MetaLight
元光科技集团

(Incorporated in the Cayman Islands with limited liability)

Stock code : 2605

2025
ANNUAL REPORT

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors
Dr. Sun Xi *(Chairman and chief executive officer)*
Ms. Qian Jinlei
Mr. Xu Cheng
Mr. Xiao Pingyuan *(appointed on December 31, 2025)*
Ms. Lu Lu *(resigned on December 31, 2025)*

Independent Non-Executive Directors
Dr. Xiong Yingfei *(appointed on December 31, 2025)*
Ms. Su Yu
Mr. Huang Xiaoling
Dr. Xie Tao *(resigned on December 31, 2025)*

AUDIT COMMITTEE

Ms. Su Yu *(Chairperson)*
Dr. Xiong Yingfei *(appointed on December 31, 2025)*
Dr. Xie Tao *(resigned on December 31, 2025)*

REMUNERATION COMMITTEE

Mr. Huang Xiaoling *(Chairperson)*
Dr. Xiong Yingfei *(appointed on December 31, 2025)*
Ms. Su Yu
Dr. Xie Tao *(resigned on December 31, 2025)*

NOMINATION COMMITTEE

Dr. Sun Xi *(Chairperson)*
Ms. Su Yu
Mr. Huang Xiaoling

COMPANY SECRETARY

Ms. Sham Ying Man

AUTHORISED REPRESENTATIVES

Dr. Sun Xi
Ms. Sham Ying Man

AUDITOR

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor
27/F, One Taikoo Place
979 King's Road
Quarry Bay
Hong Kong

REGISTERED OFFICE

In the Cayman Islands
Palm Grove, Unit 4
265 Smith Road, George Town
P.O. Box 52A Edgewater Way, #1653
Grand Cayman, KY1-9006, Cayman Islands

HEADQUARTERS IN THE PRC

1/F, Liangdian Creative Park
No. 94, Dongsishitiao Street
Dongcheng District
Beijing
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Units 908–915
9/F, Block F
100 Cyberport Road
Cyberport 3
Hong Kong

PRINCIPAL BANKS

China Merchants Bank Wuhan Wuchang Branch
1/F, Zhongkan Mansion
18 Zhongnan Road
Wuchang District, Wuhan
Hubei Province, China

Bank of China (Hong Kong) Limited
Bank of China Tower
1 Garden Road
Central
Hong Kong

COMPLIANCE ADVISOR

Altus Capital Limited
21 Wing Wo Street
Central
Hong Kong

LEGAL ADVISOR

As to Hong Kong laws
Haiwen & Partners LLP
Suites 601–602 and 610–616, 6/F
One International Finance Centre
1 Harbour View Street
Central
Hong Kong

PRINCIPAL SHARE REGISTRAR

ICS Corporate Services (Cayman) Limited
Palm Grove, Unit 4
265 Smith Road, George Town
P.O. Box 52A Edgewater Way, #1653
Grand Cayman, KY1-9006, Cayman Islands

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712–1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wan Chai
Hong Kong

STOCK CODE

2605

COMPANY'S WEBSITE

https://www.metalight.ai/

FINANCIAL SUMMARY

2025 ANNUAL RESULT HIGHLIGHTS

The highlights of the Group's results for the year ended December 31, 2025 are as follows:

- The Group achieved revenue of approximately RMB206.3 million, compared to approximately RMB206.1 million last year, representing a slight increase of approximately 0.1% over last year.
- The Group achieved gross profit of approximately RMB159.9 million, compared to approximately RMB157.4 million last year, representing an increase of approximately 1.5% over last year. The gross margin for the Reporting Period was approximately 77.5%, compared to approximately 76.4% last year, representing an increase of approximately 1.1 percentage points over last year.
- The Group's net loss was approximately RMB127.6 million, compared to a net loss of approximately RMB26.1 million last year.
- The Group's adjusted net profit (non-IFRS measure) was RMB40.7 million, compared to RMB52.4 million last year, representing a decrease of 22.4% over last year.

FOUR-YEAR FINANCIAL SUMMARY

Year ended December 31,

	2025 RMB'000	2024 RMB'000	2023 RMB'000	2022 RMB'000
Revenue	**206,313**	206,137	174,536	135,379
Gross profit	**159,862**	157,447	133,244	98,802
Loss before income tax	**(117,207)**	(21,744)	(16,972)	(21,360)
Loss for the year	**(127,569)**	(26,138)	(20,328)	(20,037)
Adjusted net profit (non-IFRS measure)	**40,690**	52,417	46,083	12,816
Total assets	**399,583**	224,166	223,690	185,183
Total liabilities	**43,250**	536,258	489,872	446,857
Total equity/(deficit) attributable to the equity shareholders of the Company	**356,333**	(312,092)	(266,182)	(261,674)

Note: The Company was listed on the Main Board of the Stock Exchange on June 10, 2025. The Group's financial information since 2022 was disclosed in the Prospectus of the Company. Accordingly, the above table presents a financial summary for the four accounting years since 2022.

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board, I hereby present to all Shareholders the annual report of the Company for the year ended December 31, 2025. This is the first annual report of the Company since its listing on the Stock Exchange. I would like to express my sincere gratitude to all Shareholders for the trust and support you have extended to the Company throughout its listing journey.

INTRODUCTION

The year 2025 witnessed the transition phase of the mobile advertising market in China from rapid growth to structural adjustment. According to QuestMobile, the year-on-year growth rate of China's internet advertising market in the first three quarters of 2025 ranged from 4.1% to 6.8%, representing a noticeable slowdown compared to the previous year. Of which, the revenue from the mobile segment maintained a share of approximately 89%[1]. Advertisers generally adopted a conservative approach to their marketing budget allocation. Affected by multiple factors, including the plateauing of traffic growth on leading platforms and the decelerating growth rate in advertising unit prices, the overall industry displayed a trend of "advancing under pressure while demonstrating resilient growth". Concurrently, the trend of advertising budgets concentrating further on leading platforms had intensified. Short videos, content-sharing platforms, and e-commerce livestreaming became the key areas for advertisers to increase investments, while vertical media platforms faced more intense competition in terms of user attention. Against this macro background, we have reinforced our commitment to deeply cultivating user value and expanding our diversified revenue capabilities.

BUSINESS REVIEW

Amidst the abovementioned industry environment, the Group achieved revenue of approximately RMB206.3 million for the year ended December 31, 2025, representing a year-on-year increase of approximately 0.1% compared to approximately RMB206.1 million in 2024, remaining largely unchanged. Of this, revenue from mobile advertising services was RMB200.4 million, and revenue from data technology services was RMB6.0 million. Gross profit was RMB159.9 million, with a gross margin of 77.5%, representing an increase of approximately 1.1 percentage points as compared to the previous year. A net loss of RMB127.6 million was recorded for the year, primarily due to the impact of the changes in fair value of convertible redeemable preferred shares of RMB119.2 million – this item represents a non-cash accounting treatment and does not affect our actual operating cash flow nor daily operations. Following the listing, all related preferred shares were converted into ordinary shares, and this item will no longer appear in subsequent reporting periods. Excluding the adjusted items, the adjusted net profit (non-IFRS measure) was approximately RMB40.7 million.

1 Source: QuestMobile's 2025–2026 Core Trends Report (released in January 2026).

To be candid, this performance fell short of our expectations set at the beginning of the year. Against the backdrop of generally conservative industry advertising budgets and increased competitive pressure on vertical media platforms, revenue did not achieve meaningful growth, and we maintain a clear-eyed view of this reality. Simultaneously, we also acknowledge that there remains room for improvement in areas such as the monetization efficiency of our advertising inventory and the diversification of customer structure. Mobile advertising services still contributed approximately 97% of the revenue for the year. The relative concentration of the revenue structure is an issue we continuously monitor and strive to improve. Regarding our core foundation, "Chelaile" APP expanded its city coverage from 466 cities and towns at the end of 2024 to 488. The number of cumulative users increased from approximately 298 million to 334 million and the number of average monthly active users grew from approximately 29.08 million in 2024 to approximately 30.31 million in 2025. The continuous increase in monthly active user scale reflects the further strengthening of platform user base and usage stickiness, while the ongoing conversion of new users also leaves some room for our subsequent business growth. In the public transit analytics platform business, we continued to expand cooperation with more transport authorities, increasing the number of cooperating transport entities from 295 in 2024 to 312. The continuous growth in user base and user engagement reflects that the platform's core value to users remains solid.

BUSINESS DEEPENING

International expansion. Based on the real-time public transport data processing technology and product operation experience accumulated by Chelaile in the PRC market, we are actively propelling the international layout of public transport information services. As of the date of this report, we have already launched the Busio mobile app, an internationalized real-time public transport inquiry application specifically designed for overseas users. The Busio mobile application was launched on iOS and Android platforms in June and August 2025, respectively. As of the date of this report, the application covered over 10 international cities and regions, including Singapore, Kuala Lumpur, Penang, Kuantan, Johor Bahru, Melbourne and Sydney. The international business is currently in an early promotion stage and has not yet made a significant revenue contribution. However, based on current operations, we observe that the real-time public transport data processing technology and product experience refined in the Chinese market can indeed be replicated across different markets. Currently, overseas markets are dominated by comprehensive navigation tools, with a relative lack of applications specializing in the public transport vertical that can provide professional and stable services, presenting us with an opportunity for differentiated market entry. Based on early operational data, new user retention rates in certain cities have shown positive signals. We believe that upon completing localized product adaptation, retention levels will approach those achieved in domestic cities. In the next phase, while continuing to expand our city coverage, we will focus on deepening localized operations to gain a more profound understanding of the public transit systems and travel habits of local users across different cities.

Autonomous driving public transport. In recent years, national and local government policy support for autonomous driving public transport has continuously increased, with multiple departments jointly issuing guidance on promoting the intelligent development of urban public transport. Cities such as Beijing, Guangzhou, Shenzhen and Wuhan have successively opened testing and commercial pilot operation routes for autonomous driving public transport. We believe that autonomous driving public transport is currently in a critical transition period from small-scale pilot programs to large-scale commercial operation. Notably, the large-scale introduction of Robobus involves not only the vehicles themselves but also imposes comprehensive transformation requirements on the operational systems of bus operators, including scheduling and dispatching, safety monitoring, and exception handling. Based on this assessment, we position ourselves as a technology service provider empowering bus operators to complete their Robobus operational transformation. "Chelaile" APP covers 488 cities and towns nationwide and maintains cooperative relationships with 312 transportation entities. Our time series data foundation model, purpose-built for operational analysis and prediction within public transit scenarios, enables underlying intelligent capabilities for dispatching optimization and decision-making support in Robobus operations. On one hand, we are actively engaging with public transport customers in key cities, on the other, we are expanding collaborations across the industry chain. Subsequent to the Reporting Period, we have entered into a strategic investment and cooperation arrangement with an industry partner possessing deep expertise in bus data centers and intelligent dispatching technologies, marking our first step in this direction. Going forward, we will continue to expand our partner ecosystem while maintaining a prudent investment pace.

Integration of AI into core businesses. The growth in the total number of mobile internet users is approaching its ceiling, and the industry competition focus is shifting towards the deep engagement of existing users and the competition for their attention. The rapid rise of AI-native applications is further intensifying this trend. The number of users of mobile AI applications had exceeded 700 million by the end of 2025, with average usage time per user growing by over 20% compared to the beginning of the year, while the usage time for tool-based applications declined[2]. As chatbots and AI-Agents increasingly become new user interfaces, the interaction paradigm of software products is undergoing profound transformation, presenting fundamental challenges for utility applications. We believe that in the emerging software ecosystem oriented towards AI-Agents, high-quality private domain data, and the analytical and insight capabilities built upon it hold significant infrastructure value. Data quality directly determines the quality, stability and response speed of task completion by AI-Agents, and high-quality tools will be invoked more frequently by them. Based on this assessment, we continue to increase our investment in data capabilities, having already deployed time series forecasting models based on next-generation deep learning technologies to our online services, achieving a demonstrable improvement in arrival prediction accuracy. Concurrently, we are prudently yet determinedly driving innovation in product interaction methods by integrating natural language interaction into existing product scenarios, making data more accessible and usable for users. Relevant product features are currently undergoing the filing process in accordance with regulatory requirements.

[2] Source: QuestMobile's 2025–2026 Core Trends Report (released in January 2026).

STRATEGIC DEPLOYMENT

Investment in frontier AI industries. Since the second half of 2022, we began extending our data analysis capabilities to industry scenarios beyond public transport. We firmly believe that not only can the capabilities accumulated based on time-series data analysis and AI technology continuously strengthen the competitive barrier of our existing businesses but also create new product and commercial value in a wider range of application scenarios. Following this direction, subsequent to the Reporting Period, we jointly established a venture capital fund focused on fields related to artificial intelligence with partners such as Chuangxiang Shidai Investment and Guangzhou Angel Master Fund with our own funds. The fund primarily focuses on projects at the seeding-stage and early-stage in the AI field. Through this fund, we aim to identify early-stage projects and teams that complement our core capabilities, establishing connections for potential future business synergies. Simultaneously, we continuously gains new product concepts and explorable directions, feeding back into our own technological evolution and strategic judgment. Moreover, the fund serves as a gateway for us to access a broader range of AI innovation scenarios, organizational practices, and elite talent, helping to accelerate the Company's own transformation into an AI-native organization. We also retain priority co-investment rights in projects invested by the fund, maintaining flexibility to further engage with high-quality projects while being relatively prudent in initial investments. The participation of the Guangzhou Angel Master Fund, a government-guided fund, also opens new avenues for industrial collaboration for us in the Guangdong-Hong Kong-Macao Greater Bay Area.

Building of AI-native organization. We believe that a truly AI-native organization should not stop at individuals using AI tools for efficiency gains, but should redesign organizational division of labor and collaboration models centered around AI, achieving end-to-end improvements in both efficiency and delivery quality. To this end, we have restructured our technical department, reorganizing business personnel and technical engineers into cross-functional teams directly aligned with business objectives. We have also introduced AI-Agents to execute specific tasks across business processes such as R&D and testing, allowing human experts to focus on designing and optimizing the AI-Agent collaboration workflows, gradually expanding their application across a wider range of business operations. We plan to prioritize the deepening of the AI-native model in innovative businesses, leveraging AI to accelerate the entire process from product conception to deployment. In particular, we view the integration of AI with education as one of the more promising directions. The education sector features well-defined demands, clear feedback loops, and content that lends itself to structuring, making it well-suited for validation through lightweight product forms centered on AI-Agent. This direction remains in the exploratory stage, and our core objective is to continuously validate the AI-native team organization and business operating model. Whenever a closed-loop practice is validated, we migrate it to core businesses, ensuring that both new business exploration and core business optimization benefit simultaneously.

OUTLOOK

Looking ahead to 2026, we maintain a cautious outlook on the short-term trends in the advertising market, where structural adjustments are expected to continue. According to QuestMobile's assessment of industry trends, China's internet advertising market is expected to continue its moderate growth trend. The empowerment of the entire marketing chain by AI technology is becoming a new driving force in the industry[3]. Our approach remains clear: we will safeguard our core business while driving the phased implementation of new initiatives.

In terms of core advertising business, we will focus on enhancing advertising monetization efficiency by optimizing the pricing strategy and targeting accuracy of our advertising inventory through AI algorithms. Simultaneously, we will expand our cooperation network with programmatic advertising platforms, tap into the demand from long-tail advertisers, and gradually optimize our customer structure. In terms of user growth, Chelaile will continue to deepen its presence in third-tier and lower-tier cities to enhance user coverage and engagement. In addition, we will continue to strengthen our data infrastructure capabilities, accelerate the integration of AI capabilities such as natural language interaction, and drive the evolution of our products from query tools to intelligent mobility assistants, laying a solid foundation for service models of the future AI-Agent ecosystem. In terms of new business, Busio's internationalization will continue to proceed steadily, focusing on deepening localized operations while expanding city coverage. The autonomous driving bus initiative is expected to achieve substantial progress this year, as we plan to work with partners to launch Robobus pilot operations in certain cities. The AI venture capital fund will also enter the project selection and investment stage. In terms of organizational capabilities, we will continue to pursue an AI-native strategy, deepening its implementation in innovative business and progressively migrating validated closed-loop practices to core businesses, thereby continuously unlocking organizational efficiency.

With the elimination of accounting factors related to preference shares after our listing, we expect that the financial performance in 2026 will more accurately reflect our actual operating conditions. We are fully aware that we still face many challenges, and we have no intention of exaggerating any short-term achievements. For a company that has just entered the capital market, honesty is the starting point for building trust with the market. We will focus on perfecting every product, serving every user diligently and seizing every genuine growth opportunity. The road may be long, but every step brings us closer.

[3] Source: QuestMobile's 2025–2026 Core Trends Report (released in January 2026).

ACKNOWLEDGEMENTS

Finally, on behalf of the Board, I would like to express my sincere gratitude to all Shareholders, partners and all employees. Our thanks to every user for their trust in Chelaile. Your daily usage is our greatest motivation for continuous improvement. Our thanks to every employee for your dedication and perseverance. Your professionalism gives us the confidence to navigate market fluctuations. Our thanks to all Shareholders for your patience and support. We are committed to repaying your trust with honesty, pragmatic action, and a long-term perspective.

Dr. Sun Xi
Chairman
March 25, 2026

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF FINANCIAL RESULTS

Revenue

The revenue data for each business segment is as follows:

	For the year ended December 31,		
	2025	**2024**	Change
	RMB'000	**RMB'000**	percentage
Mobile advertising services	**200,355**	202,049	-0.8%
Data technology services	**5,958**	4,088	45.7%
	206,313	206,137	0.1%

The Group's revenue slightly increased from approximately RMB206.1 million for the year ended December 31, 2024 to RMB206.3 million for the year ended December 31, 2025, primarily due to an increase in revenue from data technology services. This was mainly attributable to the Company's ongoing expansion of its public transit analytics platform business in 2025, establishing partnerships with more transportation entities such as local transportation authorities and bus companies, which contributed RMB1.9 million growth in revenue from data technology services.

Cost of Sales

For the year ended December 31, 2025, the Group's cost of sales was approximately RMB46.5 million, representing a decrease of approximately RMB2.2 million or approximately 4.6% as compared to approximately RMB48.7 million for the year ended December 31, 2024. For the year ended December 31, 2025, the Group's cost of sales as a percentage of revenue was approximately 22.5%, as compared to approximately 23.6% for 2024. Our cost of sales primarily comprises data licensing fees associated with obtaining the rights to access and use bus data, staff costs, cross-network advertising fees and server rental costs incurred for leasing servers to provide the infrastructure necessary for our businesses. The decrease in cost of sales was primarily due to a decrease of approximately RMB1.8 million in cross-network advertising fees for the year ended December 31, 2025.

Gross Profit and Gross Margin

Our gross profit increased by approximately 1.5% from approximately RMB157.4 million for the year ended December 31, 2024 to approximately RMB159.9 million for the year ended December 31, 2025. During the same period in 2025, gross margin slightly increased from 76.4% to 77.5%.

Selling Expenses

Selling expenses increased from approximately RMB38.3 million for the year ended December 31, 2024 to approximately RMB40.9 million for the year ended December 31, 2025, primarily due to an increase in advertising and promotional expenses, which was attributable to our enhanced marketing efforts to attract new users and enhance user engagement on Chelaile.

Administrative Expenses

Administrative expenses increased from approximately RMB56.2 million for the year ended December 31, 2024 to approximately RMB71.0 million for the year ended December 31, 2025, which was attributable to an increase in equity incentive expenses and compliance-related costs following the Company's listing.

Research and Development Expenses

For the year ended December 31, 2024 and the year ended December 31, 2025, research and development expenses amounted to RMB42.5 million and RMB49.9 million, respectively. The increase in research and development expenses was primarily due to an increase in staff costs in relation to research and development personnel and equity incentive expenses.

Other Income and Gains

For the year ended December 31, 2025, other income and gains were approximately RMB10.6 million, representing an increase of approximately RMB3.8 million, or approximately 57.3%, as compared to last year, which was primarily due to an increase of RMB4.0 million in interest income from the placing of time deposits.

Other Expenses and Losses

Other expenses and losses for the year ended December 31, 2025 were RMB5.4 million, as compared to RMB0.2 million for last year. Other losses mainly consist of losses from the disposal of equity investments at fair value through profit or loss ("**FVTPL**") held by the Company and foreign exchange gains or losses.

Fair Value Losses on Financial Liabilities at FVTPL

For the year ended December 31, 2025, the Group recorded fair value losses on financial liabilities at FVTPL of RMB119.2 million, representing a significant increase as compared to RMB43.0 million in 2024. This change primarily resulted from adjustments to the carrying amount of contingent redeemable preferred shares, and such adjustments were driven by changes in the redemption price of such preferred shares. Following the Group's successful listing, such contingent redeemable preferred shares were automatically converted into ordinary shares in accordance with the terms, and therefore no further fair value fluctuations of this nature are expected in the future.

Non-IFRS Measures

To supplement our consolidated financial statements which are presented in accordance with IFRS, we also use adjusted net (loss)/profit (non-IFRS measure) as additional financial measure, which is not required by, or presented in accordance with, IFRS. We believe that this non-IFRS measure facilitates comparisons of operating performance from period to period and company to company and provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, our presentation of the adjusted net profit (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of this non-IFRS measure has limitations as an analytical tool, and you should not consider them in isolation from, or as substitute for analysis of, our results of operations or financial position as reported under IFRS.

We define "adjusted net profit" (non-IFRS measure) as loss for the year, adjusted to exclude the impact of the following items on profit or loss: (i) fair value losses on financial liabilities at FVTPL, (ii) share-based payment expenses, (iii) listing expenses, (iv) loss on equity investments, and (v) gain or loss on change in the fair value of equity investments measured at fair value. The additional adjustment items (iv) and (v), compared to the disclosure in the Prospectus, is due to the significant increase in the fair value fluctuations of such equity investments in the year ended December 31, 2025, which is non-operating in nature and had a material impact on reflecting the Group's core operating performance. During the offering stage, such changes were relatively minor and had limited reference value for investors in assessing the Group's profitability and operation; hence, they were not included in the adjustment scope at that time. The adjusted net profit for each year is as follows:

	For the year ended December 31,			
	2025	**2024**	**2023**	**2022**
	RMB'000	**RMB'000**	**RMB'000**	**RMB'000**
Loss for the year	**(127,569)**	(26,138)	(20,328)	(20,037)
Adjusted for:				
Fair value losses on financial liabilities at FVTPL	**119,202**	42,968	55,545	29,455
Share-based payment expenses	**27,442**	18,280	481	396
Listing expenses	**17,499**	19,109	10,797	–
Loss on disposal of equity investments	**4,774**	–	–	–
Loss/(gain) on change in fair value of equity investments measured at fair value	**(658)**	(1,802)	(412)	3,002
Adjusted net profit (non-IFRS measure)	**40,690**	52,417	46,083	12,816

Liquidity and Capital Resources

The following table sets forth our cash flows during the years indicated:

	For the year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Net cash from operating activities	**8,102**	56,424
Net cash (used in) investing activities	**(201,782)**	(17,384)
Net cash from/(used in) financing activities	**176,473**	(38,814)
Net increase/(decrease) in cash and cash equivalents	**(17,207)**	226
Cash and cash equivalents at the beginning of the year	**56,306**	55,511
Effect of foreign exchange rate changes, net	**(406)**	569
Cash and cash equivalents at the end of the year	**38,693**	56,306

During the Reporting Period, the net cash from operating activities of the Company was approximately RMB8.1 million, primarily due to loss before income tax of approximately RMB117.2 million, most of which were non-cash items, including (i) fair value losses on financial liabilities at FVTPL of approximately RMB119.2 million. This change primarily resulted from adjustments to the carrying amount of contingent redeemable preferred shares, and such adjustments were driven by changes in the redemption price of such preferred shares; (ii) equity-settled share-based payment expenses of approximately RMB27.4 million.

The net cash used in investing activities was RMB201.8 million, primarily due to the placement of time deposits of RMB208.2 million, partially offset by proceeds from the disposal of financial investments at FVTPL of RMB7.2 million.

Net cash from financing activities was approximately RMB176.5 million, primarily including proceeds from the Global Offering of approximately RMB221.8 million and net proceeds from borrowings of approximately RMB10.0 million, partially offset by listing expenses paid during the listing process of approximately RMB22.7 million and expenses paid for the repayment of bank borrowings of approximately RMB30.0 million.

Our primary sources of liquidity have been cash-generated from operating activities, capital injections from Shareholders, and bank borrowings.

As of December 31, 2025, the Group's cash and cash equivalents amounted to approximately RMB38.7 million (December 31, 2024: approximately RMB56.3 million), representing a decrease of approximately 31.3%, which were primarily held in US dollars, Hong Kong dollars, and Renminbi.

Based on the above, the Directors have assessed the Group's liquidity position and adequacy of working capital as follows:

After careful consideration of the Group's existing financial resources, operating cash flow, existing bank borrowings and the net proceeds from the Global Offering, the Directors are of the opinion that the Group has sufficient working capital to meet its working capital requirements and capital commitments for at least the next twelve months from the end of the Reporting Period. In assessing the Group's liquidity position and adequacy of working capital, the Directors have considered various factors, including: (i) the Group's expected ongoing cash flows from operating activities; (ii) the Group's cash and cash equivalents and time deposit balances held as at December 31, 2025; (iii) the availability of the net proceeds from the Global Offering; and (iv) the Group's existing bank borrowings. As at December 31, 2025, the Group did not have any material capital expenditure commitments, nor any other major investment plans other than those disclosed in the section on events after the relevant period in note 35 to the financial statements. Therefore, the Group's current funding requirements are primarily for supporting daily operations, the disclosed business development plans and general working capital purposes. At the end of the Reporting Period, the Group's bank borrowings were relatively small in scale, and there were no material borrowings maturing imminently that would require refinancing. The Group currently does not have any specific equity or debt financing plans. The Group primarily conducts its business operations in Renminbi, and holds some cash and cash equivalents denominated in US dollars and Hong Kong dollars. As the Group has no material foreign currency-denominated borrowings, the Directors consider that the impact of exchange rate fluctuations on the Group's overall financial position is limited. The Group will continue to monitor foreign exchange risks and take appropriate risk management measures when necessary.

Foreign Exchange Risk and Hedging

The Group's business is primarily transacted in Renminbi, while it also holds certain cash and cash equivalents denominated in US dollars and Hong Kong dollars, thus facing foreign exchange risk arising from exchange rate fluctuations. Foreign exchange risk primarily arises from changes in the carrying amounts of bank deposits and other financial assets and liabilities denominated in foreign currencies. The Group currently does not use any derivative financial instruments for hedging purposes, but it continuously monitors foreign exchange market fluctuations and will consider taking appropriate risk management measures to reduce the relevant risk exposure when necessary. The Group believes that its foreign exchange risk is generally controllable and will not have a material adverse effect on the Group's financial condition and operating results.

Accounts Receivable

The Group's accounts receivable represents amounts due from customers in the ordinary course of business. As of December 31, 2025, the Group's accounts receivable amounted to approximately RMB42.5 million, representing an increase of approximately RMB8.8 million as compared to December 31, 2024, primarily due to (i) higher advertising income in December due to promotional events such as double 12 shopping festival; (ii) an extended payment cycle from a small number of customers, resulting in higher accounts receivable as of December 31, 2025.

Accounts Payable

The Group's accounts payable represent amounts due to suppliers in the ordinary course of business. As of December 31, 2025, the Group's accounts payable amounted to approximately RMB5.9 million, representing a decrease of approximately RMB2.0 million as compared to December 31, 2024, primarily due to the decrease in cross-network advertising fees for the year and the settlement of related outstanding accounts payable as the Company had paid the cross-network advertising fees that were accrued in the previous year.

Bank Loan as of December 31, 2025

Borrower	**Loan amount** RMB'000	**Interest rate per annum**	**Maturity date**	**Security or guarantee status**
Beijing Yuanguang Zhixing Information Technology Co., Ltd.	10,000	2.15%	June 27, 2026	Yes

As of December 31, 2025, the Group had one bank loan, namely a bank loan of RMB10.0 million at a fixed annual interest rate of 2.15% for a term of one year, which is due for repayment in June 2026 and is guaranteed by Wuhan Yuanguang.

Gearing Ratio

The Group monitors capital using a gearing ratio, calculated as net debt divided by total capital (the sum of capital and net debt). Net debt is comprised of accounts payable, financial liabilities included in other payables and accruals, interest-bearing bank and other borrowings and lease liabilities, less cash and cash equivalents and time deposits. As at December 31, 2024 and December 31, 2025, the Group's cash and cash equivalents and time deposits exceeded its total financial obligations. Accordingly, a gearing ratio was not applicable and has not been disclosed.

