽車(北京)有限公司) from May 2013 to February 2015. He worked at Shanghai Bentley Automobile Sales Co., Ltd.* (上海賓利汽車銷售有限公司) as a China senior business manager from August 2008 to January 2013. Prior to that, Mr. Shen worked at Apacer Electronic (Shanghai) Co., Ltd.* (宇瞻電子(上海)有限公司) from May 2002 to September 2003. Prior to this, He worked at Shanghai Yingnuo Furniture Co., Ltd.* (上海英諾傢俱有限公司) from November 2001 to May 2002 and Shanghai Ruigeng Industrial Co., Ltd.* (上海瑞耕實業有限公司) from January 1997 to October 2001.

Mr. Shen received his college diploma in industrial design from Shanghai Second Light Industry Bureau Workers University (上海市第二輕工業局職工大學) in the PRC in July 1996. He obtained a master of business administration degree from Donghua University (東華大學) in the PRC in June 2012.

Ms. Dai Can (戴燦) (“Ms. Dai”), aged 39, has been the Company’s Shareholders’ representative Supervisor since February 2024. Ms. Dai is primarily responsible for supervising the Board and senior management.

Ms. Dai joined BYD Auto Industry Co., Ltd.* (比亞迪汽車工業有限公司) in May 2016 and currently serves as an investment operations manager at the investment and operations department of BYD Auto Industry Co., Ltd. She has also been serving as a director of Shenzhen Microgrid Digital Power Technology Co., Ltd.* (深圳市微網數電科技有限公司) since November 2021. Prior to this, she worked at Shenzhen FRD Science & Technology Co., Ltd.* (深圳市飛樂達科技股份有限公司), a company listed on the ChiNext Board of the Shenzhen Stock Exchange (stock code: 300602), from December 2013 to April 2016.

Ms. Dai received her bachelor’s degree in finance from Hunan Agricultural University (湖南農業大學) in the PRC in June 2010.

Directors, Supervisors and Senior Management

Mr. Liu Xi (劉希) (“Mr. Liu”), aged 36, has been the Company’s Shareholders’ representative Supervisor since September 2021. Mr. Liu is primarily responsible for supervising the Board and senior management.

Mr. Liu joined Ningbo Longhuahui Equity Investment Management Co., Ltd.* (寧波隆華匯股權投資管理有限公司) in May 2017, and currently serves as its managing partner. He has been a representative of the general partner at Ningbo Jintong Jiuge Enterprise Management Limited Partnership* (寧波金通九格企業管理合夥企業(有限合夥)) since January 2021. Prior to that, he worked at BDO China Shu Lun Pan CPAS (立信會計師事務所有限公司) and BDO China Shu Lun Pan Certified Public Accountants LLP (立信會計師事務所(特殊普通合夥)) from August 2011 to May 2017.

Mr. Liu has been a supervisor of Henan Huiqiang New Energy Material Technology Co., Ltd. (河南惠強新能源材料科技股份有限公司) since December 2020. Mr. Liu has been serving as the director of Hefei Huaqing Optical Technology Co., Ltd.* (合肥華清光學科技有限公司) from March 2020 to September 2025 and Dongguan Huaqing Optical Technology Co., Ltd.* (東莞華清光學科技有限公司) from September 2019 to June 2024. Mr. Liu also served as a director of Xinxiang Tianli Energy Co., Ltd.* (新鄉天力鋰能股份有限公司, currently known as Tianli Lithium Energy Group Co., Ltd (天力鋰能集團股份有限公司)), a company listed on the Shenzhen Stock Exchange (stock code: 301152). From June 2020 to February 2022. Mr. Liu served as a supervisor of Anhui Andeli Department Store Co., Ltd.* (安徽安德利百貨股份有限公司, currently known as Anhui Anfu Battery Technology Co., Ltd. (安徽安孚電池科技股份有限公司)), a company listed on the Shanghai Stock Exchange (stock code: 603031), from June 2020 to June 2022.

Mr. Liu obtained dual bachelor’s degrees in financial management and computer science and technology from Shanghai University of Finance and Economics (上海財經大學) in July 2011 in the PRC. He obtained his master of business administration degree from Fudan University (復旦大學) in January 2023 in the PRC.

SENIOR MANAGEMENT

Dr. Cao Guangyu (曹光宇) (“Dr. Cao”), aged 53, joined the Company in July 2022 and served as the deputy general manager of the Company since August 2022. Dr. Cao is primarily responsible for the marketing, sales, hardware and products services of the Group.

Dr. Cao has extensive experience in the automotive industry. Dr. Cao worked at East China Normal University (華東師範大學) from October 2019 to July 2022. He served as a chief engineer at Shanghai Embedded System Research Institute (上海嵌入式系統研究所) from June 2019 to September 2019. He worked at Global Car Sharing Car Rental Co., Ltd.* (環球車享汽車租賃有限公司, “EVCARD”), a State-owned company controlled by SAIC Motor Corporation Limited (上海汽車工業集團), as its general manager from May 2017 to May 2019. During his employment at EVCARD, he was appointed as legal representative for certain of its subsidiary, including Global Car Sharing (Kunming) Car Rental Co., Ltd.* (環球車享(昆明)汽車租賃有限公司, “EVCARD Kunming”). In his capacity as legal representative, he was listed as a defendant in the claims related to the ordinary business operations of EVCARD Kunming, where he subsequently received consumption restriction orders by the PRC courts in connection with the payment of judgement debt of such lawsuits. Following his resignation from EVCARD in May 2019, Dr. Cao was removed from the list of defendants in such lawsuits and released from the consumption restriction order by the PRC courts. Based on publicly available information, EVCARD Kunming was primarily engaged in car rental business in Kunming City and declared bankruptcy in October 2022. As of the Latest Practicable Date, there was no unsatisfied judgment or court order of continuing effect against Dr. Cao. Previously, Dr. Cao worked at Ningbo Sichuang Mechanical and Electrical Co., Ltd.* (寧波思創機電有限公司) from May 2006 to March 2011.

Directors, Supervisors and Senior Management

Dr. Cao graduated from Harbin Institute of Technology (哈爾濱工業大學) in the PRC and received his bachelor's degree in automotive design and manufacturing in July 1994 and then his doctoral degree in mechanical manufacturing and automation in December 1999. After graduation, Dr. Cao was a postdoctoral fellow at Shanghai Academy of Spaceflight Technology (上海航天技術研究院) from December 1999 to January 2001. He also worked as a postdoctoral fellow at Shanghai Jiao Tong University (上海交通大學), conducting postdoctoral research in the field of instrument science and technology from June 2006 to September 2008.

Dr. Cao was engaged as an adjunct professor at Tongji University (同濟大學) in December 2015. He was appointed as the deputy general secretary at Shanghai New Energy Vehicle and Application Standardization Technical Committee (上海市新能源汽車及應用標準化技術委員會) in December 2011. Dr. Cao was also accredited as a senior engineer by China Aerospace Industry Corporation (China National Space Administration).

He was awarded as one of the “Top Ten Outstanding Talents in Ningbo (寧波市十大傑出青年)” in December 2007, the “Excellent Technical Leader in Shanghai (上海市優秀技術帶頭人)” in April 2014 and as the “Leading Scientific and Technological Talents in Jiading District, Shanghai (上海市嘉定區科技領軍人才)” in September 2017. Dr. Cao was appointed as a Jiading District Academic and Technical Leader (嘉定區學術技術帶頭人) by the People's Government of Jiading District, Shanghai (上海市嘉定區人民政府), from April 2017 to March 2019. In September 2016, Dr. Cao was awarded the 2016 Annual Jiading District Scientific and Technological Progress Award (2016 年度嘉定區科學技術進步獎) by the People's Government of Jiading District, Shanghai (上海市嘉定區人民政府). Dr. Cao was selected as the third batch of Jiading High-level Innovation and Entrepreneurship and Urgently Needed Talents (嘉定區第三批高層次創新創業和急需緊缺人才) by the Jiading District Evaluation Committee for the Introduction of High-level Innovation and Entrepreneurship and Urgently Needed Talents (嘉定區引進高層次創新創業和急需緊缺人才工作評定委員會) in September 2013. Dr. Cao was honored as one of the 2017 Ningbo Top Ten Youth Innovation and Entrepreneurship Stars (2017 寧波市十佳青年創新創業之星) by the Publicity Department of Ningbo City Committee of the CPC (中共寧波市委宣傳部), the Communist Youth League Ningbo City Committee (共青團寧波市委), Ningbo Municipal Bureau of Science and Technology (寧波市科學技術局), Ningbo Municipal Human Resources Bureau (寧波市人事局), Ningbo Youth Federation (寧波市青年聯合會) and Ningbo Daily Office (寧波日報社) in 2017. In the same year, he was awarded as 2017 Shanghai Smart City Construction “Leading Pioneer” (2017 上海智慧城市建設“領軍先鋒”) by the Shanghai Federation of Trade Unions (上海市總工會), the Shanghai Economic and Information Committee of the CPC (中共上海市經濟和信息化工作委員會) and the Shanghai Economic and Information Committee (上海市經濟和信息化委員會).

Ms. Luo Tao (羅韜) (“Ms. Luo”), aged 47, joined the Company in November 2014, serving as deputy general manager from November 2014 to November 2018 and was designated as senior vice president and chief digital officer in February 2024. She also served as the general manager of the Company's subsidiary, Wuxi Zhida Wulian Technology Co., Ltd.* (無錫摯達物聯科技有限公司) from December 2018 to December 2021. Ms. Luo is primarily responsible for the development and management of digitalization of the Group.

Besides the positions within our Group, Ms. Luo worked at subsidiaries of IBM (China) Investment Company Limited, namely the Shanghai Branch of IBM Solution and Services (Shenzhen) Co., Ltd. (國際商業機器科技(深圳)有限公司上海分公司) from February 2008 to February 2011 and the Shanghai Branch of IBM Global Service (Dalian) Co., Ltd. (國際商業機器全球服務(大連)有限公司上海分公司) from October 2013 to October 2014. She also worked at Hitachi Information Systems (Shanghai) Co., Ltd. (日立信息系統(上海)有限公司) from September 2011 to August 2012. Prior to that, Ms. Luo worked at Shanghai Jiao Tong University Omron Software Co., Ltd.* (上海交大歐姆龍軟件股份有限公司, subsequently known as Shanghai Ersansiwu Network Holdings Group Co., Ltd.* (上海二三四五網絡控股集團股份有限公司) and currently known as Shanghai Stonehill Technology Co., Ltd.* (上海岩山科技股份有限公司)), a company listed on the Shenzhen Stock Exchange (stock code: 002195), from May 2004 to January 2008.

Directors, Supervisors and Senior Management

Ms. Luo received her bachelor's degree majoring in information management and information system from Shanghai University (上海大學) in July 2001 in the PRC.

Ms. Su Mengting (蘇夢婷) (“Ms. Su”), aged 35, joined the Company in March 2022, and has been the finance director of the Company since November 2025. Ms. Su has also been serving as the supervisor at certain of the Company's subsidiaries. Ms. Su is primarily responsible for the operation of finance department of the Group.

She served as the manager of the office of the Board of the Company from March 2022 to December 2024, the director of the president office and a securities affairs representative of the Company from January 2025 to April 2025, the chief financial officer of our subsidiary, ZD ENERGY (HONG KONG) LIMITED from April 2025 to October 2025, and deputy finance director of the Company and the chief financial officer of the said subsidiary from October 2025 to November 2025.

Prior to joining our Group, she worked in China CICC Wealth Management Securities Company from October 2017 to November 2021, Shanghai branch of Huafu Securities Co., Ltd. from March 2017 to September 2017, and Fujian branch of Bank of China Limited from July 2012 to November 2013.

Ms. Su obtained a bachelor's degree in finance from Zhejiang Gongshang University in June 2012 and a master's degree in finance from Massey University in New Zealand in March 2016.

Mr. Jiang Yuxiao (蔣宇驍) (“Mr. Jiang”), formerly known as Jiang Yuxiao (蔣宇梟), aged 32, joined the Company in April 2017, and has been the secretary of the Board since October 2022. Mr. Jiang has also been serving as the supervisor at certain of the Company's subsidiaries. Mr. Jiang is primarily responsible for the overall information disclosure and investor relationship of the Group.

He served as the investment manager of our Company from April 2017 to February 2021. Mr. Jiang worked as the senior manager at Guangkong Terminus (Shanghai) Information Technology Co., Ltd.* (光控特斯聯(上海)信息科技有限公司) from March 2021 to May 2021. He rejoined our Company in May 2021, and successively served as the investment and financing director, and the secretary of the Board.

Mr. Jiang received his dual bachelor's degrees in business management from Tongji University (同濟大學) in July 2015 in the PRC and from ESSEC Business School in July 2015 in France. He also obtained a master's degree in business from IE Universidad in September 2016 in Spain. Mr. Jiang has been a member of Chartered Financial Analyst since January 2021.

Saved as disclosed above, to the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, as of the date of this report, none of the Directors, Supervisors and senior management of the Company had been a director of any public company the securities of which were listed on any securities market in Hong Kong or overseas in the three years immediately preceding the date of this report. There are no other matters with respect to the appointment of our Directors and Supervisors that need to be brought to the attention of the Shareholders, nor is there any information relating to our Directors and Supervisors that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

Saved as disclosed above, as of the date of this report, none of the Directors, Supervisors or senior management of the Company were related to other Directors, Supervisors or senior management of the Company.

Directors, Supervisors and Senior Management

JOINT COMPANY SECRETARIES

Mr. Jiang Yuxiao (蔣宇驍) was appointed as our joint company secretary in February 2024. For further details, see the section headed “Directors, Supervisors and Senior Management—Senior Management” above.

Ms. Au Wing Sze (區詠詩) (“Ms. Au”), was appointed as our joint company secretary in February 2024. Ms. Au has over 12 years of experience in the corporate secretarial field. She is a manager of the listing services department of TMF Hong Kong Limited, responsible for providing corporate secretarial and compliance services to listed companies. She is an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom. Ms. Au obtained her master’s degree in corporate governance from Hong Kong Metropolitan University in August 2019.

CHANGES IN INFORMATION OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE

Save as disclosed above, since the Listing Date and up to the date of this report, there has been no change in information required to be disclosed by the Directors, Supervisors and chief executive of the Company pursuant to Rule 13.51B(1) of the Listing Rules.

Independent Auditor's Report

To the Shareholders of Shanghai Zhida Technology Development Co., Ltd.
(incorporated in the People's Republic of China with limited liability)

OPINION

What we have audited

The consolidated financial statements of Shanghai Zhida Technology Development Co., Ltd. (the "Company") and its subsidiaries (the "Group"), which are set out on pages 59 to 138, comprise:

- the consolidated statement of financial position as at 31 December 2025;
- the consolidated statement of profit or loss for the year then ended;
- the consolidated statement of comprehensive loss for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Our opinion

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 and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Hong Kong Institute of Certified Public 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.

Independent Auditor's Report

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 matters identified in our audit are summarised as follows:

- Revenue recognition
- Expected credit losses on trade receivables

Key Audit Matter

How our audit addressed the Key Audit Matter

Revenue recognition

Refer to note 5 to the consolidated financial statements.

The Group's revenue is mainly derived from the sales of electric vehicle chargers and related parts, as well as the provision of installation and after-sales services. During the year ended 31 December 2025, the Group recognised revenue from sales of products amounted to RMB447.1 million and provision of services amounted to RMB269.5 million.

Revenue is recognised when or as the control of the products or services is transferred to a customer. The revenue for sales of products is recognised at a point in time when the products have been shipped to the specific location in accordance with the sales contract and the customers have inspected and accepted the products. The revenue generated from the provision of services is recognised upon completion of the services since services are usually completed within a short period of time.

We focused on this area because significant audit efforts and resources were devoted to this area due to the magnitude of revenue and large volume of revenue transactions from various customers during the year.

We have performed the following procedures to address the key audit matter:

- We understood, evaluated and validated the Group's internal controls over revenue recognition;
- We understood the Group's accounting policies on revenue recognition and evaluated the appropriateness by examining the relevant sales contract terms including the terms in relation to identification of performance obligations, determination of transaction price, and timing of control transfer of the promised products or services to customers;
- We tested the sales transactions, on a sample basis, by examining relevant supporting documents, including sales contracts, customer orders, goods delivery receipts or acceptance of service signed by customers, etc.
- We tested sales transactions recorded before and after the balance sheet date, on a sample basis, by tracing to the supporting documents, including the relevant goods delivery receipts or acceptance of service signed by customers, etc. to assess whether revenue was recognised in the correct reporting period; and
- We sent confirmations to customers, on a sample basis, to confirm the trade receivable balances as at the year-end date.

Based on the procedures performed, we found that the Group's revenue recognised was supported by the evidence obtained.

Independent Auditor's Report

Key Audit Matter

How our audit addressed the Key Audit Matter

Expected credit losses ("ECL") on trade receivables

Refer to note 3.1(b)(ii), note 4(a) and note 21 to the consolidated financial statements.

As at 31 December 2025, the Group recorded gross balance of trade receivables of RMB488.1 million with a corresponding allowance for ECL of RMB55.8 million, which accounted for a significant portion of the total assets in the consolidated financial statements.

The Group applied the simplified approach to determine the amounts of ECL of trade receivables. In measuring the ECL, trade receivables have been grouped based on the shared credit risk characteristics and aging.

For trade receivable balances with objective evidence of impairment and significant different credit risk characteristics, individual provision was made based on the present value of the difference between contractual cashflows and the cash flows that were expected to be received, with the considerations on current and future economic situations.