Net Current Assets/(Liabilities)

As of December 31, 2025, the Group recorded net current assets of RMB321.2 million, as compared to net current liabilities of RMB379.7 million as of December 31, 2024. As of December 31, 2025, the current ratio, calculated as current assets divided by current liabilities, was 8.5 (December 31, 2024: 0.3). As of December 31, 2024, net current liabilities mainly included contingent redeemable preferred shares. The redeemable preferred shares issued by the Group were converted from liabilities to equity due to their automatic conversion into ordinary shares, and therefore net liabilities were converted into net assets upon listing.

Capital Structure

The Company's capital comprises ordinary shares and reserves. The Group finances its working capital, capital expenditures and other liquidity requirements through a combination of its cash and cash equivalents, cash flows generated from operations, bank facilities, and net proceeds from the Global Offering.

Contingent Liabilities

As of December 31, 2025, the Group did not have any material contingent liabilities.

Material Acquisitions and Disposals

From the Listing Date to December 31, 2025, the Group did not have any material acquisitions or disposals of subsidiaries, associates or joint ventures.

Material Investments and Future Plans for Capital Assets

The Company held certain material structured deposit products as at December 31, 2025. These structured deposits are primarily used by the Group for cash management purposes to enhance returns on idle funds while ensuring fund safety and liquidity. Details of the these material structured deposit products are set out below:

Trustee	Type of entrusted wealth management	Amount of entrusted wealth management	Start date of entrusted wealth management	End date of entrusted wealth management	Fund allocation	Annualized rate of return	Actual gain or (loss)	Fair value as of December 31, 2025	As a % of total assets as of December 31, 2025
		RMB					RMB	RMB	
Shanghai Innovation Bank	Structured deposits	20,000,000	2025-10-28	2026-1-28	Bank	1.95%	70,400	20,070,400	5.02%
China Zheshang Bank	Structured deposits	5,000,000	2025-10-24	2026-1-23	Bank	1.90%	18,200	5,018,200	1.26%
China Zheshang Bank	Structured deposits	5,000,000	2025-10-24	2026-1-23	Bank	1.90%	18,200	5,018,200	1.26%
China Zheshang Bank	Structured deposits	10,000,000	2025-12-30	2026-3-31	Bank	1.75%	1,000	10,001,000	2.50%

Shanghai Innovation Bank is primarily engaged in banking businesses such as taking deposits, granting loans, settlement and foreign exchange transactions. China Zheshang Bank is primarily engaged in banking businesses and related financial services. As of December 31, 2025, the fair value of one structured deposits held by Beijing Yuanguang Zhixing Information Technology Co., Ltd. with Shanghai Innovation Bank and three structured deposits held with China Zheshang Bank amounted to approximately RMB20.07 million and RMB20.04 million, respectively, accounting for approximately 5.02% and 5.02% of the Group's total asset. The percentage ratio of the three structured deposits held with China Zheshang Bank was lower than 5% at the time of subscription, hence no announcement has been made. As of December 31, 2025, the gain on fair value change of structured deposits held by Beijing Yuanguang Zhixing Information Technology Co., Ltd. was RMB107,800. From the perspective of investment arrangements and strategy, the Group's overall investment strategy is centered on prudence, which emphasis fund safety and liquidity while balances return. It primarily invests in low-risk, principal-protected products, including bank deposits, structured deposits and other highly liquid financial instruments, to ensure capital preservation and appreciation while meeting short-term and medium-term cash needs, which is consistent with the Company's overall financial management objectives and Shareholders' interests. On this basis, and provided that working capital requirements, fund safety and liquidity are assured, the Group will from time to time allocate a portion of its idle funds to structured deposits with lower risk and shorter tenors to enhance fund utilisation efficiency and overall returns. The Group's investment strategy is centred on the core objectives of fund safety, liquidity management and moderate return enhancement. When making investment decisions, it comprehensively considers working capital requirements and liquidity arrangements, the risk level and principal protection of investment products, expected returns and the market interest rate environment, as well as the creditworthiness of the issuing bank and the tenor matching of the products, in order to strike a balance between fund safety, liquidity and returns. These investments are primarily exposed to credit risk and market interest rate risk. The Group manages these risks by selecting products from commercial banks with sound credit standing, focusing on short-term investments and continuously monitoring the market environment. It believes that the risks of these investments are generally controllable and will not have a material adverse effect on the Group's liquidity and financial condition. Relevant investment decisions are approved by the chief executive officer and the head of finance (without requiring approval of Board), and are executed and monitored by the head of finance, who has relevant financial management experience. The Group believes that allocating funds to structured deposits in the above manner constitutes a reasonable and effective use of internal idle funds, helps to improve overall capital utilisation efficiency and return levels, and is consistent with the Group's core financial objectives of maintaining capital security and ensuring liquidity. The funds for these investments are not sourced from the proceeds of the Company's initial public offering.

Save as disclosed in the section headed "Future Plans and Use of Proceeds" in the Prospectus and above, we did not have other plans for material investments or capital assets as of December 31, 2025.

Capital Commitment

As at December 31, 2025, the Group had no capital commitment contracted for but not recognized as liabilities.

Capital Expenditure

During the Reporting Period, we had no capital expenditures.

Pledge of Assets

As of December 31, 2025, the Group pledged certain patent rights to secure the bank borrowings for general business operation purposes. Although these patents had a net book value of RMB nil, they retain economic value and legal enforceability, making them acceptable as collateral to the lender.

HUMAN RESOURCES

We recognize the immense value of our employees and consider them vital to our ongoing success. We have consistently strived to attract and retain top talent by offering training programs, competitive compensation packages, and opportunities for career advancement. As of December 31, 2025, we had a total of 139 employees and all of them are based in China. For the year ended December 31, 2025, the total staff costs, including the directors' emoluments, amounted to RMB94.6 million.

The Group's emolument policies are formulated based on the performance and experience of employees and in line with the local salary trends. We offer employees competitive salaries, performance-based bonuses and share options. Bonus payments are generally discretionary and based in part on employee performance and on the overall performance of our business. The fair value of share options granted to employees is recognized as an employee cost with a corresponding increase in share-based payment reserve. The fair value is measured at grant date using the Binomial option pricing model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options, the total estimated fair value of the options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognized in prior years is charged/credited to the profit or loss for the year under review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the share-based payment reserve. On vesting date, the amount recognized as an expense is adjusted to reflect the actual number of options that vest (with a corresponding adjustment to the share-based payment reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Shares. The equity amount is recognized in the share-based payment reserve until either the option is exercised (when it is included in the amount recognized in share capital and share premium for the shares issued) or the option expires (when it is released directly to retained profits).

As required by laws and regulations in China, the Company participates in multiple employee social security plans that are organized by municipal and provincial governments, including pensions, maternity insurance, unemployment insurance, work-related injury insurance, health insurance, and housing fund plans. Moreover, to support the health and well-being of our employees, we provide various benefits and perks to our employees, such as medical check-ups, team-building events, technology allowances, as well as gifts for holidays, birthdays and other special occasions.

In terms of employee training, the Group has integrated a comprehensive approach tailored to developmental needs. This includes an ongoing commitment to new employee onboarding training, deepening the cultivation of core workplace competencies, reinforcing our internal training team's capabilities, and vigorously supporting pivotal talent development programs. Additionally, the Group organize professional and vocational training sessions to broaden its employees' skill sets and enhance their overall competency. For details, please refer to the "Environmental, Social and Governance Report" section of this report.

FINANCIAL RISKS

Exposure to credit and liquidity risks arises in the normal course of the Group's business. The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

Credit risk

The Group's credit risk primarily arises from accounts receivable, especially balances due from certain major customers. Delay in payment by or default of customers could adversely affect the Group's cash flow and financial performance. The Group performs individual credit assessments on all customers who request credit terms. These assessments include the customer's past payment record, financial position and the economic environment in which they operate. For customers with higher credit risk, the Group sets appropriate credit limits or requests additional safeguards. The Group also continuously monitors balances and overdue of accounts receivable, and regularly reviews the related credit risks to reduce the risk of potential bad debt.

Liquidity risk

Liquidity risk primarily refers to the risk that the Group may fail to meet its maturing financial obligations on time. Fluctuations in operating cash flow or tightening of external financing conditions could affect the Group's daily operations and development plans. The Group manages liquidity risk by continuously monitoring cash flow positions and maintaining sufficient cash and cash equivalents to meet working capital requirements and mitigate the impact of cash flow fluctuations. When necessary, the Group will also use appropriate financing arrangements to ensure sufficient liquidity.

INDUSTRY RISKS

The development of the industry in which the Group operates is subject to the combined influence of multiple factors, including the macroeconomic environment, the competitive landscape, technological evolution and regulatory policies. Although the mobile internet industry in the PRC maintains a steady development trend as a whole, structural changes within the industry may still bring certain uncertainties to the operating environment of the Group.

Macroeconomic environment and the advertising market

The Group's revenue is primarily derived from mobile advertising services, and the overall performance of the advertising industry is closely related to the macroeconomic environment. During the year, China's macroeconomy continued its recovery trend. However, the pace and strength of the recovery varied across different industries and regions. Some advertisers became more prudent in their allocation of marketing budgets, paying increased attention to the measurability of advertising effectiveness. According to QuestMobile, the scale of China's internet advertising market reached RMB793.08 billion in 2025, representing a year-on-year increase of 4.6%[4]. While the market maintained growth, the growth rate slowed down. Concurrently with the continuous expansion of the advertising market, advertisers' demands for advertising efficiency have been increasing, leading to intensified industry competition. These factors may have a certain impact on the growth rate of the Group's advertising revenue.

Evolution of the market competition landscape

The competitive landscape of China's mobile advertising service market continues to evolve. According to CIC, the top five players in 2024 collectively accounted for approximately 80% of the revenue share in the mobile advertising market. As leading platforms in areas such as short video, e-commerce and social media continue to strengthen the closed-loop capabilities of their advertising ecosystems, advertiser's budget allocation shows a trend of further concentration towards leading media. According to QuestMobile, the top 15 media platforms accounted for 95.6% of total advertising spending from January to September 2025[5]. As a vertical media platform in the field of public transportation travel, the Group possesses differentiated advantages in reaching users within specific scenarios. However, amidst the industry trend of advertising budgets concentrating on leading platforms, vertical media face increasing competitive pressure in terms of advertising pricing and inventory monetization.

4 Source: QuestMobile's China Internet Development Yearbook (2025–2026) (released in January 2026).
5 Source: QuestMobile's 2025 China Mobile Internet Annual Grand Report (released in March 2026).

Balance between advertising display and user experience

The Group's advertising revenue depends, to a certain extent, on the volume of advertisements displayed on the "Chelaile" APP. At the same time, the Group consistently prioritizes maintaining a good user experience, requiring a careful balance between the frequency of advertisement displays and the user's experience. Increasing the advertisement load helps to expand the monetizable advertising inventory, but may also impact the usage experience of some users. Conversely, prudent control over ad frequency, while beneficial for user retention, may to some extent constrain the growth potential of advertising revenue. How to continuously optimize this balance is a long-term operational challenge facing by the Group.

Programmatic advertising ecosystem

The Group's advertising revenue is primarily generated through cooperation with programmatic advertising platforms. The programmatic advertising industry is in a state of continuous development and adjustment. Major advertising trading platforms may from time to time optimize their bidding mechanisms, traffic allocation rules or cooperation terms. Such changes may have a certain impact on the pace and level of the Group's advertising revenue. Furthermore, as advertisers' demands regarding advertising effectiveness continue to increase, the pricing mechanisms and effectiveness measurement standards for programmatic advertising are also continuously evolving. The Group will constantly enhance the competitiveness of its own advertising products to adapt to these changes.

Changes in Internet User Structure and Competition for Attention

The growth in the number of mobile internet users in China has become steady. According to QuestMobile, in December 2025, the number of monthly active users in China's mobile internet reached 1.276 billion, representing a year-on-year growth rate of approximately 2%. The industry's competitive focus has shifted from user scale expansion to in-depth operation of existing users and competition for user attention. During the year, the rapid development of AI-native applications emerged as a significant variable in the industry. As of December 2025, the overall user scale of mobile AI applications reached 722 million. The average usage time per user on AI-native applications increased by 22.3% compared to the beginning of the year, while the average usage time per user on utility applications declined over the same period.[6] Against the backdrop of continued divergence in user attention, competition among various applications for user time is intensifying, which may have a certain impact on the user activity of the Group's platforms and the value of its advertising inventory. The Group will continue to monitor changes in user demand and proactively explore effective ways to enhance user experience and platform value.

Data and regulatory environment

The Group's business relies on obtaining real-time bus data from transport operators. The continuous improvement of China's legal and regulatory framework in sectors such as data security and personal information protection, including the implementation and refinement of the Data Security Law, the Personal Information Protection Law, and related supporting regulations, may have certain impacts on the Group's data acquisition methods and compliance costs. Meanwhile, the regulatory environment in the internet advertising sector is also evolving continuously, and amendments to relevant regulations may impose higher requirements on advertising content review and placement processes. The Group will continue to monitor regulatory developments to ensure its business operations comply with applicable laws and regulations.

[6] Source: QuestMobile's China Mobile Internet Annual Report 2025 (released in January 2026).

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

DIRECTORS

The Board currently comprises seven Directors, including four executive Directors and three independent non-executive Directors. The following table sets out information in respect of the Directors of our Company.

Name	Age	Position	Date of appointment as a Director
Dr. Sun Xi	43	Executive Director, chairman of the Board and chief executive officer	October 20, 2015
Ms. Qian Jinlei	44	Executive Director and chief operating officer	April 10, 2020
Mr. Xu Cheng	48	Executive Director and chief development officer	November 9, 2023
Mr. Xiao Pingyuan	38	Executive Director, Product Director and Co-founder	December 31, 2025
Dr. Xiong Yingfei	43	Independent non-executive Director	December 31, 2025
Ms. Su Yu	47	Independent non-executive Director	May 30, 2024 (effective from the Listing Date)
Mr. Huang Xiaoling	49	Independent non-executive Director	April 3, 2025 (effective from the Listing Date)

EXECUTIVE DIRECTORS

Dr. Sun Xi (孫熙), aged 43, is our executive Director, the chairman of the Board and the chief executive officer. Dr. Sun joined our Group in June 2014. He was appointed as a Director on October 20, 2015, and re-designated as our executive Director on May 30, 2024. Dr. Sun is primarily responsible for the overall strategic planning and business direction and the day-to-day management of our Group.

Prior to the establishment of Wuhan Yuanguang, Dr. Sun served as the director of research and development at Tenfen (Beijing) Information Technology Co., Ltd. (十分(北京)信息科技有限公司) from September 2012 to June 2014. From April 2009 to August 2012, Dr. Sun worked at IBM China Research Laboratory as a researcher focusing on intelligent transportation.

Dr. Sun received a bachelor's degree from the Department of Computer Science and Technology of Peking University in the PRC in July 2003 and a Ph.D. degree from the school of electronics engineering and computer science of Peking University in the PRC in January 2009.

Dr. Sun is a senior engineer in computer science and technology certified by the Human Resources and Social Security Department of Hubei Province (湖北省人力資源和社會保障廳) in August 2022 and has been awarded the Innovative Talents under 3551 Optics Valley Talent Plan (3551光谷人才計劃) of 2021 by the Administrative Committee of Wuhan East Lake New-tech Development Zone (武漢東湖新技術開發區管理委員會).

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

Ms. Qian Jinlei (錢金蕾), aged 44, is our executive Director and chief operating officer. Ms. Qian joined our Group as chief operating officer in September 2015. She was appointed as a Director on April 10, 2020, and re-designated as our executive Director on May 30, 2024. Ms. Qian is primarily responsible for overseeing the Chelaile business and the Group's day-to-day operations.

Prior to joining our Group, Ms. Qian worked at Beijing Qunar Software Technology Co., Ltd. (北京趣拿軟件科技有限公司) as an architect from April 2014 to September 2014. From February 2011 to December 2013, Ms. Qian worked as a researcher in the department of Tencent Search platform at Tencent Technology (Beijing) Co., Ltd. (騰訊科技(北京)有限公司), a company ultimately controlled by Tencent Holdings Limited which is listed on the Stock Exchange (stock code: 00700.HK). From July 2006 to February 2011, Ms. Qian worked as an engineer in the department of search content technology at Baidu Online Network Technology (Beijing) Co., Ltd. (百度在線網絡技術(北京)有限公司), a company ultimately controlled by Baidu, Inc., which is listed on the Stock Exchange (stock code: 09888.HK) and the Nasdaq Global Select Market (symbol: BIDU).

Ms. Qian received a bachelor's degree in computer science and technology in July 2003 and a master's degree in computer software and theory in July 2006 from Peking University in the PRC, respectively.

Ms. Qian is a senior engineer in computer science and technology certified by the Human Resources and Social Security Department of Hubei Province (湖北省人力資源和社會保障廳) on August 27, 2022 and has been awarded the (long-term) innovative talent of the 13th batch of 3551 Optics Valley Talent Plan (3551光谷人才計劃) by the Administrative Committee of Wuhan East Lake New-tech Development Zone (武漢東湖新技術開發區管理委員會) in March 2021.

Mr. Xu Cheng (許誠), aged 48, is our executive Director and chief development officer. Mr. Xu joined our Group in September 2015 as the chief development officer. He was appointed as a Director on November 9, 2023 and re-designated as our executive Director on May 30, 2024. Mr. Xu is primarily responsible for overseas business development and business cooperation maintenance.

Prior to joining our Group, Mr. Xu worked as the director of sales for northern China at the value-added software division of Digital China (China) Limited (神州數碼(中國)有限公司), an wholly owned subsidiary of Digital China Group Co., Ltd., a company listed on the Shenzhen Stock Exchange (stock code: 000034.SZ) from April 2004 to October 2009. From November 2009 to September 2015, Mr. Xu worked as the deputy general manager at the software division II of Datang Software Technologies Co. Ltd. (大唐軟件技術股份有限公司).

Mr. Xu received a bachelor's degree in industry automation from University of Science and Technology Beijing (北京科技大學) in the PRC in July 2000.

Mr. Xiao Pingyuan (肖平原), aged 38, joined the Group in 2012 and was re-designated as an executive Director on December 31, 2025. Mr. Xiao is primarily responsible for product research and development and the Group's innovation initiatives.

Mr. Xiao has 15 years of experience in software research and development. Prior to joining the Group, Mr. Xiao served as a software engineer at Guanggu Chuangye Street in Wuhan (武漢光谷創業街).

Mr. Xiao obtained a Bachelor's Degree in Bioinformatics from Huazhong University of Science and Technology in 2010.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. Xiong Yingfei (熊英飛), aged 43, was appointed as an independent non-executive Director on December 31, 2025. Dr. Xiong is primarily responsible for supervising and providing independent opinion and judgement to the Board.

Dr. Xiong worked at the University of Waterloo in Canada from 2009 to 2011. Dr. Xiong has joined Peking University since 2012 and is currently serving as a tenured associate professor under the new tenure system and a deputy director of the Institute of Software. Dr. Xiong's research areas span programming languages and software engineering, with particular focus on areas such as program synthesis, program repair, program analysis and program verification. Dr. Xiong has served as a vice chairman of OOPSLA, an area chairman of ASE, an editor for IEEE TSE and other academic positions, while consistently holding program committee membership at international conferences such as PLDI, ICSE, FSE, OOPSLA, ASE and ISSTA. In addition, Dr. Xiong has received the Outstanding Reviewer Award at ICSE and FSE conferences on five occasions. He has led and undertaken multiple research projects, including the Excellent Young Scientist Fund, the Youth 973 Program and projects under the national key research and development program. Dr. Xiong was awarded the First Prize of the National Technological Invention Award (ranking the 6th), the First Prize of Chinese Institute of Electronics Natural Sciences Award (ranking the 1st), the CCF-IEEE CS Young Computer Scientist Award, and the Ten-Year Most Influential Paper Award from MODELS, and has received the Distinguished Paper Award from ACM SIGSOFT/IEEE TCSE on five occasions. He is currently an ACM distinguished member and the sole representative from China in IFIP WG 2.4.

Dr. Xiong obtained his Ph.D. from the University of Tokyo in Japan in 2009.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

Ms. Su Yu (蘇瑜), aged 47, was appointed as an independent non-executive Director on May 30, 2024. Ms. Su is primarily responsible for supervising and providing independent opinion and judgement to the Board.

Ms. Su has over 20 years of experience in accounting, investment and financing, financial management and risk management. She worked as an staff accountant, manager and senior manager, consecutively, at Ernst & Young Hua Ming LLP (安永華明會計師事務所(特殊普通合夥)) from September 2003 to September 2015. From October 2015 to March 2018, Ms. Su served as a partner at KPMG Hua Zhen LLP (畢馬威華振會計師事務所(特殊普通合夥)). From April 2018 to March 2020, Ms. Su served as the vice president of finance at CARS Group (車好多集團), mainly in charge of the financial and internal control affairs of the group. In September 2020, Ms. Su joined Zhonghe Group Inc. (眾合雲科集團) and has been serving as chief financial officer since September 2020 and a director of the board since March 2021, respectively, where she participated in the design and implementation of corporate strategy and responsible for investors relations, financial and legal affairs.

Ms. Su received a bachelor's degree in marketing and a master's degree in enterprise management from Guanghua School of Management of Peking University in the PRC in July 2001 and June 2003, respectively.

Ms. Su is a certified public accountant certified by the State of New Hampshire Board of Accountancy of the United States and is an non-practicing member of the Chinese Institute of Certified Public Accountants.

Mr. Huang Xiaoling (黃曉凌), aged 49, was appointed as an independent non-executive Director on April 3, 2025. Mr. Huang is primarily responsible for supervising and providing independent opinion and judgement to the Board.

Mr. Huang worked at Beijing Nantian Information Engineering Co., Ltd. (北京南天信息工程有限公司) from September 1998 to January 2003, responsible for the research and development of systems. From January 2004 to November 2007, Mr. Huang served as a team manager of the Shanghai Branch of Microsoft (China) Co., Ltd. (微軟中國有限公司), where he was mainly responsible for providing consulting services to the company's clients. From November 2007 to March 2012, Mr. Huang served as the vice president of HanTing (Tianjin) Investment Consulting Co., Ltd. (漢庭(天津)投資諮詢有限公司), a wholly owned subsidiary of Huazhu Group Limited (華住集團有限公司), a company listed on the Stock Exchange (stock code: 01179.HK), where he was mainly responsible for operation and management of the hotel group. In May 2013, Mr. Huang founded and served as the chief executive officer of Shanghai BeyondHost Information Technology Co., Ltd. (上海別樣紅信息技術有限公司), where he was responsible for the company's overall strategic planning and business development. Shanghai BeyondHost Information Technology Co., Ltd. (上海別樣紅信息技術有限公司) was subsequently acquired by and became a wholly-owned subsidiary of an affiliate of MEITUAN (美團) (a company listed on the Main Board of the Stock Exchange (stock code: 03690.HK) in 2016. After the acquisition and until January 2022, Mr. Huang worked at Hainan Liangxin Technology Co., Ltd. (海南兩心科技有限公司), an affiliate of MEITUAN (美團), with his last position as overall management, and he was mainly responsible for the overall strategic planning and business development of the BeyondHost business division. Mr. Huang currently serves as the chief executive officer and legal representative of Shanghai Jovial Information Technology Co., Ltd. (上海宙威爾信息技術有限公司), where he is responsible for the company's overall strategic planning and business development.

Mr. Huang received a bachelor's degree in mechanical engineering and automation from Shanghai Jiao Tong University (上海交通大學) in the PRC in July 1998.

SENIOR MANAGEMENT

Our senior management team is responsible for the day-to-day management of our business operations. Currently, Dr. Sun Xi, Ms. Qian Jinlei, and Mr. Xu Cheng hold senior management positions in the Group. For their respective biographies, please refer to the information disclosed above.

CORPORATE GOVERNANCE REPORT

The Board is pleased to present to the shareholders the corporate governance of the Company for the year ended December 31, 2025.

CORPORATE GOVERNANCE CULTURE

Our Company is committed to maintaining a high-level corporate governance, with the aim of promoting effective internal control measures. We emphasize the rigorous adherence to ethical practices, transparency, responsibility, and integrity across all aspects of our business operations. We ensure that all business operations comply with applicable laws and regulations, and we strive to enhance the transparency of the Board's work and strengthen our accountability to all shareholders.

The Board is also dedicated to ensuring that our corporate culture aligns with the Company's mission, values, and strategy. Corporate culture and corporate governance are mutually reinforcing. The values of integrity and honesty advocated by our corporate culture lay a solid foundation for establishing a robust compliance management system, ensuring that all decisions and operational activities strictly adhere to relevant laws, regulations, and the regulatory requirements of the securities market. The innovative and proactive cultural atmosphere inspires the Company's management to continuously review and optimize the corporate governance structure and processes, introducing advanced management concepts and methods to make corporate governance more efficient and scientific.

The Board will continue to strengthen corporate governance practices that are suitable for the conduct and development of its business. It will also periodically review these practices to ensure they comply with legal and professional standards and remain aligned with the latest developments, thereby safeguarding the Company's long-term and stable sustainable growth.

CORPORATE GOVERNANCE PRACTICES

Since the Company was listed on the Stock Exchange on June 10, 2025, the Corporate Governance Code set out in Appendix C1 to the Listing Rules was not applicable to the Company prior to the Listing Date.

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of Shareholders. After Listing, the Company has adopted the Corporate Governance Code as its own code of corporate governance. The Company has been in compliance with all applicable code provisions under the Corporate Governance Code for the period from the Listing Date to the Latest Practicable Date save for the deviation from code provision C.2.1, C.5.1 and D.1.2 of the Corporate Governance Code. The Company will continue to review and monitor its corporate governance practices to ensure compliance with the Corporate Governance Code.

Pursuant to code provision C.2.1 of the Corporate Governance Code, the responsibility between the chairman and chief executive officer should be segregated and should not be performed by the same individual. However, we do not have a separate chairman and chief executive officer and Dr. Sun currently performs these two roles. The Board believes that vesting the roles of both chairman and chief executive officer 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. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of chairman of the Board and the chief executive officer of the Company if and when it is appropriate taking into account the circumstances of the Group as a whole.

Under Code Provision C.5.1 of the Corporate Governance Code, Board meetings should be held regularly at least four times a year, with a majority of Directors attending in person or actively participating through other electronic means of communication. During the period from the Listing Date to December 31, 2025, the Board held two regular meetings to approve the interim results for the six months ended June 30, 2025, and the results for the nine months ended September 30, 2025. As the Company was only listed on the Stock Exchange on June 10, 2025, it was unable to hold at least four Board meetings during the Reporting Period.

Under code provision D.1.2 of the Corporate Governance Code, management should provide monthly updates to Board members, providing an equitable and clear assessment of the Company's performance, position and prospects. Such updates should contain sufficient details to enable all Board members and individual Directors to discharge their duties under Rule 3.08 and Chapter 13 of the Listing Rules. Although the management did not provide monthly updates to the Board, we provided timely updates to the executive Directors and the Chairman of the Board for their assessment and to facilitate their decision-making. The Board believes that with the executive Director overseeing the daily operation of the Group and the effective communication between the executive Director, the management and the non-executive Directors (including the independent non-executive Directors) on the Group's affairs, the current practice is sufficient enough for the members of the Board to discharge their duties. The Board will continue to review this practice and shall make necessary changes when appropriate and report to the shareholders of the Company accordingly.

BOARD OF DIRECTORS

The Company is headed by an effective Board which assumes responsibility for its leadership and control and be collectively responsible for promoting the Company's success by directing and supervising the Company's affairs. Directors take decisions objectively in the best interests of the Company.

The Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business and regularly reviews the contribution required from a Director to perform his/her responsibilities to the Company and whether the Director is spending sufficient time performing them that are commensurate with their role and the Board responsibilities. The Board includes a balanced composition of executive Directors and nonexecutive Directors (including independent non-executive Directors) so that there is a strong independent element on the Board, which can effectively exercise independent judgement.

The Company has feasible and effective mechanisms to ensure independent views and input are available to the Board. All Directors have timely access to all relevant information as well as the advice and services of the joint company secretaries and senior management of the Company, with a view to ensuring that Board procedures and all applicable laws and regulations are followed. Any Director may seek independent professional advice in appropriate circumstances at the Company's expenses, upon reasonable request made to the Board. During the period from the Company's Listing Date and up to the Latest Practicable Date, the Board has reviewed the board independence mechanisms and considered that the implementation of the mechanisms was effective.

The Directors have agreed to disclose to the Company in a timely manner for any changes of the number and nature of offices held in public companies or organizations and other significant commitments, as well as the identity of such public companies or organizations and an indication of the time involved, as required by the code provision under the Corporate Governance Code.

BOARD COMPOSITION

The Board oversees the business, strategic decisions, and performance of the Group, and makes decisions objectively in the best interests of the Company.

From the Listing Date and up to the Latest Practicable Date, the Board is comprised of the following Directors:

Executive Directors:
Dr. Sun Xi *(Chairperson of the Board and chief executive officer)*
Ms. Qian Jinlei
Mr. Xu Cheng
Ms. Lu Lu *(resigned on December 31, 2025)*
Mr. Xiao Pingyuan *(appointed on December 31, 2025)*

Independent Non-Executive Directors:
Dr. Xie Tao *(resigned on December 31, 2025)*
Dr. Xiong Yingfei *(appointed on December 31, 2025)*
Ms. Su Yu
Mr. Huang Xiaoling

The biographical details of the Directors are set out in the section headed "Biographies of Directors and Senior Management" of this report. An up-to-date list of the Directors and their roles and functions is maintained on the Company's website and the Stock Exchange's website.

Except for Mr. Xiao Pingyuan and Dr. Xiong Yingfei, all Directors obtained the legal advice referred to under Rule 3.09D of the Listing Rules in April 2024. Mr. Xiao Pingyuan and Dr. Xiong Yingfei obtained the legal advice referred to under Rule 3.09D of the Listing Rules on December 22, 2025. Each Director has confirmed that he/she understand his/her obligations as a director of a listed issuer under the Listing Rules.

To the best knowledge of the Company, except that Mr. Xu Cheng is the cousin of Dr. Sun, none of the Directors has any relationship (including financial, business, family or other material/relevant relationship(s)) with any other Directors or any chief executive.

RESPONSIBILITIES OF THE BOARD AND SENIOR MANAGEMENT

The Board is accountable to the shareholders and responsible for facilitating the development of the Company's business by directing and guiding the business developments and operations in a responsible and effective manner. Board members have a duty to act in good faith, with due diligence and care, and in the best interests of the Company and the shareholders as a whole.

The Board, directly and indirectly through its committees, provides leadership and guidance to management, monitors the Group's operational and financial performance and ensures the establishment of sound risk management and internal control systems by formulating strategies and overseeing their implementation.

All Directors (including independent non-executive Directors) have a wide range of valuable business experience, knowledge and expertise to enable the Board to perform its duties efficiently and effectively. All Directors have full and timely access to all information relating to the Company and may request, where appropriate, to seek independent professional advice in the discharge of their duties with the Company at the Company's expense.

The functions and responsibilities of the Board include, but are not limited to, determining the business strategies and investment plans of the Company, internal controls and risk management, convening general meetings and reporting on the Board's work at such meetings, implementing resolutions passed at such meetings, formulating the Group's annual financial budgets and final accounts, developing the Group's profit distribution plans, and exercising other powers, functions, and responsibilities granted by the Articles of Association. We have entered into service contracts with executive Directors and letters of appointment with independent non-executive Directors.

Our executive Directors and senior management are responsible for the daily management and operations of the Group's business. The delegated functions and responsibilities are periodically reviewed by the Board. Approval has to be obtained from the Board prior to any significant transactions entered into by the senior management.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Since the Listing Date and up to the Latest Practicable Date, the Board has complied with Rules 3.10(1) and 3.10(2) of the Listing Rules regarding the appointment of at least three independent non-executive Directors, with at least one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

Since the Listing Date and up to the Latest Practicable Date, our Company has complied with Rule 3.10A of the Listing Rules regarding the appointment of independent non-executive Directors constituting at least one-third of the Board. The Board has received annual written confirmations from each independent non-executive Director regarding his/her independence in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules. Additionally, no independent non-executive Director has served for more than nine years since their initial appointment date. Our Company believes that all independent non-executive Directors have consistently adhered to the relevant guidelines set out in the rule and are considered as independent.

BOARD INDEPENDENCE ASSESSMENT

The Company recognizes the importance of board independence, which enhances the effectiveness of the Board and the governance of the Group. In light of this, the Company adopts the following key mechanisms under its governance structure, the implementation and effectiveness of which is subject to annual review by the Board, to ensure that independent views and inputs are provided to the Board:

- the Board of the Company seeks independent professional advice where appropriate;

- the Company has complied with the requirements as to appointment of independent non-executive Directors under the Listing Rules since its Listing, and all or majority of the members of the Board committees comprise independent non-executive Directors only;

- the Company has adopted a board diversity policy to adopt formal practices for assessing the independence of the independent non-executive Directors annually with regards to all relevant factors, and to ensure that a wide range of criteria will be taken into account in considering suitable candidates to serve as a Director. Please refer to the paragraph headed "Board Diversity Policy" below for further details;

- the Board and the Nomination Committee will evaluate on an annual basis as to whether an independent nonexecutive Director is independent in accordance with the Corporate Governance Code and the relevant requirements under Rule 3.13 of the Listing Rules. Annual confirmations will also be obtained from each independent non-executive Director in this regard;

- in the event that any independent non-executive Director proposes to serve beyond nine years since the date of his or her first appointment, the Board and the Nomination Committee will carefully consider whether such reappointment will affect his or her independence.

Since the Listing Date and up to the end of the Reporting Period, the Board reviewed the implementation and effectiveness of these mechanisms and the results were satisfactory.

BOARD MEETINGS AND COMMITTEE MEETINGS

The Company adopts the practice of holding Board meetings regularly, at least four times a year and at approximately quarterly interval in accordance with code provision C.5.1 of the Corporate Governance Code. Notices of not less than fourteen days are given for all regular Board meetings to all Directors. The agenda and accompanying board papers are despatched to the Directors or Board committee members at least three days before such meetings to ensure that they have been given an opportunity to attend meetings and have sufficient time to review the papers and are adequately prepared for the meetings.

During the period from the Listing Date to December 31, 2025, the Board held two regular meetings to approve the interim results for the six months ended June 30, 2025, and the results for the nine months ended September 30, 2025. As the Company was only listed on the Stock Exchange on June 10, 2025, it was unable to hold at least four Board meetings during the Reporting Period.

The matters considered by the Board and Board committees during the meetings and the decisions reached are recorded in sufficient details in the minutes of the meetings kept by the internal joint company secretary. Such details include, but are not limited to, any concerns raised by the Directors. The draft minutes of each Board meeting and Board committees meeting are sent to the relevant Directors for comments within a reasonable time after the meeting is held. All minutes are properly maintained by the internal joint company secretary and are available for the inspection by the Directors or members of the Board committees.

During the period from the Listing Date to December 31, 2025, the Company held 2 Board meetings, 2 Audit Committee meetings, 1 Remuneration Committee meeting and 1 Nomination Committee meeting. During the period from the Listing Date to December 31, 2025, no general meeting was held by the Company. The attendance of the Directors at the general meetings, board meetings and committee meetings (either in person or through electronic means of communications) is set out in the table below:

The number of attendances of the Directors/number of meetings for the period from the Listing Date to December 31, 2025

Directors	General Meeting	Board Meeting	Audit Committee Meeting	Nomination Committee Meeting	Remuneration Committee Meeting
Executive Directors					
Dr. Sun Xi	–	2/2	–	1/1	–
Ms. Qian Jinlei	–	2/2	–	–	–
Mr. Xu Cheng	–	2/2	–	–	–
Ms. Lu Lu *(resigned on December 31, 2025)*	–	2/2	–	–	–
Mr. Xiao Pingyuan *(appointed on December 31, 2025)*	–	–	–	–	–
Independent Non-executive Directors					
Dr. Xie Tao *(resigned on December 31, 2025)*	–	2/2	2/2	–	0/1
Dr. Xiong Yingfei *(appointed on December 31, 2025)*	–	–	–	–	–
Ms. Su Yu	–	2/2	2/2	1/1	1/1
Mr. Huang Xiaoling	–	2/2	2/2	1/1	1/1

During the period of the Board meetings held from the Listing Date to December 31, 2025, the Board discussed and approved various matters, including but not limited to the review and approval of the appointment of executive Directors and independent non-executive Directors, changes in the Company's authorized representatives, changes in the composition of Board committees, discloseable transactions, and the unaudited interim results of the Group for the six months ended June 30, 2025, as well as their publication.

During the period from the Listing Date to December 31, 2025, the chairman also held one meeting with the independent non-executive Directors without the presence of other Directors.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

Each of the executive Directors, Dr. Sun Xi, Ms. Qian Jinlei and Mr. Xu Cheng, has entered into an appointment letter with the Company, with an initial term of three years commencing from the date of appointment approved by the Board. The executive Director, Mr. Xiao Pingyuan, has also entered into an appointment letter with the Company, with an initial term of one year commencing from the date of appointment approved by the Board. Their appointments are subject to the provisions of the Company's Memorandum and Articles of Association (as amended from time to time) and the Corporate Governance Code as set out in Appendix C1 to the Listing Rules. They are required to retire at the annual general meeting at which each of them first becomes eligible to retire by rotation and, if being nominated, offer himself/herself for re-election. Each independent non-executive Director has entered into an appointment letter with the Company, with an initial term of one year commencing from the date of appointment approved by the Board. Their appointments are subject to the provisions of the Company's Memorandum and Articles of Association (as amended from time to time) and the Corporate Governance Code as set out in Appendix C1 to the Listing Rules. They are required to retire at the annual general meeting at which each of them first becomes eligible to retire by rotation and, if being nominated, offer himself/herself for re-election.

At every annual general meeting of the Company, one-third of the Directors for the time being (or, if their number is not three or a multiple of three, then the number nearest to, but not less than, one-third) shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. A retiring Director shall retain office until the close of the meeting at which he/she retires and shall be eligible for re-election thereat. The Company at any annual general meeting at which any Directors retire may fill the vacated office by electing a like number of persons to be Directors.

The Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board under Articles of Association. Any Director so appointed shall hold office only until the first annual general meeting of the Company after his/her appointment and shall then be eligible for re-election at that meeting.

The procedures and process of appointment, re-election and removal of Directors are set out in the Articles of Association. The Nomination Committee is responsible for reviewing the Board's composition, and for making recommendations to the Board on the appointment, re-election and succession planning of Directors.

TRAINING AND PROFESSIONAL DEVELOPMENT OF DIRECTORS

Pursuant to code provision C.1.4 of Part 2 of the Corporate Governance Code, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills, so as to ensure that their contribution to the Board remains informed and relevant.

Every newly appointed Director will receive formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of director's responsibilities and obligations under the Listing Rules and relevant statutory requirements. The Company arranges and provides fund for all the Directors to participate in continuous professional development organized in the form of in-house training, seminars or other appropriate courses to keep them refresh of their knowledge, skill and understanding of the Group and its business or to update their skills and knowledge on the latest development or changes in the relevant regulations, the Listing Rules and Corporate Governance Code and practices.

During the Reporting Period, the Company also arranged for Hong Kong legal advisor to provide training to all Directors (including independent non-executive Directors). The training session covered a wide range of relevant topics including Directors' duties and responsibilities, corporate governance and requirements under the Listing Rules. Circulars or guidelines are issued to Directors and senior management by the Company, where appropriate, to ensure the awareness of relevant regulations, rules and best practices.

During the Reporting Period, the training received by the Directors was as follows:

Directors	**Type of continuous professional development training attended**
Executive Directors	
Dr. Sun Xi	A and B
Ms. Qian Jinlei	A and B
Mr. Xu Cheng	A and B
Mr. Xiao Pingyuan (appointed on December 31, 2025)	A and B
Ms. Lu Lu (resigned on December 31, 2025)	A and B
Independent Non-executive Directors	
Dr. Xiong Yingfei (appointed on December 31, 2025)	A and B
Ms. Su Yu	A and B
Mr. Huang Xiaoling	A and B
Dr. Xie Tao (resigned on December 31, 2025)	A and B

Notes:

A: Attending training course(s), seminar(s), conference(s) arranged by the Company or external parties.

B: Perusing materials provided by the Company or external parties, such as materials relating to the Company's business updates,

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Details of remuneration of Directors and the five highest paid individuals of the Group during the year ended December 31, 2025 are set out in notes 8 and 9 to the financial statements in this report.

Pursuant to code provision E.1.5 of Part 2 of the Corporate Governance Code, details of the remuneration of the Company's members of senior management, including those members of senior management who are also executive Directors, by band for the year ended December 31, 2025 are set out below:

Remuneration bands	**Number of individuals**
HK$1,000,000 to HK$2,000,000	3
Above HK$5,000,000	1

Note: Such information does not include equity-based compensation benefits.

CORPORATE GOVERNANCE FUNCTION

The Board is responsible for performing the functions set out in the code provision A.2.1 of the Corporate Governance Code. The Board recognizes that corporate governance should be the collective responsibility of the Directors which includes: (i) developing and reviewing the Company's policies and practices on corporate governance and making recommendations to the Board; (ii) reviewing and monitoring the training and continuous professional development of Directors and senior management; (iii) reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements; (iv) developing, reviewing and monitoring the code of conduct and compliance manual applicable to employees and Directors; and (v) reviewing the Company's compliance with the Corporate Governance Code and disclosure in the Corporate Governance Report.

During the Reporting Period, the Company has complied with the relevant provisions set out in the Corporate Governance Code. The Board has performed the above-mentioned corporate governance functions and this corporate governance report has been reviewed by the Board in discharge of its corporate governance functions.

BOARD COMMITTEES

The Board has established and delegated authorities and responsibilities to three Board committees with written terms of reference to assist it in performing its functions effectively, namely the Audit Committee, the Remuneration Committee and the Nomination Committee. All Board committees are established with specific terms of reference which deal clearly with their authorities and duties, and are published on the Company's website and the Stock Exchange's website for shareholders to review.

AUDIT COMMITTEE

We have established the Audit Committee (effective from the Listing Date) with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal controls system of our Group, review and approve connected transactions and to advise the Board. The written terms of reference of the Audit Committee are available on the websites of the Stock Exchange and the Company.

The Audit Committee comprises 3 Company's Independent Non-Executive Directors, namely, Ms. Su Yu, Mr. Huang Xiaoling and Dr. Xiong Yingfei. Ms. Su Yu has been appointed as the chairperson of the Audit Committee and is the independent non-executive Director who possesses the appropriate professional accounting and related financial management expertise.

During the period from the Listing Date to December 31, 2025, the Audit Committee held 2 meetings to review the unaudited interim results of the Group for the six months ended June 30, 2025 and the unaudited results of the Group for the nine months ended September 30, 2025.

The Audit Committee has reviewed the audited financial results of the Group for the year ended December 31, 2025 and confirmed that it has complied with all applicable accounting principles, standards and requirements and that adequate disclosures have been made. The Audit Committee has also reviewed and examined important matters relating to the financial reporting, the effectiveness of the risk management and internal control systems and the internal audit function, as well as the arrangements for employees to report possible misconducts.

REMUNERATION COMMITTEE

We have established the Remuneration Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the Corporate Governance Code. The primary duties of the Remuneration Committee are to review and make recommendations to the Board regarding the terms of remuneration packages, bonuses and other compensation payable to our Directors and senior management. The Remuneration Committee comprises 3 Company's Independent Non-Executive Directors, namely, Mr. Huang Xiaoling, Ms. Su Yu and Dr. Xiong Yingfei. Mr. Huang Xiaoling, our independent non-executive Director, has been appointed as the chairperson of the Remuneration Committee.

The primary duties of the Remuneration Committee include, without limitation, the following: (i) making recommendations to the Board on our Company's policy and structure for all Directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy; (ii) determining the delegated responsibility, the remuneration packages of individual executive Directors and senior management, or alternatively, making recommendations to the Board on such remuneration packages; (iii) ensuring that the performance-related elements of remuneration form a significant proportion of the total remuneration package of executive Directors and are designed to align their interests with those of Shareholders and to give our Directors incentives to perform at the highest levels; (iv) reviewing and/or approving matters relating to share schemes as set out in Chapter 17 of the Listing Rules; and (v) considering and carrying out other matters as determined or specified by the Board from time to time, or as otherwise required under the Listing Rules from time to time. The written terms of reference of the Remuneration Committee are available on the websites of the Stock Exchange and the Company.

The Remuneration Committee has adopted the model set out in code provision E.1.2(c) (ii) of the Corporate Governance Code to make recommendations to the Board on the remuneration packages of all individual executive Directors and senior management.

During the period from the Listing Date to December 31, 2025, the Remuneration Committee held 1 meeting, reviewed the remuneration packages of the Directors and senior management of the Company, and evaluated the Company's remuneration policy.

During the period from the Listing Date to December 31, 2025, the Remuneration Committee held 1 meeting.

NOMINATION COMMITTEE

We have established the Nomination Committee with written terms of reference in compliance with Rule 3.27A of the Listing Rules and the Corporate Governance Code. The primary duties of the Nomination Committee are to make recommendations to the Board regarding the appointment of Directors and Board succession and to review the structure, size and composition of the Board at least annually, assist the Board in maintaining a board skills matrix and making recommendations on any proposed changes to our Board. The written terms of reference of the Nomination Committee are available on the websites of the Stock Exchange and the Company.

The Nomination Committee comprises 1 Executive Director and 2 Independent Non-Executive Directors, namely, Dr. Sun (Executive Directors), Ms. Su Yu (Independent Non-Executive Director) and Mr. Huang Xiaoling (Independent Non-Executive Director). Dr. Sun, our executive Director and chairman of the Board, has been appointed as the chairperson of the Nomination Committee.

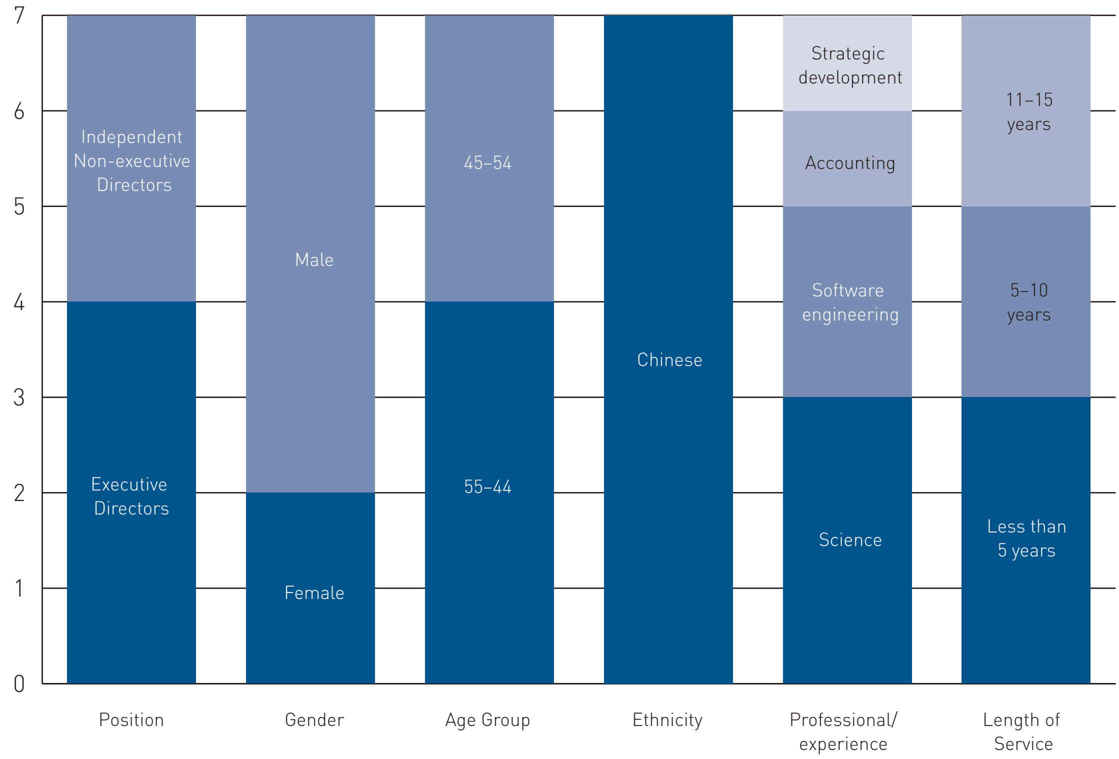
During the period from the Listing Date to December 31, 2025, the Nomination Committee held 1 meeting to assess and review the structure and composition of the Board, the confirmation and disclosure given by the Directors, the qualifications, skills and experience, time commitment and contribution of the Directors with reference to the nomination principles and criteria set out in the Company's board diversity policy.

BOARD DIVERSITY POLICY

Our Company have adopted a board diversity policy which sets out the approach to achieve diversity on our Board and to ensure an appropriate balance of competencies, experience and perspectives to enhance the effective functioning of our Board and to maintain a high standard of corporate governance. According to the board diversity policy, selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience and qualifications, skills, knowledge and length of service, and any other factors as our Board may consider relevant and applicable from time to time. The ultimate decision shall be based on merit and contribution that the selected candidates will bring to the Board. The Nomination Committee also reviews the board diversity policy from time to time to ensure its continued effectiveness.

Our Directors have a balanced mix of knowledge and skills, including overall management and strategic development, information science and technology, industrial automation, investment and financing, accounting and financial management. They obtained degrees in various majors, including in, mechanical engineering, automation, computer science and business management. We have three independent non-executive Directors with different industry backgrounds, representing more than three-sevenths of the Board. In addition, our Board has a wide range of age, ranging from 38 years old to 50 years old. In terms of gender diversity, our Board currently has two female member. The Board considers that the current composition of our Board satisfies our board diversity policy. The Board expects that the number of female members will remain at least at the current level. The Board will continue to seek opportunities to increase the proportion of female members in the future if suitable candidates become available.

The following chart shows the diversity profile of the Board as at December 31, 2025:



GENDER DIVERSITY

The Company will continue to take steps to promote gender diversity at all levels of the Company, including but not limited to the Board and the senior management levels. The Company will encourage the current Board members to recommend female candidate Directors and take other actions to help achieve greater Board diversity, for example inviting some of outstanding female staff at mid to senior level to attend and observe Board meetings. In addition to gender diversity within the Board, the Company is also committed to promoting gender and age diversity among its workforce generally. As of December 31, 2025, the proportion of diversity in the Company's workforce (including senior management) is as follows:

The table below sets out the composition of full-time employees by gender and age group as of December 31, 2025:

Gender	Number of individuals	Percentage
Male	65	47.76%
Female	74	53.24%
Total	139	100%

Age group	Number of individuals	Percentage
30 years old or below	45	32.37%
31 to 50 years old	93	66.91%
50 years old or above	1	0.72%
Total	139	100%

It is the Company's objective to continue to maintain and enhance the diversity of its workforce across various aspects including but not limited to gender and age. In order to achieve these objectives and meet the Company's business needs, we will continue to adopt a non-discriminatory employment policy to ensure that all candidates with the right skills and background qualities are given equal opportunities. This enables the Company to select employees from a diversified talent pool. Given the AI industry is a highly specialized industry, employees are often required to have professional skills and experience in order to meet business needs. To this end, we systematically hire and cultivate young and middle-aged talents with diversified backgrounds and gradually guide them to grow into technical leaders and innovative management talents. We also actively facilitate the communication between the Company's senior experts and young employees, so as to enable our workforce to form a good technical echelon and growth atmosphere in a diversified environment, and to ensure the sustainable development of our research and development tasks and business operations.

DIRECTORS' NOMINATION POLICY

The Nomination Committee and the Board may nominate candidates for election as Directors. In accordance with the nomination policy, in assessing the suitability and potential contribution of a proposed candidate to the Board, the Nomination Committee will consider certain selection criteria, including integrity, qualifications (such as cultural and educational backgrounds, professional qualifications and skills, industry experience, and diversity aspects under the diversity policy), as well as his/her willingness and ability to devote sufficient time to fulfill his/her duties as a member of the Board and/or the Board committees.

Upon receipt of the proposal on appointment of a new Director and biographical information (or relevant details) of the candidate, the Nomination Committee and/or the Board shall evaluate such candidate based on the aforementioned criteria and determine whether such candidate is qualified for directorship. The Nomination Committee shall then recommend to the Board to appoint the appropriate candidate for directorship with a ranking of the candidates by order of preference based on the needs of the Company and reference check of each candidate.

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING

The Directors acknowledge their responsibility of preparing the financial statements of the Company for the year ended December 31, 2025 to give a true and fair view of the affairs of the Company and the Group and of the Group's results and cash flows. For the purpose of preparing the consolidated financial statements for the Reporting Period, the Directors have selected appropriate accounting policies, adopted suitable accounting principles, exercised prudent and reasonable judgments and assessments, and ensured that the accounts have been prepared on a going concern basis. The Directors have confirmed that the financial statements of the Group have been prepared in accordance with applicable laws and the International Accounting Standards issued by the International Accounting Standards Board. The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. The statement by the auditor of the Company regarding its reporting responsibilities on the consolidated financial statements of the Company is set out in the section headed "Independent Auditor's Report" of this annual report.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for ensuring that the Company has established and maintained adequate and effective risk management and internal control systems on an annual basis so as to ensure that internal control and risk management systems in place are adequate. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

We have established, and maintained, risk management and internal control systems consisting of policies and procedures which we consider appropriate for our business operations to ensure the compliance of our business operations with the relevant rules and regulations. We are dedicated to continually improving these systems. To ensure the effectiveness of our internal control, our business department works closely with our operational departments (which are legal and compliance, finance and procurement department), and adopted and implemented comprehensive risk management policies in various aspects of our business operations, such as information security and data privacy, financial reporting, compliance, and human resources. Our Board is responsible for the establishment and updating our internal control systems, while our senior management monitors the daily implementation of the internal control procedures and measures with respect to each subsidiary and functional department. Management reports to the Board and the Audit Committee on identified risks and changes thereto. Management is also responsible for formulating appropriate internal control measures to mitigate risks, as well as identifying and addressing significant deficiencies of internal control.

The Group's risk management framework includes the following elements: (i) identify significant risks in the Group's operation environment and evaluate the impacts of those risks on the Group's business; (ii) develop necessary measures to manage those risks; (iii) monitor and review the effectiveness of such measures; and (iv) review the effectiveness of the Group's risk management and internal control systems in respect of the previous fiscal year annually.

In addition, we review the implementation of our risk management and internal control systems at least on an annual basis to ensure that management maintains and operates a robust system in accordance with agreed programs and standards. To monitor the status and effectiveness of our risk management procedures and policies, the reviews conducted by our internal audit department cover all material controls, including financial, operational and compliance controls and risk management functions. Our internal audit department also conducts regular reviews and reports to the Audit Committee and the Board to ensure the effectiveness and adequacy of our procedures and policies in place.

The management of the Group has confirmed to the Board and the Audit Committee the effectiveness of the risk management and internal control systems for the period from the Listing Date to the year ended December 31, 2025. With the support of the Audit Committee, the Board is of the view that the risk management and internal control systems of the Group for the period from the Listing Date to the year ended December 31, 2025 are effective and adequate.

INFORMATION SECURITY AND DATA PRIVACY

We attach the greatest importance to data security and protection. We have adopted our standard protective measures including confidentiality management, access control and personal information deidentification to prevent unauthorized access, leakage, improper use or modification of, damage to or loss of data and personal information. We obtain appropriate consents from our customers to access data from them and their end users. We prioritize transparency and maintain comprehensive records of consent obtained, ensuring compliance with privacy laws and regulations.

We have adopted both technical and organizational measures to protect data security and privacy. For technical measures, we deploy a data backup mechanism, which automatically distributes data to multiple data centers for backup. Different app key IDs distinguish and separate data from different clients and projects, ensuring that data within different business domains is stored in isolated environments. We have also adopted vulnerability management tools and network attack detection mechanisms. For organizational measures, we have published and implemented a comprehensive set of personal information protection policies and employed an account and permission management system to ensure data security. Specifically, we implement account authorization management for our staff, as well as a multi-factor authentication mechanism. We ensure that only authenticated users have access to their own accounts, and authorized staff only could access users' personal information when it is necessary for service provision or upon user request. These measures involve the implementation of multiple layers of protection to safeguard the integrity and confidentiality of data.

We have allocated substantial resources to establish a data compliance system to ensure full compliance with the PRC Personal Information Protection Law and other related regulations. Our data compliance team, algorithmic security committee and science and technology ethics review committee attend to our compliance policies in relation to data privacy and personal information protection. We have built up a comprehensive personal information management system and formulated a series of internal rules and policies to ensure data and personal information security throughout their life cycle.

COMPLIANCE AND INTELLECTUAL PROPERTY RISK MANAGEMENT

In order to effectively manage the compliance of our business operations with the relevant rules and regulations and legal risk exposures, we have adopted strict internal procedures to ensure the compliance of our business operations with the applicable rules and regulations, as well as the protection of our intellectual property rights. In accordance with these procedures, our in-house legal department performs the basic function of reviewing and updating the form of contracts we enter into with our customers, partners and suppliers. Our legal department examines the contract terms and reviews all relevant documents for our business operations, including licenses and permits obtained by the counterparties to perform their obligations our business contracts and all the necessary underlying due diligence materials, before we enter into any contract or business arrangements.

Our in-house legal department is also responsible for obtaining any requisite governmental pre-approvals or consents, within the prescribed regulatory timelines, ensuring that the Company's business operations comply with relevant laws and regulatory requirements, and securing the required business licenses, permits, or approvals. It also conducts regular reviews to monitor the status and validity of these business qualifications.