For other customers with similar credit risk characteristics, the expected loss rates are based on the payment profiles of sales over a period and the corresponding historical credit losses experienced. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

We focused on this area due to the magnitude of the balance of trade receivables and significant estimates and judgements were involved in the assessment of expected credit losses mentioned above.

We have performed the following procedures to address the key audit matter:

- We obtained an understanding of management's process in relation to the determination of ECL on trade receivables and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and other inherent risk factors;
- We evaluated and validated the Group's internal controls over the assessment of ECL on trade receivables;
- We tested the key data inputs in management's impairment assessment, including the aging schedules of trade receivables on a sample basis;
- For customers with individual provision, we assessed the appropriateness of management's cash flows expected to be received by considering the current financial status, repayment history of the debtors and future economic situations;
- For other customers with ECL provision, with the assistance of internal expert:
 - (1) We assessed the appropriateness of the ECL provision methodologies adopted by management;
 - (2) We evaluated the reasonableness of grouping of trade receivables against their nature and risk characteristics;
 - (3) We assessed the reasonableness of the detailed application of the key parameters including historical loss rate by considering the historical default rates and past cash collection performance;
 - (4) We evaluated the appropriateness of forward-looking factors;
 - (5) We evaluated the reasonableness of management's sensitivity analysis of the forward-looking information by considering reasonably possible changes of the key parameters; and
 - (6) We tested the mathematical accuracy of the calculations of ECL rates and provisions by reference to the historical loss and forward-looking information.

Based on the procedures performed, we found that the key estimates and judgements applied by the Group in determining the ECL on trade receivables were supported by the evidence obtained.

Independent Auditor's Report

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than 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 THE AUDIT COMMITTEE 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 and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

The Audit Committee is 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. We report our opinion solely to you, as a body, 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism 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.

Independent Auditor's Report

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

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

From the matters communicated with the Audit Committee, 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 Dou Wang, Angel.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 25 March 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

| | Note | Year ended 31 December | |
|--|------|------------------------|-----------------|
| | | 2025 RMB'000 | 2024 RMB'000 |
| Revenue | 5 | 716,513 | 593,408 |
| Cost of sales | 8 | (607,599) | (504,833) |
| Gross profit | | 108,914 | 88,575 |
| Sales and marketing expenses | 8 | (101,233) | (114,655) |
| General and administrative expenses | 8 | (100,309) | (103,936) |
| Research and development expenses | 8 | (53,474) | (55,577) |
| Net impairment losses on financial assets | 11 | (7,995) | (38,486) |
| Other income | 6 | 10,136 | 6,089 |
| Other losses – net | 7 | (2,940) | (956) |
| Operating loss | | (146,901) | (218,946) |
| Finance income | 10 | 1,339 | 1,051 |
| Finance costs | 10 | (14,572) | (14,021) |
| Finance costs – net | | (13,233) | (12,970) |
| Loss before income tax | | (160,134) | (231,916) |
| Income tax expense | 12 | (3,710) | (3,981) |
| Loss for the year | | (163,844) | (235,897) |
| Attributable to: | | | |
| Owners of the Company | | (163,846) | (238,842) |
| Non-controlling interests | | 2 | 2,945 |
| | | (163,844) | (235,897) |
| Loss per share attributable to the owners of the Company (in RMB) | | | |
| Basic and diluted loss per share | 13 | (2.97) | (4.54) |

The above consolidated statement of profit or loss should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS

| | Year ended 31 December | |
|---|-------------------------------|-----------|
| | 2025 | 2024 |
| | RMB'000 | RMB'000 |
| Loss for the year | (163,844) | (235,897) |
| Other comprehensive income | | |
| <i>Item that may be reclassified subsequently to profit or loss</i> | | |
| Currency translation differences | 827 | 1,506 |
| <i>Item that may not be reclassified subsequently to profit or loss</i> | | |
| Change in fair value of financial assets at fair value through other comprehensive income | 253 | 852 |
| Other comprehensive income for the year, net of tax | 1,080 | 2,358 |
| Total comprehensive loss for the year | (162,764) | (233,539) |
| Attributable to: | | |
| Owners of the Company | (162,766) | (236,484) |
| Non-controlling interests | 2 | 2,945 |
| | (162,764) | (233,539) |

The above consolidated statement of comprehensive loss should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | | As at 31 December | |
|---|------|-------------------|-----------------|
| | Note | 2025 RMB'000 | 2024 RMB'000 |
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 15 | 40,120 | 44,468 |
| Right-of-use assets | 16 | 11,052 | 12,054 |
| Intangible assets | 17 | 18,718 | 16,505 |
| Investments accounted for using the equity method | 18 | – | – |
| Deferred income tax assets | 34 | 49,619 | 48,338 |
| Financial assets at fair value through other comprehensive income | 23 | 16,705 | 16,452 |
| Other non-current assets | 19 | 62,482 | 10,700 |
| | | <u>198,696</u> | <u>148,517</u> |
| Current assets | | | |
| Inventories | 20 | 137,676 | 165,711 |
| Trade and notes receivables | 21 | 432,295 | 306,369 |
| Other current assets | 22 | 50,838 | 61,765 |
| Financial assets at fair value through other comprehensive income | 23 | 12,783 | 12,126 |
| Restricted cash | 24 | 255 | 591 |
| Cash and cash equivalents | 24 | 291,625 | 141,359 |
| | | <u>925,472</u> | <u>687,921</u> |
| Total assets | | <u>1,124,168</u> | <u>836,438</u> |
| EQUITY | | | |
| Equity attributable to owners of the Company | | | |
| Share capital | 25 | 59,789 | 53,448 |
| Reserves | 26 | 666,440 | 313,969 |
| Accumulated losses | | (485,403) | (321,557) |
| | | <u>240,826</u> | <u>45,860</u> |
| Non-controlling interests | | <u>3,294</u> | <u>3,292</u> |
| Total equity | | <u>244,120</u> | <u>49,152</u> |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | | As at 31 December | |
|-------------------------------------|------|-------------------|-----------------|
| | Note | 2025 RMB'000 | 2024 RMB'000 |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Lease liabilities | 16 | 2,341 | 5,825 |
| Provisions | 32 | 6,973 | 4,773 |
| Deferred income | 33 | 2,606 | 2,414 |
| | | 11,920 | 13,012 |
| Current liabilities | | | |
| Trade payables | 29 | 325,742 | 324,921 |
| Other payables and accruals | 30 | 31,152 | 28,379 |
| Borrowings | 31 | 470,298 | 390,321 |
| Lease liabilities | 16 | 10,420 | 7,420 |
| Contract liabilities | 5 | 14,036 | 12,829 |
| Provisions | 32 | 14,179 | 10,213 |
| Current income tax liabilities | | 2,301 | 191 |
| | | 868,128 | 774,274 |
| Total liabilities | | 880,048 | 787,286 |
| Total equity and liabilities | | 1,124,168 | 836,438 |

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

The consolidated financial statements on pages 59 to 138 were approved by the Board of Directors on 25 March 2026 and were signed on its behalf.

Huang Zhiming
Director

Li Xinrui
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| | Note | Attributable to owners of the Company | | | Non-controlling interests | Total equity | |
|--|--------|---------------------------------------|----------|--------------------|---------------------------|--------------|-----------|
| | | Share capital | Reserves | Accumulated losses | | | |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | |
| Balance at 1 January 2024 | | 52,527 | 281,651 | (82,715) | 251,463 | 13,780 | 265,243 |
| (Loss)/profit for the year | | – | – | (238,842) | (238,842) | 2,945 | (235,897) |
| Change in fair value of financial assets at fair value through other comprehensive income | | – | 852 | – | 852 | – | 852 |
| Currency translation differences | | – | 1,506 | – | 1,506 | – | 1,506 |
| Total comprehensive income/(loss) | | – | 2,358 | (238,842) | (236,484) | 2,945 | (233,539) |
| Transactions with owners in their capacity as owner: | | | | | | | |
| Share-based payment | 27 | – | 420 | – | 420 | – | 420 |
| Acquisition of non-controlling interests of a subsidiary | | – | (20,367) | – | (20,367) | (13,433) | (33,800) |
| Capital contributions from equity holders | 25, 26 | 921 | 49,907 | – | 50,828 | – | 50,828 |
| | | 921 | 29,960 | – | 30,881 | (13,433) | 17,448 |
| Balance at 31 December 2024 | | 53,448 | 313,969 | (321,557) | 45,860 | 3,292 | 49,152 |
| Balance at 1 January 2025 | | 53,448 | 313,969 | (321,557) | 45,860 | 3,292 | 49,152 |
| (Loss)/profit for the year | | – | – | (163,846) | (163,846) | 2 | (163,844) |
| Change in fair value of financial assets at fair value through other comprehensive income | | – | 253 | – | 253 | – | 253 |
| Currency translation differences | | – | 827 | – | 827 | – | 827 |
| Total comprehensive income/(loss) | | – | 1,080 | (163,846) | (162,766) | 2 | (162,764) |
| Transactions with owners in their capacity as owner: | | | | | | | |
| Issuance of ordinary shares relating to the Hong Kong public offering and international offering, netting of underwriting commissions and other issuance costs | | 5,979 | 336,771 | – | 342,750 | – | 342,750 |
| Listing expenses capitalised upon the listing | | – | (5,326) | – | (5,326) | – | (5,326) |
| Share-based payment | 27 | – | 308 | – | 308 | – | 308 |
| Capital contributions from equity holders | 25, 26 | 362 | 19,638 | – | 20,000 | – | 20,000 |
| | | 6,341 | 351,391 | – | 357,732 | – | 357,732 |
| Balance at 31 December 2025 | | 59,789 | 666,440 | (485,403) | 240,826 | 3,294 | 244,120 |

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

| | Note | Year ended 31 December | |
|--|-------|------------------------|------------------|
| | | 2025 RMB'000 | 2024 RMB'000 |
| Cash flows from operating activities | | | |
| Cash used in operations | 35(a) | (200,802) | (104,698) |
| Interest received | 10 | 1,339 | 1,051 |
| Income tax paid | | (2,882) | (11,927) |
| Net cash used in operating activities | | (202,345) | (115,574) |
| Cash flows from investing activities | | | |
| Purchase of financial assets at fair value through profit or loss | | – | (42,000) |
| Payments for financial assets at fair value through other comprehensive income | | – | (15,600) |
| Purchase of property, plant and equipment and other non-current assets | | (57,905) | (18,174) |
| Purchases of intangible assets | | (4,673) | (9,769) |
| Proceeds from disposal of property, plant and equipment | | 53 | 57 |
| Proceeds from disposals of financial assets at fair value through profit or loss | | – | 43,578 |
| Net cash used in investing activities | | (62,525) | (41,908) |
| Cash flows from financing activities | | | |
| Proceeds from borrowings | | 539,900 | 419,900 |
| Repayment of borrowings | | (459,900) | (304,000) |
| Proceeds from contributions from equity/share holders | | 362,750 | 50,828 |
| Interest paid for borrowings | | (14,043) | (13,350) |
| Principal payments of lease liabilities | | (9,472) | (9,025) |
| Interest paid for lease liabilities | | (552) | (561) |
| Acquisition of non-controlling interests of a subsidiary | 37 | – | (33,800) |
| Listing expenses paid | | (1,911) | (7,482) |
| Net cash generated from financing activities | | 416,772 | 102,510 |
| Net increase/(decrease) in cash and cash equivalents | | 151,902 | (54,972) |
| Cash and cash equivalents at the beginning of the year | 24 | 141,359 | 195,065 |
| Effects of foreign exchange rate changes on cash and cash equivalents | | (1,636) | 1,266 |
| Cash and cash equivalents at the end of the year | 24 | 291,625 | 141,359 |

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

1. GENERAL INFORMATION

Shanghai Zhida Technology Development Co., Ltd. (“Zhida Technology”, or the “Company”) was incorporated in the People’s Republic of China (the “PRC”) on 25 November 2010 as a limited liability company under the Company Law of the PRC. The address of the Company’s registered office is Room 1001-1, No. 127, Guotong Road, Yangpu District, Shanghai, the PRC.

The Company and its subsidiaries (together, “the Group”) are principally engaged in the provision of the following goods and services: (i) production, research and development and sales of electric vehicle chargers (“EV chargers”) and related parts, and (ii) EV chargers installation services, after-sales services, etc.

Dr. Huang Zhiming is the ultimate controlling shareholder of the Company as at the date of this report.

The Company completed the initial public offering and had its shares listed on the main board of the Stock Exchange of Hong Kong Limited on 10 October 2025 (the “Listing”).

The consolidated financial statements are presented in thousands of Renminbi (“RMB”), unless otherwise stated, and have been approved for issue by the Board of Directors on 25 March 2026.

2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES

2.1 Basis of preparation

(a) Compliance with IFRS Accounting Standards

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”) and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622.

(b) Accounting policies

The accounting policies applied in the preparation of the consolidated financial statements have been consistently applied to all the years presented, unless otherwise stated.

Other than those material accounting policies information as disclosed in the notes to the consolidated financial statements or transactions in this consolidated financial statements, a summary of the other accounting policies information has been set out in Note 44 to this consolidated financial statements.

(c) Historical cost convention

The consolidated financial statements have been prepared under the historical cost convention, except for certain financial assets at fair value through other comprehensive income (“FVOCI”) and financial assets at fair value through profit or loss (“FVPL”), which are carried at fair values.

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

Notes to the Consolidated Financial Statements

2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

(d) Going concern

The Group incurred loss of approximately RMB163,844,000 and net operating cash outflow of approximately RMB202,345,000 for the year ended 31 December 2025. Historically, in addition to the capital contribution from shareholders, the Group relied principally on borrowings from commercial banks to fund its operations and business development.

In view of such circumstances, the directors have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient funds to fulfil its financial obligations and continue as a going concern. These considerations include:

- the Group is able to fulfil the banks' requirement to obtain the short-term borrowings under the facility or bank quota arrangements and renew these arrangements when they become due.
- the Group will continue its efforts to improve its operating cashflows by increasing its sales of products revenue and profitability and controlling operating expenditures, optimizing the collection of receivables and settlement of payment in order to strengthen its working capital.

Management has prepared a cash flow projection covering not less than 12 months from 31 December 2025. The cash flow projection has taken into account the effect from those measures as described above including the available financing resources during the projection period. The directors, after making due enquiries and considering the basis of management's projection and assessment described above, believe that the Group's current cash and cash equivalents, and the anticipated cash flows from financing activities will be sufficient to meet its anticipated working capital requirements, capital expenditure requirements and to repay its liabilities for the next twelve months from 31 December 2025. Accordingly, the consolidated financial statements have been prepared on a going concern basis, which contemplates the realisation of assets and settlement of liabilities in the normal course of business.

(e) New and amended standards adopted by the Group

A number of new or amended standards and interpretations became applicable for the current reporting period. The adoption of these new standards and amendments did not have material impact on the Group's financial position or operating result and did not require retrospective adjustment.

| | | Effective for annual periods beginning on or after |
|---------------------|-------------------------|---|
| IAS 21 (Amendments) | Lack of Exchangeability | 1 January 2025 |

Notes to the Consolidated Financial Statements

2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

(f) New and amended standards, improvements, interpretations and accounting guideline which are not yet effective and have not been early adopted by the Group

New and amended standards, amendments and interpretations have been issued but are not effective for the year ended 31 December 2025 and have not been early adopted by the Group. These standards, amendments or interpretations are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future.

| | | Effective for annual periods beginning on or after |
|---|--|---|
| IFRS 9 and IFRS 7 (Amendments) | Amendments to the Classification and Measurement of Financial Instruments | 1 January 2026 |
| IFRS 9 and IFRS 7 (Amendments) | Amendments to Contracts Referencing Nature-dependent Electricity | 1 January 2026 |
| Annual Improvements to IFRS Accounting Standards – Volume 11 | Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 | 1 January 2026 |
| IFRS 18 | Presentation and Disclosure in Financial Statements | 1 January 2027 |
| IFRS 19 | Subsidiaries without Public Accountability: Disclosures | 1 January 2027 |
| IAS 21 (Amendments) | Amendments to translation to a Hyperinflationary Presentation Currency | 1 January 2027 |

The Group has already commenced an assessment of the impact of these new and amended standards and has concluded on a preliminary basis that adoption of these new and amended standards is not expected to have significant impacts on the financial performance and positions of the Group when they become effective, except for IFRS 18, which will mainly impact the presentation of statements of comprehensive income.

IFRS 18 will replace IAS 1 Presentation of Financial Statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

Notes to the Consolidated Financial Statements

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's risk management is predominantly controlled by the treasury department under policies approved by the Board of Directors of the Company (the "Board of Directors"). The Group's treasury department identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units. The Board of Directors provide written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

(a) Market risk

(i) Foreign exchange risk

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the relevant group entity. The Company and its primary subsidiaries were incorporated in the PRC and considered RMB as their functional currency.

The Group is exposed to exchange rates changes in RMB/USD and RMB/HKD.

As at 31 December 2025, if the USD strengthened/weakened by 10% against the RMB, with all other variables held constant, the loss before income tax for the year then ended would have been approximately RMB2,103,000 (31 December 2024: RMB1,167,000) lower/higher respectively as a result of foreign exchange gains/losses on translation of USD denominated cash and cash equivalents.

As at 31 December 2025, if the HKD strengthened/weakened by 10% against the RMB, with all other variables held constant, the loss before income tax for the year then ended would have been approximately RMB10,588,000 (31 December 2024: Nil) lower/higher respectively as a result of foreign exchange gains/losses on translation of HKD denominated cash and cash equivalents.

(ii) Cash flow and fair value interest rate risk

Except for cash and cash equivalents, restricted cash and financial assets at FVPL, the Group has no significant interest-bearing assets. The Group's income and operating cash flows are substantially independent of changes in market interest rates.

The Group's interest-rate risk mainly arises from borrowings. Borrowings obtained at variable rates expose the Group to cash flow interest-rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest-rate risk. The interest rates and terms of repayments of borrowings are disclosed in Note 31. The Group did not use any interest rate swap contracts or other financial instruments to hedge against its interest rate risk for the year ended 31 December 2025 (31 December 2024: Nil).

As at 31 December 2025, the Group's borrowings were all obtained at fixed rates.

Notes to the Consolidated Financial Statements

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(iii) Price risk

The Group has no significant exposure to equity securities price risk.

(b) Credit risk

Credit risk arises from cash and cash equivalents, restricted cash, trade and notes receivables and other receivables. The carrying amount of each class of the above financial assets represents the Group's maximum exposure to credit risk in relation to the corresponding class of financial assets.

Risk management

To manage this risk, cash and cash equivalents and restricted cash are mainly placed with state-owned or reputable financial institutions in Mainland China which are all high-credit-quality financial institutions.

To manage risk arising from trade and notes receivables, the Group has policies in place to ensure that credit terms are made to counterparties with an appropriate credit history and management performs ongoing credit evaluations of the counterparties. Trade and notes receivables have been grouped based on shared credit risk characteristics and aging to measure the expected credit losses. Trade and notes receivables are written off when there is no reasonable expectation of recovery. Impairment losses on trade and notes receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

For other receivables, management makes periodic collective assessments as well as individual assessment on the recoverability of other receivables based on historical settlement records and past experiences.

Impairment of financial assets

The Group has three types of financial assets that are subject to the expected credit loss model:

- cash and cash equivalents, restricted cash;
- trade and notes receivables;
- other receivables.

Notes to the Consolidated Financial Statements

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

Impairment of financial assets (Continued)

(i) Cash at bank and in hand

To manage risk arising from cash and cash equivalents and restricted cash, the Group only transacts with state-owned or reputable financial institutions in Mainland China. There has been no recent history of default in relation to these financial institutions. These instruments are considered to have low credit risk because they have a low risk of default and the counterparty has a strong capacity to meet its contractual cash flow obligations in the near term. Cash and cash equivalents and restricted cash are also subject to the impairment requirements of IFRS 9, while the identified credit loss was immaterial.

(ii) Trade and notes receivables

The Group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade and notes receivables. To measure the expected credit losses, trade and notes receivables have been grouped based on shared credit risk characteristics and aging.

For trade receivable balances with objective evidence of impairment and significant different credit risk characteristics, individual provision was made based on the present value of the difference between contractual cashflows and the cash flows that were expected to be received, with the considerations on current and future economic situations.

For other customers with similar credit risk characteristics, the expected loss rates are based on the payment profiles of sales over a period and the corresponding historical credit losses experienced. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the Fixed Asset Investment (“FAI”) and the Manufacturing PMI (“PMI”) to be the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Impaired trade receivables include:

Individual basis: customers with objective evidence of impairment and significant different credit risk characteristics

Collective basis: customers with similar credit risk characteristics

Notes to the Consolidated Financial Statements

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

Impairment of financial assets (Continued)

(ii) Trade and notes receivables (Continued)

As at 31 December 2025 and 2024, the loss allowance provision for the trade receivables was determined as follows.

| | Gross carrying amount <i>RMB'000</i> | Expected credit loss rate | Loss allowance <i>RMB'000</i> |
|-------------------------------|--|------------------------------|-------------------------------------|
| As at 31 December 2025 | | | |
| – individual basis | 37,617 | 100.00% | (37,617) |
| – collective basis | 450,449 | 4.03% | (18,154) |
| | 488,066 | 11.43% | (55,771) |
| As at 31 December 2024 | | | |
| – individual basis | 38,272 | 100.00% | (38,272) |
| – collective basis | 315,874 | 3.01% | (9,505) |
| | 354,146 | 13.49% | (47,777) |

On that basis, the loss allowance of collective basis as at 31 December 2025 and 2024 was determined as follows for trade and notes receivables:

| As at 31 December 2025 | Within 1 year <i>RMB'000</i> | 1-2 years <i>RMB'000</i> | 2-3 years <i>RMB'000</i> | Above 3 years <i>RMB'000</i> | Total <i>RMB'000</i> |
|-------------------------------|------------------------------------|-----------------------------|-----------------------------|------------------------------------|-------------------------|
| Expected loss rate | 1.07% | 16.71% | 36.61% | 82.13% | |
| Gross amount | 415,765 | 17,420 | 7,447 | 9,817 | 450,449 |
| Loss allowance | (4,454) | (2,911) | (2,726) | (8,063) | (18,154) |
| As at 31 December 2024 | | | | | |
| | Within 1 year <i>RMB'000</i> | 1-2 years <i>RMB'000</i> | 2-3 years <i>RMB'000</i> | Above 3 years <i>RMB'000</i> | Total <i>RMB'000</i> |
| Expected loss rate | 0.14% | 18.83% | 48.94% | 100.00% | |
| Gross amount | 296,685 | 8,610 | 6,089 | 4,490 | 315,874 |
| Loss allowance | (414) | (1,621) | (2,980) | (4,490) | (9,505) |

Notes to the Consolidated Financial Statements

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

Impairment of financial assets (Continued)

(ii) Trade and notes receivables (Continued)

The loss allowances for trade and notes receivables for the years ended 31 December 2025 and 2024 reconcile to the opening loss allowances as follows:

| | Trade and notes receivables | |
|--|-----------------------------|----------|
| | Year ended 31 December | |
| | 2025 | 2024 |
| | RMB'000 | RMB'000 |
| Opening loss allowance as at 1 January | (47,777) | (12,269) |
| Impairment losses recognised – net (Note 11) | (8,002) | (36,066) |
| Write-offs | 8 | 558 |
| Closing loss allowance as at 31 December | (55,771) | (47,777) |

Trade and notes receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

Impairment losses on trade and notes receivables are presented as net impairment reversal/(losses) within operating loss. Subsequent recoveries of amounts previously written off are credited against the same line item.

(iii) Other receivables

Other receivables mainly include deposits and others. All of the Group's financial assets at amortised cost are measured as either 12-month expected credit losses or lifetime expected credit losses, depending on whether there has been a significant increase in credit risk since initial recognition as described in Note 22. Other receivables that are not credit-impaired on initial recognition are classified in stage 1 and the expected credit losses are measured as 12-month expected credit losses. If a significant increase in credit risk of other receivable has occurred since initial recognition, the financial asset is moved to stage 2 but is not yet deemed to be credit-impaired. The expected credit losses are measured as lifetime expected credit loss. If any financial asset is credit-impaired, it is then moved to stage 3 and the expected credit loss is measured as lifetime expected credit loss. Almost all of the Group's other receivables as at 31 December 2025 and 2024 were classified in Stage 1. There is no other receivables classified in Stage 2. The amount of other receivables in Stage 3 is minimal.

Notes to the Consolidated Financial Statements

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

Impairment of financial assets (Continued)

(iii) Other receivables (Continued)

Other receivables are written off when there is no reasonable expectation of recovery.

Impairment losses on other receivables are presented as net impairment reversal/ (losses) within operating loss. Subsequent recoveries of amounts previously written off are credited against the same line item.

The loss allowances for other receivables as at the years ended 31 December 2025 and 2024 reconcile to the opening loss allowances as follows:

| | Other Receivables | |
|--|-------------------------------|----------------|
| | Year ended 31 December | |
| | 2025 | 2024 |
| | RMB'000 | RMB'000 |
| Opening loss allowance as at 1 January | (177) | (242) |
| Impairment losses reversal/(recognised) – net (Note 11) | 7 | (2,420) |
| Write-offs | – | 2,485 |
| Closing loss allowance as at 31 December | (170) | (177) |

Notes to the Consolidated Financial Statements

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents. Due to the dynamic nature of the underlying businesses, the policy of the Group is to regularly monitor the Group's liquidity risk and to maintain adequate cash and cash equivalents to meet the Group's liquidity requirements.

Maturities of financial liabilities

The table below analyses the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

| | Less than 1 year RMB'000 | Between 1 and 2 years RMB'000 | Between 2 and 5 years RMB'000 | Total RMB'000 |
|--|--------------------------------|-------------------------------------|-------------------------------------|------------------|
| As at 31 December 2025 | | | | |
| Borrowings (including interest payables) | 476,419 | – | – | 476,419 |
| Trade payables (Note 29) | 325,742 | – | – | 325,742 |
| Other payables and accruals (excluding salaries and welfare payables and VAT and other taxes payables) (Note 30) | 12,246 | – | – | 12,246 |
| Lease liabilities | 10,748 | 2,301 | 148 | 13,197 |
| Total | 825,155 | 2,301 | 148 | 827,604 |
| | Less than 1 year RMB'000 | Between 1 and 2 years RMB'000 | Between 2 and 5 years RMB'000 | Total RMB'000 |
| As at 31 December 2024 | | | | |
| Borrowings (including interest payables) | 395,983 | – | – | 395,983 |
| Trade payables (Note 29) | 324,921 | – | – | 324,921 |
| Other payables and accruals (excluding salaries and welfare payables and VAT and other taxes payables) (Note 30) | 14,080 | – | – | 14,080 |
| Lease liabilities | 8,691 | 5,846 | 589 | 15,126 |
| Total | 743,675 | 5,846 | 589 | 750,110 |

Notes to the Consolidated Financial Statements

3. FINANCIAL RISK MANAGEMENT (Continued)

3.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for equity holders and to maintain an optimal capital structure to reduce the cost of capital.

The Group monitors capital by regularly reviewing the capital structure. As a part of this review, management of the Company considers the cost of capital and the risks associated with the issued share capital. The Group may adjust the amounts of dividends paid to equity holders, return capital to equity holders, issue new shares or repurchase the Company's shares. Cash flow is managed at Group level by finance department. Group finance monitors the Group's liquidity requirements to ensure that it has sufficient cash to meet operational needs. As a result, measurement of capital management is not a tool currently used in the internal management reporting procedures of the Group.

The Group monitors its capital structure on the basis of total liabilities to total assets ratio, which is calculated as total liabilities divided by total assets. The total liabilities to total assets ratio of the Group as at 31 December 2025 and 2024 were as follows:

| | As at 31 December 2025 | 2024 |
|---|---------------------------|---------------|
| Total liabilities to total assets ratio | <u>78.28%</u> | <u>94.12%</u> |

(a) Loan covenants

Under the terms of certain bank borrowing, which has a carrying amount of RMB50,000,000, the Group and the Company are required to comply with the following financial covenants as at 31 December 2025 or for the year then ended:

- (1) the total liabilities to total assets ratio of the Group and the Company shall not be more than 80% and 75% respectively;
- (2) the revenue of the Group and the Company shall not be less than RMB700,000,000 and RMB550,000,000 respectively;
- (3) the unrestricted cash and cash equivalents of the Group shall not be less than RMB50,000,000;

The group and the company have complied with these covenants throughout the reporting period.

Notes to the Consolidated Financial Statements

3. FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation

(a) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the statements of financial position. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards.

- Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.
- Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

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

| | Level 1 RMB'000 | Level 2 RMB'000 | Level 3 RMB'000 | Total RMB'000 |
|-------------------------------------|--------------------|--------------------|--------------------|------------------|
| As at 31 December 2025 | | | | |
| Assets | | | | |
| Financial assets at FVOCI (Note 23) | – | – | 29,488 | 29,488 |
| | Level 1 RMB'000 | Level 2 RMB'000 | Level 3 RMB'000 | Total RMB'000 |
| As at 31 December 2024 | | | | |
| Assets | | | | |
| Financial assets at FVOCI (Note 23) | – | – | 28,578 | 28,578 |

The Group's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of each reporting period.

Notes to the Consolidated Financial Statements

3. FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

(b) Valuation process and technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments; and
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

There were no changes in valuation techniques during the years ended 31 December 2025 and 2024.

The fair value of trade and notes receivables, other receivables, cash and cash equivalents and restricted cash approximated their carrying amounts.

The fair value of trade payables, other payables and accruals (excluding salaries and welfare payables and VAT and other taxes payables), current borrowings, and lease liabilities approximated their carrying amounts.

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

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

| Financial assets at FVPL | Year ended 31 December | |
|------------------------------------|------------------------|-----------------|
| | 2025 RMB'000 | 2024 RMB'000 |
| As at 1 January | – | 1,506 |
| Acquisitions | – | 42,000 |
| Disposals | – | (43,578) |
| Fair value changes (Note 7) | – | 72 |
| As at 31 December | – | – |
| Financial assets at FVOCI | Year ended 31 December | |
| | 2025 RMB'000 | 2024 RMB'000 |
| – Investment in an unlisted entity | | |
| As at 1 January | 16,452 | – |
| Acquisitions | – | 15,600 |
| Fair value changes (Note 23) | 253 | 852 |
| As at 31 December | 16,705 | 16,452 |
| – Notes receivables | | |
| As at 1 January | 12,126 | – |
| Acquisitions | 151,548 | 38,926 |
| Disposals | (150,891) | (26,800) |
| As at 31 December | 12,783 | 12,126 |

Notes to the Consolidated Financial Statements

3. FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

(d) There were no transfers between levels 1, 2 and 3 for recurring fair value measurements during the years ended 31 December 2025 (2024: Nil).

(e) Valuation inputs and relationships to fair value

The following table summarizes the quantitative information about the significant unobservable inputs used in recurring level 3 fair value measurements.

As at 31 December 2025

| Description | Fair value RMB'000 | Unobservable inputs | Range of inputs | Relationship of unobservable inputs to fair value |
|--|-----------------------|------------------------|--------------------|---|
| Investment in an unlisted entity at financial assets at FVOCI | 16,705 | Expected volatility | 60.43% | The higher the expected volatility, the lower the fair value |
| | | Risk-free rate | 1.34% | The higher the risk-free rate, the higher the fair value |
| Notes receivables | 12,783 | Discount rate | 1.59%- 1.60% | The higher the discount rate, the lower the fair value |

As at 31 December 2024

| Description | Fair value RMB'000 | Unobservable inputs | Range of inputs | Relationship of unobservable inputs to fair value |
|--|-----------------------|------------------------|--------------------|---|
| Investment in an unlisted entity at financial assets at FVOCI | 16,452 | Expected volatility | 55.24% | The higher the expected volatility, the lower the fair value |
| | | Risk-free rate | 1.09% | The higher the risk-free rate, the higher the fair value |
| Notes receivables | 12,126 | Discount rate | 1.68%- 1.69% | The higher the discount rate, the lower the fair value |

As at 31 December 2025, if the expected volatility had been higher/lower by 5%, the fair value of investment in an unlisted entity at financial assets at FVOCI would have been approximately RMB17,000 (2024: RMB10,000) lower/higher respectively. The impact of risk-free rate to the fair value of investment in an unlisted entity at financial assets at FVOCI is immaterial.

As at 31 December 2025, if the discount rate had been higher/lower by 0.5%, the fair value of notes receivables at FVOCI would have been approximately RMB25,000 (2024: RMB21,000) lower/higher respectively.

Notes to the Consolidated Financial Statements

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING MATERIAL ACCOUNTING POLICIES

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions, as well as forward-looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in the tables in Note 3.1(b).

(b) Inventory provision

Inventories are stated at the lower of cost and net realizable value. The net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Even though the management of the Group has made the best estimate about the inventory write-down loss predicted to occur and provided allowance for write-down, the write-down assessment may still be significantly changed due to the change of market situations.

(c) Income taxes and deferred taxations

There are many transactions and events for which the ultimate tax determination is uncertain during the ordinary course of business. Significant judgments are required from the Group in determining the provisions for income taxes. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

The Group recognises deferred income tax assets based on estimates that it is probable to generate sufficient taxable profits in the foreseeable future against which the deductible losses will be utilised. The recognition of deferred income tax assets mainly involves management's judgments and estimations about the timing and the amount of taxable profits of the companies who has tax losses.

(d) Warranty provisions

Provision for product warranties granted by the Group in respect of certain products are recognised based on sales volume and past experience of the level of repair and returns, discounted to their present values as appropriate. Factors that affect the Group's warranty liability include the number of products sold under warranty, historical and anticipated rates of warranty claim on those products, and cost per claim to satisfy the warranty obligation. The estimation basis is reviewed on an on-going basis and revised where appropriate.

Notes to the Consolidated Financial Statements

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING MATERIAL ACCOUNTING POLICIES (Continued)

(e) Recoverability of non-financial assets

The Group tests annually whether non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amounts have been determined based on value-in-use calculations or fair value less costs to disposal. These calculations require the use of judgments and estimates.

Judgment is required to determine key assumptions adopted in the valuation models for impairment review purpose. Changing the assumptions selected by management in assessing impairment could materially affect the result of the impairment test and as a result affect the Group's financial condition and results of operations. If there is a significant adverse change in the key assumptions applied, it may be necessary to recognize impairment charge in profit or loss.

5. REVENUE AND SEGMENT INFORMATION

(a) Description of segments and principal activities

The Group is engaged in the provision of the following goods and services: (i) production, research and development and sales of EV chargers and related parts; and (ii) EV chargers installation services, after-sales services and others. The executive directors of the Company review the operating results of the Group's business as one operating segment to make strategic decisions and resources allocation. Therefore, the Group regards that there is only one business segment which is used to make strategic decisions.