Our intellectual property department has designed and implemented rigorous internal procedures to safeguard the Company's intellectual property rights. Our intellectual property department reviews the relevant clauses prior to entering into any contracts or business arrangements to ensure the scope of authorized permissions for the intellectual property involved. The intellectual property department also applies for and maintains the intellectual property rights arising from the Company's technologies, products, services, etc., to ensure all necessary applications, renewals, or filings for trademark, copyright, and patent registrations are timely submitted to the relevant authorities.

FINANCIAL REPORTING RISK MANAGEMENT

We have a set of policies in connection with our financial reporting risk management, such as financial system management, assets protection management, budget management, and operation analysis management. We also have procedures in place to implement such policies, which our financial department follows when reviewing our management accounts. In addition, we provide regular training to our financial department staff to ensure that they understand our accounting policies and procedures.

HUMAN RESOURCES RISK MANAGEMENT

We have established internal controls and risk management policies covering various aspects of human resources management, such as recruitment, training, professional ethics, and legal compliance. We maintain high standards in recruitment, have established rigorous procedures to ensure the quality of newly hired personnel, and provide tailored training according to the specific needs of employees in different departments. This includes an ongoing commitment to new employee onboarding, deepening the cultivation of core workplace competencies, reinforcing our internal training team's capabilities, and vigorously supporting pivotal talent development programs. We have an employee code of conducts in place, which contains internal rules and guidelines regarding basic working rules, professional ethics, confidentiality, negligence, anti-bribery and anti-corruption. We provide our employees with regular training and resources to explain the guidelines contained in the employee code of conducts. We also conduct periodic performance reviews for employees, with their remuneration determined based on performance. We periodically monitor the implementation of internal risk management policies to identify, manage, and mitigate internal risks associated with potential violations of our Code of Conduct, professional ethics, internal policies, or illegal activities by employees at all levels of the Group.

ANTI-CORRUPTION RISK MANAGEMENT

We have established a comprehensive anti-corruption and anti-bribery policy and reporting system to promote and support compliance with applicable anti-corruption laws and regulations, while providing guidance on anti-corruption and antibribery standards, reporting channels, and responsibilities for implementing the policies. All our employees and third-party agents are required to understand and comply with the anti-corruption policies, and we provide anti-corruption training to both employees and third-party agents from time to time. According to our current reporting policy, any act that may breach applicable laws or our anti-corruption policies shall be reported to the legal department immediately. All reports will be handled with confidentiality. The reported matters will be investigated and dealt with in a prompt, independent and fair manner.

INVESTMENT RISK MANAGEMENT

We invest in or acquire businesses that are complementary to our operations and in line with our overall growth strategy. Our investment committee is primarily accountable for sourcing, screening, conducting due diligence, assessing risks, appraising values, implementing investments, and monitoring post-investment activities for our investment projects. When assessing each investment, we consider strategic value, synergies across business lines, risks, and returns. We have established procedures for evaluating and approving investment projects. The investment committee reviews and determines all new investments and material disposals.

PROCEDURES AND INTERNAL CONTROLS FOR THE HANDLING AND DISSEMINATION OF INSIDE INFORMATION

The Company has adopted the information disclosure management policy which sets out comprehensive guidelines in respect of handling and dissemination of inside information. The Board is responsible for monitoring and implementing the procedural requirements in this policy. This policy is applicable to persons including the Directors, senior management of the Company, the department in charge of information disclosure management of the Company and departments, branches and subsidiaries of the Company, and their responsible officers and contact persons designated thereby. This policy provides detailed guidelines on the appropriate timing, contents, formats, internal vetting processes and disseminating procedures of information under different circumstances, the review and disclosure procedures of releasing results announcements, ad hoc announcements and regular reports and duties of confidentiality for all persons involved in information disclosure.

COMPLIANCE WITH MODEL CODE OF LISTING RULES

The Company has adopted the Model Code set out in Appendix C3 to the Listing Rules as the code of conduct regarding securities transactions of the Directors. Having made specific enquiry with all Directors, each Director has confirmed his/her compliance with the Model Code from the Listing Date to December 31, 2025.

COMPANY SECRETARY

Ms. Sham Ying Man (岑影文) is the company secretary of our Company. Ms. Sham Ying Man is a manager of Company Secretarial Services of Tricor Services Limited, a member of Vistra Group and a global professional services provider specializing in integrated business, corporate and investor services. The primary contact persons at the Company are Ms. Wu Jiachu, the person in charge of finance, and Ms. Meng Siwu, the person in charge of investor relations of the Company.

The company secretary attended sufficient professional training as required under the Listing Rules for the year ended December 31, 2025 to update her skills and knowledge.

CHANGE IN INFORMATION IN RESPECT OF DIRECTORS

Save as disclosed in this annual report, since the publication of the Company's 2025 interim report up to the Latest Practicable Date, there has been no change to the information of the Directors which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

AUDITOR'S REMUNERATION

An analysis of the remuneration payable to the external auditor of the Company, Ernst & Young, in respect of audit services and non-audit services for the year ended December 31, 2025 is set out below:

Service Category	**Charges payable** RMB'000
Audit services	1,850
Non-audit services	–
Total	1,850

RELATIONSHIP WITH SHAREHOLDERS

Communication with Shareholders

The Board believes that effective communication with shareholders is crucial for enhancing investor relations and enabling investors to understand the Group's business, performance, and strategies. The Company also acknowledges the importance of timely and non-selective disclosure of information to enable shareholders and investors to make informed investment decisions. The Company has adopted a shareholders' communication policy to ensure that shareholders and investors can obtain comprehensive, consistent, balanced, and easily understandable information of the Company in due time, enabling shareholders to exercise their rights in an informed manner and facilitating active engagement between shareholders, investors, and the Company.

The Group's information is disseminated to shareholders and investors in a timely manner through various channels, including interim reports and annual reports, annual general meetings and other possible shareholders' meetings, as well as the publication on the Company's website of all disclosure materials submitted to the Stock Exchange, corporate communications, and other corporate publications.

General Meetings

The Company's annual general meetings and other general meetings serve as the primary communication platform between the Company and its shareholders. Shareholders are welcome to attend the general meetings in person, or if they are unable to attend, they may appoint a proxy on their behalf to attend and vote at such meetings.

Notices of general meetings, related circulars, and proxy forms are made available on the websites of The Stock Exchange of Hong Kong Limited and the Company within the required period prior to the general meetings and dispatched to shareholders.

Members of the Board, particularly the chairpersons of the Board Committees or their authorized representatives, appropriate senior management members of the Company, and external auditor will attend the general meetings to address shareholders' enquiries.

The procedures for the Company's general meetings will be regularly monitored and reviewed. Changes will be made when needed to best meet shareholders' needs.

Convening of Extraordinary General Meetings and Making Proposals at General Meetings

Pursuant to the Articles of Association, a general meeting may be convened upon the written request of one or more shareholders to include resolutions in the meeting agenda. Such request shall be delivered to the Company's principal office in Hong Kong (or the registered office if the Company no longer maintains such principal office), specifying the principal matters to be discussed at the meeting and the resolutions to be proposed, and signed by the requisitionists, provided that the requisitionists shall collectively hold not less than one-tenth of the paid-up capital of the Company carrying voting rights at general meetings as at the date of delivery of the request. If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 days, the requisitionists themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board, provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitionists as a result of the failure of the Board shall be reimbursed to them by the Company.

Shareholders who wish to put forward proposals at general meetings may refer to the preceding paragraph to make a written requisition to require the convening of an extraordinary general meeting of the Company.

Putting Forward Enquiries to the Board

For putting forward any enquiries to the Board of the Company, Shareholders may send written enquiries to the Company. The Company will not normally deal with verbal or anonymous enquiries.

The Company's Website

The Company has set up a website, www.metalight.ai, as a platform for communication with shareholders and investors. The information on the Company's website will be regularly updated. The information released by the Company on the Stock Exchange's website will also be promptly posted on our website for corporate communications. The information includes financial statements, results announcements, circulars, notices of general meetings, and related explanatory documents.

Shareholders' Enquiries

Shareholders and investors may submit written enquiries or concerns to the Board of the Company, the contact details of which are set out as follows:

Address: 1/F, Liangdian Creative Park, No. 94, Dongsishitiao Street, Dongcheng District, Beijing, PRC
Email: ir@metalight.com.cn

Shareholders may submit enquiries regarding their shareholdings to the Company's Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited. The Company ensures that the Hong Kong Share Registrar maintains up-to-date records of shares to facilitate effective responses to shareholders' enquiries.

POLICIES RELATING TO SHAREHOLDERS

Communication with Shareholders and Investors

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company is endeavours to maintain an on-going dialogue with Shareholders and in particular, through annual general meetings and other general meetings. At the annual general meeting, Directors (or their delegates as appropriate) are available to meet Shareholders and answer their enquiries.

To safeguard Shareholder interests and rights, separate resolution should be proposed for each substantially separate issue at general meetings, including the election of individual Director. All resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and of the Stock Exchange after each general meeting.

Shareholders' Communication Policy

The Company has established the Shareholders' communication policy with the objective of ensuring that the Shareholders and the investor community at large are provided with ready, equal and timely access to balanced and understandable information about the Company, in order to enable Shareholders to exercise their rights in an informed manner, and to enhance the communication among Shareholders, the investment community and the Company.

The Company has established various channels for official information communication and maintaining ongoing dialogue with all shareholders (including registered shareholders and beneficial owners) as well as the public, as detailed below:

(i) **Corporate Communication**

Refers to any document issued or to be issued by the Company for the reference or action of holders of its securities, including but not limited to:

(a) Directors' report, Environmental, Social and Governance (ESG) report, annual report together with the annual results announcement;
(b) Interim report and interim results announcement;
(c) Notices to convene general meetings, meeting materials and proxy forms;
(d) Listing documents;
(e) Circulars;
(f) Other announcements (such as those relating to inside information, transactions and corporate actions, etc.).

(ii) **Actionable Corporate Communication**

Refers to any corporate communication that involves instructing holders of the Company's securities on how they intend to exercise their rights as holders of securities or make an election.

(iii) **Core Communication Platform**

All corporate communications of the Company will be timely published on the "HKEXnews" website (www.hkexnews.hk) designated by Hong Kong Exchanges and Clearing Limited, which serves as the primary and statutory publication channel.

Copies of the corporate communications are also simultaneously made available under the "Investor Relations" section of the Company's official website for reference.

(iv) **Paperless Communication Policy**

In response to environmental concerns and to enhance efficiency, the Company adopts, in principle, the use of electronic means to publish corporate communications through its website.

The Company adopts an implied consent mechanism for the publication of corporate communications through its website.

A one-time notice will be sent to all shareholders explaining the arrangement for the publication of corporate communications through the website, including the relevant website address, the location and method for accessing documents, etc.

Under this mechanism, when the Company uploads new corporate communications to its website, there is no need to notify shareholders separately for each upload, except where otherwise stipulated for actionable corporate communications.

Shareholders and investors may voluntarily register to use the relevant services provided on the Stock Exchange's market website to receive real-time notifications by email or SMS when the Company publishes new announcements.

(v) **Language and Format of Communications**

The Company's corporate communications are prepared in both English and Chinese (or in a single language where permitted under applicable laws and regulations) and are provided to shareholders within the time frame required under the Listing Rules.

Shareholder's choice: Shareholders have the right to choose to receive corporate communications in printed form or electronic form, and may also choose to receive either the Chinese or English version.

Obtaining printed copies: If a shareholder elects to receive printed copies or wishes to obtain a printed copy/electronic copy of a specific corporate communication, a request may be made and the Company will provide such copy free of charge.

(vi) **Special Communication Requirements: Actionable Corporate Communications**

Under the Listing Rules, the Company must send every actionable corporate communication (such as a circular involving an election) individually to each holder of securities.

For registered shareholders who have provided a valid email address to the Company or the share registrar, the Company will send the electronic version of such communications by email.

For registered shareholders who have not provided a valid email address, the Company will send a printed copy by mail to the address registered in the register of members.

(vii) **Shareholder Inquiries and Requests**

Submitting Requests or Making Changes

If shareholders wish to:

submit a request to receive all future corporate communications in printed form;

change the method (e.g., from printed form to electronic means) or language preference for receiving corporate communications; or

request a printed copy or electronic copy of a specific corporate communication (e.g., when experiencing technical difficulties in accessing the electronic version), they may submit a written request through the contact information provided on the Company's website, or by written correspondence/email directly to the share registrar. Such change requests generally require at least 7 calendar days' advance notice.

Shareholder Enquiries

Shareholders may submit enquiries on general corporate matters through the contact details published on the Company's website.

If shareholders have any questions regarding their shareholding records, dividend payments, share transfers or related matters, they should contact the Company or the share registrar (Computershare Hong Kong Investor Services Limited) directly.

(viii) Communication at General Meetings

Primary Communication Platform

The Company's annual general meetings and extraordinary general meetings serve as the primary platforms for direct and two-way communication with shareholders. The Company encourages shareholders to actively participate in these meetings.

Provision of Meeting Materials

The Company will provide shareholders with meeting notices and meeting documents containing detailed information on all resolutions in sufficient time prior to the general meetings in accordance with the Listing Rules, ensuring that shareholders can make informed decisions.

Meeting Attendance

The Company encourages shareholders to attend general meetings in person or by proxy and to vote.

The Board is committed to ensuring that, where conditions permit, the chairman of the Board, the chairpersons of each principal committee, and senior management attend general meetings to address shareholder questions.

The Company will periodically review the format and procedures of general meetings to enhance shareholder participation and meeting efficiency.

(ix) Shareholder Privacy

The Company places great importance on and is committed to protecting the personal data of its shareholders. All shareholder information collected under this policy (such as correspondence address, email address, language preference, etc.) will be processed strictly in accordance with relevant laws and regulations and the Company's related privacy policy. It will only be used for the purposes of corporate communications and shareholder services and will not be disclosed without the consent of shareholders.

The Board of the Company has reviewed the shareholders' communication policy on a regular basis to ensure its effectiveness. For the year ended December 31, 2025, the Company reviewed the implementation and effectiveness of its shareholders' communication policy by examining its shareholder engagement and communication activities in 2025 and concluded that it was effective.

DIVIDEND POLICY

Subject to the Cayman Companies Act and the Articles of Association, the Company may declare dividends in any currency in general meeting, but no dividends shall exceed the amount recommended by the Directors. Under the Cayman Islands law, the Company may pay a dividend out of profits and reserves of the Company available for distribution including share premium, provided that in no circumstances may a dividend be paid if this would result in the Company being unable to pay its debts as they fall due in the ordinary course of business. In addition, the Board may from time to time pay to the members such dividends as appear to the Board to be justified by the profits of the Company.

Any dividends declared by the Company will be determined at the sole discretion of the Board after considering various factors, including the Company's actual and expected operating results, cash flows and financial condition, overall business conditions and strategies, anticipated working capital requirements and future expansion plans, legal, regulatory, and other contractual restrictions and such other factors as the Board deems appropriate. Shareholders may approve any dividend declared at a general meeting, provided that the amount approved shall not exceed the amount recommended by the Board.

AMENDMENT OF ARTICLES OF ASSOCIATION

For the period from the Listing Date to December 31, 2025, the Company's Articles of Association have not been amended. The latest version of the Articles of Association is also available on the websites of the Company and the Stock Exchange.

DIRECTORS' REPORT

The Board of the Company is pleased to present this report together with the audited consolidated financial statements of the Group for the year ended December 31, 2025.

PRINCIPAL ACTIVITIES

The Company is a company primarily engaged in intelligent transportation and data technology services in the PRC. It mainly provides real-time public transportation information to users through its "Chelaile" APP that applies big data analytics and machine learning technology, and engages in mobile advertising services through such platforms. The Company also provides public transportation analysis platforms and other customized data technology solutions based on the software-as-a-service model to transportation authorities and enterprises, helping them to improve transportation operation efficiency and management capabilities.

BUSINESS REVIEW AND RESULTS

A review of the Group's business for the year ended December 31, 2025, which includes a discussion of the principal risks and uncertainties faced by the Group, an analysis of the Group's performance using financial key performance indicators, particulars of important events affecting the Group since the end of the financial year ended December 31, 2025, and an indication of likely future developments in the Group's business can be found in the sections headed "Chairman's Statement" on pages 5 to 10, "Management Discussion and Analysis" on pages 11 to 20 and "Subsequent Events" on page 81 in this report.

The results of the Group for the year ended December 31, 2025 are set out in the consolidated financial statements of this report.

FINANCIAL SUMMARY

A summary of the Group's condensed consolidated results and financial position for the last four financial years is set out on page 4 of this report. This summary does not form part of the audited consolidated financial statements.

PRINCIPAL SUBSIDIARIES

The names, places and dates of incorporation, details of the registered and paid-in capital, ownership interest percentages and principal business activities of the Company's principal subsidiaries are set out in note 1 to the financial statements.

COMPLIANCE WITH LEGAL PROCEDURES AND LAWS AND REGULATIONS

The Company is a company incorporated in the Cayman Islands with its shares listed on The Stock Exchange of Hong Kong Limited, and the Group primarily conducts its business and operations in Mainland China. Therefore, it is subject to the laws, regulations and regulatory requirements applicable in the Cayman Islands, Mainland China and Hong Kong. During the Reporting Period, the Company has complied with the applicable laws and regulations that have a significant impact on its business and operations, including the Companies Law of the Cayman Islands and related incorporation requirements, the laws and regulations of Mainland China relating to its principal business and operations, as well as the Listing Rules applicable to companies listed in Hong Kong and other relevant regulatory requirements. These laws and regulations have a continuing impact on the Group's daily operations. The Group has established corresponding internal control and compliance management systems to ensure continuous compliance with relevant regulatory requirements. To the best of the knowledge of the Board, these laws and regulations did not have a material adverse effect on the Group's overall business operations during the Reporting Period. The Company also had no material non-compliance with applicable laws and regulations during the Reporting Period, and there were no material pending or threatened litigations or claims.

ENVIRONMENTAL POLICIES AND PERFORMANCE

For details of the Group's environmental policies and performance, please refer to the section headed "Environmental, Social and Governance Report" in this annual report.

MAJOR CUSTOMERS AND SUPPLIERS

During the year ended December 31, 2025, the Group's five largest customers in aggregate accounted for approximately 59.3% of the Group's total revenue. The Group's largest customer accounted for 21.1% of the Group's total revenue.

During the year ended December 31, 2025, the Group's five largest suppliers in aggregate accounted for approximately 26.3% of the Group's total purchases amount. The Group's largest supplier accounted for approximately 8.8% of the Group's total purchases amount.

During the year ended December 31, 2025, to the best of the knowledge of the Directors, none of the Directors, their close associates or any Shareholder (which, to the best knowledge of the Directors, owns more than 5% of the issued shares (excluding treasury shares) of the Company) had any interest in any of the Group's five largest customers and suppliers.

MAJOR RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

During the year ended December 31, 2025, the Group has maintained good relationships with its stakeholders including employees, customers and suppliers. The Group will continue to ensure effective communication and good relations with all key stakeholders. Further information on the Group's relationships with its employees, customers and suppliers, as well as related management measures, is set out in the section headed "Environmental, Social and Governance Report" of this report.

PROPERTY, PLANT AND EQUIPMENT

Details of the changes in property and plant of the Group during the year ended December 31, 2025 are set out in note 13 to the financial statements.

SHARE CAPITAL

Details of the changes in the Company's issued shares during the year ended December 31, 2025 are set out in note 27 to the financial statements.

DISTRIBUTABLE RESERVES

As of December 31, 2025, the Company's distributable reserves were RMB306.2 million. Details of the changes in the Company's reserves for the year ended December 31, 2025 are set out in note 36 to the financial statements.

BANK LOANS AND OTHER BORROWINGS

As of December 31, 2025, the Group's bank loans were RMB10 million. The bank loan was guaranteed by Wuhan Yuanguang with a fixed interest rate of 2.15% per annum and repayable within 2026, details of which are set out in note 24 to the financial statements.

EQUITY-LINKED AGREEMENTS

Save as disclosed in the section headed "Share Incentive Schemes" below, no equity-linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares were entered into by the Company during the Reporting Period or subsisted at the end of the Reporting Period.

MATERIAL CONTRACTS

Save as disclosed in this report, there were (i) no material contracts entered into by and/or subsisted between the Company or any of its subsidiaries with members of the Single Largest Shareholders Group or any of their subsidiaries; and (ii) no material contracts in relation to the provision of services by members of the Single Largest Shareholders Group or any of their subsidiaries to the Group since the Listing Date and up to December 31, 2025.

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Group was entered into or in existence during the Reporting Period and up to the date of this report.

TAX RELIEF AND EXEMPTION

The Company is not aware of any tax relief and exemption available to the Shareholders by reason of their holding of the Company's securities. Shareholders should seek expert advice if they are unsure of the tax implications of purchasing, holding, selling, dealing in the Shares, or exercising any of the rights attached to them.

ISSUED BONDS

During the Reporting Period and up to the date of this report, the Group had not issued any bonds.

ISSUED SHARES

Details of the Shares issued by the Company during the Reporting Period are set out in note 27 to the financial statements.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

On June 10, 2025, the Shares were listed on the Main Board of the Stock Exchange. The net proceeds from the Global Offering amounted to approximately HK$159.7 million (after deduction of the underwriting commissions, fees and expenses). The Company intends to utilize such net proceeds in accordance with the purposes set out in the Prospectus. The following table sets out the utilization of the net proceeds from the Global Offering by the Company and the planned timeline as of December 31, 2025:

	Approximate percentage of total net proceeds from the Global Offering	Net proceeds from the Global Offering	Net proceeds from the Global Offering utilized during the period from the Listing Date up to December 31, 2025	Remaining net proceeds from the Global Offering as of December 31, 2025	Expected timeline of full utilization of the remaining net proceeds from the Global Offering
	%	*HK$ in millions*	*HK$ in millions*	*HK$ in millions*	
Enhance technological capabilities					
– To recruit a team of approximately 10 specialists in the areas such as time series model training, inference optimization, and big data processing	10	16.0	0.4	15.6	by 2027
– To lease GPU-based computational resources from leading domestic cloud service providers	10	16.0	0.0	16.0	by 2028
– To license high-quality data and expand our data storage capacity	5	8.0	0.0	8.0	by 2028
– To recruit a team of approximately 20 technical experts specialized in AI technologies, focusing on model fine-tuning, prompt engineering, and agent systems	10	15.9	0.2	15.7	by 2027
– To acquire third-party AI technologies	10	16.0	0.0	16.0	by 2028

	Approximate percentage of total net proceeds from the Global Offering	Net proceeds from the Global Offering	Net proceeds from the Global Offering utilized during the period from the Listing Date up to December 31, 2025	Remaining net proceeds from the Global Offering as of December 31, 2025	Expected timeline of full utilization of the remaining net proceeds from the Global Offering
	%	*HK$ in millions*	*HK$ in millions*	*HK$ in millions*	
Sales and marketing efforts					
– To conduct a variety of online and offline marketing campaigns designed to amplify our market influence and brand awareness	20	31.9	0.0	31.9	by 2028
– To expand our sales and marketing team	10	16.0	0.0	16.0	by 2027
To recruit a team of approximately 15 personnel	15	24.0	0.0	24.0	by 2027
To be used for working capital and general corporate purposes	10	16.0	1.9	14.1	by 2028
Total	100.0	159.7	2.5	157.2	

Note: Since the Listing Date and up to December 31, 2025, the Group has utilized approximately HK$2.5 million of the net proceeds from the Global Offering and will utilize the net proceeds from the Global Offering gradually in accordance with the intended uses set forth in the Prospectus. To the extent that net proceeds are not immediately applied to the above intended use, the Company will deposit those net proceeds into short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions in Hong Kong and the PRC (as defined under the SFO and the applicable laws and regulations in the PRC), as stated in the Prospectus.

DIRECTORS

Since the Listing Date and up to the date of this report, the Directors of the Company are set out below:

Executive Directors

Dr. Sun Xi *(Chairperson and chief executive officer)*
Ms. Qian Jinlei
Mr. Xu Cheng
Mr. Xiao Pingyuan *(appointed on December 31, 2025)*
Ms. Lu Lu *(resigned on December 31, 2025)*

Independent Non-executive Directors

Dr. Xiong Yingfei *(appointed on December 31, 2025)*
Ms. Su Yu
Mr. Huang Xiaoling
Dr. Xie Tao *(resigned on December 31, 2025)*

The biographical details of the Directors of the Group are set out in the section headed "Biographies of Directors and Senior Management" of this report.

CHANGE IN INFORMATION IN RESPECT OF DIRECTORS

Save as disclosed above, since the Listing Date and up to the date of this report, there were no changes to the Directors' information which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

DIRECTORS' SERVICE CONTRACTS

The Company has not entered into any service contract with any Director proposed for re-election at the forthcoming annual general meeting which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

REMUNERATION POLICY

The Company has established the Remuneration Committee to make recommendations to the Board on the specific remuneration package of each Director and members of the senior management. The Group's Remuneration policies are formulated based on the performance and experience of employees and in line with the salary trends in Mainland China and Hong Kong. Other employee benefits include annual bonuses, insurance and medical coverage and share options. We determine the compensation of our Directors based on each Director's responsibilities, qualification, position and seniority.

PENSION PLANS

Employees of the Group's subsidiaries in the PRC are required to contribute a certain percentage of their salaries to retirement benefit schemes to fund such benefits. The Group's only obligation under these retirement benefit schemes is to make specified contributions. Under the rules of these schemes, forfeited contributions may be used by the Group to reduce the existing level of contributions. During the Reporting Period, the Group did not use any forfeited contributions to reduce the existing level of contributions, and there were no related balances available for use at the end of the Reporting Period.

REMUNERATION OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

The details of the remuneration of the Directors and the five highest paid individuals of the Group are set out in notes 8 and 9 to the financial statements in this report.

None of the Directors had waived or agreed to waive any remuneration, and no remuneration was paid by our Group to the Directors or other individuals as an inducement to join or upon joining the Group or as a compensation for loss of office.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

Since the Listing Date and up to December 31, 2025, none of the Directors or their respective close associates (as defined in the Listing Rules) had any interest in a business which competes or is likely to compete, directly or indirectly, with the business of the Group, which require disclosure under Rule 8.10 of the Listing Rules.

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in this report, none of the Directors or any entity connected with them had, whether directly or indirectly, any interest of significance to the Company's business in any contract, transaction or arrangement to which the Company or any of its subsidiaries was a party during the Reporting Period.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

The Company had in place certain share incentive schemes prior to its Listing, aimed at granting shares of the Company to eligible participants (including Directors of the Company) as rewards and incentives for their contributions to the Group's development, and aligning their interests with those of the Shareholders of the Company. The share grant arrangements under these schemes enable participants (including Directors) to derive related benefits from holding shares of the Company. The Company has ceased making new grants under these schemes after its Listing, but share interests already granted under these schemes continue to be effective according to their existing terms. During this financial year, the share interests (if any) held by persons who served as Directors of the Company under these schemes or through nominees have been disclosed in the section headed "Share Incentive Schemes" of this report.

Save as disclosed above, during this financial year and up to the date of this report, there were no arrangements existing or having existed to which the Company, its parent, subsidiaries or fellow subsidiaries was a party, being arrangements whose purpose is to enable Directors of the Company to obtain benefits through the acquisition of shares in, or debentures of, the Company or any other body corporate.

PERMITTED INDEMNITY PROVISIONS

The Articles of Association provide that every Director, Auditor or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities incurred or sustained by him as a Director, Auditor or other officer of the Company in defending any proceedings, whether civil or criminal, in which judgment is given in his favour, or in which he is acquitted.

Subject to the Cayman Companies Act, if any Director or other person shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed any mortgage, charge, or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Director or person so becoming liable as aforesaid from any loss in respect of such liability.

These indemnity provisions shall come into effect from the Listing Date. The Company has purchased and maintained appropriate liability insurance for the Directors.

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

As of December 31, 2025, the interest or short position of our Directors or chief executives of our Company in the Shares, underlying shares and debentures of our Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest or short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code to be notified to our Company and the Stock Exchange were as follows:

Name of Director or chief executive	Capacity/Nature of interest	Number of Shares and underlying Shares [1]	Approximate percentage of shareholding[4]
Dr. Sun[2]	Interest in a controlled corporation	11,276,612	7.31%
	Interest from voting proxy	5,769,771	3.74%
	Interest jointly held with another person	15,582,943	10.10%
		32,629,326	21.15%
Ms. Qian Jinlei[2]	Interest in a controlled corporation	13,129,743	8.51%
Mr. Xiao Pingyuan[2]	Interest in a controlled corporation	6,691,454	4.34%
	Interest from voting proxy	5,769,771	3.74%
	Interest jointly held with another person	20,168,101	13.07%
		32,629,326	21.15%
Ms. Lu Lu[3]	Interest in a controlled corporation	4,745,000	3.08%

Notes:

(1) All interests stated are long positions.