Geographical information

The following table shows the Group's total consolidated revenue by location of the customers for the years ended 31 December 2025 and 2024:

| | Year ended 31 December | |
|----------|------------------------|----------------|
| | 2025 | 2024 |
| | RMB'000 | RMB'000 |
| China | 593,920 | 521,511 |
| Overseas | 122,593 | 71,897 |
| | 716,513 | 593,408 |

(b) Revenue during the years ended 31 December 2025 and 2024

| | Year ended 31 December | |
|-----------------------|------------------------|----------------|
| | 2025 | 2024 |
| | RMB'000 | RMB'000 |
| Type of revenue: | | |
| Sales of products | 447,059 | 304,537 |
| Provision of services | 269,454 | 288,871 |
| | 716,513 | 593,408 |

Notes to the Consolidated Financial Statements

5. REVENUE AND SEGMENT INFORMATION (Continued)

(c) Contract liabilities

The Group recognised the following contract liabilities related to the contracts with customers:

| | As at 31 December | |
|------------------------------|--------------------------|----------------|
| | 2025 | 2024 |
| | <i>RMB'000</i> | <i>RMB'000</i> |
| Current contract liabilities | 14,036 | 12,829 |

Contract liabilities of the Group mainly arise from the advance payments made by customers while the underlying services or goods are yet to be provided.

Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised during the years ended 31 December 2025 and 2024 relates to carried-forward contract liabilities.

| | Year ended 31 December | |
|---|-------------------------------|----------------|
| | 2025 | 2024 |
| | <i>RMB'000</i> | <i>RMB'000</i> |
| Revenue recognised that was included in the contract liabilities balance at the beginning of the year | 12,829 | 10,526 |

The Group does not have any long-term revenue contracts and there were no unsatisfied performance obligations to which the transaction price should be allocated as at 31 December 2025 (2024: Nil).

(d) Information about major customers

For the years ended 31 December 2025 and 2024, revenue derived from customers who accounted for more than 10% of the Group's total revenue was set out below:

| | Year ended 31 December | |
|------------|-------------------------------|----------------|
| | 2025 | 2024 |
| | <i>RMB'000</i> | <i>RMB'000</i> |
| Customer 1 | 24.74% | 24.96% |
| Customer 2 | 13.35% | 12.43% |

Notes to the Consolidated Financial Statements

5. REVENUE AND SEGMENT INFORMATION (Continued)

(e) Revenue recognition

Revenue is recognised when or as the control of the goods or services is transferred to a customer. A customer is the party that contracts with the Group to purchase goods or services which are the output of the Group's ordinary activities in exchange for consideration.

Contracts with customers may include multiple performance obligations. A performance obligation is a promise to provide a distinct good or service or a series of distinct goods or services to the customer. A good or service is distinct if the customer can benefit from it on its own or with resources readily available to the customer and the promise to transfer the good or service is separately identifiable from other promises in the contract. For such arrangements, the Group allocates revenue to each performance obligation based on its relative standalone selling price. The Group generally determines standalone selling prices based on the prices charged to customers. If the standalone selling price is not directly observable, it is estimated using the expected cost plus a margin or adjusted market assessment approach, depending on the availability of observable information. Assumptions and estimations have been made in estimating the relative selling price of each distinct performance obligation, and changes in judgments on these assumptions and estimates may impact the revenue recognition.

When either party to a contract has performed, the Group presents the contract on the consolidated statements of financial position as a contract asset or a contract liability, depending on the relationship between the entity's performance and the customer's payment.

If a customer pays consideration or the Group has a right to an amount of consideration that is unconditional, before the Group transfers a good or service to the customer, the Group presents the contract liability when the payment is made or a receivable is recorded (whichever is earlier). A contract liability is the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

The revenue is measured at the transaction price agreed under the contract. Amounts disclosed as revenue are net of return, trade allowances and amounts collected on behalf of third parties.

The accounting policies for the Group's principal revenue sources are as follows:

(i) Sales of products

The Group manufactures and sells EV chargers and related parts in the market, and generates revenue from sales of EV chargers, accessories, electrical cables, and other related products.

The revenue for sales of products mentioned above is recognised at a point in time when the control of the products mentioned above are transferred to the customer. Specifically, sales are recognised when the products have been shipped to the specific location in accordance with the sales contract and the customers have inspected and accepted the products.

The standard warranty provided by the Group, including free assistance service for hardware quality problems, is accounted for as provisions, and the estimated costs are recorded as a liability when the Group transfers the control of products to a customer.

Notes to the Consolidated Financial Statements

5. REVENUE AND SEGMENT INFORMATION (Continued)

(e) Revenue recognition (Continued)

(ii) Provision of services

Services mainly comprise EV chargers installation services, after-sales services and others.

Since services are usually completed within a short period of time, the revenue generated from the services mentioned above is recognised upon completion of the services.

6. OTHER INCOME

| | Year ended 31 December | |
|-------------------|------------------------|--------------|
| | 2025 | 2024 |
| | RMB'000 | RMB'000 |
| Government grants | <u>10,136</u> | <u>6,089</u> |

The government grants mainly include financial subsidies from local government authorities with certain specified conditions, as well as the amortisation of deferred government grants. There are no unfulfilled conditions or other contingencies attaching to the grants recognised.

7. OTHER LOSSES – NET

| | Year ended 31 December | |
|--|------------------------|--------------|
| | 2025 | 2024 |
| | RMB'000 | RMB'000 |
| Net fair value gains on financial assets at FVPL | – | 72 |
| Net losses on disposals of property, plant and equipment and intangible assets | (72) | (33) |
| Net foreign exchange (losses)/gains | (2,123) | 75 |
| Others | (745) | (1,070) |
| | <u>(2,940)</u> | <u>(956)</u> |

Notes to the Consolidated Financial Statements

8. EXPENSES BY NATURE

| | Year ended 31 December | |
|--|------------------------|----------------|
| | 2025 | 2024 |
| | RMB'000 | RMB'000 |
| Changes in finished goods (Note 20) | 31,748 | (2,178) |
| Raw materials and consumables used | 263,922 | 218,275 |
| Outsourced installation cost | 241,291 | 247,856 |
| Employee benefit expenses (Note 9) | 127,804 | 134,759 |
| Advertising and promotion expenses | 31,981 | 26,222 |
| Depreciation and amortisation (Note 15, 16, 17) | 24,770 | 23,392 |
| Outsourced service fee | 17,586 | 24,131 |
| Listing expenses | 21,080 | 21,484 |
| Warranty expenses (Note 32) | 19,317 | 18,637 |
| Design and development fees | 10,711 | 10,682 |
| Freight expenses | 10,486 | 7,974 |
| Provision against inventories (Note 20) | 6,585 | 1,749 |
| Entertainment expenses | 5,434 | 4,452 |
| Expenses relating to short-term leases (Note 16) | 5,502 | 5,444 |
| Legal, consulting and other professional fees | 3,545 | 3,550 |
| Auditor's remuneration | 3,180 | 99 |
| Others | 37,673 | 32,473 |
| | 862,615 | 779,001 |

9. EMPLOYEE BENEFIT EXPENSES

| | Year ended 31 December | |
|--|------------------------|----------------|
| | 2025 | 2024 |
| | RMB'000 | RMB'000 |
| Wages, salaries and bonuses | 98,686 | 102,727 |
| Pension obligations, housing funds, medical insurances and other social insurances (a) | 23,878 | 24,928 |
| Other employee benefits (b) | 3,348 | 3,099 |
| Termination benefit | 1,584 | 3,585 |
| Share-based payment expenses (Note 27) | 308 | 420 |
| | 127,804 | 134,759 |

Notes to the Consolidated Financial Statements

9. EMPLOYEE BENEFIT EXPENSES (Continued)

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

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

No forfeited contributions were utilised during the years ended 31 December 2025 (2024: Nil) to offset the Group's contribution to the abovementioned retirement benefit schemes.

(b) Other employee benefits

Other employee benefits mainly include meal, traveling and other allowances.

(c) Five highest paid employees

The five individuals whose emoluments were the highest in the Group for the year ended 31 December 2025 include 2 directors (2024: 2), whose emoluments are disclosed in the Note 40. The emoluments payable to the remaining 3 highest paid individuals during the years ended 31 December 2025 (2024: 3) are as follows:

| | Year ended 31 December | |
|--|------------------------|--------------|
| | 2025 | 2024 |
| | RMB'000 | RMB'000 |
| Wages, salaries and bonuses | 2,958 | 2,762 |
| Pension obligations, housing funds, medical insurances and other social insurances | 417 | 290 |
| Other employee benefits | – | 71 |
| Share-based payment expenses | 58 | 115 |
| | 3,433 | 3,238 |

The remaining highest paid individuals fell within the following bands:

| | Year ended 31 December | |
|--------------------------------|------------------------|----------|
| | 2025 | 2024 |
| Emolument bands (in HK dollar) | | |
| Nil – 1,000,000 | – | – |
| 1,000,001 to 1,500,000 | 3 | 3 |
| | 3 | 3 |

Notes to the Consolidated Financial Statements

10. FINANCE COSTS – NET

| | Year ended 31 December | |
|--|------------------------|-----------------|
| | 2025 RMB'000 | 2024 RMB'000 |
| Finance income | | |
| Interest income from bank deposits | 1,339 | 1,051 |
| Finance costs | | |
| Interest expenses on lease liabilities (Note 16) | (552) | (561) |
| Interest expenses on borrowings | (14,020) | (13,460) |
| Total finance costs | (14,572) | (14,021) |
| Finance costs – net | (13,233) | (12,970) |

11. NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS

| | Year ended 31 December | |
|-------------------------------------|------------------------|-----------------|
| | 2025 RMB'000 | 2024 RMB'000 |
| Impairment (losses)/reversal – net: | | |
| – trade and notes receivables | (8,002) | (36,066) |
| – other receivables | 7 | (2,420) |
| | (7,995) | (38,486) |

12. INCOME TAX EXPENSE

| | Year ended 31 December | |
|-------------------------------|------------------------|-----------------|
| | 2025 RMB'000 | 2024 RMB'000 |
| Current income tax expense | (4,991) | (8,047) |
| Deferred income tax (Note 34) | 1,281 | 4,066 |
| | (3,710) | (3,981) |

The income tax expense for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred income tax assets and liabilities attributable to temporary differences and to unused tax losses.

Notes to the Consolidated Financial Statements

12. INCOME TAX EXPENSE (Continued)

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

(b) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled.

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

Deferred income tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset where there is a legally enforceable right to offset current income tax assets and liabilities and where the deferred income tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred income tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively.

Notes to the Consolidated Financial Statements

12. INCOME TAX EXPENSE (Continued)

(c) Income tax rates

Taxes on profits assessable have been calculated at the rates of tax prevailing in the jurisdictions in which relevant entities operate.

(i) PRC corporate income tax (“PRC CIT”)

The Company and its subsidiaries in the PRC are subject to PRC CIT which is calculated based on the applicable tax rate of 25% on the assessable profits of the subsidiaries in accordance with PRC tax laws and regulations, except for disclosed below.

The Company was qualified as “High and New Technology Enterprises” (“HNTEs”) under the relevant PRC laws and regulations. Accordingly, the company was entitled to a preferential income tax rate of 15% in 2025 (2024: 15%). This status of HNTEs is subject to a requirement that the company reapply for HNTEs status every three years.

According to a policy promulgated by the State Tax Bureau of the PRC and effective from 2018 onwards, enterprises engaged in R&D activities are entitled to claim an additional tax deduction amounting to 75% of the qualified R&D expenses incurred in determining its tax assessable profits for that year (“Super- Deduction”). Starting from 1 October 2022, the additional super-deduction ratio increased to 100%.

The Group’s subsidiary, Shanghai Zhida Technology Service Co., Ltd. 上海摯達技術服務有限公司, Shanghai Zhida Mechanical and Electrical Engineering Co., Ltd. 上海摯達機電工程有限公司, Shanghai Zhuangdaoia Network Technology Co., Ltd. 上海樁到家網絡科技有限公司, Sanming Xunda New Energy Automobile City Operation Co., Ltd. 三明訊達新能源汽車城市運營有限公司, Wuxi Zhida Automotive Products Co., Ltd. 無錫摯達車品有限公司, Shanghai Zhida Automotive Products Sales Co., Ltd. 上海摯達汽車用品銷售有限公司, Zhida Smart Energy Technology (Jiaxing) Co., Ltd. 摯達智慧能源科技(嘉興)有限公司 and Zhida Smart Trade (Jiaxing) Co., Ltd. 摯達智慧貿易(嘉興)有限公司 were qualified as “Small Low-Profit Enterprise”. The entitled subsidiaries are subject to an effective preferential income tax rate of 5% on the taxable profit for those qualified years.

(ii) Singapore corporate income tax (“Singapore CIT”)

The Group’s subsidiary in Singapore is subject to Singapore CIT which is calculated based on the applicable tax rate of 17% on the assessable profits of the subsidiaries in accordance with Singapore tax laws and regulations.

(iii) Thailand corporate income tax (“Thailand CIT”)

The Group’s subsidiaries in Thailand are subject to Thailand CIT which is calculated based on the applicable tax rate of 20% on the assessable profits of the subsidiaries in accordance with Thailand tax laws and regulations.

(iv) Hong Kong corporate income tax (“Hong Kong CIT”)

The Group’s subsidiary in Hong Kong is subject to Hong Kong CIT which is calculated based on the applicable tax rate of 8.25% on the assessable profits of the subsidiaries in accordance with Hong Kong tax laws and regulations.

Notes to the Consolidated Financial Statements

12. INCOME TAX EXPENSE (Continued)

(c) Income tax rates (Continued)

(v) Germany corporate income tax ("Germany CIT")

The Group's subsidiary in Germany is subject to Germany CIT which is calculated based on the applicable tax rate of 15% on the assessable profits of the subsidiaries in accordance with Germany tax laws and regulations.

(d) OECD Pillar Two model rules

In December 2021, the Organisation for Economic Co-operation and Development ('OECD') released the Pillar Two model rules to reform international corporate taxation that aim to ensure that applicable multinationals (global revenue exceeding EUR750 million) pay a minimum effective corporate tax rate of 15%. For the year ended 31 December 2025, given the size of the Group's consolidated revenue, Pillar Two did not have impact to the Group (2024: Nil).

The difference between the actual income tax expense charged to the consolidated statements of profit or loss and the amounts which would result from applying the enacted tax rates to profit before income tax can be reconciled as follows:

| | Year ended 31 December | |
|---|------------------------|-----------|
| | 2025 | 2024 |
| | RMB'000 | RMB'000 |
| Loss before income tax | (160,134) | (231,916) |
| Income tax credit computed at the applicable income tax rate of 25% | 40,034 | 57,979 |
| Tax effects of: | | |
| Preferential tax rates | (18,433) | (24,740) |
| Super-deduction in respect of R&D expenditures | 6,195 | 5,087 |
| Expenses not deductible for taxation purposes | (553) | (250) |
| Tax losses and deductible temporary differences for which no deferred income tax asset was recognised | (30,953) | (42,057) |
| Income tax expense | (3,710) | (3,981) |

Notes to the Consolidated Financial Statements

13. LOSS PER SHARE

(a) Basic loss per share

Basic loss per share are calculated by dividing the loss attributable to the Company's equity/ shareholders by the weighted average number of ordinary shares in issue during the year.

| | Year ended 31 December | |
|--|-------------------------------|-----------|
| | 2025 | 2024 |
| Loss attributable to owners of the Company (RMB'000) | (163,846) | (238,842) |
| Weighted average number of ordinary shares in issue (thousand shares) | 55,115 | 52,618 |
| Basic loss per share (expressed in RMB per share) | (2.97) | (4.54) |

(b) Diluted loss per share

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. During the years ended 31 December 2025 and 2024, the Group had potential ordinary shares, including restricted shares issued under the Company's share incentive plan (Note 27). As the Group incurred losses for the years ended 31 December 2025 and 2024, the potential ordinary shares were not included in the calculation of diluted loss per share as their inclusion would be anti-dilutive. Accordingly, diluted loss per share for the years ended 31 December 2025 and 2024 are the same as basic loss per share of the respective years.