(2) For details, please refer to the section headed "Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares of The Company". Mr. Xiao Pingyuan was appointed as a Director of the Company on December 31, 2025.

(3) Shares held by Summer Sea Investment Limited (a company wholly owned by Ms. Lu Lu). Ms. Lu Lu resigned on December 31, 2025.

(4) These percentages are calculated based on the total number of 154,276,537 Shares of the Company in issue as of December 31, 2025.

As of December 31, 2025, except as disclosed above, none of the Directors had any interests or short positions in any of the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO or as notified to the Company and the Stock Exchange pursuant to the Model Code.

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

As of December 31, 2025, to the best knowledge of the Directors, the following persons (other than the Directors or the chief executive of the Company) had interests or short positions in the Shares or underlying Shares which were required to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required to be recorded in the register that the Company is obliged to maintain under section 336 of the SFO:

Name of Shareholder	Capacity/Nature of interest	Number of Shares and underlying Shares[1]	Approximate percentage of shareholding[2]
Meta Hope Ltd[3]	Beneficial interest	11,276,612	7.31%
	Interest from voting proxy	5,769,771	3.74%
	Interest jointly held with another person	15,582,943	10.0%
		32,629,326	21.15%

Name of Shareholder	Capacity/Nature of interest	Number of Shares and underlying Shares[1]	Approximate percentage of shareholding[2]
Mr. Chen Xiao[4]	Interest in a controlled corporation	8,891,489	5.76%
	Interest from voting proxy	5,769,771	3.74%
	Interest jointly held with another person	17,968,066	11.65%
		32,629,326	21.15%
Bus Hope Ltd.[4]	Beneficial interest	8,891,489	5.76%
	Interest from voting proxy	5,769,771	3.74%
	Interest jointly held with another person	17,968,066	11.65%
		32,629,326	21.15%
Bus Cherish Ltd.[5]	Beneficial interest	6,691,454	4.34%
	Interest from voting proxy	5,769,771	3.74%
	Interest jointly held with another person	20,168,101	13.07%
		32,629,326	21.15%
WeBus Light Ltd.[6]	Beneficial interest	13,129,743	8.51%
Meta Starry Ltd.[6]	Interest in a controlled corporation	13,129,743	8.51%
Cheering Venture Global Limited[7]	Beneficial interest	23,439,957	15.19%
DiDi Global Inc.[7]	Interest in a controlled corporation	23,439,957	15.19%
Alibaba Investment Limited[8]	Beneficial interest	13,532,348	8.77%
Alibaba Group Holding Limited[8]	Interest in a controlled corporation	13,532,348	8.77%
HongHe Venture Fund I, L.P.[9]	Beneficial interest	13,019,491	8.44%
HongHe GP I Ltd.[9]	Interest in a controlled corporation	13,019,491	8.44%
Mr. Yang Zhenghong[9]	Interest in a controlled corporation	13,019,491	8.44%
China Broadband Capital Partners III, L.P.[10]	Beneficial interest	13,606,200	8.82%
CBC Partners III, L.P.[10]	Interest in a controlled corporation	13,606,200	8.82%
CBC Ultimate Partners III Ltd.[10]	Interest in a controlled corporation	13,606,200	8.82%
Info Expert Services Ltd.[10]	Interest in a controlled corporation	13,606,200	8.82%
Wisdom Ascend Ventures Ltd.[10]	Interest in a controlled corporation	13,606,200	8.82%
Mr. Tian Suning[10]	Interest in a controlled corporation	13,606,200	8.82%

Notes:

(1) All interests stated are long positions.

(2) These percentages are calculated based on the total number of 154,276,537 Shares of the Company in issue as of December 31, 2025.

(3) Meta Hope Ltd. is wholly owned by Dr. Sun. As such, Dr. Sun is deemed to be interested in the entire equity interests held by Meta Hope Ltd under the SFO.

Pursuant to the 2023 Voting Agreement, Dr. Sun (together with Meta Hope Ltd., a company wholly owned by him) has been authorized to exercise the voting rights attached to all the indirect equity interests in the Company held by Bus Dream Ltd. Accordingly, Dr. Sun is deemed to be interested in such equity interests under the SFO.

Dr. Sun, Mr. Chen Xiao, Mr. Xiao Pingyuan and their respective controlled entities, namely Meta Hope Ltd., Bus Hope Ltd. and Bus Cherish Ltd. (collectively, the "**Concert Parties**"), entered into the acting-in-concert agreement (the "**AIC Agreement**") on December 30, 2023. Pursuant to the AIC Agreement, the Concert Parties are obligated to vote unanimously at all shareholders' meetings of the Company. If they cannot agree on a relevant issue, Mr. Chen Xiao and Mr. Xiao Pingyuan, together with their controlled entities, shall act in accordance with the direction of Dr. Sun (including but not limited to acting through entities or trusts controlled by Dr. Sun). As such, each of the Concert Parties and their respective holding vehicles are deemed to be interested in the Shares each other is interested in under the SFO.

(4) Bus Hope Ltd. is wholly owned by Mr. Chen Xiao. As such, Mr. Chen Xiao is deemed to be interested in the entire equity interests held by Bus Hope Ltd under the SFO. In addition, pursuant to the AIC Agreement as stated in Note (3), he is also deemed to be interested in the Shares held by the other Concert Parties.

(5) Bus Cherish Ltd. is wholly owned by Mr. Xiao Pingyuan. As such, Mr. Xiao Pingyuan is deemed to be interested in the entire equity interests held by Bus Cherish Ltd under the SFO. In addition, pursuant to the AIC Agreement as stated in Note (3), he is also deemed to be interested in the Shares held by the other Concert Parties.

(6) WeBus Light Ltd. is owned as to approximately 61.61%, 30.77% and 7.62% by Qian Jinlei (through Meta Starry Ltd.), Xu Cheng (through Meta Cherish Ltd.) and Wei Yong (Meta Bus Ltd.), respectively. As such, Meta Starry Ltd. and Qian Jinlei are deemed to be interested in the entire interests held by WeBus Light Ltd under the SFO.

(7) Cheering Venture Global Limited is wholly owned by DiDi Global Inc. As such, DiDi Global Inc. is deemed to be interested in the Shares of the Company held by Cheering Venture Global Limited.

(8) Alibaba Investment Limited is wholly owned by Alibaba Group Holding Limited. As such, Alibaba Group Holding Limited is deemed to be interested in the Shares of the Company held by Alibaba Investment Limited.

(9) HongHe Venture Fund I, L.P. is a limited partnership incorporated in the Cayman Islands, with HongHe GP I Ltd. as its general partner, which is ultimately controlled by Mr. Yang Zhenghong. As such, HongHe Venture Fund I, L.P., HongHe GP I Ltd., and Mr. Yang Zhenghong are deemed to be interested in the Shares of the Company held by HongHe Venture Fund I, L.P.

(10) China Broadband Capital Partners III, L.P. is a limited liability partnership incorporated in the Cayman Islands. The general partner of China Broadband Capital Partners III, L.P. is CBC Partners III, L.P. The general partner of CBC Partners III, L.P. is CBC Ultimate Partners III Ltd. CBC Ultimate Partners III Ltd. is wholly owned by Info Expert Services Ltd. The sole shareholder of Info Expert Services Ltd. is Wisdom Ascend Ventures Ltd., which is wholly owned by Mr. Tian Suning. As such, CBC Partners III, L.P., CBC Ultimate Partners III Ltd., Info Expert Services Ltd., Wisdom Ascend Ventures Ltd. and Mr. Tian Suning are deemed to be interested in the Shares of the Company held by China Broadband Capital Partners III, L.P.

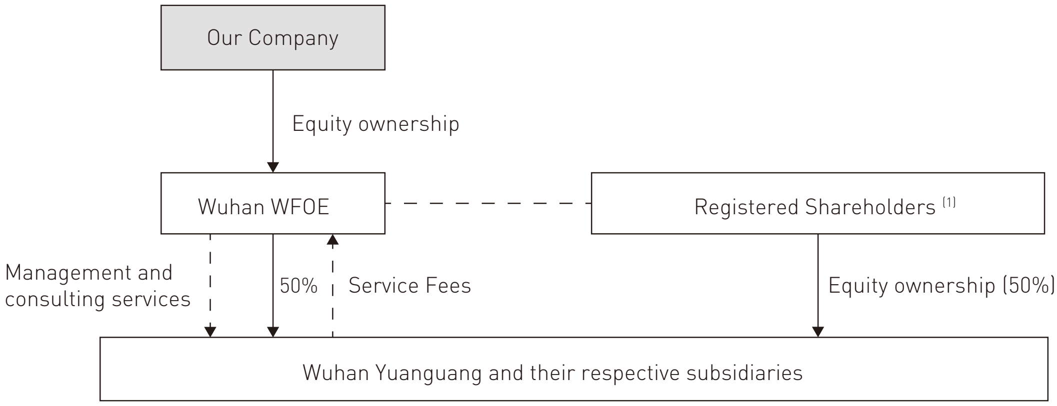
Save as disclosed above, as of December 31, 2025, the Directors were not aware of any persons (other than the Directors or chief executive of the Company) who had interests or short positions in the Shares or underlying Shares of the Company which were required to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO, or recorded in the register required to be kept by the Company under section 336 of the SFO.

CONTINUING CONNECTED TRANSACTIONS

Contractual Arrangements

Due to regulatory restrictions on foreign ownership in the relevant businesses in the PRC, we conduct part of our business through the Consolidated Affiliated Entity in the PRC. The Contractual Arrangements collectively enable us to (i) exercise effective control over the Consolidated Affiliated Entity; (ii) receive substantially all the economic benefits of the Consolidated Affiliated Entity; and (iii) have an exclusive option to purchase all or part of the equity interests in or all or part of the assets of or inject registered capital into the Consolidated Affiliated Entity when and to the extent permitted by PRC laws and regulations.

The following simplified diagram illustrates the flow of economic benefits from the Consolidated Affiliated Entity to the Group under the Contractual Arrangements:



"→" denotes beneficial ownership in the equity interest.

"- - - - - - - →" denotes contractual relationship.

"- - - - - - - - -" denotes the control by Wuhan WFOE over the registered shareholders of Wuhan Yuanguang and Wuhan Yuanguang through (i) power of attorney to exercise the shareholders' rights in Wuhan Yuanguang, (ii) exclusive options to acquire all or part of the equity interests and assets of Wuhan Yuanguang and (iii) equity pledges over the equity interests held by the registered shareholders in Wuhan Yuanguang.

Circumstance in which we will unwind the Contractual Arrangements

If the relevant business is no longer falling into the catalog of certain restrictions of foreign investment access required under the applicable laws, and we can legally operate our business under PRC laws, regulations and policies through Wuhan WFOE, Wuhan WFOE will exercise the call option under the exclusive option agreements to acquire the equity interest/assets of the Consolidated Affiliated Entity and unwind the Contractual Arrangements subject to any application or approval procedures and the approval by the relevant governmental authorities.

SUMMARY OF THE MATERIAL TERMS OF THE CONTRACTUAL ARRANGEMENTS

A description of each of the specific agreements that comprise the Contractual Arrangements entered into by Wuhan WFOE and Wuhan Yuanguang and/or its Registered Shareholders is set out below.

Exclusive Business Cooperation Agreement

Wuhan WFOE and Wuhan Yuanguang entered into the exclusive business cooperation agreement on February 10, 2025.

Pursuant to the exclusive business cooperation agreement, Wuhan WFOE has the exclusive right to provide Wuhan Yuanguang with services related to, among other things, comprehensive technical support, professional training, consulting services and rental of equipment and assets. Without prior written consent of Wuhan WFOE, Wuhan Yuanguang agrees not to directly or indirectly accept the same or any similar services provided by any third party and shall not establish similar cooperation relationship with any third party regarding the matters ascribed by the exclusive business cooperation agreements.

Wuhan Yuanguang agrees to pay Wuhan WFOE services fees.

Under the exclusive business cooperation agreement entered into between Wuhan WFOE and Wuhan Yuanguang, the service fees shall consist of 100% of the total revenue of Wuhan Yuanguang during the financial years, after the deduction of, any costs and expenses recognized by Wuhan WFOE. Additionally, Wuhan Yuanguang shall pay Wuhan WFOE a service fee, as otherwise agreed between the parties, for specific technical services provided by Wuhan WFOE from time to time at the request of Wuhan Yuanguang. Notwithstanding the foregoing, Wuhan WFOE may adjust the amount of the services fees for any reason in Wuhan WFOE's reasonable judgement, and Wuhan Yuanguang will accept any such adjustment. Wuhan WFOE has the exclusive ownership of intellectual property rights created as a result of the performance of the exclusive business cooperation agreements. The exclusive business cooperation agreements will remain effective unless terminated in accordance with the provisions of the exclusive business cooperation agreements or mandatory provisions of the laws of the PRC or terminated in writing by Wuhan WFOE. Unless otherwise required by applicable PRC laws, Wuhan Yuanguang shall not have any right to terminate the exclusive business cooperation agreements unilaterally in any event.

Exclusive Option Agreement

The exclusive option agreement was entered into among Wuhan WFOE, Mr. Xiao Pingyuan, Mr. Chen Xiao and Wuhan Yuanguang on February 10, 2025.

Pursuant to the exclusive option agreements among Wuhan WFOE, Wuhan Yuanguang and its shareholders, Wuhan WFOE is irrevocably granted an exclusive option to purchase, or have its designated person to purchase, at its discretion, to the extent permitted under PRC laws, all or part of the relevant registered shareholders' equity interests in Wuhan Yuanguang. The purchase price with respect to the equity interests in Wuhan Yuanguang shall be the amount of RMB1 or the lowest price under applicable PRC laws. The registered shareholders of Wuhan Yuanguang have also undertaken that, subject to the relevant PRC laws, they will return to Wuhan WFOE or its designated person any consideration they receive in the event that Wuhan WFOE exercises the options under the exclusive option agreements to acquire the equity interests in Wuhan Yuanguang.

The shareholders of Wuhan Yuanguang further undertake to pay to Wuhan WFOE any dividends and other distributions they receive in relation to the equity interests they hold in Wuhan Yuanguang under Wuhan WFOE's written consents, to the extent permitted by PRC laws. The shareholders of Wuhan Yuanguang undertake that, without prior written consent of Wuhan WFOE, they will not create any pledge or encumbrance on their equity interests in Wuhan Yuanguang, and approve any sales, transfer or disposal of any assets or legal or beneficial interests of Wuhan Yuanguang. The shareholders of Wuhan Yuanguang agree, among other things, without prior written consent of Wuhan WFOE, not to cause Wuhan Yuanguang to merge with any other entities, increase or decrease its registered capital, declare or distribute dividends, amend its articles of association, enter into any material contract (any contract with contract value greater than the amount specified in each of the Exclusive Option Agreement shall be regarded as a material contract), be liquidated or dissolved unless mandated by PRC laws, incur any debts (except for payables incurred in the ordinary course of business other than through loans and debts that have been disclosed to Wuhan WFOE and obtained Wuhan WFOE's written consents), or undertake any actions that may adversely affect Wuhan Yuanguang operating status and asset value. The shareholders of Wuhan Yuanguang also agrees to appoint the directors and senior management designated by Wuhan WFOE.

The exclusive option agreement will remain effective till all of the equity interests of Wuhan Yuanguang have been transferred to Wuhan WFOE and/or their designated persons. Unless otherwise required by applicable PRC laws, Wuhan Yuanguang and their respective registered shareholders shall not have any right to terminate the exclusive option agreement unilaterally in any event.

Equity Pledge Agreement

The equity pledge agreement was respectively entered into among Wuhan WFOE, Mr. Xiao Pingyuan, Mr. Chen Xiao and Wuhan Yuanguang on February 10, 2025.

Pursuant to the equity pledge agreements among Wuhan WFOE, Wuhan Yuanguang and its shareholders, all of the equity interests of Wuhan Yuanguang are pledged to Wuhan WFOE as security for performance of the contractual obligations of Wuhan Yuanguang and its shareholders and repayments of the debts. After the completion of the equity pledge registrations, in the event of a breach by Wuhan Yuanguang or its shareholders of contractual obligations under these agreements, Wuhan WFOE, as pledgee, will have the right, but not the obligation, to exercise the pledge. The shareholders of Wuhan Yuanguang also undertake that, during the term of the equity pledge agreement, unless otherwise approved by Wuhan WFOE in writing, they will not transfer the pledged equity interests or create or allow any new pledge or other encumbrance on the pledged equity interests.

The pledges of equity interests under the equity pledge agreements will not terminate until after all the contractual obligations of Wuhan Yuanguang and its shareholders under the relevant Contractual Arrangements have been fully performed and all the outstanding debts of Wuhan Yuanguang and its shareholders under the relevant Contractual Arrangements have been fully paid. We have registered all the equity pledges in Wuhan Yuanguang with the local branch of the SAMR in accordance with PRC laws to perfect their respective equity pledges.

Powers of Attorney

The powers of attorney were respectively executed by each of the registered shareholders of Wuhan Yuanguang, namely Mr. Xiao Pingyuan and Mr. Chen Xiao, in favor of Wuhan WFOE on February 10, 2025.

Pursuant to the powers of attorney executed by each of the Registered Shareholders in favor of Wuhan WFOE, each of the Registered Shareholders irrevocably undertakes to authorize Wuhan WFOE, or its designated persons (including but not limited to directors of Wuhan Yuanguang's holding companies and their successors and liquidators replacing such directors but excluding those non-independent or who may give rise to conflict of interests) as his/its attorney-in-fact to exercise all of his/its rights as a shareholder of Wuhan Yuanguang, including, but not limited to, (i) the right to propose to convene and attend shareholders' meeting of Wuhan Yuanguang; (ii) the right to receive any notice of the convening of the shareholders' meeting and related proceedings; (iii) the right to sign or delivery any written resolutions; (iv) the right to exercise shareholders' voting rights; (v) the right to supervise the company's operation performance, approve the company's annual budget or declaring dividends, as well as access the company's financial information at any time; (vi) the right to sell, transfer, pledge or dispose of equity interests; (vii) file documents with the competent authorities, (viii) the right to take legal action against a director or senior management when such director or senior management's behavior damages the interests of the Company or shareholders (ix) the right to sign minutes, approve amendments to the articles of association, and (x) the right to nominate or appoint the legal representatives, directors, supervisors, general manager and other senior management of the Wuhan Yuanguang and other voting rights pursuant to the articles of association (subject to the amendments) of the Wuhan Yuanguang.

Each power of attorney agreement is irrevocable and remains in effect as long as the relevant shareholder continues to be a shareholder of Wuhan Yuanguang, unless Wuhan WFOE gives any other written instructions.

Spouse undertakings

The spouse of each of Mr. Xiao Pingyuan and Mr. Chen Xiao, being the Registered Shareholders, where applicable, has signed a consent letter on February 10, 2025, respectively. Pursuant to such spousal consent letters, each of the spouses of the applicable individual shareholders of Wuhan Yuanguang acknowledges and confirms the execution of the relevant exclusive business cooperation agreement, equity pledge agreement, exclusive option agreement and power of attorney, and unconditionally and irrevocably agrees that the equity interest in Wuhan Yuanguang held by and registered in the name of his or her respective spouse will be disposed of pursuant to these agreements. In addition, each of them agrees not to assert any rights over the equity interest in Wuhan Yuanguang held by his or her respective spouses. In addition, in the event that any of their respective spouses obtains any equity interest in Wuhan Yuanguang for any reason, such spouses agree to be bound by similar obligations and agree to enter into similar contractual arrangements.

Confirmation from the Registered Shareholders

Each of the Registered Shareholders has confirmed to the effect that (i) his spouse does not have the right to claim any interests in Wuhan Yuanguang (together with any other interests therein) or exert influence on the day-to-day management and voting matters of Wuhan Yuanguang; and (ii) in the event of his death, incapacity or any other event which causes his/her inability to exercise his/her rights as a shareholder of Wuhan Yuanguang, his successors will undertake his/her rights and obligations under the exclusive option agreements and will transfer the equity interests in Wuhan Yuanguang to Wuhan WFOE or their designated persons.

Dispute Resolution

Each of the agreements under the Contractual Arrangements contains a dispute resolution provision. Pursuant to such provision, in the event of any dispute arising from the performance of or relating to the Contractual Arrangements, any party has the right to submit the relevant dispute to the China International Economic and Trade Arbitration Commission for arbitration, in accordance with the then effective arbitration rules. The arbitration shall take place in Beijing and the language used during arbitration shall be Chinese. The arbitration award shall be final and binding on all parties. Subject to applicable laws and regulations, the dispute resolution provisions also provide that the arbitral tribunal may award any remedies in accordance with applicable PRC laws and regulations, including temporary and permanent injunctive relief (e.g. injunction against carrying out business activities, or mandating the transfer of assets) or order the winding up of Wuhan Yuanguang according to applicable laws; any party may apply to the courts of Hong Kong, the Cayman Islands (being the place of incorporation of the Company), the PRC and the places where the principal assets of Wuhan Yuanguang are located for interim remedies or injunctive relief.

However, our PRC Legal Advisor has advised that the above provisions may not be enforceable under the PRC laws. For instance, the arbitral tribunal would not grant such injunctive relief, nor will it be able to order the winding up of Wuhan Yuanguang pursuant to the current PRC laws. In addition, interim remedies or enforcement order granted by overseas courts such as Hong Kong and the Cayman Islands may not be recognizable or enforceable in the PRC.

As a result of the above, in the event that Wuhan Yuanguang or the Registered Shareholders breach any of the Contractual Arrangements, we may not be able to obtain sufficient remedies in a timely manner, and our ability to exert effective control over Wuhan Yuanguang and conduct our business could be materially and adversely affected. See the section headed "Risk Factors – Risks Relating to Our Corporate Structure" in this document for further details.

Succession

Pursuant to the Contractual Arrangements, any successor of the Registered Shareholders shall assume any and all rights and obligations of the Registered Shareholders under the Contractual Arrangements, as if the successor was a signing party to such Contractual Arrangements.

On the basis sets forth below, our PRC Legal Advisor is of the view that, subject to applicable laws and regulations in the PRC, the Contractual Arrangements provide protection to the Group even in the event of liquidation or bankruptcy of the Registered Shareholders, and liquidation or bankruptcy of the Registered Shareholders would not affect the validity of the Contractual Arrangements, and Wuhan WFOE can enforce its rights under the Contractual Arrangements against the successors of the Registered Shareholders:

(i) under the Civil Code of the PRC (《中華人民共和國民法典》), where the Registered Shareholders are involved in a merger or division subsequent to the entering into the Contractual Arrangements, the legal person or other entity created by the merger or division shall enjoy all rights and perform all obligations under the Contractual Arrangements in principle;

(ii) according to the Exclusive Option Agreement, the Registered Shareholders have undertaken, in any event which causes the inability of the Registered Shareholders to perform their obligations, to transfer all of the equity interests in the Consolidated Affiliated Entity held by them to an individual or legal entity designated by Wuhan WFOE under applicable PRC law, which shall, as required by Wuhan WFOE, continuously obey and perform the Contractual Arrangements;

(iii) the Contractual Arrangements have also stipulated that (a) the Registered Shareholders shall not dispose of their equity interests in Consolidated Affiliated Entity without the prior written consent of Wuhan WFOE; (b) the Registered Shareholders shall not transfer any of their rights or obligations under the Contractual Arrangements for any reason without the written consents of other parties to the Contractual Arrangements, and the Registered Shareholders shall ensure that their successors continue to abide by and perform their rights and obligations under the Contractual Arrangements; and

(iv) the spouses of each of the Registered Shareholders (where applicable) have executed an irrevocable undertaking, details of which have been set out in "– Spouse Undertakings" in this section.

Conflict of Interest

Each of the Registered Shareholders of Wuhan Yuanguang has given his irrevocable undertakings in the powers of attorney which address potential conflict of interests that may arise in connection with the Contractual Arrangements. See the subsection headed "– Powers of Attorney" in this section.

Loss Sharing

None of the agreements constituting the Contractual Arrangements provides that our Company or Wuhan WFOE is obligated to share the losses of the Consolidated Affiliated Entity. Under PRC laws and regulations, the Company or Wuhan WFOE is not expressly required to share the losses of the Consolidated Affiliated Entity or provide financial support to the Consolidated Affiliated Entity. Despite the foregoing, given that we conduct the Relevant Businesses in the PRC through the Consolidated Affiliated Entity which hold the requisite licenses and approvals and that the Consolidated Affiliated Entity's results of operations and assets and liabilities are consolidated into our results of operations and assets and liabilities under the applicable accounting principles, our business, financial condition and results of operations would be adversely affected if the Consolidated Affiliated Entity suffered losses.

Liquidation

Pursuant to the equity pledge agreements, in the event of a mandatory liquidation required by the PRC laws upon the request of Wuhan WFOE, the Registered Shareholders of Wuhan Yuanguang shall transfer the proceeds they received from liquidation to the account designated by Wuhan WFOE under the management of Wuhan WFOE, or give such proceeds as a gift or at the lowest price to the extent permitted by the PRC laws to Wuhan WFOE.

Listing Rules Implications and Waivers Granted by the Stock Exchange

As the Registered Shareholders of the Consolidated Affiliated Entity, namely Mr. Chen Xiao and Mr. Xiao Pingyuan, are members of our Single Largest Shareholders Group by virtue of the AIC Agreement, transactions contemplated under the Contractual Arrangements constitute continuing connected transactions of our Company under Chapter 14A of the Listing Rules.

Our Directors, including our independent non-executive Directors, are of the view that (i) the Contractual Arrangements are fundamental to our Group's legal structure and business operations; and (ii) the Contractual Arrangements are on normal commercial terms or on terms more favorable to our Group in the ordinary and usual course of our Group's business and are fair and reasonable or to the advantage of our Group and are in the interests of our Shareholders as a whole. The reasons are that (i) the Contractual Arrangements were negotiated on an arm's length basis and entered into between Wuhan WFOE, Wuhan Yuanguang and the Registered Shareholders; (ii) by entering into the Exclusive Business Cooperation Agreement with Wuhan WFOE, which is our Company's subsidiary incorporated in the PRC, our PRC operating entities will enjoy better economic and technical support from Wuhan WFOE, as well as a better market reputation after the Listing; and (iii) a number of other companies use similar arrangements to accomplish the same purpose. Accordingly, notwithstanding that the transactions contemplated under the Contractual Arrangements technically constitute continuing connected transactions under Chapter 14A of the Listing Rules, our Directors consider that, given that our Group is placed in a special situation in relation to the connected transactions rules under the Contractual Arrangements, it would be unduly burdensome and impracticable, and would add unnecessary administrative costs to our Company, for all the transactions contemplated under the Contractual Arrangements to be subject to strict compliance with the requirements set out under Chapter 14A of the Listing Rules, including, among other things, the announcement, circular and approval of independent Shareholders.

Our Consolidated Affiliated Entity constitutes a significant part of the Group's financial position and operating results. For the year ended December 31, 2025, the revenue of our Consolidated Affiliated Entity was RMB205.7 million, representing approximately 99.8% of the Group's total revenue. As at December 31, 2025, the total assets of the Consolidated Affiliated Entity amounted to RMB140.9 million, representing approximately 35.3% of the Group's total assets.

Since the Listing Date and up to the Latest Practicable Date, there have been no material changes in the Contractual Arrangements and/or the circumstances under which such Contractual Arrangements were adopted, and none of the Contractual Arrangements have been terminated due to restrictions on the adoption of the Contractual Arrangements. We have not encountered any interference or obstruction from PRC regulatory authorities in operating our business through the Consolidated Affiliated Entity under the Contractual Arrangements.

In relation to the Contractual Arrangements, we have applied to the Stock Exchange pursuant to Rule 14A.105 of the Listing Rules for, and the Stock Exchange has granted, a waiver from (i) strict compliance with the announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules in respect of the transactions under the Contractual Arrangements; (ii) setting a maximum aggregate annual value, i.e. an annual cap, under Rule 14A.53 of the Listing Rules for the fees payable to Wuhan WFOE from Consolidated Affiliated Entity under the Contractual Arrangements; and (iii) fixing the term of the Contractual Arrangements to three years or less under Rule 14A.52 of the Listing Rules, for so long as our Shares are listed on the Stock Exchange subject to the following conditions:

(a) no change without independent non-executive Directors' approval;

(b) no change without independent Shareholders' approval;

(c) economic benefits flexibility;

(d) renewal and reproduction; and

(e) ongoing reporting and approvals.

Confirmation from Independent Non-Executive Directors

Pursuant to Rule 14A.55 of the Listing Rules, the independent non-executive Directors of the Company have reviewed the continuing connected transactions disclosed in this report and have confirmed that such transactions conducted during the year ended December 31, 2025 (i) were entered into in accordance with the relevant provisions of the Contractual Arrangements; (ii) there were no dividends or other distributions have been made by the Consolidated Affiliated Entity to the holders of its equity interests which are not otherwise subsequently assigned or transferred to our Group; and (iii) the new contracts entered into, renewed or reproduced between our Group and the Consolidated Affiliated Entity during the relevant financial period were fair and reasonable, or advantageous, so far as our Group is concerned and in the interests of the Company and the Shareholders as a whole.

Letter from the Auditor

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised), "Assurance Engagements other than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740, "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules", issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued its unqualified letter containing the auditor's findings and conclusions in respect of the continuing connected transactions disclosed by the Group in accordance with Rule 14A.56 of the Main Board Listing Rules.

The Board has received a letter from the independent auditor of the Company in respect of the above disclosed continuing connected transactions, which stated that:

- the transactions carried out pursuant to the Contractual Arrangements have received the approval of our Directors and that no dividends or other distributions have been made by the Consolidated Affiliated Entity to the holders of its equity interests which are not otherwise subsequently assigned/transferred to our Group.

Related Party Transactions

The related party transactions during the year ended December 31, 2025 are set out in note 31 to the financial statements. Save for the transactions disclosed in "Continuing Connected Transaction" (which have complied with the disclosure requirement under Chapter 14A of the Listing Rules), no other related party transactions during the year ended December 31, 2025 constitute connected transaction or continuing connected transaction that is subject to, among others, reporting, announcement or independent shareholders' approval requirements under Chapter 14A of the Listing Rules. The Directors confirmed that the Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules during the Reporting Period.

SHARE INCENTIVE PLANS

The Company has adopted the 2015 Share Incentive Scheme and the 2023 Share Incentive Scheme. Pursuant to Rule 17.02(1) (b) of the Listing Rules, the options and share awards granted by the Company prior to listing under the Share Incentive Plans will remain valid upon listing, but no new options or share awards will be granted after the Listing Date.

As of the Listing Date of the Company (i.e., June 10, 2025), a total of 96 grantees hold 12,540,170 outstanding options granted under such share incentive plans (representing the right to subscribe 12,540,170 Shares). From the Listing Date and up to December 31, 2025, (a) such options remained outstanding, and 195,000 options lapsed; and (b) the Company did not grant any new options or share awards, nor did it allot or issue any Shares in respect of the aforementioned outstanding options.

In accordance with the relevant provisions of the Listing Rules, the Company may not grant any further options or share awards from the Listing Date. Therefore, as of the Listing Date of the Company and December 31, 2025, the number of options and share awards available for grant is nil. As the Company has not granted any new options or awards between the Listing Date and December 31, 2025, the total number of Shares that may be issued in connection with the options and awards granted during the aforementioned period, calculated in accordance with Rule 17.07(3) of the Listing Rules, represents 0% of the weighted average total number of Shares issued during such period (excluding treasury shares).

2015 SHARE INCENTIVE SCHEME

The following is a summary of the principal terms of the 2015 Share Incentive Scheme:

(a) **Purpose**
The purposes of the 2015 Share Incentive Scheme are to attract and retain the best available personnel, to provide additional incentives to employees, directors and consultants and to promote the success of the Company's business.

(b) **Eligible participants**
Persons eligible to participate ("**Eligible Participants**") in the 2015 Share Incentive Scheme include employees of our Company or any parent or subsidiary of our Company, a member of the Board of Directors of the Company, or any consultant who is engaged by the Company or its parent or subsidiary to render consulting or advisory services to such entity (the "**Service Providers**").

(c) **Maximum number of Shares**
The maximum aggregate number of Shares which may be issued underlying the options pursuant to the 2015 Share Incentive Scheme is 18,615,738 ordinary Shares.

(d) **Maximum entitlement per participant**
This scheme was adopted prior to the Listing, and therefore there is no provision under Chapter 17 of the Listing Rules regarding the maximum entitlement per participant under this scheme.

(e) **Administration of the 2015 Share Incentive Scheme**
The 2015 Share Incentive Scheme is administered by the Board or a committee (the "**Committee**") designated by the Board, which Committee shall be constituted in accordance with the applicable laws (together with the Board, the "**Administrator**"). Once appointed, such Committee shall continue to serve in its designated capacity until otherwise directed by the Board. The Board may authorize one or more officers to grant the options and may limit such authority as the Board determines from time to time.

(f) **Grant of Options**

The Administrator is authorized under the 2015 Share Incentive Scheme to award options to a Eligible Participant that is not inconsistent with the provisions of the 2015 Share Incentive Scheme, measured by appreciation in the value of ordinary Shares, or similar right with a fixed or variable price related to the fair market value of the Shares and with an exercise or conversion privilege related to the passage of time, the occurrence of one or more events, or the satisfaction of performance criteria or other conditions.

(g) **Options**

The Board or officer(s) authorized by the Board is authorized to grant options to participants on the terms and conditions as set out in the 2015 Share Incentive Scheme. The option agreement evidencing the options shall include such additional provisions as may be specified by the Board.

The term of each option shall be stated in the option agreement; the validity period of the options is ten years from the date of grant, and may be extended if permitted under the applicable scheme rules. The per share exercise price for the Shares to be issued upon exercise of an option shall be such price as is determined by the Administrator. No new options may be granted under the 2015 Share Incentive Scheme after Listing.

As this scheme was adopted prior to the Listing, there is no uniform provision under the relevant requirements of Chapter 17 of the Listing Rules regarding the vesting period and exercise period; such arrangements are separately determined by each option grant agreement.

(h) **Exercise price and basis of determination**

Subject to Applicable Laws, the consideration to be paid for the Shares to be issued upon exercise of each option including the method of payment, shall be determined by the Administrator. As this scheme was adopted prior to the Listing, the relevant scheme terms do not contain detailed provisions on the basis for determining the exercise price of options. In addition to any other types of consideration the Administrator may determine, the Administrator is authorized to accept as consideration for Shares issued under the 2015 Share Incentive Scheme the following:

(i) cash;

(ii) check;

(iii) if the exercise occurs on or after the Listing Date, surrender of Shares or delivery of a properly executed form of attestation of ownership of Shares as the Administrator may require which have a fair market value on the date of surrender or attestation equal to the aggregate exercise price of the Shares as to which said option shall be exercised, provided, however, that Shares acquired under the 2015 Share Incentive Scheme or any other equity compensation plan or agreement of the Company must have been held by the grantee for a period of more than six (6) months (and not used for another award exercise by attestation during such period);

(iv) with respect to Options, if the exercise occurs on or after the Listing Date, payment through a broker-dealer sale and remittance procedure pursuant to which the grantee (A) shall provide written instructions to a Company designated brokerage firm to effect the immediate sale of some or all of the purchased Shares and remit to the Company sufficient funds to cover the aggregate exercise price payable for the purchased Shares and (B) shall provide written directives to the Company to deliver the certificates for the purchased Shares directly to such brokerage firm in order to complete the sale transaction; or

(v) any combination of the foregoing methods of payment.

(i) Payment arrangements upon application or acceptance of options

The scheme terms do not stipulate any amount payable upon application or acceptance of options, nor do they specify any period for payment or calls, or any arrangements for the provision of loans for such purposes and their repayment.

(j) Term and remaining life

The 2015 Share Incentive Scheme became effective on June 1, 2015 and, unless otherwise cancelled or amended, was valid for 10 years from that date. The 10-year validity period of the 2015 Share Incentive Scheme expired on June 1, 2025.

(k) Number and percentage of shares available for issue

There are no shares available for issue under this scheme, and therefore as at the date of this annual report, the percentage of such shares to the total number of issued shares (excluding treasury shares) is zero.

(l) Limit on transfer

Subject to the applicable laws, an option shall be transferable (i) by will and by the laws of descent and distribution and (ii) during the lifetime of the grantee, to the extent and in the manner authorized by the Administrator. Notwithstanding the foregoing, the grantee may designate one or more beneficiaries of the Grantee's option in the event of the grantee's death on a beneficiary designation form provided by the Administrator.

Under the 2015 Share Incentive Scheme, the Company has granted a total of 18,615,738 options (representing the right to subscribe 18,615,738 Shares), which has reached the maximum number of awards under the 2015 Share Incentive Scheme. Among such grants, 11,990,988 options have been exercised. Additionally, 100,500 options (representing the right to subscribe 100,500 Shares) have been cancelled due to the termination of employment relationships by certain grantees before relevant options being exercised, and the remaining 6,524,250 options have been granted to 71 grantees remain outstanding.

Since the Listing Date of the Company, no further options have been granted under the 2015 Share Incentive Scheme.

The following table sets out the movements of outstanding options granted under the 2015 Share Incentive Scheme to grantees from the Listing Date to the end of the Reporting Period:

Category/name of grantee	Number of Shares underlying the options outstanding as of the Listing Date	Date of grant	Vesting period	Exercise period	Exercise price per share (US$)	Number of Shares underlying the options exercised from the Listing Date to the end of the Reporting Period	Number of Shares underlying the options lapsed from the Listing Date to the end of the Reporting Period	Number of Shares underlying the options cancelled from the Listing Date to the end of the Reporting Period	Number of Shares underlying the options outstanding as of the end of the Reporting Period
Grantees-employee participants	6,524,250	Note 1	Note 2	Note 4	Note 3	–	–	–	6,524,250

Notes:

(1) Under the 2015 Share Incentive Scheme, the date of grant for the options granted to Mr. Chen Mao was June 1, 2015; whereas the dates of grant for other grantees range from the date of joining the Group to September 1, 2023.

(2) The vesting schedule for the options granted to Mr. Chen Mao is 25% to be vested on each of the first, second, third and fourth anniversaries of date of grant; whereas the vesting schedules for other grantees are (1) 25% to be vested on each of the first, second, third and fourth anniversaries of date of grant or (2) fully vested on the date of grant, provided that the options shall only be exercised after the Listing Date.

(3) Under the 2015 Share Incentive Scheme, the exercise price of the options granted to Mr. Chen Mao is US$0.16 per share; whereas the exercise prices for options granted to other grantees range from nil to US$0.32 per share, as the case may be

(4) The exercise period for options granted to grantees under the 2015 Share Incentive Scheme is ten years from the date of grant of the relevant options and is subject to extension.

The end date of the exercise period for the options granted to Mr. Chen Mao on June 1, 2015 has been extended from May 31, 2025 to May 31, 2035. The end date of the exercise period for the options granted to other grantees under their respective grants has also been extended to May 31, 2035.

(5) For further details, please refer to the Prospectus.

2023 SHARE INCENTIVE SCHEME

The following is a summary of the principal terms of the 2023 Share Incentive Scheme:

(a) Purpose

The purpose of the 2023 Share Incentive Scheme is: (i) to provide the Company with a flexible means of attracting, remunerating, incentivising, retaining, rewarding, compensating and/or providing benefits to Eligible Participants; (ii) to align the interests of Eligible Participants (as defined below) with those of the Company and Shareholders by providing such Eligible Participants with the opportunity to acquire proprietary interests in the Company and become Shareholders; and (iii) to encourage Eligible Participants to contribute to the long-term growth, performance and profits of the Company and to enhance the value of the Company and its Shares for the benefit of the Company and Shareholders as a whole.

(b) Eligible participants

Persons eligible to participate (the "**Eligible Participants**") in the 2023 Share Incentive Scheme include any person who is or was an employee (whether full-time or part-time or other employment relationship), director or officer of any member of the Group (the "**Employee Participant**") or of the holding company, subsidiaries of the holding company other than members of the Group or any company that is an associate of the Company (the "**Related Entity Participant**"), or any person providing services to the Group on a continuing basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group as determined by the Administrator (the "**Service Provider Participant**").

(c) Maximum number of Shares

The maximum aggregate number of Shares which may be issued pursuant to the 2023 Share Incentive Scheme is 34,910,920 ordinary Shares.

(d) Maximum entitlement per participant

This scheme was adopted prior to the Listing, and therefore there is no provision under Chapter 17 of the Listing Rules regarding the maximum entitlement per participant under this scheme.

(e) Administration of the 2023 Share Incentive Scheme

The Board shall be responsible for administering the 2023 Share Incentive Scheme. The authority to administer the 2023 Share Incentive Scheme may be delegated by the Board to a committee of the Board or to any other person deemed appropriate at the sole discretion of the Board, including its powers to offer or grant Awards and to determine the terms and conditions of such awards (together with the Board, the "**Administrator**").

The Administrator may from time to time appoint one or more administrators, to assist in the administration of the 2023 Share Incentive Scheme, to whom they, at their sole discretion, may delegate such functions relating to the administration of the 2023 Share Incentive Scheme as they may think fit. The duration of office, terms of reference and remuneration (if any) of such administrator shall be determined by the Administrator at their sole discretion from time to time.

(f) Grant of Awards

The Board or Administrator may, from time to time, in their absolute discretion select any Eligible Participant to be a grantee and, subject to these scheme rules, grant an award, the nature and amount of which shall be determined by the Board or Administrator, to such grantee during the Scheme Period (as defined below).

An award may take the form of:

(i) an award which vests in the form of the right to subscribe for and/or to be issued such number of award Shares as the Administrator may determine at the Issue Price in accordance with the terms of the scheme rules (a "**Share Award**"); or

(ii) an award which vests in the form of the right to subscribe for such number of award Shares as the Administrator may determine during the Exercise Period at the Exercise Price in accordance with the terms of the scheme rules (a "**Share Option**").

To the extent that an award shall be settled by the delivery of new Shares, the grant of such award shall be conditional upon the Stock Exchange granting approval to the listing of, and permission to deal in, such Shares and the satisfaction of any other conditions as may be considered necessary or appropriate by the Administrator.

(g) **Issue price or exercise price and basis of determination**

For awards which take the form of Share Awards, the issue price for the exercise of such Share Awards shall be such price determined by the Administrator in their absolute discretion and notified to the grantee in the award letter which may be a fixed price, or a variable price related to the fair market value of the Shares. For the avoidance of doubt, the Administrator may determine the issue price to be at nil consideration. As this scheme was adopted prior to the Listing, the relevant scheme terms do not contain detailed provisions on the basis for determining the exercise price of Share Awards. Notwithstanding anything in the foregoing, the issue price shall in no circumstances be less than the par value of the Shares.

For awards which take the form of options, the exercise price for such options shall be such price determined by the Administrator in their absolute discretion and notified to the Eligible Participant in the award letter which may be a fixed price, or a variable price related to the fair market value of the Shares. For the avoidance of doubt, to the extent permissible in accordance with applicable laws, rules and regulations, any downward adjustment of the exercise prices of options shall be effective without the approval of the affected grantees. As this scheme was adopted prior to the Listing, the relevant scheme terms do not contain detailed provisions on the basis for determining the exercise price of options. Notwithstanding anything in the foregoing, the exercise price shall in no circumstances be less than the par value of the Shares.

(h) **Exercise period and vesting period**

As this scheme was adopted prior to the Listing, there is no uniform provision under the relevant requirements of Chapter 17 of the Listing Rules regarding the vesting period and exercise period; such arrangements are separately determined by the grant notice.

(i) **Payment arrangements upon application or acceptance of share awards or options**

The scheme terms do not stipulate any amount payable upon application or acceptance of options or awards, nor do they specify any period for payment or calls, or any arrangements for the provision of loans for such purposes and their repayment.

(j) **Number and percentage of shares available for issue**

No further options or awards will be granted under this scheme after the Listing, and therefore there are no shares available for issue under this scheme. As at the date of this annual report, the percentage of such shares to the total number of issued shares (excluding treasury shares) is zero.

(k) **Limit on transfer**

Awards shall be personal to the grantee to whom they are made and shall not be assignable or transferable, except in circumstances where the written consent of the Company has been obtained and a waiver has been granted by the Stock Exchange for such transfer in compliance with the requirements of the Listing Rules and provided that any such transferee shall be bound by the scheme rules and all applicable award letters as if the transferee were the grantee.

(l) **Amendment of the 2023 Share Incentive Scheme**

The Board may amend, suspend or terminate any of the provisions of this 2023 Share Incentive Scheme or any Awards granted under this 2023 Share Incentive Scheme at any time and in any respect; provided, however, that no such amendment shall be made without the approval of the Company's Shareholders to the extent such approval is required by applicable laws, rules and regulations (including the Listing Rules). No Award may be granted during any suspension of the Scheme or after termination of the 2023 Share Incentive Scheme.

The consent of the relevant grantee is required for any change to the provisions of this 2023 Share Incentive Scheme or any awards granted under the 2023 Share Incentive Scheme to the extent that such amendment or alteration has a material adverse effect on any subsisting rights of that grantee at that date in respect of awards already granted to that grantee and to the extent that such awards have not vested or lapsed or been forfeited, provided that no such consent shall be required if the Administrator determines in its sole discretion that such amendment or alteration either:

(i) is necessary or advisable in order for the Company, this 2023 Share Incentive Scheme or the award to satisfy any applicable law or Listing Rules or to meet the requirements of, or avoid adverse consequences under, any accounting standard; or

(ii) is not reasonably likely to diminish materially the benefits provided under such award, or that any such diminishment has been adequately compensated.

(m) Term and remaining life of the 2023 Share Incentive Scheme

The term of the 2023 Share Incentive Scheme is ten (10) years, commencing from the adoption date (being the date of adoption, which is immediately prior to the commencement of dealings in the shares on the Stock Exchange) and ending on the tenth anniversary of the adoption date (the "**Scheme Term**").

As at the date of this report, the remaining life of the 2023 Share Incentive Scheme is approximately 9 years.

The 2023 Share Incentive Scheme shall terminate on the earlier of: (a) the expiry of the Scheme Period; and (b) such date of early termination as determined by the Board, following which no further Awards will be offered or granted under the 2023 Share Incentive Scheme, provided that notwithstanding such termination, the 2023 Share Incentive Scheme and the scheme rules shall continue to be valid and effective to the extent necessary to give effect to the vesting and exercise of any awards granted prior to the termination of the 2023 Share Incentive Scheme and such termination shall not affect any subsisting rights already granted to any grantee hereunder.

Under the 2023 Share Incentive Plan, the Company has granted a total of 28,895,000 share awards and 6,015,920 options, which has reached the maximum number of awards under the plan. Among these, 2,000,000 options were granted to one Director of the Company and the remaining 4,015,920 options were granted to 42 eligible grantees who are not Directors, senior management or connected persons of the Company.

Since the Listing Date of the Company, no further options or share awards have been granted under the 2023 Share Incentive Scheme.

The following table sets out the movements of outstanding options granted under the 2023 Share Incentive Scheme to grantees from the Listing Date to the end of the Reporting Period:

Category/name of grantee	Number of Shares underlying the options outstanding as of the Listing Date	Date of grant	Vesting period	Exercise period	Exercise price per share (US$)	Number of Shares underlying the options exercised from the Listing Date to the end of the Reporting Period	Number of Shares underlying the options lapsed from the Listing Date to the end of the Reporting Period	Number of Shares underlying the options cancelled from the Listing Date to the end of the Reporting Period	Number of Shares underlying the options outstanding as of the end of the Reporting Period
The Directors, chief executive or substantial shareholders of the Company, or their respective associates									
Qian Jinlei *(executive Director and chief operating officer)*	2,000,000	February 28, 2025	Note 2	Note 1	0.32	0	0	0	2,000,000
Other grantees – employee participants (Note 5)	4,015,920	Note 4	Note 2	Note 1	Note 3	0	195,000	0	3,820,920
Total	6,015,920	–				0	195,000	0	5,820,920

Notes:

(1) The exercise period for options granted to grantees under the 2023 Share Incentive Plan is ten years from the date of grant of the relevant options and is subject to extension.

(2) The vesting schedule for all grantees of the 2023 Share Incentive Plan is as follows: 10% of the total number of granted options shall vest within 12 months after the Listing Date; 10% of the total number of granted options shall vest within 24 months after the Listing Date; 30% of the total number of granted options shall vest within 36 months after the Listing Date; and the remaining 50% of the total number of granted options shall vest within 48 months after the Listing Date.

(3) The exercise prices for the grantees are from nil to US$0.32, as the case may be.

(4) The dates of grant for other grantees are April 1, 2024, November 1, 2024, December 31, 2024, February 28, 2025 or May 15, 2025, as the case may be.

(5) The category of grantees includes the Company's senior management. For further details, please refer to the Prospectus.

PRE-EMPTIVE RIGHTS

There is no provision on pre-emptive rights in the Articles of Association or the laws of the Cayman Islands that would oblige the Company to offer new shares on a pro rata basis to existing Shareholders.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the public float percentage of 25% required under the Listing Rules since the Listing Date and up to the date of this report.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

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

DONATION

During the Reporting Period, the Group made external donations totaling RMB88,320.

FINAL DIVIDEND

After due consideration of the long-term interests of the Shareholders and the Company, the Board does not recommend the payment of any final dividend for the year ended December 31, 2025. To the best of the knowledge of Directors of the Company, during this financial year, no shareholder of the Company has waived or agreed to waive any dividend declared or payable in the future.

During the Reporting Period, there were no arrangements whereby Shareholders waived or agreed to waive any dividends.

SUBSEQUENT EVENTS

Details of events subsequent to December 31, 2025 and up to the date of this report are set out in note 35 to the condensed consolidated financial information.

CHANGE OF PRINCIPAL PLACE OF BUSINESS IN HONG KONG

The Company's principal place of business in Hong Kong has been changed to Units 908–915, 9/F, Block F, 100 Cyberport Road, Cyberport 3, Hong Kong with effect from March 25, 2026.

CHANGE OF COMPANY WEBSITE ADDRESS

The Company's website address has been changed from "www.metalight.com.cn" to "www.metalight.ai" with effect from March 25, 2026. All announcements, notices or other documents submitted by the Company for publication on the website of the Stock Exchange will also be published on this new website of the Company.

AUDITOR

Ernst & Young has audited the consolidated financial statements of the Group for the year December 31, 2025.

By order of the Board
MetaLight Inc.
Dr. Sun Xi
Chairman of the Board, Executive Director
and Chief Executive Officer

Hong Kong, March 25, 2026

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THE REPORT

This is the first environmental, social and governance report (the "**Report**") issued by MetaLight Inc. (the "**Group**" or "**we**"). The Report aims to outline the principles and sustainable development concepts upheld by the Group in fulfilling its corporate social responsibilities, enabling stakeholders to understand the Group's policies, measures, and performance in environmental, social and governance (the "**ESG**") aspects beyond financial performance and business operations, and to share the Group's related visions and commitments.

Reporting Scope and Period

The Report covers the period from January 1, 2025 to December 31, 2025 (the "**Reporting Period**" or the "**Year**"), which is in line with the our financial year. The reporting scope also aligns with those in the annual report to facilitate a comprehensive understanding of our annual performance and progress in the ESG segments by stakeholders.

Reporting Language

The Report is published in both traditional Chinese and English. In case of discrepancies, the traditional Chinese version shall prevail.

Reporting Standards and Principles

The Report has been prepared in accordance with the Environmental, Social and Governance Reporting Code set out in Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**HKEX**") in 2025. The Report has strictly complied with all provisions of "mandatory disclosure requirements" and "comply or explain" in the Environmental, Social and Governance Reporting Guide.

The following reporting principles have been adopted in the preparation of the Report:

Materiality	The ESG management policy of the Group is designed to focus on the core areas that have a significant impact on business operations, investors, and stakeholders. These key areas will be introduced in the "Materiality Assessment" section of the ESG report.
Quantification	Disclosures are presented in a quantifiable format wherever applicable, enabling the evaluation and verification of the effectiveness of ESG policies and management systems. Quantitative information should be supplemented with explanations of its objectives and impacts, and comparative data should be provided when appropriate.
Balance	The ESG report should present the issuer's performance impartially and avoid any selection, omission, or presentation format that might inappropriately influence the decisions or judgments of report readers.
Consistency	The compilation methods, statistical methods, and measurement standards, methods, assumptions, and/or calculation tools for quantitative data, as well as the conversion factors used, remain consistent throughout the Report.

THE BOARD AND ESG MATTERS

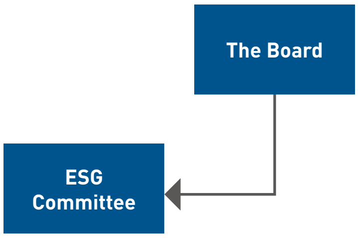
The Board assumes overall responsibility for the Group's ESG strategy and reporting. The Board is directly involved in formulating the overall ESG governance policies, strategies, priorities, and targets. It reviews our ESG policies annually to ensure their effectiveness and is committed to cultivating a culture that acts in accordance with core ESG values.

The Board assumes oversight responsibility and formulates ESG risk management strategies that align with our development goals. The Board oversees the Group's ESG direction and actively participates in identifying and overseeing ESG and climate-related risks and opportunities associated with our business. Through regular Board meetings, the Board reviews management's assessment reports on ESG risks and opportunities and oversees the implementation of management measures. It also regularly reviews the progress towards ESG-related targets, ensuring that ESG factors are integrated into the Group's long-term operational decisions and internal control systems.

1 CORE OF SUSTAINABLE DEVELOPMENT GOVERNANCE

1.1 ESG Governance Structure

To effectively manage ESG matters, the Group has established a two-tier ESG governance framework, comprising the Board and the ESG Committee.



The Group's ESG Committee is composed of management and staff with expertise in computer science, finance, and corporate governance, who possess an in-depth understanding of current and emerging ESG issues as well as our business. The Committee is responsible for reporting directly to the Board on ESG matters on a semi-annual basis. Members of the Group's management join the ESG Committee to specialize in identifying and assessing ESG risks and opportunities, formulating ESG targets, strategies, management policies and tactics, regularly reviewing specific progress and performance regarding ESG matters and reporting to the Board.

Personnel from the functional departments of the Group's ESG Committee are responsible for implementing specific ESG-related matters and facilitating ESG training and empowerment activities, and reporting on work progress to ensure the comprehensive implementation of the Group's sustainability strategy.

1.2 ESG Risks and Climate Change Response

ESG Risks: Identification, Assessment, Management and Mitigation

The Group recognizes the importance of effectively managing ESG risks and opportunities for long-term corporate sustainability. We are committed to integrating ESG factors comprehensively into our existing risk management and internal control frameworks. Moving forward, we will continue to optimize our mechanisms for identifying, assessing, and responding to ESG and climate risks in accordance with the Internal Control Management Measures (《內部控制管理辦法》) and the Risk Assessment Management Measures (《風險評估管理辦法》).

The Board assumes oversight responsibility and is responsible for formulating ESG risk management strategies that align with our development goals. Through regular Board meetings, it reviews risk and opportunity assessment reports submitted by management and oversees the implementation of various management and mitigation measures. To identify and assess potential ESG risks that may impact our business, the management is required to consider both external factors (such as ESG-related laws, regulations, and policies, weather conditions, and market developments) and internal factors (such as our business operations and financial performance), and reports their findings to the Board. The Board subsequently evaluates the risks identified by the management, as well as the plans proposed by the management to address those risks. If such plans are approved by the Board, the Board also oversees their execution.

Analysis of Response to Key ESG Risks and Their Impacts

The Group has identified ESG and climate-related risks that have a significant impact on our business, strategy or financial performance, and has adopted targeted management strategies according to the Internal Control Management Measures and the Risk Assessment Management Measures. The Group recognizes that ESG risks such as climate change, data security, and technological compliance are critical factors affecting long-term corporate stability. Set out below are the identified ESG risks and our corresponding response actions.

Risk Category	Key Risk Items	Potential Financial Impact	Targeted Management Strategies & Response Actions
ESG social risks	User privacy and data security	Operating costs: Continuous investment in R&D and compliance audit expenses is required. Revenue Impact: Maintaining brand reputation and avoiding risks of fines or customer churn caused by data leaks.	The Group always regards data privacy and security as a core responsibility. We strictly comply with national laws and regulations concerning cybersecurity and personal information protection. During the Reporting Period, we continued to optimize our data protection mechanisms, including the ongoing enhancement of data encryption, access controls, and emergency response mechanisms to ensure that all aspects of our business operations meet the compliance standards.

Set out below is the information regarding our response to climate change risks.

Climate Change

We have systematically established a climate risk management mechanism in strict accordance with the "Climate-related Disclosures" requirements set out in Part D of the Stock Exchange of Hong Kong's Environmental, Social and Governance Reporting Code", and with reference to the International Financial Reporting Standard S2 – Climate-related Disclosures (IFRS S2) issued by the International Sustainability Standards Board (ISSB), focusing on the four core dimensions of governance, strategy, risk management, and metrics and targets.

Governance

As the highest decision-making body of the Group's governance, the Board assumes overall responsibility for climate change-related matters. The Board directly participates in formulating ESG governance policies and overseeing climate-related risks, and regularly reviews the risk and opportunity assessment reports submitted by the management.

To ensure the effective implementation of management initiatives, the Board has delegated the ESG Committee with full responsibility for strategic oversight and guidance. Key duties include identifying and assessing climate risks, formulating response strategies, and reviewing progress on environmental indicators. The Committee reports its performance to the Board on a semi-annual basis. In the event of deviations from indicators, resources will be adjusted according to actual needs to ensure continuous improvement. For detailed duties regarding the Company's climate governance structure, please refer to the section headed "ESG Governance and Structure".