Notes to the Consolidated Financial Statements

14. SUBSIDIARIES

The Company's principal subsidiaries during the year ended 31 December 2025 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business of each entity.

| Name of entity | Date of incorporation | Place of incorporation /operation | Registered share capital | Effective interest held by the Group As at 31 December | | Principal activities |
|--|-----------------------|-----------------------------------|--------------------------|---|------|---|
| | | | | 2025 | 2024 | |
| Directly held: | | | | | | |
| Shanghai Zhida Technology Service Co., Ltd. 上海擊達技術服務有限公司 | 7 July 2008 | Shanghai, China | RMB8,500,000 | 100% | 100% | Sales of products and services |
| Shanghai Zhida Mechanical and Electrical Engineering Co., Ltd. 上海擊達機電工程有限公司 | 22 October 2014 | Shanghai, China | RMB8,000,000 | 100% | 100% | Sales of products and services |
| Anhui Zhida Zhongding Automobile Charging Equipment Co., Ltd. 安徽擊達中鼎汽車充電設備有限公司 ("Zhida Zhongding") | 26 January 2015 | Anhui, China | RMB10,000,000 | 100% | 100% | EV chargers manufacturing |
| Shanghai Zhuangdaoia Network Technology Co., Ltd. 上海樁到家網絡科技有限公司 | 15 September 2015 | Shanghai, China | RMB10,000,000 | 100% | 100% | Community shared charging service |
| Sanming Xunda New Energy Automobile City Operation Co., Ltd. 三明訊達新能源汽車城市運營有限公司 | 30 March 2016 | Fujian, China | RMB10,000,000 | 55% | 55% | Community shared charging services |
| Wuxi Zhida IOT Technology Co., Ltd. 無錫擊達物聯科技有限公司 | 29 September 2017 | Wuxi, China | RMB10,000,000 | 100% | 100% | Sales, research and development of products |
| Anqing Zhida Intelligent Charging Equipment Co., Ltd. 安慶擊達智能充電設備有限公司 ("Anqing Zhida") | 18 August 2021 | Anqing, China | RMB70,000,000 | 100% | 100% | Manufacturing of products |
| Fujian Sanming Zhida Technology Co., Ltd. 福建三明市擊達科技有限責任公司 | 27 January 2022 | Fujian, China | RMB5,000,000 | 100% | 100% | Electrical cables and installation and after-sales services |
| ZD Energy Pte. Ltd. | 7 July 2022 | Singapore | SGD8,000,000 | 100% | 100% | Sales of products and services |
| Zhida Smart Energy Technology (Jiaxing) Co., Ltd. 擊達智慧能源科技(嘉興)有限公司 | 17 December 2024 | Zhejiang, China | RMB10,000,000 | 100% | 100% | Manufacturing of products |

Notes to the Consolidated Financial Statements

14. SUBSIDIARIES (Continued)

| Name of entity | Date of incorporation | Place of incorporation /operation | Registered share capital | Effective interest held by the Group As at 31 December | | Principal activities |
|--|-----------------------|-----------------------------------|--------------------------|---|------|---|
| | | | | 2025 | 2024 | |
| Huangshan Zhida Intelligent Equipment Co., Ltd. 黃山擊達智能設備有限公司 | 20 May 2025 | Anhui, China | RMB10,000,000 | 100% | N/A | Manufacturing of products |
| Shanghai Zhida Automotive Products Sales Co., Ltd. 上海擊達汽車用品銷售有限公司 | 5 June 2025 | Shanghai, China | RMB1,000,000 | 100% | N/A | Sales of products and services |
| Indirectly held: | | | | | | |
| Sanming Xunda New Energy Automobile City Operation Co., Ltd. 三明訊達新能源汽車城市運營有限公司 | 30 March 2016 | Fujian, China | RMB10,000,000 | 55% | 55% | Community shared charging services |
| ZD Energy (Thailand) Co., Ltd. | 27 July 2023 | Thailand | THB 125,080,000 | 99% | 99% | Manufacturing of charging devices for electronic vehicles |
| ZD Trading (Thailand) Co., Ltd. | 23 August 2023 | Thailand | THB 157,400,000 | 99% | 99% | Wholesale of products |
| ZD Energy (Hong Kong) Co., Ltd. | 27 May 2024 | Hong Kong | HKD10,000 | 100% | 100% | Wholesale of products |
| Wuxi Zhida Automotive Products Co., Ltd. 無錫擊達車品有限公司 | 5 March 2025 | Jiangsu, China | RMB1,000,000 | 100% | N/A | Sales of products and services |
| Zhida Smart Trade (Jiaxing) Co., Ltd. 擊達智慧貿易(嘉興)有限公司 | 3 April 2025 | Zhejiang, China | RMB1,000,000 | 100% | N/A | Sales of products |
| ZD Energy (Deutschland) GmbH | 11 April 2025 | Germany | EUR 25,000 | 100% | N/A | Sales of products and services |

Notes to the Consolidated Financial Statements

15. PROPERTY, PLANT AND EQUIPMENT

| | Machinery and moulds <i>RMB'000</i> | Vehicles <i>RMB'000</i> | Electronic equipment and others <i>RMB'000</i> | Leasehold improvements <i>RMB'000</i> | Construction in progress ("CIP") <i>RMB'000</i> | Total <i>RMB'000</i> |
|------------------------------------|---|----------------------------|---|---|--|-------------------------|
| As at 1 January 2024 | | | | | | |
| Cost | 44,855 | 2,762 | 12,057 | 18,341 | 2 | 78,017 |
| Accumulated depreciation | (22,500) | (1,819) | (7,362) | (6,051) | - | (37,732) |
| Net book amount | 22,355 | 943 | 4,695 | 12,290 | 2 | 40,285 |
| Year ended 31 December 2024 | | | | | | |
| Opening net book amount | 22,355 | 943 | 4,695 | 12,290 | 2 | 40,285 |
| Additions | 2,776 | 579 | 6,621 | 918 | 4,393 | 15,287 |
| Transfers | 337 | - | - | 3,254 | (3,591) | - |
| Disposals | (63) | - | (25) | - | (2) | (90) |
| Depreciation charge (Note 8) | (4,321) | (296) | (2,201) | (4,332) | - | (11,150) |
| Currency translation differences | 22 | 3 | 111 | - | - | 136 |
| Closing net book amount | 21,106 | 1,229 | 9,201 | 12,130 | 802 | 44,468 |
| As at 31 December 2024 | | | | | | |
| Cost | 47,729 | 3,344 | 18,590 | 22,513 | 802 | 92,978 |
| Accumulated depreciation | (26,623) | (2,115) | (9,389) | (10,383) | - | (48,510) |
| Net book amount | 21,106 | 1,229 | 9,201 | 12,130 | 802 | 44,468 |
| Year ended 31 December 2025 | | | | | | |
| Opening net book amount | 21,106 | 1,229 | 9,201 | 12,130 | 802 | 44,468 |
| Additions | 2,439 | 60 | 3,374 | 420 | 1,724 | 8,017 |
| Transfers | 741 | - | 826 | 366 | (1,933) | - |
| Disposals | (45) | (46) | (14) | - | (20) | (125) |
| Depreciation charge (Note 8) | (4,105) | (380) | (2,813) | (5,022) | - | (12,320) |
| Currency translation differences | 57 | 11 | 12 | - | - | 80 |
| Closing net book amount | 20,193 | 874 | 10,586 | 7,894 | 573 | 40,120 |
| As at 31 December 2025 | | | | | | |
| Cost | 50,921 | 3,369 | 22,788 | 23,299 | 573 | 100,950 |
| Accumulated depreciation | (30,728) | (2,495) | (12,202) | (15,405) | - | (60,830) |
| Net book amount | 20,193 | 874 | 10,586 | 7,894 | 573 | 40,120 |

Notes to the Consolidated Financial Statements

15. PROPERTY, PLANT AND EQUIPMENT (Continued)

(a) Depreciation expenses

Depreciation expenses have been charged to the consolidated statements of profit or loss as follows:

| | Year ended 31 December | |
|-------------------------------------|------------------------|-----------------|
| | 2025 RMB'000 | 2024 RMB'000 |
| Cost of sales | 6,033 | 5,642 |
| Sales and marketing expenses | 1,355 | 1,114 |
| General and administrative expenses | 4,462 | 3,644 |
| Research and development expenses | 470 | 750 |
| | 12,320 | 11,150 |

(b) Depreciation methods and useful lives

All property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives as follows:

| | |
|---------------------------------|---|
| Machinery and moulds | 2-5 years |
| Vehicles | 3-10 years |
| Electronic equipment and others | 2-5 years |
| Leasehold improvements | Estimated useful lives or remaining lease terms, whichever is shorter |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 44.4).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are recognised within "other losses – net" included in the consolidated statements of profit or loss.

Notes to the Consolidated Financial Statements

15. PROPERTY, PLANT AND EQUIPMENT (Continued)

(c) Impairment tests for property, plant and equipment, right-of-use assets and intangible assets

| | As at 31 December | |
|-------------------------------|-------------------|---------------|
| | 2025 | 2024 |
| | RMB'000 | RMB'000 |
| Property, plant and equipment | 40,120 | 44,468 |
| Right-of-use assets | 11,052 | 12,054 |
| Intangible assets | 18,718 | 16,505 |
| | 69,890 | 73,027 |

Impairment review on the property, plant and equipment, right-of-use assets and intangible assets (collectively the “long-term operating assets”) has been conducted by management of the Company according to IAS 36 “Impairment of assets”. Management considered that the long-term operating assets are all attributable to one cash generating unit (“CGU”) which is the CGU for the sales of EV chargers and installation services. For the purpose of impairment review, the recoverable amount of the CGU is determined based on the higher amount of the fair value less cost of disposal (“FVLCD”) and value-in-use calculations.

Based on the results of the abovementioned assessments as conducted by management and the independent external valuer, the directors of the Company concluded that no impairment loss on the aforementioned long-term operating assets are required to be recognized as at 31 December 2025 and 2024.

The following table sets out the key assumptions adopted by management in the impairment assessment:

| | Year ended 31 December | |
|---------------------------|------------------------|----------------|
| | 2025 | 2024 |
| Gross margin (%) | 17.5% to 21.5% | 17.7% to 22.0% |
| Annual growth rate (%) | 2.0% to 39.9% | 2.0% to 39.9% |
| Pre-tax discount rate (%) | 12.6% | 12.8% |

The budgeted gross margins used in the impairment testing, were determined by the management based on past performance and its expectation for market development. The expected revenue growth rate and gross margins are following the business projections approved by the Company’s directors. Discount rates reflect market assessments of the time value and the specific risks relating to the industry.

The directors of the Company therefore concluded that any reasonably possible changes to the key assumption as adopted in the impairment assessment will not result in any impairment charge to be recognized.

Notes to the Consolidated Financial Statements

16. LEASES

(a) Amounts recognised in the consolidated statements of financial position of the Group

| | As at 31 December | |
|-------------------------------------|-------------------|-----------------|
| | 2025 RMB'000 | 2024 RMB'000 |
| Right-of-use assets | | |
| Buildings, factories and warehouses | <u>11,052</u> | <u>12,054</u> |
| Lease liabilities | | |
| Current lease liabilities | 10,420 | 7,420 |
| Non-current lease liabilities | <u>2,341</u> | <u>5,825</u> |
| | <u>12,761</u> | <u>13,245</u> |

Additions to the right-of-use assets during the years ended 31 December 2025 were approximately RMB9,586,000 (2024: RMB10,245,000).

(b) Amounts recognised in the consolidated statements of profit or loss

| | Year ended 31 December | |
|--|------------------------|-----------------|
| | 2025 RMB'000 | 2024 RMB'000 |
| Depreciation charge of right-of-use assets | | |
| – Cost of sales | 2,521 | 2,744 |
| – General and administrative expenses | 6,504 | 6,314 |
| – Research and development expenses | – | 20 |
| – Selling Expenses | <u>965</u> | <u>929</u> |
| | <u>9,990</u> | <u>10,007</u> |
| Interest expense (Note 10) | <u>552</u> | <u>561</u> |
| Expense relating to short-term leases (included in cost of sales, sales and marketing expenses, general and administrative expenses, research and development expenses) (Note 8) | <u>5,502</u> | <u>5,444</u> |

The total cash outflows of leases payments for the year ended 31 December 2025 were approximately RMB15,526,000 (2024: RMB14,469,000).

Notes to the Consolidated Financial Statements

16. LEASES (Continued)

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

The Group leases various buildings, factories and warehouses and vehicles. Rental contracts are typically made for fixed periods of one year to four years but may have extension options as described in (d) below.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third-party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

If a readily observable amortizing loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the Group entities use that rate as a starting point to determine the incremental borrowing rate.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of building are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option.

See Note 44.14 for the other accounting policies relevant to leases.

(d) Extension and termination options

Extension and termination options are included in a number of leases of buildings across the Group. These are used to maximize operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

Notes to the Consolidated Financial Statements

17. INTANGIBLE ASSETS

| | Software RMB'000 | License and others RMB'000 | Total RMB'000 |
|------------------------------------|----------------------|----------------------------------|----------------------|
| As at 1 January 2024 | | | |
| Cost | 7,847 | 14,759 | 22,606 |
| Accumulated amortisation | (2,580) | (3,752) | (6,332) |
| Net book amount | <u>5,267</u> | <u>11,007</u> | <u>16,274</u> |
| Year ended 31 December 2024 | | | |
| Opening net book amount | 5,267 | 11,007 | 16,274 |
| Additions | 2,088 | 378 | 2,466 |
| Amortisation charge (Note 8) | (838) | (1,397) | (2,235) |
| Closing net book amount | <u>6,517</u> | <u>9,988</u> | <u>16,505</u> |
| As at 31 December 2024 | | | |
| Cost | 9,934 | 15,138 | 25,072 |
| Accumulated amortisation | (3,417) | (5,150) | (8,567) |
| Net book amount | <u>6,517</u> | <u>9,988</u> | <u>16,505</u> |
| Year ended 31 December 2025 | | | |
| Opening net book amount | 6,517 | 9,988 | 16,505 |
| Additions | 4,673 | – | 4,673 |
| Amortisation charge (Note 8) | (1,127) | (1,333) | (2,460) |
| Closing net book amount | <u>10,063</u> | <u>8,655</u> | <u>18,718</u> |
| As at 31 December 2025 | | | |
| Cost | 13,792 | 13,932 | 27,724 |
| Accumulated amortisation | (3,729) | (5,277) | (9,006) |
| Net book amount | <u>10,063</u> | <u>8,655</u> | <u>18,718</u> |

(a) Amortisation methods and periods

The Group amortises intangible assets with a limited useful life using the straight-line method over the following periods, according to their estimated useful lives:

| | |
|--------------------|------------|
| Software | 2-10 years |
| License and others | 10 years |

Notes to the Consolidated Financial Statements

17. INTANGIBLE ASSETS (Continued)

(b) Amortisation expenses

Amortisation expenses have been charged to the consolidated statements of profit or loss as follows:

| | Year ended 31 December | |
|-------------------------------------|------------------------|--------------|
| | 2025 | 2024 |
| | RMB'000 | RMB'000 |
| Cost of sales | 254 | 205 |
| General and administrative expenses | 781 | 836 |
| Research and development expenses | 1,425 | 1,194 |
| | <u>2,460</u> | <u>2,235</u> |

See Note 44.5 for the other accounting policies relevant to intangible assets, and Note 44.6 for the Group's policy regarding impairment of non-financial assets.

18. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

| | As at 31 December | |
|---|-------------------|----------|
| | 2025 | 2024 |
| | RMB'000 | RMB'000 |
| Investments in associates | | |
| Investment at cost | 150 | 150 |
| Share of net loss of associates accounted for using the equity method | (150) | (150) |
| Carrying value, share of net assets | <u>–</u> | <u>–</u> |
| Investments in joint ventures | | |
| Investment at cost | 5,000 | 5,000 |
| Share of net loss of joint ventures accounted for using the equity method | (5,000) | (5,000) |
| Carrying value, share of net assets | <u>–</u> | <u>–</u> |
| Total | <u>–</u> | <u>–</u> |

Notes to the Consolidated Financial Statements

18. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)

Set out below are the details of the associates and joint ventures of the Group. The entities listed below have share capital consisting solely of ordinary shares, which are held directly or indirectly by the Company. The percentage of ownership interest is the same as the percentage of voting rights held.

| Name of entity | Nature of relationship | Place of business/ country of incorporation | % of ownership interest | | Principal activities |
|---|------------------------|--|------------------------------|------------------------------|--------------------------------------|
| | | | As at 31 December 2025 | As at 31 December 2024 | |
| Shanghai Ronghe Zhida Intelligent Technology Co., Ltd. 上海融和摯達智慧科技有限公司 (“Shanghai Ronghe”) (i) | joint venture | PRC | 35% | 35% | Accessories sales |
| Shanghai Borregge Service Outsourcing Development Co., Ltd. 上海博瑞吉服務外包發展有限公司 | joint venture | PRC | 50% | 50% | Research and Development of products |
| Wuxi Pailian Intelligent Technology Co., Ltd. 無錫派聯智慧科技有限公司 (“Wuxi Pailian”) (ii) | associate | PRC | 15% | 15% | Accessories sales |

- (i) On 14 February 2020, the Company and two other shareholders co-founded Shanghai Ronghe in which the Company owns 35% equity interest and has joint control over the company through its representative in the board of directors of Shanghai Ronghe. In accordance with the articles of association of Shanghai Ronghe, the shareholders shall exercise their voting rights and share the profit or loss in proportion to their actual paid-in capital contribution. As at 31 December 2025, the Company contributed 53.85% of the total paid in capital of the joint venture.
- (ii) The Group seconded managerial personnel (directors) to Wuxi Pailian. The Group had the power to exercise significant influence over the financial and operating policies and practices of the companies and therefore regarded them as associates of the Group.

Notes to the Consolidated Financial Statements

19. OTHER NON-CURRENT ASSETS

| | As at 31 December | |
|----------------------------------|-------------------|-----------------|
| | 2025 RMB'000 | 2024 RMB'000 |
| Prepayments for long-term assets | 57,231 | 7,822 |
| Rental deposit | 5,251 | 2,878 |
| | 62,482 | 10,700 |

Prepayments for long-term assets represented the amount prepaid for procurement of machinery and electronic equipment.

Rental deposit represented the deposit for a lease and shall be refunded after the lease term expires.

20. INVENTORIES

| | As at 31 December | |
|---|-------------------|-----------------|
| | 2025 RMB'000 | 2024 RMB'000 |
| Finished goods | 71,768 | 103,516 |
| Raw materials | 59,269 | 61,066 |
| Work in progress | 10,343 | 10,234 |
| | 141,380 | 174,816 |
| Less: allowance for impairment of inventories | (3,704) | (9,105) |
| | 137,676 | 165,711 |

Raw materials, work-in-progress and finished goods are stated at the lower of cost and net realizable value. Cost comprises direct materials, direct labor and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Finished goods primarily consist of products that are ready for sale at production factories or in transit to fulfil customer orders.