Strategy

The Group continuously monitors changes in the external environment and dynamically reviews and updates its climate strategies. With reference to the Stock Exchange of Hong Kong's Climate Disclosure Guidance, we have identified a series of climate-related risks and opportunities with significant financial impacts, and assessed their potential impacts on our financial position across short-term (within 3 years), medium-term (3–5 years), and long-term (over 5 years) horizons.

Risk Type	Key Risk Items	Risk Description	Potential Financial Impact	Time Horizon	Key Response Actions
Physical risk	Extreme weather events (acute risks)	Risks of IT infrastructure disruption caused by heavy rainfall, typhoons, and other extreme weather events.	• Increased facility maintenance costs • Revenue loss due to business interruption	Short-term	Formulate clear contingency plans to ensure the redundancy and security of IT infrastructure under extreme weather conditions. Utilize big data to analyze climate trends and provide timely notifications to users.
	Chronic risks	Rising temperatures increase the cooling load for data centers and offices, exerting long-term pressure on energy expenditures.	• Increased electricity expenditures (operating costs) • Capital expenditures for infrastructure upgrades	Long-term	Optimize the cooling systems and power management metrics of our server rooms to enhance power usage effectiveness. Promote green office initiatives by adjusting air conditioning temperatures rationally and replacing facilities with energy-efficient alternatives.
Transition risk	Policy and legal risks	Closely monitoring global climate trends and national environmental strategies, such as carbon neutrality.	• Increased compliance and audit costs • Potential policy restriction risks	Medium-term	We integrate carbon neutrality policies into our compliance processes to ensure our business direction maintains a high degree of alignment with national green transition policies, while progressively promoting green procurement and environmental assessments across our supply chain.
	Market risks	Increasing expectations from investors and the general public regarding "green technology" may impact brand credibility and the financing costs if low-carbon transition results are not demonstrated.	• Increased financing costs • Erosion of brand value and user base	Medium-long term	Promote low-carbon mobility through the "Chelaile" APP to demonstrate our commitment to technology for social good. Enhance environmental information transparency and incorporate climate performance into investor engagement topics.

Climate Change Opportunities, Impacts and Actions

In addition to proactively managing climate change and ESG risks, the Group is also agile in capturing the business growth drivers brought by the climate transition, striving to transform climate opportunities into a long-term competitive edge.

Opportunity Type	Opportunity Description	Time Horizon	Actions Taken
Resource efficiency	Enhance operational energy efficiency and reduce office energy consumption by optimizing data processing technologies and resource management systems.	Short-medium term	1. Promote paperless operations and optimize the PUE value of data centers, striving for a year-on-year reduction in carbon neutrality intensity. 2. Implement green procurement practices by prioritizing eco-certified equipment.
Energy sources	Actively explore pathways for low-carbon energy transition and promote green energy adoption in public transit systems through business empowerment.	Long-term	1. Prioritize data center partners that utilize green energy for power supply. 2. Optimize smart transportation solutions to collaborate with the national green public transit transition.
Market resilience	Smart transportation technology empowers cities to enhance operational efficiency, significantly reduce carbon emission intensity, and strengthen competitiveness in government-enterprise cooperation.	Medium-long term	1. Deepen expertise in smart transportation by utilizing time-series data analysis and scheduling algorithms to optimize bus dispatching, thereby reducing invalid mileage. 2. Integrate "climate resilience" into smart city projects to assist government clients in meeting transportation dispatch needs during extreme weather events.

Risk Management

The Group regards climate and environmental risks as an integral part of corporate risk management and manages them through the following pathways:

Risk identification and early warning linkage	Formally incorporate climate change into the risk register, with the management conducting dynamic monitoring based on external regulations and weather conditions. We leverage historical big data accumulated from the "Chelaile" APP to analyze extreme weather patterns and establish information linkage with meteorological departments to ensure timely receipt of warnings.
Response strategies and contingency plans	In response to technical failures potentially triggered by extreme climate events, we have established a robust data security protection system and emergency response mechanisms. Our operations and maintenance team monitors for system anomalies on a 7×24-hour basis. Once a contingency plan is triggered, we will rapidly patch vulnerabilities and update algorithms to minimize impact.
Regular drills and institutional refinement	The Group regularly conducts simulation drills related to data security and environmental emergencies. Based on drill outcomes, we update recruitment manuals, training systems, and operational processes to ensure the continuous enhancement of the organization's climate resilience.
Green supply chain	Integrate ESG assessment metrics into supplier selection, prioritizing partners with environmental advantages and climate governance awareness.

Metrics and Targets

To quantify the management of climate performance, the Group has set specific environmental targets:

Greenhouse gas emissions	Continuously monitor Scope 1 and Scope 2 emissions, striving to achieve a year-on-year reduction in carbon neutrality intensity across office areas within the next five years.
Resource management	Regularly monitor electricity and water consumption in data centers and offices. In 2025, we will further refine resource consumption statistics and optimize the PUE values of our data centers.

During the Reporting Period, we continued to invest resources in R&D and smart emission reduction projects, demonstrating our determination to achieve carbon reduction targets. Please refer to the environmental section for detailed target content.

From Risk Management to Value Creation: Our ESG Strategic Indicators

Based on the material risks identified above, we have further established ESG strategic indicators for 2025 and beyond. We translate our management vision into concrete qualitative and quantitative targets, ensuring that every step of innovation in the smart transportation sector is synchronized with social well-being and environmental protection. Currently, we have established relevant qualitative and quantitative targets for ESG environmental aspects, which can be found in the environmental section of the Report. Target setting helps us strengthen environmental management measures and systematically reduce long-term carbon emissions. We will continue to study indirect carbon emissions in our operations to facilitate the setting of more critical climate indicators in the future.

For other ESG goals, we will continue to conduct research and regular reviews with the ESG Committee. More detailed performance assessments will be established for material issues such as data security compliance and supply chain sustainability, as well as for the identified ESG risks. The ESG Committee will review the achievement of these targets on a semi-annual basis and report to the Board. In the event of any deviation from the targets, the Group will conduct an investigation based on actual needs and allocate resources for continuous improvement accordingly.

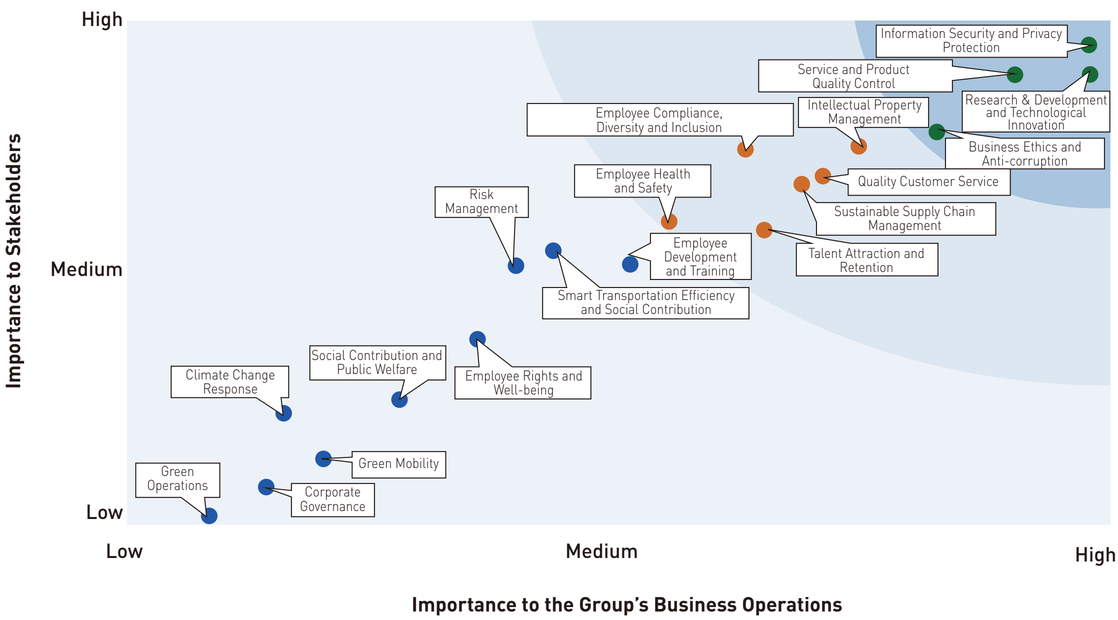
1.3 Materiality Assessment

We are devoted to meeting the expectations and demands of all stakeholders. To improve our ESG practices, we routinely communicate with key stakeholders for their views on our ESG related policies and encourage their engagement in our ESG-related initiatives. We regularly leverage multiple channels, including targeted surveys, to understand the demands of our stakeholders. Through our ESG stakeholder surveys, we have gathered extensive samples from diverse internal and external groups, including government and regulators, shareholders and investors, directors and senior management, employees, customers, suppliers, peers and industry associations, as well as communities and the public. We are committed to ensuring that our research results comprehensively and objectively reflect the genuine demands and expectations of all stakeholders, understanding the concerns of each stakeholder. Based on the scoring results of each issue, we have mapped out an ESG materiality matrix to identify ESG issues that are significant to both the Group and its stakeholders under the current business environment. We have determined the content of this report based on the identification and analysis of material issues, facilitating a better understanding of the Group's ESG performance by our stakeholders.

We conducted the 2025 materiality assessment through the following four key steps:

With the assistance of external professional consultants, we conducted an in-depth review of regulatory guidelines, national strategic directions, industry trends, and capital market priorities. Taking into account the Group's operational characteristics, we precisely identified 19 material ESG issues closely related to our business development. To ensure the comprehensiveness and objectivity of the assessment, we extensively invited stakeholders to participate in a questionnaire survey. We adopted a dual-dimension assessment approach, requiring stakeholders to independently score the identified issues based on their "importance to stakeholders" and "importance to the Group's business operations." In addition, we also actively invited stakeholders to share their in-depth perspectives and future expectations regarding the Group's environmental, social, and governance aspects. The final materiality assessment results are presented in a matrix, clearly illustrating the priority of each issue. Through a combination of quantitative analysis and qualitative research, the Board has rigorously reviewed and given final confirmation to the results of this materiality assessment.

MetaLight Materiality Matrix 2025



Level of Importance	Materiality Issue Item
High Materiality Issues	Information Security and Privacy Protection
	Research & Development and Technological Innovation
	Service and Product Quality Control
	Business Ethics and Anti-corruption
Medium Materiality Issues	Intellectual Property Management
	Quality Customer Service
	Employee Compliance, Diversity and Inclusion
	Employee Health and Safety
	Talent Attraction and Retention
	Sustainable Supply Chain Management
Low Materiality Issues	Employee Development and Training
	Smart Transportation Efficiency and Social Contribution
	Risk Management
	Employee Rights and Well-being
	Social Contribution and Public Welfare
	Green Mobility
	Climate Change Response
	Corporate Governance
	Green Operations

2 DIGITAL AND INTELLIGENT COMPLIANCE AND COMPLIANCE OPERATIONS

MetaLight Inc. has always adhered to integrity-based operations, deeply integrating compliance management into every aspect of its business development. We are committed to building a transparent and efficient governance system. Leveraging the Group's business characteristics, we have particularly strengthened our internal control mechanisms in the areas of big data security management, algorithm compliance review, and anti-corruption governance. Through a robust supervisory system and risk prevention measures, we ensure sustainable and healthy development of the enterprise during its digital transformation, effectively safeguarding the long-term interests of shareholders and all stakeholders.

2.1 Compliance Governance System

Strengthening Data Ethics and Algorithm Governance

With the in-depth application of smart transportation technologies and data mining, the Group is actively addressing the compliance challenges brought by technological transformation. We have established specialized compliance review mechanisms specifically for data processing. The Group is committed to ensuring the fairness and transparency of algorithms. We strictly prevent algorithmic discrimination to guarantee the objectivity and inclusiveness of navigation, prediction, and dispatch recommendations. Through continuous technical audits and compliance monitoring, we ensure that our digital and intelligent transformation progresses steadily within the framework of law and ethics, effectively safeguarding users' privacy rights and their right to fair access to services.

Robust Internal Control and Audit System

The Group has established a systematic internal control management system, which is jointly implemented by the Board, the management and all employees, aiming to ensure compliance with laws and regulations in its operations.

Audit Oversight	Risk Assessment	Evaluation and Rectification
• The Group has established an independent internal audit function, which uses regulated methods to evaluate the effectiveness of business activities and risk management, and possesses independent rights of inspection and reporting.	• The finance and legal departments are responsible for managing risk assessment, conducting regular identification and monitoring of risks across five major categories: strategic, financial, operational, market, and legal.	• We conduct regular internal control evaluations, issue rectification work orders for identified deficiencies, and track their implementation to ensure that risks remain within acceptable limits.

Zero-Tolerance Compliance System

MetaLight Inc. recognizes that integrity is the cornerstone of sustainable development. Upholding a "zero-tolerance" compliance principle, we have constructed a comprehensive anti-corruption and anti-fraud system, extending our culture of integrity from within the Group to the entire value chain.

We strictly comply with the Anti-Unfair Competition Law of the People's Republic of China (《中華人民共和國反不正當競爭法》), the Company Law of the People's Republic of China (《中華人民共和國公司法》), the Anti-Monopoly Law of the People's Republic of China (《中華人民共和國反壟斷法》), and the Anti-Money Laundering Law of the People's Republic of China (《中華人民共和國反洗錢法》). We rigorously enforce the Anti-Fraud Management Measures (《反舞弊管理辦法》) and the Employee Code of Conduct (《員工行為準則》), which clearly define eleven prohibited behaviours, including leaking confidential information, taking bribes, falsification, misappropriation of assets, money laundering, and collusion. The Group conducted rigorous internal control management and through the Internal Control Management Measures, we have established a robust compliance management system. By integrating our governance structure, authority allocation, and human resources policies, we ensure legal and compliant operations and the absolute security of our assets.

In the employee handbook, the Group emphasizes that employees must:	
Reject Commercial Bribery	The offering of gifts, cash, or paid services to obtain improper benefits is strictly prohibited in all business dealings.

2.2 Integrity and Whistleblowing Prevention Mechanism

Diversified Whistleblowing Channels

The Group encourages employees, suppliers, and partners to report any violations of professional ethics or acts of corruption and fraud.

- Whistleblowing scope: Includes acts such as leaking company trade secrets, accepting bribes or kickbacks, misappropriation of company assets, embezzlement of funds, and bid rigging.

- Reporting methods: The Company has established dedicated reporting mailboxes and hotlines. The human resources department serves as the specialized body responsible for receiving and conducting preliminary screening of leads.

Building a Clean and Integrity-Based Partnership Together

MetaLight Inc.'s integrity requirements extend beyond formal employees to comprehensively covering suppliers and business partners, jointly fostering a transparent and open business ecosystem.

Comprehensive Integrity Standards	In accordance with the "Integrity Requirements for Supplier Collaborative Management", we require our partners to achieve a high level of alignment with the Group on integrity and professional ethics.
Integrity Commitment	In our business dealings, we strictly adhere to integrity cooperation standards with our partners. Internally, we strictly prohibit accepting condolence money, e-gift cards, or participating in high-consumption entertainment activities in any name.

Stringent Whistleblower Protection Mechanism

The Group regards "Whistleblower Protection" as the core of its anti-fraud system, ensuring that whistleblowers will not face retaliation for providing leads:

Identity Confidentiality System	Anti-Retaliation Protection	Whistleblower Rights Protection
• Access to reporting information is strictly limited. All personal information of whistleblowers and the content of reports are kept by designated personnel and must not be disclosed to anyone unrelated to the investigation without authorization.	• Any form of reprisal is strictly prohibited. Should management or employee be found to have retaliated against a whistleblower through demotion, pay cuts, harassment, or discrimination, the Group will severely punish the retaliator, and terminate the labor contract for those with serious circumstances.	• In our collaboration with suppliers, the Company also commits to protecting the interests of any supplier who reports bribery attempts by our employees, ensuring they are not subjected to unfair treatment as a result.

Standardized Investigation and Handling Process

For every whistleblowing incident received, the Group strictly adheres to the following four-step process for handling:

Acceptance and Preliminary Assessment	• Upon receipt of a report, the human resources department assesses the authenticity and significance of the leads to determine whether to formally initiate an investigation.
Special Investigation Team	• Upon case initiation, a special investigation team is formed, comprising members from legal, finance, human resources, and key business personnel. For significant fraud matters, the team reports directly to the Audit Committee.
Evidence Collection and Reporting	• The investigation team conducts forensic evidence collection through interviews, document verification, and system data tracking. Upon completion of the investigation, an Investigation Report is submitted to substantiate the facts of the fraud and put forward suggestions of how to handle the case.
Penalty and Improvement	• Based on the findings, violators face warnings, termination, or referral to judicial authorities. Simultaneously, relevant departments are required to rectify management loopholes.

2.3 Performance Metrics and Anti-corruption Compliance

We continuously monitor the effectiveness of our anti-corruption initiatives to ensure efficient operation of our compliance system:

Corruption Litigation Metrics	• In 2025, the Group recorded zero corruption-related litigation cases.
Deepening Anti-corruption Compliance for All	• The Group has established a sound anti-corruption compliance system in which all employees must strictly adhere to. We continuously implement integrity standards and requirements to strengthen compliance awareness and risk control capabilities. Moving forward, we will comprehensively deepen anti-corruption training to fortify our compliance and anti-corruption capabilities.

3 GREEN MOBILITY AND ENERGY EFFICIENCY TECHNOLOGY

MetaLight Inc. is committed to transforming digital technology into a driver of environmental protection. Facing the severe challenges of global climate change, we are steadfastly at the forefront of low-carbon development. With continuous improvement in product energy consumption and comprehensive deepening of green and low-carbon management as our core strategies, we actively address and strive to mitigate the impacts of climate change. We deeply implement the concept of energy conservation and emission reduction, striving to make positive contributions to global emission reduction efforts through our concrete actions, thereby demonstrating our corporate social responsibility and stewardship.

3.1 Leading Green Mobility: Empowering Low-carbon Life with Digital Technology

In 2025, we continued to promote low-carbon travel through the "Chelaile" APP, facilitating the green transformation of our energy structure.

Mobility Advocacy

Leveraging eleven years of deep cultivation in the public bus service sector through the "Chelaile" APP, we have effectively enhanced the appeal and convenience of public transportation by providing precise real-time bus data.

Quantifying Environmental Contributions

In 2025, through big data analytics and quantified disclosure, our precise arrival predictions have significantly reduced user reliance on private cars. We project that this initiative will encourage hundreds of millions of passenger trips annually to prioritize green mobility, thereby reducing carbon emissions from urban transportation at the source.

3.2 Operational Emissions Management: Practicing Green Office

MetaLight Inc. exercises stringent control over resource consumption in its own operations, dedicated to reducing the overall ecological footprint of the enterprise.

We strictly abide by environmental laws and regulations, including the Energy Conservation Law of the People's Republic of China (《中華人民共和國節約能源法》), the Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》), and the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes (《中華人民共和國固體廢棄物污染防治法》). We have formulated management systems such as the Energy Conservation and Consumption Reduction Management Standards (《節能降耗管理規範》) and the Solid Waste Management Standards (《固體廢棄物管理規範》), integrating the concept of green and low-carbon practices into daily corporate management and advocating for employees to practice environmental protection concepts.

We use cloud-based servers and data centers, and our energy consumption consists primarily of use of electricity and use of gasoline in our vehicles. Greenhouse gas emissions consist primarily of Scope 1 and Scope 2 emissions. Scope 1 direct emissions include the direct greenhouse gas emissions from our own office premises. Scope 2 indirect emissions primarily include the greenhouse gas emissions from our usage of purchased electricity and heat. Due to our nature of business, we believe our environmental footprint to be relatively small. Nonetheless, we are committed to conserving energy, optimizing resource utilization, and reducing our carbon footprint.

We prioritize efficient energy management and actively practice the concepts of energy conservation and environmental protection. To achieve our energy conservation target, we have implemented a series of daily behavioral and facility management measures, including rationally adjusting air conditioning temperatures, replacing energy-saving lamps, conducting regular patrols to switch off non-essential power sources, establishing scheduled maintenance plans for facilities, posting energy-saving tips and labels, and embedding green and low-carbon concepts into the Group's corporate culture. Moreover, we have proactively participated in the promotion campaigns organized by industry associations, advocating the use of public transportation.

We focus on water conservation management and continuously strengthen the routine maintenance of water-using equipment. By installing sensor faucets and utilizing water-saving sanitary ware, we promote water conservation and efficient utilization at both technical and managerial levels. Meanwhile, the Company has posted water-saving labels in key water-use areas such as pantries and restrooms to enhance employees' awareness of water conservation, advocating and practicing a green lifestyle together. We have not encountered any issues in sourcing suitable water.

In addition, our business operations do not involve the production or use of packaging materials.

Our solid waste primarily consists of domestic waste, waste paper, and used office consumables generated from daily operations. To reduce the generation of used office consumables and improve their utilization efficiency, we actively promote paperless operations. When using printers, we encourage employees to use double-sided printing and place recycling boxes for used paper next to each printer for reuse. Furthermore, we actively promote waste sorting management by classifying waste generated in office areas, with cleaning staff arranging for subsequent sorting, recycling, and disposal. As our current office space is centrally managed by the property management office, and the relevant waste weight is handled centrally by the property management, specific quantitative data allocated to the Group is currently unavailable.

Given that the Group's business nature primarily involves software R&D and IT services, the hazardous waste generated during daily operations is minimal, consisting mainly of used batteries, waste toner cartridges, and ink cartridges. Scrapped computers deemed beyond repair are handed over to professional recycling companies for harmless treatment. Hazardous waste, such as waste toner and ink cartridges, is returned to original manufacturers for harmless treatment in strict accordance with relevant national regulations on hazardous waste management, thereby minimizing environmental pollution and damage and achieving sustainable resource utilization. During the Reporting Period, due to the minimal volume generated and full compliant disposal, precise quantification of these sporadic wastes is currently unavailable.

The concept of green sustainability is deeply embedded in the Group's daily operations and cultural construction. Adhering to the principles of green operation, we actively organize various environmental protection training sessions and seminars to disseminate the concepts of green development and "dual carbon" among our employees.

3.4 ESG Environmental Targets and Actions

Based on our business development strategies and targets, we have formulated various environmental targets and undertaken specific initiatives in 2025 to promote green and low-carbon development.

ESG Environmental Long-term Targets	Actions	2025 Target Achievements and Progress Review	
Tracking resource consumption disclosure and management	We regularly monitor and disclose the consumption of water and electricity in our offices and data centers.	We continuously optimize the cooling systems and power management metrics of our server rooms to ensure that energy efficiency levels continue to improve alongside with business growth.	Proceeding as planned
Further reduce corporate greenhouse gas emissions	We continuously monitor the Group's Scope 1 and Scope 2 greenhouse gas emissions.	Disclose greenhouse gas emissions (Scope 1 and Scope 2) in the Group's ESG report and conduct more detailed statistics. By promoting paperless operations and optimizing the PUE value of our data centers, we have set clear carbon reduction targets, striving to achieve a year-on-year decrease in carbon neutrality intensity across our office areas over the next five years.	Proceeding as planned
Achieve a low-carbon value chain	We are committed to prioritizing the procurement of eco-certified equipment and, in the siting and maintenance of our data centers, giving preference to partners that utilize green energy power supply.	Relevant specifics and project outlines are currently under research and implementation.	Proceeding as planned

4 SMART TRANSPORTATION AND DIGITAL EMPOWERMENT

4.1 Technological Innovation and Intellectual Property

MetaLight Inc. regards technological innovation as the soul of its enterprise development and considers intellectual property protection as a core strategy for building its competitive advantage in smart transportation technology. We have established a comprehensive patent management system, implementing comprehensive patent layout and trademark protection in core areas such as big data processing, road network scheduling algorithms, and smart transportation applications, thereby safeguarding the long-term interests of the Group and its partners.

The Group strictly complies with the Patent Law of the People's Republic of China (《中華人民共和國專利法》), the Trademark Law of the People's Republic of China (《中華人民共和國商標法》), the Copyright Law of the People's Republic of China (《中華人民共和國著作權法》) and other relevant laws and regulations, while actively safeguarding its proprietary technologies from infringement risks. We rely on patents, copyrights, trademarks, domain names, trade secrets and confidentiality agreements to protect our intellectual property.

We rely on patents, trademarks, copyrights, and trade secrets to protect our technological achievements, and have established a comprehensive protection mechanism according to our internal "Intellectual Property Management System". In the process of technology output and external collaboration, the Group actively safeguards its proprietary technologies against infringement risks, ensuring the security and compliance of its technology assets. As of 2025, we hold 35 patents, 53 registered trademarks, and 99 registered software copyrights in the PRC.

In 2025, the Group made steady progress in the application of its smart transportation data infrastructure and scheduling algorithms. Aligning with business development needs, we continuously optimized core technologies such as the road testing management system and filed new patent applications in accordance with our R&D progress. By steadily enhancing the stability and maturity of our technologies, the Group strives to provide users with more accurate and efficient smart mobility services.

Recognition of core technologies: Computer Software Copyrights and Patents

The Group's independently developed "Road Testing Management System V1.0" was officially granted the Computer Software Copyright Registration Certificate issued by the National Copyright Administration of the People's Republic of China in 2025.


中华人民共和国国家版权局
计算机软件著作权登记证书

软件名称： 路测管理系统 V1.0

著作权人： 北京元光智行信息技术有限公司

权利取得方式： 原始取得

权利范围： 全部权利

登记号： 2025SR0019634

根据《计算机软件保护条例》和《计算机软件著作权登记办法》的规定，经中国版权保护中心审核，对以上事项予以登记。

2025年01月06日

4.2 Data Security and Privacy Protection

MetaLight Inc. regards data security as the cornerstone of the enterprise. We strictly comply with the Data Security Law of the People's Republic of China (《中華人民共和國數據安全法》), the Personal Information Protection Law of the People's Republic of China (《中華人民共和國個人信息保護法》) and other relevant laws and regulations on privacy protection, having built a comprehensive protection mechanism covering every aspect from technical defenses to the implementation of institutional measures.

High-strength Encryption for Data Transmission and Storage

We continuously monitor the data transmission traffic of the "Chelaile" APP through automated technical means. Full-link encryption ensures that all user location data, query requests, and account information are encapsulated using AES-256 or equivalent high-strength encryption algorithms during transmission from the client to the server, effectively preventing malicious interception or tampering of data along the transmission path. During back-end processing, all identity-related sensitive fields are de-identified or anonymized, ensuring that data cannot be traced back to specific individuals even in internal operations or algorithm training scenarios.

Data Security Management System

We have established a rigorous data security governance framework. To achieve the goal of ensuring the security and confidentiality of our user statistical data, we have implemented data security and protection protocols covering all aspects of data management, including data classification, the entire data lifecycle (encompassing collection, storage, use, transmission, processing, disclosure, and deletion), and strict confidentiality procedures. Our Data Compliance Committee, Data Quality Department, Corporate Information Center, and Legal and Compliance Department are responsible for the implementation our internal control measures.

Data Compliance Committee	The governing body is responsible for key decisions relating to data compliance within the Group The committee plays a key role in overseeing and making decisions on significant data compliance matters Serves as a layer of expertise and ensures the integrity of data practices across the Group
Data Quality Department	Responsible for overseeing the technology for data procurement Ensures the integrity and quality of real-time bus data and provides data analysis strategies for implementation across various cities
Corporate Information Center	Operates within the terms of reference of the Data Quality Department, responsible for executing external data procurement procedures, which involve assessing the authenticity of data sources and establishing mechanisms to ensure the quality and reliability of source data In close collaboration with the Data Quality Department, the center facilitates the implementation of systematic data validation processes

Legal and Compliance Department	Carries out the daily responsibilities of overseeing data compliance matters, including regularly monitoring and assessing data capture activities at different stages of the data lifecycle, and imposing penalties on employees who violate data compliance policies

To effectively prevent data misuse and information leakage, and protect the legitimate rights and interests of investors and users, the Group has formulated and implemented stringent Inside Information Registration Management Policies (《內幕信息登記管理制度》) and Information Disclosure Management Policies (《信息披露管理制度》). Comprehensive verification procedures are applied to data that is authorized for access and use, ensuring the compliance and transparency of data processing activities.