Raw materials and work-in-progress primarily consist of materials mainly for EV chargers production as well as materials used for testing products.

Provision for inventories is recognised for the amount by which the carrying amount of the inventories exceeds the net recoverable amount, and is recorded in cost of sales in the consolidated statements of profit or loss. The provision for inventories as recognised for the year ended 31 December 2025 amounted to approximately RMB6,585,000 (2024: RMB1,749,000).

The cost of inventories recognised as cost of sales for the year ended 31 December 2025 amounted to RMB302,255,000 (2024: RMB225,202,000).

Notes to the Consolidated Financial Statements

21. TRADE AND NOTES RECEIVABLES

| | As at 31 December | |
|--------------------------------|-------------------|-----------------|
| | 2025 RMB'000 | 2024 RMB'000 |
| Notes receivables | – | 8,817 |
| Trade receivables | 488,066 | 345,329 |
| | 488,066 | 354,146 |
| Less: provision for impairment | (55,771) | (47,777) |
| | 432,295 | 306,369 |

The aging analysis of the trade and notes receivables based on date of revenue recognition is as follows:

| | As at 31 December | |
|---------------|-------------------|-----------------|
| | 2025 RMB'000 | 2024 RMB'000 |
| Up to 1 year | 418,296 | 328,031 |
| 1 -2 year | 45,578 | 12,221 |
| 2-3 year | 11,012 | 7,475 |
| Above 3 years | 13,180 | 6,419 |
| Total | 488,066 | 354,146 |

Trade and notes receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 1 year and therefore all classified as current. Trade and notes receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade and notes receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See Note 3.1 for a description of the Group's impairment policies.

The Group applies the simplified approach under IFRS 9, which requires lifetime expected losses to be recognised from initial recognition of the assets. Information about the impairment of trade and notes receivables and the Group's exposure to credit risk is described in Note 3.1(b).

The carrying amounts of the Group's trade and notes receivables were mainly denominated in RMB and approximated their fair values as at the balance sheet dates.

Notes to the Consolidated Financial Statements

22. OTHER CURRENT ASSETS

| | As at 31 December | |
|--|-------------------|-----------------|
| | 2025 RMB'000 | 2024 RMB'000 |
| Other receivables | | |
| – Deposits | 5,123 | 7,767 |
| – Others | 975 | 337 |
| | 6,098 | 8,104 |
| Less: allowance for credit losses | (170) | (177) |
| | 5,928 | 7,927 |
| Prepayments | | |
| – Prepayments for materials and services | 33,106 | 31,758 |
| – Deferred listing expenses | – | 8,951 |
| | 33,106 | 40,709 |
| Input VAT to be deducted | 11,804 | 13,129 |
| Total other current assets | 50,838 | 61,765 |

The carrying amounts of other current assets approximated their fair values as at the balance sheet dates.

Notes to the Consolidated Financial Statements

23. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Classification of financial assets at FVOCI

The Group classifies the followings financial assets at FVOCI:

(a) Investment in an unlisted entity

Investment in an unlisted entity, which represents the investment in a certain privately owned company. For the fair value estimation, please refer to Note 3.3 for details.

The Group's financial assets measured at FVOCI include the following:

| | As at 31 December | |
|----------------------------------|--------------------------|----------------|
| | 2025 | 2024 |
| | RMB'000 | RMB'000 |
| Non-current | | |
| Investment in an unlisted entity | <u>16,705</u> | <u>16,452</u> |

In May 2024, the Group entered into a share purchase agreement to acquire 9.3% issued shares of an unlisted entity at a consideration of RMB15,600,000. Since the Group has no significant influence in investee, and the purpose of the investment is not held for trading, this equity investment was accounted for as financial assets at fair value through other comprehensive income. In December 2024, the Group's shareholding percentage was diluted to 8.5% following the entry of new investors.

(b) Notes receivables

Debt securities where the contractual cash flows are solely principal and interest and the objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial assets.

The Group's financial assets measured at FVOCI include the following:

| | As at 31 December | |
|-------------------|--------------------------|----------------|
| | 2025 | 2024 |
| | RMB'000 | RMB'000 |
| Current | | |
| Notes receivables | <u>12,783</u> | <u>12,126</u> |

Notes to the Consolidated Financial Statements

24. CASH AND CASH EQUIVALENTS

| | As at 31 December | |
|---------------------------|--------------------------|---------|
| | 2025 | 2024 |
| | RMB'000 | RMB'000 |
| Cash at bank and in hand | 291,880 | 141,950 |
| Less: restricted cash (a) | (255) | (591) |
| Cash and cash equivalents | 291,625 | 141,359 |

(a) As at 31 December 2025, the restricted cash with an amount of RMB255,000 (31 December 2024: RMB591,000) was pledged as security deposit for issuance of letter of credit.

(b) Cash and cash equivalents are denominated in the following currencies:

| | As at 31 December | |
|-------|--------------------------|---------|
| | 2025 | 2024 |
| | RMB'000 | RMB'000 |
| – RMB | 171,984 | 129,212 |
| – HKD | 105,766 | – |
| – USD | 10,205 | 2,355 |
| – THB | 3,270 | 8,075 |
| – SGD | 237 | 1,717 |
| – EUR | 163 | – |
| | 291,625 | 141,359 |

25. SHARE CAPITAL

A summary of movements in the Company's authorised, issued and fully paid share capital is as follows:

| | Number of shares | Share capital |
|---|-------------------------|----------------------|
| | | RMB'000 |
| As at 1 January 2025 | 53,447,654 | 53,448 |
| Common shares invested by shareholders (a) | 362,253 | 362 |
| Issue of shares pursuant to the listing (b) | 5,978,900 | 5,979 |
| As at 31 December 2025 | 59,788,807 | 59,789 |
| As at 1 January 2024 | 52,527,021 | 52,527 |
| Common shares invested by shareholders (c) | 920,633 | 921 |
| As at 31 December 2024 | 53,447,654 | 53,448 |

Notes to the Consolidated Financial Statements

25. SHARE CAPITAL (Continued)

- (a) On 25 February 2025, the Company entered into an investment agreement with series E investor, pursuant to which this investor subscribed 362,253 shares of the Company with total consideration of RMB20,000,000 which was contributed to the Company with approximately RMB362,253 and RMB19,637,747 credited to the Company's share capital and share premium, respectively (Note 26). Series E investor was not granted any redemption rights that would impose obligations on the Company. The Company did not provide any guarantee in respect of the redemption rights, and there is no side agreement in this regard.
- (b) On 10 October 2025, the Company issued 5,978,900 ordinary shares at HK\$66.92 per share on the Main Board of the Stock Exchange of Hong Kong. The issuance of the ordinary shares, net of underwriting commission and other issuance cost, resulting in an increase of share capital and share premium by RMB5,979,000 and RMB336,771,000, respectively.
- (c) On 30 November 2024, the Company entered into an investment agreement with series E investors, pursuant to which those investors subscribed 920,633 shares of the Company with total consideration of RMB50,828,200 which was contributed to the Company with approximately RMB920,633 and RMB49,907,567 credited to the Company's share capital and share premium, respectively (Note 26). Series E investors were not granted any redemption rights that would impose obligations on the Company. The Company did not provide any guarantee in respect of the redemption rights, and there is no side agreement in this regard.

Notes to the Consolidated Financial Statements

26. RESERVES

The following table shows a breakdown of the statements of financial position line items “reserves” and the movements during the respective years. A description of the nature and purpose of each reserve is provided in the table below.

| | Reserves | | | | | Total RMB'000 |
|--|-----------------------------|--------------------------------|---|------------------------------|---|------------------|
| | Share premium RMB'000 | Capital reserves RMB'000 | Share-based payment reserves RMB'000 | Other reserves RMB'000 | Other comprehensive income RMB'000 | |
| As at 1 January 2024 | 105,923 | 176,307 | 525 | (768) | (336) | 281,651 |
| Common shares invested by shareholders | 49,907 | – | – | – | – | 49,907 |
| Currency translation differences | – | – | – | – | 1,506 | 1,506 |
| Share-based payment (Note 27) | – | – | 420 | – | – | 420 |
| Change in fair value of financial assets at FVOCI | – | – | – | – | 852 | 852 |
| Acquisition of non-controlling interests in a subsidiary (Note 37) | – | – | – | (20,367) | – | (20,367) |
| As at 31 December 2024 | 155,830 | 176,307 | 945 | (21,135) | 2,022 | 313,969 |
| As at 1 January 2025 | 155,830 | 176,307 | 945 | (21,135) | 2,022 | 313,969 |
| Common shares invested by shareholders | 19,638 | – | – | – | – | 19,638 |
| Issue of shares pursuant to the Listing | 336,771 | – | – | – | – | 336,771 |
| Listing expenses capitalised upon the listing | – | (5,326) | – | – | – | (5,326) |
| Currency translation differences | – | – | – | – | 827 | 827 |
| Share-based payment (Note 27) | – | – | 308 | – | – | 308 |
| Change in fair value of financial assets at FVOCI | – | – | – | – | 253 | 253 |
| As at 31 December 2025 | 512,239 | 170,981 | 1,253 | (21,135) | 3,102 | 666,440 |

Notes to the Consolidated Financial Statements

27. SHARE-BASED PAYMENT

(a) Share award schemes

On 1 October 2022, the establishment of the Company's Share Incentive Plan ("Share Incentive Plan") was approved by shareholders of the Company. Certain eligible employees of the Group (the "Incentive targets") were granted with the shares of Shanghai Tongdu Technology Partnership 上海同篤科技合夥企業(有限合夥) (Limited Partnership) ("Shanghai Tongdu Technology"), as rewards for their services and in exchange for their full-time devotion and professional expertise. Shanghai Tongdu Technology was set up for the purpose of holding shares of the Company on behalf of the Incentive targets.

149,226 shares with a grant price of RMB26.47 per unit capital of the Company were granted to the Incentive targets in 2022 through Shanghai Tongdu Technology. All the shares granted will be vested from the date of fulfilling the service and performance conditions ("12 months or 36 months after listing of the Company") as prescribed in the Share Incentive Plans. If an employee ceased to be employed by the Group within this period, the awarded shares would be forfeited, and the forfeited shares would be purchased back by Dr. Huang Zhiming or other parties appointed by the Company at the price prescribed in the Share Incentive Plans.

Set out below is the movement in the number of awarded restricted shares under the Share Incentive Plans:

| | Number of restricted shares | Weighted average fair value at grant date <i>RMB</i> |
|-------------------------------|-----------------------------------|--|
| As at 31 December 2024 | 137,892 | 36.37 |
| Forfeited | (11,334) | 36.37 |
| As at 31 December 2025 | 126,558 | 36.37 |

The fair value of each awarded restricted share was calculated based on the most recent transaction price of the Company's shares at the grant date.

(b) Expenses arising from share-based payment transactions

The Group operates an equity-settled share-based payment plan, under which the Group receives services from eligible employees as consideration for equity instruments of the Company. The fair value of the employee services received in exchange for the grant of equity instruments is recognised as an expense on the consolidated financial statements. The total amount to be expensed is determined by reference to the fair value of the equity instruments granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions; and
- including the impact of any non-vesting conditions.

Notes to the Consolidated Financial Statements

27. SHARE-BASED PAYMENT (Continued)

(b) Expenses arising from share-based payment transactions (Continued)

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the Group revises its estimates of the number of shares that are expected to vest based on the non-marketing performance and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Where there is any modification of terms and conditions which increases the fair value of the equity instruments granted, the Group includes the incremental fair value granted in the measurement of the amount recognised for the services received over the remainder of the vesting period. The incremental fair value is the difference between the fair value of the modified equity instrument and that of the original equity instrument, both estimated as at the date of the modification. An expense based on the incremental fair value is recognised over the period from the modification date to the date when the modified equity instruments vest in addition to any amount in respect of the original instrument, which should continue to be recognised over the remainder of the original vesting period.

Total expenses arising from share-based payment transactions recognised during the years ended 31 December 2025 and 2024 as part of employee benefit expense were as follows:

| | Year ended 31 December | |
|------------------------------|-------------------------------|----------------|
| | 2025 | 2024 |
| | <i>RMB'000</i> | <i>RMB'000</i> |
| Share-based payment expenses | 308 | 420 |

Notes to the Consolidated Financial Statements

28. FINANCIAL INSTRUMENTS BY CATEGORY

| | | As at 31 December | |
|--|------|--------------------------|----------------|
| | Note | 2025 | 2024 |
| | | RMB'000 | RMB'000 |
| Financial Assets | | | |
| Financial assets at amortised cost: | | | |
| – Trade and notes receivables | 21 | 432,295 | 306,369 |
| – Other receivables | 22 | 5,928 | 7,927 |
| – Cash and cash equivalents | 24 | 291,625 | 141,359 |
| – Restricted cash | 24 | 255 | 591 |
| Financial assets at FVOCI | 23 | 29,488 | 28,578 |
| | | 759,591 | 484,824 |
| Financial Liabilities | | | |
| Financial liabilities at amortised cost: | | | |
| – Trade payables | 29 | 325,742 | 324,921 |
| – Other payables and accruals (excluding salaries and welfare payables and VAT and other taxes payables) | 30 | 12,246 | 14,080 |
| – Borrowings | 31 | 470,298 | 390,321 |
| – Lease liabilities | 16 | 12,761 | 13,245 |
| | | 821,047 | 742,567 |

The Group's exposure to various risks associated with the financial instruments is analysed in Note 3. The maximum exposure to credit risk at end of the reporting period was the carrying amounts of each class of financial assets mentioned above.

(a) Classification of financial assets

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

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Notes to the Consolidated Financial Statements

28. FINANCIAL INSTRUMENTS BY CATEGORY (Continued)

(b) Recognition and derecognition of financial assets

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(c) Measurement of financial assets

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in "other losses – net". Impairment losses are presented as separate line item in the consolidated statements of comprehensive loss.
- **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised in "other losses – net". Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in "other losses- net" and impairment expenses are presented as separate line item in the consolidated statements of comprehensive loss.
- **FVPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within in "other losses – net" in the period in which it arises.

Notes to the Consolidated Financial Statements

28. FINANCIAL INSTRUMENTS BY CATEGORY (Continued)

(d) Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in profit or loss and presented in "other losses-net" in the consolidated statements of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(e) Impairment of financial assets

The Group assesses on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For cash and cash equivalents, restricted cash and long-term bank time deposits, the expected credit loss risk is considered immaterial.

For trade and notes receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the assets. The provision matrix is determined based on historical observed default rates over the expected life of the trade and notes receivables with similar credit risk characteristics and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Impairment on other receivables is measured as either 12-month expected credit losses or lifetime expected credit loss, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime expected credit losses.

Notes to the Consolidated Financial Statements

29. TRADE PAYABLES

| | As at 31 December | |
|--|--------------------------|---------|
| | 2025 | 2024 |
| | RMB'000 | RMB'000 |
| Trade payables | | |
| – payables for purchase of materials or services | 325,742 | 324,921 |

The carrying amounts of the Group's trade payables were mainly denominated in RMB and approximated their fair values as at the balance sheet dates due to their short-term maturity in nature.

The aging analysis of the trade payables based on purchase date for each reporting period is as follows:

| | As at 31 December | |
|---------------|--------------------------|---------|
| | 2025 | 2024 |
| | RMB'000 | RMB'000 |
| Within 1 year | 312,217 | 315,539 |
| 1 to 2 years | 5,061 | 3,759 |
| Over 2 years | 8,464 | 5,623 |
| | 325,742 | 324,921 |

30. OTHER PAYABLES AND ACCRUALS

| | As at 31 December | |
|--------------------------------------|--------------------------|---------|
| | 2025 | 2024 |
| | RMB'000 | RMB'000 |
| Salaries and welfare payables | 15,494 | 12,769 |
| VAT and other taxes payables | 3,412 | 1,530 |
| Accrued expenses | 4,800 | 6,237 |
| Deposits and security deposits | 2,758 | 2,102 |
| Payables related to long-term assets | 1,040 | 1,519 |
| Listing expenses payable | 2,398 | 4,052 |
| Others | 1,250 | 170 |
| | 31,152 | 28,379 |

The carrying amounts of the Group's other payables and accruals were mainly denominated in RMB and approximated their fair values as at the balance sheet dates.

Notes to the Consolidated Financial Statements

31. BORROWINGS

| | As at 31 December | |
|--|-------------------|---------|
| | 2025 | 2024 |
| | RMB'000 | RMB'000 |
| Current | | |
| Bank borrowings – unsecured and guaranteed (a) | 470,298 | 390,321 |

(a) As at 31 December 2025, the Group's bank borrowings were denominated in RMB and with an weighted average effective interest rates of 3.14% (2024: 3.58%) per annum. As at 31 December 2025, the Group's borrowings were guaranteed by Anqing Zhida, Zhida Zhongding and Shanghai Municipal Small and Medium Enterprises Policy-based Finance Guarantee Fund Management Center上海市中小微企業政策性融資擔保基金管理中心(2024: Anqing Zhida and Shanghai Municipal Small and Medium Enterprises Policy-based Finance Guarantee Fund Management Center上海市中小微企業政策性融資擔保基金管理中心).

(b) Compliance with loan covenants

For the year ended 31 December 2025, the Group has complied with the financial covenants of its bank borrowings (2024: the same).

(c) The fair values of the borrowings approximated their carrying amounts due to short maturity.

32. PROVISIONS

| | As at 31 December | |
|--------------------|-------------------|---------|
| | 2025 | 2024 |
| | RMB'000 | RMB'000 |
| Non-current | | |
| Warranties | 6,973 | 4,773 |
| Current | | |
| Warranties | 14,179 | 10,213 |
| | 21,152 | 14,986 |

Provisions for legal claims, warranties and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

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

Notes to the Consolidated Financial Statements

32. PROVISIONS (Continued)

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Warranties are made for estimated warranty claims for certain years, in respect of products that were sold and still under warranty period at the end of each reporting period. These claims are expected to be settled in the future years. The Group provides warranties for certain EV chargers products and undertakes the obligation to repair or replace items that fail to perform satisfactorily. The amount of provisions for product warranties is estimated based on the sales volume and industry experience of the level of repairs and returns. The estimation is reviewed on an ongoing basis and is revised when appropriate.

The movements of the Group's provisions are analyzed as follows:

| Warranties | Year ended 31 December | |
|----------------------------------|------------------------|-----------------|
| | 2025 RMB'000 | 2024 RMB'000 |
| As at 1 January | 14,986 | 18,375 |
| Provisions for the year (Note 8) | 19,317 | 18,637 |
| Amounts utilised during the year | (13,151) | (22,026) |
| As at 31 December | <u>21,152</u> | <u>14,986</u> |

33. DEFERRED INCOME

| | As at 31 December | |
|-------------------|-------------------|-----------------|
| | 2025 RMB'000 | 2024 RMB'000 |
| Government grants | <u>2,606</u> | <u>2,414</u> |

The Group received government grants for subsidizing the Group's purchase of property, plant and equipment. The government grants were recorded as deferred income and credited to profit or loss on a straight-line basis over the useful life of the related property, plant and equipment.

Notes to the Consolidated Financial Statements

34. DEFERRED INCOME TAX

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to the same tax authority.

| | As at 31 December | |
|--|--------------------------|----------------|
| | 2025 | 2024 |
| | RMB'000 | <i>RMB'000</i> |
| Total deferred income tax assets (a) | 51,041 | 49,644 |
| Net-off with deferred income tax liabilities (b) | (1,422) | (1,306) |
| Net deferred income tax assets | 49,619 | 48,338 |

The analysis of deferred income tax assets is as follows:

(a) Deferred income tax assets

| | As at 31 December | |
|--|--------------------------|----------------|
| | 2025 | 2024 |
| | RMB'000 | <i>RMB'000</i> |
| The balance comprises temporary differences attributable to: | | |
| Tax losses | 40,144 | 40,144 |
| Lease liabilities | 1,393 | 1,220 |
| Loss allowance for financial assets | 5,424 | 5,295 |
| Provisions for warranties | 3,597 | 2,623 |
| Others | 483 | 362 |
| Total deferred income tax assets | 51,041 | 49,644 |

Notes to the Consolidated Financial Statements

34. DEFERRED INCOME TAX (Continued)

(a) Deferred income tax assets (Continued)

The movement in deferred income tax assets without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

| Movement | Deductible tax losses RMB'000 | Lease liabilities RMB'000 | Loss allowance for financial assets RMB'000 | Provisions for warranties RMB'000 | Others RMB'000 | Total RMB'000 |
|---------------------------------------|-------------------------------------|---------------------------------|---|---|-------------------|------------------|
| As at 1 January 2025 | 40,144 | 1,220 | 5,295 | 2,623 | 362 | 49,644 |
| Credit to profit or loss | – | 173 | 129 | 974 | 121 | 1,397 |
| As at 31 December 2025 | 40,144 | 1,393 | 5,424 | 3,597 | 483 | 51,041 |
| As at 1 January 2024 | 38,980 | 1,157 | 2,124 | 3,070 | 200 | 45,531 |
| Credit/(Charged) to profit or loss | 1,164 | 63 | 3,171 | (447) | 162 | 4,113 |
| As at 31 December 2024 | 40,144 | 1,220 | 5,295 | 2,623 | 362 | 49,644 |

Deferred income tax assets are recognised to the extent that the realization of the related tax benefit through the future taxable profits is probable. Deferred income tax assets have not been recognised in respect of the following items:

| | As at 31 December 2025 RMB'000 | 2024 RMB'000 |
|---------------------------------|--------------------------------------|-----------------|
| Tax losses | 511,958 | 313,648 |
| Deductible temporary difference | 2,328 | 3,075 |
| | 514,286 | 316,723 |

Deductible losses that are not recognised for deferred income tax assets will expire as follows:

| | As at 31 December 2025 RMB'000 | 2024 RMB'000 |
|-----------------|--------------------------------------|-----------------|
| 2025 | – | 16,924 |
| 2026 | 10,134 | 10,134 |
| 2027 | 9,365 | 9,365 |
| 2028 | 12,342 | 12,342 |
| 2029 | 32,540 | 32,540 |
| 2030 and beyond | 447,577 | 232,343 |
| | 511,958 | 313,648 |

Notes to the Consolidated Financial Statements

34. DEFERRED INCOME TAX (Continued)

(b) Deferred income tax liabilities

| | As at 31 December | |
|--|--------------------------|---------|
| | 2025 | 2024 |
| | RMB'000 | RMB'000 |
| The balance comprises temporary differences attributable to: | | |
| Right-of-use assets | (1,422) | (1,306) |

The movement in deferred income tax liabilities, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

| Movement | Right-of-use assets |
|---------------------------|----------------------------|
| | <i>RMB'000</i> |
| As at 1 January 2025 | (1,306) |
| Charged to profit or loss | (116) |
| As at 31 December 2025 | (1,422) |
| As at 1 January 2024 | (1,259) |
| Credit to profit or loss | (47) |
| As at 31 December 2024 | (1,306) |

Notes to the Consolidated Financial Statements

35. CASH FLOW INFORMATION

(a) Cash used in operations

| | Year ended 31 December | |
|---|------------------------|------------------|
| | 2025 RMB'000 | 2024 RMB'000 |
| Cash flows from operating activities | | |
| Loss for the year | (163,844) | (235,897) |
| Adjustments for: | | |
| Income tax expense (Note 12) | 3,710 | 3,981 |
| Depreciation of property, plant and equipment (Note 15) | 12,320 | 11,150 |
| Depreciation of right-of-use assets (Note 16) | 9,990 | 10,007 |
| Amortisation of intangible assets (Note 17) | 2,460 | 2,235 |
| Impairment losses on financial assets | 7,995 | 38,486 |
| Impairment losses of inventory | 6,585 | 1,749 |
| Amortisation of deferred government grants | (2,176) | (850) |
| Finance costs (Note 10) | 13,233 | 12,970 |
| Share-based payment expenses (Note 27) | 308 | 420 |
| Net loss on disposal of property, plant and equipment (Note 7) | 72 | 33 |
| Fair value change of financial assets and liabilities at fair value through profit or loss (Note 7) | – | (72) |
| Foreign exchange loss/(gain) – net | 2,384 | (363) |
| Operating gain/(loss) before changes in working capital: | (106,963) | (156,151) |
| Decrease/(increase) in inventories | 21,451 | (14,306) |
| (Increase)/decrease in trade and notes receivables | (134,585) | 70,351 |
| Decrease/(increase) in prepayments, other receivables, and other assets | 6,645 | (40,255) |
| Increase in trade payables | 821 | 36,770 |
| Increase/(decrease) in provisions for warranty | 6,166 | (3,389) |
| Increase in accruals and other payables | 4,120 | 570 |
| Increase in contract liabilities | 1,207 | 2,303 |
| Decrease/(increase) in restricted cash | 336 | (591) |
| Cash used in operations | (200,802) | (104,698) |

Notes to the Consolidated Financial Statements

35. CASH FLOW INFORMATION (Continued)

(b) Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

| | As at 31 December | |
|---------------------------|--------------------------|----------------|
| | 2025 | 2024 |
| | RMB'000 | <i>RMB'000</i> |
| Cash and cash equivalents | 291,625 | 141,359 |
| Borrowings | (470,298) | (390,321) |
| Lease liabilities | (12,761) | (13,245) |
| Net debt | (191,434) | (262,207) |

| | Borrowings | Lease liabilities | Total |
|-----------------------------|-------------------|--------------------------|----------------|
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| As at 1 January 2024 | 274,311 | 12,025 | 286,336 |
| Cash flows | 102,550 | (9,586) | 92,964 |
| New leases entered | – | 10,245 | 10,245 |
| Interest expenses (Note 10) | 13,460 | 561 | 14,021 |
| As at 31 December 2024 | 390,321 | 13,245 | 403,566 |
| Cash flows | 65,957 | (10,024) | 55,933 |
| New leases entered | – | 8,988 | 8,988 |
| Interest expenses (Note 10) | 14,020 | 552 | 14,572 |
| As at 31 December 2025 | 470,298 | 12,761 | 483,059 |

(c) Major non-cash transaction

Except for the addition to right-of-use assets (note 16(a)), there were no other material non-cash transactions in financing activities during the years ended 31 December 2025 (2024: Nil).

Notes to the Consolidated Financial Statements

36. CAPITAL COMMITMENTS

There are no significant capital expenditures contracted for each reporting period but not recognised as liabilities

37. TRANSACTIONS WITH NON-CONTROLLING INTERESTS

The material transactions with non-controlling interests during the years ended 31 December 2025 and 2024 are as follows:

Acquisition of non-controlling interests of a subsidiary

In August 2024, the Company acquired 30% shareholding of Anhui Zhida Zhongding Automobile Charging Equipment Co., Ltd. 安徽摯達中鼎汽車充電設備有限公司(“Anhui Zhida Zhongding”) from Anhui Zhongding Sealing Parts Co., Ltd. 安徽中鼎密封件股份有限公司, the minority shareholders of Anhui Zhida Zhongding, with the cash consideration of RMB33,800,000. After this transaction, Anhui Zhida Zhongding became a wholly owned subsidiary of the Company.

The effect of the transaction with non-controlling interests on the equity attributable to owners of the Company in 2024 is summarised as follows:

| | <i>RMB'000</i> |
|---|-----------------|
| Cash consideration paid to non-controlling interests | 33,800 |
| Less: Carrying amount of equity acquired from non-controlling interests | <u>(13,433)</u> |
| Loss on acquisition recognised in equity | <u>20,367</u> |

38. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operational decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

Members of key management and their close family members of the Group are also considered as related parties.

The following significant transactions were carried out between the Group and its related parties during the periods presented. In the opinion of the directors of the Company, the related party transactions were carried out in the normal course of business and at terms negotiated between the Group and the respective related parties.

(a) Names and relationships with related parties

The following companies are significant related parties of the Group that had transactions and/or balances with the Group during the years ended 31 December 2025 and 2024.

| Name of related party | Relationship with the Group |
|-----------------------|-----------------------------|
| Wuxi Pailian | An Associate of the Group |

Notes to the Consolidated Financial Statements

38. RELATED PARTY TRANSACTIONS (Continued)

(b) Balance with related parties

The following table summarizes the balances with related party transactions of our Group as of the dates indicated:

| | As at 31 December | |
|------------------------------------|--------------------------|----------------|
| | 2025 | 2024 |
| | RMB'000 | <i>RMB'000</i> |
| Trade and notes receivables | | |
| Wuxi Pailian | 1,948 | 1,948 |
| Less: allowance for credit losses | <u>(1,948)</u> | <u>(1,948)</u> |
| | <u>—</u> | <u>—</u> |

(c) Key management compensation

Key management includes directors (executive and non-executive) and senior management of the Group. The compensation paid or payable to key management for employee services is shown below:

| | Year ended 31 December | |
|---|-------------------------------|----------------|
| | 2025 | 2024 |
| | RMB'000 | <i>RMB'000</i> |
| Wages, salaries and bonuses | 7,940 | 7,171 |
| Pension obligations, housing funds, medical insurances and other social insurances | 1,038 | 986 |
| Other employee benefits | 329 | 207 |
| Share-based payment expenses | <u>213</u> | <u>320</u> |
| | <u>9,520</u> | <u>8,684</u> |

Notes to the Consolidated Financial Statements

39. STATEMENTS OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

Statement of financial position of the company

| | As at 31 December | |
|---|-------------------|----------------|
| | 2025 | 2024 |
| | RMB'000 | RMB'000 |
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 10,483 | 11,924 |
| Right-of-use assets | 5,744 | 4,583 |
| Intangible assets | 16,604 | 13,963 |
| Investments in subsidiaries | 180,976 | 176,303 |
| Deferred income tax assets | 51,907 | 51,060 |
| Financial assets at fair value through comprehensive income | 16,705 | 16,452 |
| Other non-current assets | 54,549 | 2,288 |
| | 336,968 | 276,573 |
| Current assets | | |
| Inventories | 36,843 | 75,162 |
| Trade and notes receivables | 341,288 | 241,909 |
| Other current assets | 36,916 | 47,848 |
| Financial assets at fair value through profit or loss | – | – |
| Financial assets at fair value through other comprehensive income | 12,783 | 12,126 |
| Restricted cash | 255 | 591 |
| Cash and cash equivalents | 262,168 | 72,765 |
| | 690,253 | 450,401 |
| Total assets | 1,027,221 | 726,974 |

Notes to the Consolidated Financial Statements

39. STATEMENTS OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (Continued)

Statement of financial position of the company (Continued)

| | As at 31 December | |
|---|--------------------------|----------------|
| | 2025 | 2024 |
| | RMB'000 | RMB'000 |
| EQUITY | | |
| Equity attributable to owners of the Company | | |
| Share capital | 59,789 | 53,448 |
| Reserves (a) | 684,978 | 333,334 |
| Accumulated losses | (470,280) | (289,931) |
| Total equity | <u>274,487</u> | <u>96,851</u> |
| LIABILITIES | | |
| Non-current liabilities | | |
| Lease liabilities | 742 | 2,260 |
| Provisions | 6,272 | 3,868 |
| Deferred income | 2,606 | 2,414 |
| | <u>9,620</u> | <u>8,542</u> |
| Current liabilities | | |
| Trade payables | 204,385 | 178,428 |
| Other payables and accruals | 53,277 | 32,053 |
| Borrowings | 460,298 | 390,321 |
| Lease liabilities | 5,561 | 2,776 |
| Contract liabilities | 8,950 | 10,630 |
| Provisions | 10,643 | 7,373 |
| | <u>743,114</u> | <u>621,581</u> |
| Total liabilities | <u>752,734</u> | <u>630,123</u> |
| Total equity and liabilities | <u>1,027,221</u> | <u>726,974</u> |

The balance sheet of the Company was approved by the Board of Directors on 25 March 2026 and was signed on its behalf by following directors.

Huang Zhiming
Director

Li Xinrui
Director

Notes to the Consolidated Financial Statements

39. STATEMENTS OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (Continued)

(a) Reserve movements of the Company

| | Share premium <i>RMB'000</i> | Capital reserves <i>RMB'000</i> | Reserves Share-based payment reserves <i>RMB'000</i> | Other comprehensive income <i>RMB'000</i> | Total <i>RMB'000</i> |
|--|------------------------------------|---------------------------------------|--|--|-------------------------|
| As at 1 January 2024 | 105,923 | 175,707 | 525 | – | 282,155 |
| Common shares invested by shareholders | 49,907 | – | – | – | 49,907 |
| Change in fair value of financial assets at FVOCI | – | – | – | 852 | 852 |
| Share-based payment | – | – | 420 | – | 420 |
| As at 31 December 2024 | 155,830 | 175,707 | 945 | 852 | 333,334 |
| As at 1 January 2025 | 155,830 | 175,707 | 945 | 852 | 333,334 |
| Common shares invested by shareholders | 19,638 | – | – | – | 19,638 |
| Issue of shares pursuant to the Listing | 336,771 | – | – | – | 336,771 |
| Listing expenses capitalised upon the listing | – | (5,326) | – | – | (5,326) |
| Change in fair value of financial assets at FVOCI | – | – | – | 253 | 253 |
| Share-based payment | – | – | 308 | – | 308 |
| As at 31 December 2025 | 512,239 | 170,381 | 1,253 | 1,105 | 684,978 |

Notes to the Consolidated Financial Statements

40. BENEFITS AND INTERESTS OF DIRECTORS AND SUPERVISORS

(a) Directors and supervisors' emoluments

The remuneration paid or payable to the directors and supervisors of the Company (including emoluments for services as employee/directors/supervisors of the group entities prior to becoming the directors of the Company) during the years ended 31 December 2025 and 2024 was as follows.

| Name | Year ended 31 December 2025 | | | | | Total RMB'000 |
|---|-------------------------------|--------------------------|---|---|--|------------------|
| | Wages, salaries RMB'000 | Discretionary bonuses | Pension obligations, housing funds, medical insurances and other social insurances RMB'000 | Share- based payment expenses RMB'000 | Other employee benefits RMB'000 | |
| <i>Executive Directors:</i> | | | | | | |
| Dr. Huang Zhiming | 2,405 | 200 | 147 | – | 108 | 2,860 |
| Mr. Li Xinrui | 905 | 375 | 147 | 58 | 137 | 1,622 |
| <i>Independent non-executive Directors:</i> | | | | | | |
| Ms. Sun Zhili (iii) | 90 | – | – | – | – | 90 |
| Mr. Lu Ming (iii) | 90 | – | – | – | – | 90 |
| Ms. Wu Yushan (iii) | 90 | – | – | – | – | 90 |
| | 3,580 | 575 | 294 | 58 | 245 | 4,752 |
| <i>Supervisors:</i> | | | | | | |
| Mr. Liu Xi | – | – | – | – | – | – |
| Mr. Shen Qi | 517 | 50 | 149 | 35 | – | 751 |
| Ms. Dai Can (v) | – | – | – | – | – | – |
| | 517 | 50 | 149 | 35 | – | 751 |

Notes to the Consolidated Financial Statements

40. BENEFITS AND INTERESTS OF DIRECTORS AND SUPERVISORS (Continued)

(a) Directors and supervisors' emoluments (Continued)

| Name | Year ended 31 December 2024 | | | | | | Total RMB'000 |
|---|-------------------------------|--------------------------|---|---|--|--|------------------|
| | Wages, salaries RMB'000 | Discretionary bonuses | Pension obligations, housing funds, medical insurances and other social insurances RMB'000 | Share- based payment expenses RMB'000 | Other employee benefits RMB'000 | | |
| <i>Executive Directors:</i> | | | | | | | |
| Dr. Huang Zhiming | 2,945 | – | 145 | – | 164 | | 3,254 |
| Mr. Li Xinrui | 845 | – | 145 | 58 | 80 | | 1,128 |
| <i>Independent non-executive Directors:</i> | | | | | | | |
| Mr. You Jianxin (i) | 27 | – | – | – | – | | 27 |
| Ms. Che Hailin (ii) | 14 | – | – | – | – | | 14 |
| Ms. Sun Zhili (iii) | 75 | – | – | – | – | | 75 |
| Mr. Lu Ming (iii) | 75 | – | – | – | – | | 75 |
| Ms. Wu Yushan (iii) | 75 | – | – | – | – | | 75 |
| | <u>4,056</u> | <u>–</u> | <u>290</u> | <u>58</u> | <u>244</u> | | <u>4,648</u> |
| <i>Supervisors:</i> | | | | | | | |
| Mr. Liu Xi | – | – | – | – | – | | – |
| Mr. Shen Qi | 491 | – | 147 | 35 | – | | 673 |
| Mr. Li Qian (iv) | – | – | – | – | – | | – |
| Ms. Dai Can (v) | – | – | – | – | – | | – |
| | <u>491</u> | <u>–</u> | <u>147</u> | <u>35</u> | <u>–</u> | | <u>673</u> |

- (i) Mr. You Jianxin was appointed as the director of the Company on 26 February 2020 and resigned on 29 February 2024.
- (ii) Ms. Che Hailin was appointed as the director of the Company on 11 August 2022 and resigned on 29 February 2024.
- (iii) Ms. Sun Zhili, Mr. Lu Ming and Ms. Wu Yushan were appointed as the directors of the Company on 29 February 2024.
- (iv) Mr. Li Qian was appointed as the supervisor of the Company on 11 August 2022 and resigned on 29 February 2024.
- (v) Ms. Dai Can was appointed as the supervisor of the Company on 29 February 2024.

Notes to the Consolidated Financial Statements

40. BENEFITS AND INTERESTS OF DIRECTORS AND SUPERVISORS (Continued)

(b) Directors and supervisors' retirement and termination benefits

No retirement benefits were paid to or receivable by any directors or supervisors in respect of their other services in connection with the management of the affairs of the Company or its subsidiaries' undertaking during the years ended 31 December 2025 (2024: Nil).

No payment was made to the directors or supervisors as compensation for early termination of appointment during the years ended 31 December 2025 (2024 : Nil).

(c) Consideration provided to third parties for making available directors and supervisors' services

No consideration was provided to third parties for making available directors or supervisors' services at the end of each reporting period or at any time during the years ended 31 December 2025 (2024: Nil).

(d) Information about loans, quasi-loans, and other dealings in favour of directors and supervisors, their controlled bodies, and connected entities

There were no loans, quasi-loans, and other dealings in favour of directors and supervisors, their controlled bodies corporate and connected entities at the end of each reporting period or at any time during the years ended 31 December 2025 (2024: Nil).

(e) Directors and supervisors' material interests in transactions, arrangements, or contracts

Save as disclosed in the Note 38, no significant transactions, arrangements, and contracts in relation to the Group's business to which the Company was a party and in which a director or supervisor of the Company had a material interest, whether directly or indirectly, subsisted at the end of each reporting period or at any time during the years ended 31 December 2025 (2024: Nil).

41. DIVIDENDS

No dividends have been paid or declared by the Company or the subsidiaries of the Company during the years ended 31 December 2025 (2024: Nil).

42. CONTINGENCIES

As at 31 December 2025, there were no significant contingencies for the Group and the Company (31 December 2024: Nil).

43. SUBSEQUENT EVENTS

There are no material subsequent events undertaken by or impacted on the Company or the Group subsequent to 31 December 2025 and up the date of this report.

Notes to the Consolidated Financial Statements

44. SUMMARY OF OTHER ACCOUNTING POLICIES

44.1 Principles of consolidation and equity accounting

(a) Subsidiaries

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

Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statements of comprehensive loss, consolidated statements of changes in equity and consolidated statements of financial position, respectively.

(b) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

(c) Joint arrangements

Under HKFRS 11 Joint Arrangements investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has only joint ventures. Interests in joint ventures are accounted for using the equity method of accounting, after initially being recognised at cost in the consolidated statement of financial position.

Notes to the Consolidated Financial Statements

44. SUMMARY OF OTHER ACCOUNTING POLICIES (Continued)

44.1 Principles of consolidation and equity accounting (Continued)

(d) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in these entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 44.6.

44.2 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

44.3 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The Company and its primary subsidiaries are incorporated in the PRC and consider RMB as their functional currency. The Group determined to present its consolidated financial statements in RMB.

Notes to the Consolidated Financial Statements

44. SUMMARY OF OTHER ACCOUNTING POLICIES (Continued)

44.3 Foreign currency translation (Continued)

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statements of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the consolidated statements of profit or loss on a net basis within other gains – net.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as fair value through other comprehensive income are recognised in other comprehensive income.

44.4 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 44.6).

Notes to the Consolidated Financial Statements

44. SUMMARY OF OTHER ACCOUNTING POLICIES (Continued)

44.4 Property, plant and equipment (Continued)

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within “other gains – net” in the consolidated statements of profit or loss.

Construction in progress represents unfinished construction and equipment under construction or pending for installation and is stated at cost less impairment losses. Cost comprises direct costs of construction including borrowing costs attributable to the construction during the period of construction. No provision for depreciation is made on construction in progress until such time as the relevant assets are completed and ready for intended use.

44.5 Intangible assets

(a) Software

Computer softwares are initially recognised and measured at costs incurred to acquire and bring them to use, amortised on a straight-line basis over their estimated useful lives, and recorded in amortisation within operating expenses in the consolidated statements of profit or loss.

(b) License and others

Separately acquired License and other intangible assets are shown at historical cost. These intangible assets have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost over their estimated useful lives.

(c) Research and development (“R&D”)

Research expenditure is recognised as an expense as incurred. Costs incurred on research and development projects are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the research and development project so that it will be available for us;
- management intends to complete the research and development project and use or sell it;
- there is an ability to use or sell the research and development project;
- it can be demonstrated how the research and development project will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the research and development project are available; and
- the expenditure attributable to the research and development project during its development can be reliably measured.

Notes to the Consolidated Financial Statements

44. SUMMARY OF OTHER ACCOUNTING POLICIES (Continued)

44.5 Intangible assets (Continued)

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

Directly attributable costs which are eligible to be capitalized as part of the research and development project may include employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred.

Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

44.6 Impairment of non-financial assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

44.7 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the consolidated statements of financial position where the entity currently has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

44.8 Cash and cash equivalents

For the purpose of presentation in the consolidated statements of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Notes to the Consolidated Financial Statements

44. SUMMARY OF OTHER ACCOUNTING POLICIES (Continued)

44.9 Share capital

Ordinary shares are classified as equity.

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

44.10 Trade and other payables

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

44.11 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the consolidated statements of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

44.12 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

All other borrowing costs are expensed in the period in which they are incurred.

Notes to the Consolidated Financial Statements

44. SUMMARY OF OTHER ACCOUNTING POLICIES (Continued)

44.13 Employee benefits

(a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated statements of financial position.

(b) Pension obligations

In accordance with the rules and regulations in the PRC, the employees of the Group participate in various defined contribution retirement benefit plans organized by the relevant municipal and provincial governments in the PRC under which the Group and the employees are required to make monthly contributions to these plans calculated as a percentage of the employees' salaries, subject to certain ceiling. Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post-retirement benefits of its employees. The assets of these plans are held separately from those of the Group in an independent fund managed by the PRC government. The Group's contributions to these plans are expensed as incurred.

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

The employees of the Group are entitled to participate in various government-supervised housing funds, medical insurance and other employee social insurance plan. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees, subject to certain ceiling. The Group's liability in respect of these funds is limited to the contributions payable in each period.

(d) Bonus plan

The expected cost of bonuses is recognised as a liability when the Group has a present legal or constructive obligation for payment of bonus as a result of services rendered by employees and a reliable estimate of the obligation can be made. Liabilities for bonus plans are expected to be settled within 1 year and are measured at the amounts expected to be paid when they are settled.

(e) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

Notes to the Consolidated Financial Statements

44. SUMMARY OF OTHER ACCOUNTING POLICIES (Continued)

44.14 Leases

Lease as lessee

The Group leases various offices and factories. Leases are initially recognised as a right-of-use asset and corresponding liability at the date when the leased asset is available for use by the Group. Each lease payment is allocated between the principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated on a straight-line basis over the shorter of the asset's estimated useful life and the lease term.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments (if applicable):

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as of the commencement date;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option;
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option; and

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

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the Group's incremental borrowing rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

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

Payments associated with short-term leases are recognised on a straight-line basis as an expense. Short-term leases are leases with a lease term of 12 months or less without a purchase option.

Notes to the Consolidated Financial Statements

44. SUMMARY OF OTHER ACCOUNTING POLICIES (Continued)

44.15 Earnings per share

(a) Basic earnings per share

Basic profit per share is calculated by dividing:

- the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury stock.

(b) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic loss per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

44.16 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

Notes to the Consolidated Financial Statements

44. SUMMARY OF OTHER ACCOUNTING POLICIES (Continued)

44.17 Interest income

Interest income from financial assets at FVPL is included in the net fair value gains/(losses) on these assets, see Note 7 below.

Interest income on financial assets at amortised cost and financial assets at FVOCI calculated using the effective interest method is recognised in profit or loss as part of other income.

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes, see Note 10 below. Any other interest income is included in other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Definitions

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

| | |
|---|--|
| “Articles of Association” | the articles of association of the Company |
| “Anhui Zhongding” | Anhui Zhongding Sealing Parts Co., Ltd. (安徽中鼎密封件股份有限公司), a joint stock company established in the PRC on 23 October 1998, and our pre-IPO investor |
| “associate(s)” | has the meaning ascribed to it under the Listing Rules |
| “Audit Committee” | the audit committee of the Board |
| “Board” or “Board of Directors” | the board of Directors |
| “Board Committees” | the Audit Committee, the Remuneration Committee and the Nomination Committee |
| “China” or “PRC” | the People’s Republic of China, but for the purpose of this annual report and for geographical reference only and except where the context requires, excluding Taiwan, the Macau Special Administrative Region and Hong Kong |
| “close associate(s)” | has the meaning ascribed to it under the Listing Rules |
| “Company” or “our Company” | Shanghai Zhida Technology Development Co., Ltd. (上海摯達科技發展股份有限公司), a joint stock company incorporated in the PRC with limited liability |
| “connected person(s)” | has the meaning ascribed to it under the Listing Rules |
| “Controlling Shareholder(s)” | has the meaning ascribed to it under the Listing Rules |
| “Corporate Governance Code” | the Corporate Governance Code as set out in Part 2 of Appendix C1 to the Listing Rules |
| “Director(s)” | the director(s) of the Company |
| “Dr. Huang” | Dr. Huang Zhiming (黃志明), our founder, chairman of the Board, executive Director, chief executive officer, and our Controlling Shareholder |
| “EV” | electric passenger vehicles |
| “Global Offering” | has the same meaning as defined in the Prospectus |
| “Group”, “our Group”, “our”, “we” or “us” | the Company and its subsidiaries |

Definitions

| | |
|-----------------------------------|---|
| “H Share(s)” or “Share(s)” | ordinary share(s) issued by the Company, with a nominal value of RMB1.00 each as at the Listing Date and RMB0.20 each upon subdivision of each one (1) H Share into five (5) subdivided H Shares on 3 March 2026, which is/are listed and trading on the Stock Exchange |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “Hong Kong dollars” or “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Independent Third Party(ies)” | an individual(s) or a company(ies), who or which, to the best of our Directors’ knowledge, information and belief, having made all reasonable enquiries, is not a connected person of our Company within the meaning of the Listing Rules |
| “Jingzhou Zhida” | Jingzhou Zhida Electric Vehicle Co., Ltd.* (荊州智達電動汽車有限公司), a company established in the PRC with limited liability on 29 November 2017, and our pre-IPO investor |
| “Listing” | the listing of the H Shares on the Main Board of the Stock Exchange |
| “Listing Date” | 10 October 2025, the date on which dealings in the H Shares on the Stock Exchange first commence |
| “Listing Rules” | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time |
| “Model Code” | the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules |
| “Nomination Committee” | the nomination committee of the Board |
| “Prospectus” | the prospectus of the Company dated 30 September 2025 |
| “Remuneration Committee” | the remuneration committee of the Board |
| “Renminbi” or “RMB” | the lawful currency of the PRC |
| “Reporting Period” | the year ended 31 December 2025 |
| “SFO” | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time |
| “Shanghai China Power Investment” | Shanghai China Power Investment Ronghe New Energy Investment Management Center (Limited Partnership)* (上海中電投融和新能源投資管理中心(有限合夥)), a limited partnership established in the PRC on 16 October 2015, and our pre-IPO investor |

Definitions

| | |
|-------------------------|--|
| “Shareholder(s)” | holder(s) of the Share(s) |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “subsidiary(ies)” | has the meaning ascribed to it under the Listing Rules |
| “Supervisor(s)” | the supervisor(s) of the Company |
| “Supervisory Committee” | the supervisory committee of the Company |
| “Tongdu E-commerce” | Shanghai Tongdu Electronic Commerce Center (Limited Partnership)* (上海同篤電子商貿中心(有限合夥)), a limited partnership established in the PRC on 14 September 2015, one of our Controlling Shareholders |
| “Tongdu Enterprise” | Shanghai Tongdu Enterprise Management Co., Ltd.* (上海同篤企業管理有限責任公司), a company established in the PRC with limited liability on 27 June 2022, the general partner of Tongdu Technology, and one of our Controlling Shareholders |
| “Tongdu Intelligent” | Shanghai Tongdu Intelligent Technology Partnership (Limited Partnership)* (上海同篤智能技術合夥企業(有限合夥), formerly known as Shanghai Tongdu Intelligent IoT Technology Partnership (General Partnership)* (上海同篤智能網聯技術合夥企業(普通合夥)), a limited partnership established in the PRC on 23 February 2018, and one of our Controlling Shareholders |
| “Tongdu Technology” | Shanghai Tongdu Technology Partnership (Limited Partnership)* (上海同篤科技合夥企業(有限合夥)), a limited partnership established in the PRC on 5 September 2022, the pre-IPO employee incentive platform of our Group, and one of our Controlling Shareholders |
| “treasury shares” | has the meaning ascribed to it under the Listing Rules |
| “United States” | the United States of America, its territories, its possessions and all areas subject to its jurisdiction |
| “USD” | United States dollar, the lawful currency of the United States |
| “%” | percent |

* The English translation and/or transliteration of the names of PRC nationals, entities, enterprises, government authorities, departments, facilities, certificates, titles, laws and regulations included in this prospectus is included for identification purposes only. In the event of any inconsistency between the English translation and/or transliteration and the Chinese versions, the Chinese versions shall prevail.

Financial Summary

| | Year ended 31 December/As at 31 December | | | |
|--|--|-----------------|-----------------|-----------------|
| | 2025 RMB'000 | 2024 RMB'000 | 2023 RMB'000 | 2022 RMB'000 |
| Revenue | 716,513 | 593,408 | 670,733 | 697,060 |
| Gross Profit | 108,914 | 88,575 | 137,534 | 142,074 |
| Loss for the year | (163,844) | (235,897) | (58,116) | (25,147) |
| Profit and total comprehensive income attributable to equity shareholders of the Company | (162,766) | (236,484) | (58,859) | (26,321) |
| Non-current Assets | 198,696 | 148,517 | 120,081 | 79,794 |
| Current assets | 925,472 | 687,921 | 797,582 | 909,403 |
| Total assets | 1,124,168 | 836,438 | 917,663 | 989,197 |
| Non-current liabilities | 11,920 | 13,012 | 10,648 | 14,046 |
| Current liabilities | 868,128 | 774,724 | 641,772 | 651,882 |
| Total liabilities | 880,048 | 787,286 | 652,420 | 665,928 |
| Total equity | 244,120 | 49,152 | 265,243 | 323,269 |
| Total equity attributable to equity shareholders of the Company | 240,826 | 45,860 | 251,463 | 309,911 |

Note: The Company was listed on the Main Board of the Stock Exchange on 10 October 2025. The Company published financial information since 2022 in the Prospectus, and therefore the above table sets out the financial highlights for the four accounting years since 2022.