Dynamic Registration of Insiders	Full-Process Confidentiality Responsibility Tracking	Least Privilege Access Control
• We implement a dynamic registration system for all "insiders with access to inside information" who have access to the Company's core data and material business information. Whether directors, supervisors, senior management, or relevant business department personnel, each person must complete a detailed registration form when accessing sensitive information, ensuring that the access history of every piece of core data is traceable and accountable to a specific person.	• **Onboarding and In-Service Constraints:** In accordance with the policy, no staff member is permitted to use their position to obtain inside information unrelated to their duties. The Group signs confidentiality agreements with insiders, clearly defining their legal obligations and confidentiality responsibilities. • **Post-Employment Continuing Responsibility:** It is clearly stipulated that after leaving the Company, staff members remain subject to continuing confidentiality obligations regarding inside information they possessed during their employment. They are prohibited from using such information for any form of improper trading or disclosure.	• The principle of "limiting insiders to the smallest necessary scope" is implemented. Where the provision of material non-public information to external parties is truly required due to special circumstances such as business negotiations, the receiving party must be required to sign a confidentiality agreement and undertake not to trade the Company's securities before the information is made public, thereby blocking the risk of leakage at the source.

Closed-loop Supervision and Compliance Enforcement

In the event of premature information leakage, market rumors, or abnormal securities trading, the Group will immediately initiate disclosure procedures and report to the regulatory authorities to minimize the impact. We strictly enforce an accountability system. For personnel whose work-related negligence leads to information leakage, the Group will investigate the cause and hold the responsible individuals accountable based on the severity of the circumstances, ensuring the authority and enforceability of the data security system. We regularly review the comprehensive data security management system to ensure the timely optimization of data leakage prevention, operational auditing, and emergency response mechanisms.

2025 Data Security Protection Highlights

Highest Level Certification	MetaLight Inc.'s core product, the "Chelaile" APP Platform has successfully passed the National Cybersecurity Classified Protection Level 3 (Class 3) assessment. This is the highest security level requirement attainable by a non-banking institution in Mainland China, marking that we have achieved national-level protection standards in physical security, network communication, device computing, and data integrity.
Professional Capability Assessment	We have completed the Data Security Management Capability (DSMC) assessment and certification. This not only satisfies the compliance requirements of the Data Security Law, but also serves as proof that the Group has reached industry-leading levels in data leakage prevention, operational auditing, and emergency response mechanisms and capabilities.
Risk Compliance Audit	We regularly conduct specialized data risk assessments. The assessment report completed in 2025 shows that the Group implements stringent de-identification and physical destruction procedures in the destruction and storage management of media such as mobile hard drives, USB flash drives, and Flash cards, ensuring absolute security at the end of the data lifecycle.

Service Scale
The "Chelaile" APP has accumulated 334 million users

4.3 Product Responsibility and Quality Service

We monitor and ensure product quality throughout the development, production, supplier management, delivery, and service processes. According to the product quality management process, the Group organizes product development and quality teams to conduct technical and quality reviews at various stages, comprehensively evaluating product quality, thoroughly identifying and effectively addressing potential defects and risks, thereby ensuring the steady progress of product development and the high-quality delivery of final outputs. During the production and delivery stages, all product functions and performance indicators are comprehensively tested to ensure that product quality meets high standards.

International Recognition: Awarded the Hong Kong CAHK STAR Awards 2025

In 2025, the "CAHK STAR Awards 2025" ceremony, organized by the Communications Association of Hong Kong (CAHK), was grandly held at the Hong Kong Convention and Exhibition Centre. The "Chelaile" APP, leveraging its outstanding performance in real-time data processing, user interaction experience, and the construction of a smart mobility ecosystem, was awarded the Bronze Prize for the "Best E-Commerce Solution Award".

Photo: MetaLight Inc. receiving award at the Hong Kong "CAHK STAR Awards 2025" ceremony

This award signifies that MetaLight Inc. has achieved remarkable results in promoting the integration of transportation data and digital commerce, further consolidating the Company's leading position in the smart city service sector, and demonstrating the high applicability and brand value of the "Chelaile APP" in cross-regional markets.

Advertising Placement and Service Remediation

The Group places great emphasis on the quality and compliance of its promotional channels. We conduct rigorous screening of major advertising channels, such as mobile app stores, social networking platforms, and third-party mobile apps, in terms of their qualifications, conversion quality, and brand safety. We strictly review the qualifications of advertisers and advertising content in accordance with relevant laws and regulations. We have established an advertising review system to ensure that all promotional materials accurately reflect our services, especially the true functionality of the "Chelaile" APP. Any misleading statements are prohibited, with the Legal and Compliance Department conducting pre-publication reviews of promotional content to ensure compliance with laws, regulations, and social ethics. We have established a clear remediation mechanism, in the event that advertising placement fails to meet targets or other disputes arise. We will negotiate refund or compensation plans with clients based on the terms of the agreement and actual circumstances.

Service Transparency and Remediation Mechanism

We deeply understand that timely information disclosure and efficient fault repair are key to protecting user rights and fulfilling product responsibilities. We clearly display service terms and privacy agreements to ensure users use the service with informed consent, fulfilling our disclosure obligation to "provide users with data usage and privacy policies". At the same time, to address potential technical issues such as App service interruptions, data loading delays, or prediction inaccuracies, we fully leverage our powerful data processing and cloud computing capabilities and have established a 7x24 hours real-time monitoring system. Whenever an emergency response is triggered by a system anomaly alert, the dedicated operations and maintenance team will immediately activate the emergency response plan. By quickly repairing system vulnerabilities and rolling out algorithm updates, we minimize the impact of faults, substantially implementing the management commitment to promptly investigate the causes of complaints and take corrective measures.

Complaint Handling and Service Optimization

We have established a transparent and efficient user feedback mechanism, overseen by dedicated customer service and quality inspection teams. We focus not only on resolving individual complaints but also on integrating complaint data into product development metrics. By periodically reviewing the complaint database, we have implemented multiple version updates for the App, reducing the likelihood of inadvertent ad clicks and enhancing data transmission stability. Our goal is to provide a cleaner, more accurate travel tool for our 334 million users.

Reception and Classification	• Collect feedback from government departments, partners (such as bus companies), and within the App itself • Classify issues into different categories, including "dynamic data deviation", "system function missing vehicle", etc. • Same-day response mechanism: The policy clearly stipulates that "all users' feedbacks must be responded on the same day"
Investigation and Resolution	• For "inaccurate data", the technical team will trace back the GPS signal of the specific route, long-tunnel interference, or server status. • **Flexible Compensation Plans:** (i) **Appeasement and Incentive:** For data deviation, proactively offer a "1-year VIP" membership, converting "complainants" into "in-depth evaluators". (ii) **Assistance with Refunds:** For third-party charges incurred due to inadvertent ad clicks, customer service proactively contacts the supplier to assist the user in obtaining the refund.
Service Quality Inspection	• **100% quality inspection coverage:** A dedicated quality inspection team reviews the handling process. • **99% accuracy target:** Quality inspection results are directly linked to customer service performance to ensure handling quality.
Algorithm Feedback	• **Algorithm iteration:** Optimize the prediction logic of the time series data foundation model to address frequently reported issues such as "missing vehicle" or "position drift". • **Establish a private-domain feedback loop:** For example, add key complaining users on WeChat to conduct long-term data back-testing, ensuring post-fix stability.

Complaint Handling and Performance

In 2025, we achieved the goals of "same-day response and 100% resolution" for all user complaints received. Additionally, the quality inspection accuracy rate remained above 99% when handling complaints related to data privacy, advertising charges, and product suggestions.

During the Year, there were no substantiated complaints received concerning violations of customer privacy or loss of customer data.

4.4 Responsible Supply Chain: Building a Digital and Intelligent Ecosystem

MetaLight Inc. deeply understands that the stability and compliance of its supply chain are the cornerstones of sustainable business growth. The ESG principles are integrated into the entire procurement process. Through detailed category management and risk assessment, we work with partners to jointly build a green, transparent, and efficient digital and intelligent supply chain system.

Supplier Classification and Refined Management

We implement differentiated access and assessment standards for suppliers based on their business nature and risk characteristics. Our suppliers primarily include: (i) server leasing service providers, (ii) advertising and promotion service providers, (iii) cross-network advertising service providers from which we purchase additional advertising inventory, and (iv) transportation authorities that grant us licenses to access and use their bus data.

Technology Services Category	Covers cloud computing service providers, map API providers, and big data processing service providers. We focus on evaluating their data security capabilities, system stability, and alignment with the user needs of the Group's "Chelaile" APP
Advertising and Promotion Services Category	We acquire users through advertising placements across various channels such as mobile app stores, social networking platforms, and third-party mobile applications. Therefore, we strictly review the compliance of promotional activities of suppliers in this category

Environmental and Social Risk Assessment

We have established a rigorous supplier screening mechanism. The ESG evaluation indicators are introduced into the annual assessment, making non-financial performance an important basis for cooperation decisions. This includes, but is not limited to, compliance and integrity audits and social risk control. We regularly review suppliers' labor protection practices, strictly prohibiting child labor and forced labor, and require suppliers to comply with local environmental laws and regulations.

Green Procurement and Sustainable Empowerment

MetaLight Inc. actively implements a "low-carbon supply chain" strategy, prioritizing partners with environmental advantages to reduce the ecological footprint of its business operations.

Green Data Centers	• When selecting cloud computing providers, we prioritize data center service providers that are committed to using green electricity and have low PUE (Power Usage Effectiveness) values. By procuring low-carbon computing power services, we indirectly reduce the carbon emissions associated with the Group's products when processing massive amounts of transportation data.
Green Product Procurement	• In the procurement of hardware equipment, we give priority to sensors and office facilities that have obtained environmental labeling certification or comply with energy-saving standards, promoting the transformation of the supply chain towards a resource-efficient model.

5 TALENT DEVELOPMENT AND DATA-DRIVEN EMPOWERMENT

We deeply understand that "talent" is the core engine driving technological breakthroughs and business evolution. Therefore, the Group is committed to building internationally competitive incentive mechanisms and a full-cycle training system, helping employees and the Group achieve leapfrog growth together in forward-looking fields such as dynamic transportation big data and power trading.

5.1 Talent Acquisition and Competitiveness

MetaLight Inc. actively pursues a strategic reserve of top industry talent, attracting interdisciplinary professionals with expertise in algorithm development and big data processing through diverse incentive mechanisms.

Strategic Incentive Programs	We implement a compensation system centered on equity incentives and performance bonuses, deeply aligning the personal development of core technical personnel with the Group's long-term value, thereby achieving shared benefits.
Comprehensive Settlement Support Policy	For outstanding new graduates, particularly technical talents from universities nationwide, the Group actively provides support for Beijing household registration (hukou) transfer, helping young talents address concerns related to living arrangements and development, thereby strengthening the core talent pipeline.

5.2 Smart Transportation Talent Development

MetaLight Inc. has built a multi-tiered knowledge-sharing platform and skill evolution system aimed at stimulating technological innovation and ensuring that the team's technical expertise remains at an industry-leading level, thereby providing a continuous driving force for digital and intelligent transformation.

Multi-dimensional Technical Learning and Empowerment System

We deeply understand that continuous employee learning is the only path to maintaining competitiveness. The Group has established a digital empowerment system covering all employees, with training content covering:

Technical Learning and Seminars

"Technology **Forward** Seminars" are designed to invite internal technical experts and industry leaders to share in-depth insights, covering cutting-edge fields such as **big data mining applications**, automated algorithm optimization, and time series data processing.

Data Security and Data Protection

Data security and data protection are designated as mandatory courses for all employees, ensuring that the team maintains a high level of privacy protection awareness and risk prevention capability throughout the process of pursuing technological innovation.

Through information security training, case studies, article promotions, simulated exercises, security competitions, and regular assessments, we effectively enhance the information security awareness and response capabilities of all employees, thereby reducing security risks.

Digital Learning Atmosphere

We emphasize the practical improvement of R&D efficiency and cultivate an organizational atmosphere of "**data-driven**" operations. The Group regularly organizes the "MetaLight Cup" algorithm competition internally on topics such as "traffic flow prediction" and "power load modeling". This competition uses massive, real-world data volumes from business systems, encouraging R&D personnel to propose more effective algorithm solutions under pressure.

Talent Cross-Sector Transformation

For senior employees with profound experience in public transportation operations, the Group has tailor-made a "Bus Expert Transformation Pioneer" program. This initiative has successfully facilitated internal cross-sector talent mobility, enabling seasoned experts to leverage technology to deconstruct complex transportation issues, thereby providing solid talent support for the Group's smart governance business.

"Business + Technology" Dual Mentorship System

Through cross-departmental mentor guidance, traditional transportation domain experts are able to rapidly equipped with **smart** tools and data analysis methods.

Phased Talent Development Mechanism

We support employees in continuously evolving at different stages of their development, achieving a win-win situation between personal value and corporate goals:

Onboarding Adaptation Period: Two-way Integration of Culture and Technology	Professional Development Phase: Deepening the AI and Big Data Strategy	Thinking Expansion Phase: Cross-Sector Learning and Capability Enhancement
• For newly hired employees, we conduct systematic "New Employee Orientation Training". The content covers the Group's development vision, corporate cultural identity, safety and compliance guidelines, as well as an introduction to the core technical environment. This helps newcomers quickly overcome unfamiliarity and integrate into MetaLight's technological DNA	• To support the Group's transformation from dynamic traffic information to intelligent decision-making services, we provide intensive professional skills training for existing employees. The training focuses on upskilling and regular technical learning exchange activities, ensuring that the team's technical expertise remains at the forefront of the industry.	• Beyond deep technical cultivation, we also value the improvement of employees' overall competence. Through regularly held "Book Sharing Sessions" and cross-departmental technical salons, we encourage employees to engage in cross-sector learning and thought exchange. This diverse form of interaction effectively breaks down departmental silos and enhances the team's overall capability to tackle complex business challenges.

Team Building and Benefits

MetaLight Inc. firmly believes that a highly cohesive team is the cornerstone of driving technological innovation. We have meticulously crafted a benefits matrix with "MetaLight characteristics". This matrix not only aims to inspire employees' technical craftsmanship in the workplace but also infuses the spirit of "people-oriented" care into the minutiae of daily operations. This ensures that every partner, while striving professionally, deeply feels a sense of belonging and warmth akin to being part of a family.

"Programmer's Day" (October 24th) Series of Celebration Activities

To foster a corporate culture that respects technology and champions innovation, we have specially established a series of celebration activities for "Programmer's Day" (October 24th) for our core technical teams. This exclusive tradition, through coding competitions, technical salons, and creative exchanges, provides a stage for engineers to showcase their talents and engage in deep intellectual exchanges. While paying tribute to technical craftsmanship, it significantly enhances the team's professional pride and collective sense of belonging.

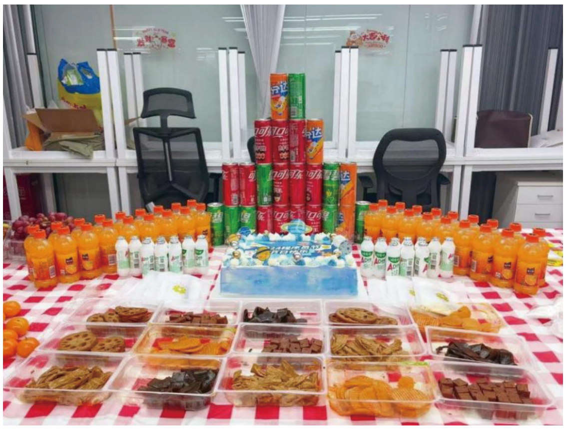


Photo: Programmer's Day Celebration Activities

We integrate care into every detail of daily operations, ensuring that the physical and mental well-being of our employees is comprehensively protected and supported.

In our daily office environment, we provide free masks and a convenient medical kit, along with fresh fruit and a variety of snacks every day, offering employees readily available energy replenishment.	On employees' birthday months, we give customized cake vouchers and exclusive gifts. When employees celebrate joyous life events such as marriage or the birth of a child, the Group not only provides gift money and care packages but also offers comprehensive paid marriage and maternity leave support. MetaLight Inc. accompanies its employees through every important milestone in their lives. This lifecycle care mechanism ensures that employees always have the solid support of the company family while pursuing professional excellence.
Regarding occupational health, the Company provides free annual health checkups for all employees each year. This benefit covers basic physical examinations as well as specialized screenings tailored to industry characteristics, such as cervical and lumbar spine checks and women's health screenings. It also supports flexible choice of physical examination institution and professional interpretation of report results.	To promote a healthy work-life balance, we actively encourage employees to exercise regularly through fun sports activities like badminton competitions, helping them face challenges with a healthy physique.

Cross-departmental collaboration and team rapport are key engines driving business advancement. We organize in-depth overseas team-building activities for our teams, bringing together colleagues from R&D, product, and business departments to cross geographical boundaries and enjoy the journey side by side while exploring foreign cultures and natural landscapes.

2025 Overseas Team Building: Exploring Side by Side with a Global Perspective

To foster a corporate culture that respects technology and champions innovation, we have specially established a series of celebration activities for "Programmer's Day" (October 24th) for our core technical teams. This exclusive tradition, through coding competitions, technical salons, and creative exchanges, provides a stage for engineers to showcase their talents and engage in deep intellectual exchanges. While paying tribute to technical craftsmanship, it significantly enhances the team's professional pride and collective sense of belonging.

Photo: 2025 Overseas Team Building Activity

High-quality team activities not only enhance unspoken understanding and trust across different functions but also inspire employees to examine the possibilities of technological applications from a global perspective. We firmly believe that deep relaxation within natural environments and cultural exchanges can effectively alleviate the pressures of intense development cycles and transform collective care into cherished memories that strengthen team bonds, making each instance of "journeying side by side" become a significant milestone for building cohesion and collectively envisioning the future of the Group.

5.3 Standardized Employment and Diversity & Inclusion

MetaLight Inc. consistently adheres to the core philosophy of being "people-oriented", committed to creating a fair, inclusive, and dynamic work environment for talent.

We strictly comply with relevant labor laws and regulations, including the Labor Law of the People's Republic of China (《中華人民共和國勞動法》) and the Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》), and regard our employees as the cornerstone of the Group's continuous innovation and development. We emphasize the legality and standardization of labor relations, achieving a 100% labor contract signing rate. Through sound working hour management and holiday protection systems, we comprehensively safeguard employees' freedom to work and right to rest, fully protecting their legitimate rights and interests and labor freedom from a legal perspective.

Equality and Diversity

We adhere to the principles of fairness and justice in our recruitment, promotion, and compensation systems, without any discrimination based on gender, ethnicity, religion, or disability. The Group pays particular attention to the professional rights and interests of female employees, nursing employees, and individuals with disabilities, providing corresponding care and support measures to create an inclusive workplace environment. We ensure that every professionally competent individual can pursue career excellence in a fair environment. This commitment to diversity not only broadens our technical perspective but also enables the Company's products and services to more closely align with the real needs of users from diverse backgrounds.

Anti-forced Labor and Anti-child Labor

The Group strictly complies with national and local laws and regulations prohibiting the use of child labor and forced labor. During the recruitment process, we implement rigorous identity verification procedures to ensure that all hired employees have reached the legal working age. Should any suspected violation involving child labor or forced labor be identified through audits or reporting mechanisms, we will immediately initiate the following elimination steps:

Immediate Isolation and Protection	Solemn Internal Investigation	System Remediation and Accountability
Cease the relevant violation immediately, ensure the safety and health of affected individuals (such as minors suspected of being hired by mistake), assist in their return to their place of origin, or seek lawful social security support.	Form a special investigation team comprising the Legal and Audit Departments to thoroughly determine the cause of the violation and impose strict sanctions on directly responsible management personnel at various levels or external third-party recruitment agencies.	Immediately update recruitment manuals and review procedures to address identified process loopholes, and conduct special compliance training for relevant functional departments to ensure that similar violations do not recur.

Communication and Commitments with Employees

We have established an employee opinion-gathering system, maintaining efficient communication with employees through "monthly meetings" and regular "questionnaire sessions", ensuring timely and transparent dialogue between employees and management, and transforming employee voices into driving forces for the Group's progress.

To effectively monitor and prevent any violations or misconduct, the Group has established a diverse and highly confidential whistleblowing and communication system, actively encouraging internal employees and external partners to jointly safeguard the Company's operational bottom line. We firmly believe that open communication channels are essential, as it can help identify risks in a timely manner and optimize management processes.

Regarding specific implementation pathways, we have provided whistleblowers with comprehensive, multi-tiered contact channels to ensure that various leads can reach the core management immediately. Internally, we fully leverage digital office tools, using the "DingTalk" platform as a key channel for employees to report issues, while clearly defining the oversight responsibilities of key functional departments such as Legal, Finance, and Human Resources, ensuring that leads are fairly addressed within a professional framework. To fully eliminate whistleblowers' concerns, the Group strictly implements whistleblower protection and confidentiality mechanisms at the policy level. All whistleblowing information is received and properly kept by designated personnel in the Audit Department, strictly prohibiting the disclosure of whistleblower identity information to anyone unrelated to the investigation. We clearly commit in our policies to absolutely prohibit any form of retaliation. Should management or employees engage in discrimination, demotion, or harassment against whistleblowers, the Group will investigate and deal with such acts seriously.

Both internal and external stakeholders may submit information through the dedicated whistleblowing email address (hr@chelaile.net.cn).

5.4 Employee Health and Safety

Aiming at offering a healthy and safe workplace to our employees, we strictly comply with the Work Safety Law of the People's Republic of China (《中華人民共和國安全生產法》) and other laws and regulations, and commit to strictly adhering to applicable laws, regulations and standards related to health and work safety in different jurisdictions. We have adopted a series of policies and procedures with respect to health and work safety. The Human Resource Department of the Company, led by an experienced department manager, comprehensively monitors every aspect of the implementation of such policies and procedures. We examine the workplace regularly to eliminate all potential workplace hazard that may negatively affect the health and safety of our employees. Additionally, we implement categorized safety management and the following work safety awareness training based on the nature of different office environments:

- Office Environment Safety: We conduct regular safety inspections in respect of the facilities in the office to ensure fire exits are clear and fire extinguishers and other fire-fighting equipment are in normal working order.

- Data Center Maintenance Assurance: For professional personnel involved in hardware operations and data center maintenance, the Group provides necessary labor protection equipment and strictly enforces safe operating procedures to prevent electrical injuries or equipment accidents.

- Enhancing safety awareness of all employees.

Conduct fire drills and office first aid training regularly.
Carry out training courses on applicable health and work safety awareness laws and regulations.
Utilize internal systems to distribute workplace health knowledge, covering multi-dimensional topics such as cervical spine health, and educate employees on physical and mental health and safety through digital means.

- Safety Performance Indicator: The Group has achieved the goal of "zero work-related fatalities and injuries" for three consecutive years, with the specific statistics are as follows:

Indicators	2025	2024	2023
Number of work-related fatalities	0	0	0
Work-related fatality rate (%)	0%	0%	0%
Number of working days lost due to work-related injuries	0	0	0

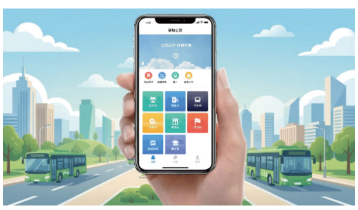
6 PUBLIC VALUE AND URBAN EMPOWERMENT

6.1 Digital Inclusion and Urban Governance

MetaLight Inc. consistently regards "transforming data value into urban warmth" as its core corporate mission. We leverage our core big data analytics and efficient scheduling algorithms to deeply empower urban public transportation systems, promote digital inclusion into urban micro-circulation, and assist governments and transportation authorities in achieving digitalized governance and intelligent decision-making, thereby fulfilling our responsibilities as a corporate citizen.

Self-developed Service Platform Products

Our self-developed "Public Transportation Analysis Platform" product is dedicated to becoming the "Smart Transportation Brain" of cities. This platform integrates massive dynamic data from bus on-board equipment and the "Chelaile" App into a unified smart dashboard, enabling real-time monitoring and precise analysis of traffic operation status.



Nationwide Empowerment Presence

As of 2025, this platform has been successfully deployed in over 150 cities and towns nationwide, assisting local transportation authorities in optimizing network planning and effectively improving urban operational efficiency and the scientific allocation of public resources.

6.2 Corporate Social Responsibility and Environmental Benefits

Recognizing the scale and influence of our platform, we actively encourage and support social responsibility initiatives and promote the concept of corporate social responsibility throughout the Company.

Green Travel and Carbon Reduction Plan	We have launched a carbon reduction plan in collaboration with local governments, where participating commuters earn carbon credits by using public transportation and can then redeem these carbon credits for various rewards. We aim to promote the public's choice of a greener, lower-carbon lifestyle.
Digital Inclusion and Care for Vulnerable Groups	We have optimized the user interface and data loading logic for the elderly population and users in non-core urban areas, simplifying operational processes and bridging the digital divide. An accessibility-friendly version of the "Chelaile" APP interface is available, ensuring that the convenience of smart transportation can transcend age and geographical limitations.

6.3 Public Welfare Innovation and Social Investment

We actively participate in the foundational construction of urban governance, leveraging data sharing and technical support to help governments enhance their perception of urban mobility.

In 2025, we continue to support multiple local transportation bureaus and cyberspace administrations in their cybersecurity and big data application efforts. During events such as Cybersecurity Week, we act as a technology exporter, becoming a reliable partner for cities in digital governance. The Group deeply participates in and supports Cybersecurity Week activities. Leveraging our professional expertise, the Group has made positive contributions to promoting cybersecurity knowledge and enhancing public protection awareness, earning high recognition and appreciation from relevant provincial and municipal leaders. We will actively respond to the national cybersecurity strategy, leverage our professional technical advantages, further deepen cooperation with cyberspace departments at all levels, jointly fortify the cybersecurity defense line, and contribute to the high-quality development of digital cities.

Special Sponsorship Case: 2025 Hangzhou Youth Hackathon

The Group sponsored the "AdventureX 2025 Hangzhou Youth Hackathon" held in July 2025. As one of the largest youth technology innovation competitions in China, MetaLight Inc. focused on empowering youth technology innovation and public welfare innovation, supporting the competition in building a platform for technical exchange and public welfare practice.

Photo: 2025 Hangzhou Youth Hackathon Exchange Activity

We encourage young technical talents to explore new pathways for solving social problems. The Group also communicates this public welfare initiative to all employees, enhancing their sense of corporate identity and pride while demonstrating the Company's social responsibility commitment.

6.4 Industry Co-construction: Leading Standardization and Technical Exchange

MetaLight Inc. actively fulfills its responsibility as an industry leader, continuously empowering the digital transformation of public transportation through participation in industry standard-setting and high-level academic exchanges.

As one of the principal drafters, MetaLight Inc. deeply participated in the research and drafting of the transportation industry standard, the Specification for CAN Bus Data Collection in Urban Public Buses and Trams (《城市公共汽電車車輛 CAN 總線數據採集規範》). This standard, led by the China Academy of Transportation Sciences, was officially promulgated and implemented on December 3, 2025, which effectively fills the industry's standardization gap in the underlying data collection of bus vehicles, solidifying the technical foundation for the digital and refined management of urban public transportation.

Dr. Sun Xi Delivered a Speech at the Green Energy Interoperability Expo

During 2025, Dr. Sun Xi, founder of the Group, was invited to attend and delivered a keynote speech at the 2nd (Guangzhou) International Expo on New Energy and Digital Technologies for Public Transportation with "Smart Mobility Driven by Digital Innovation • Green Energy for Seamless Connectivity" as its theme.

Photo: Dr. Sun Xi was invited to attend the 2nd (Guangzhou) International Expo on New Energy and Digital Technologies for Public Transportation

At the Expo, Dr. Sun shared MetaLight Inc.'s technical practices in integrating real-time transportation big data with green energy, and discussed the digital evolution pathways of public transportation under the "carbon peaking and carbon neutrality" goals together with global experts.

APPENDIX

KEY PERFORMANCE INDICATOR

Category	Indicator	Unit	2025
Environmental	**Greenhouse Gas**[1]		
	Total greenhouse gas emissions	Tonnes of carbon dioxide equivalent	72.43
	Greenhouse gas emission intensity	Tonnes of carbon dioxide equivalent/employee	0.52
	Greenhouse gas emission (Scope 1)	Tonnes of carbon dioxide equivalent	3.71
	Greenhouse gas emission (Scope 2)	Tonnes of carbon dioxide equivalent	40.99
	Sub-Total of greenhouse gas emissions emission (Scope 1 and Scope 2)	Tonnes of carbon dioxide equivalent	44.70
	Greenhouse gas emission (Scope 3)	Tonnes of carbon dioxide equivalent	27.73
	Purchased electricity[2]	Tonnes of carbon dioxide equivalent	40.99
	Energy		
	Total energy consumption	MWh	74.78
	Energy consumption intensity	MWh/employee	0.54
	Direct energy consumption	MWh	14.28
	Indirect energy consumption	MWh	60.50
	Electricity	MWh	60.50
	Water consumption[3]		
	Total water consumption	Tonnes	57
	Water consumption intensity	Tonnes/employee	0.41
	Use of Resources		
	Paper Consumption	Tonnes	0.46
	Paper Consumption Intensity	Tonnes/employee	0.0033
	Gasoline	Liters	1606
	Air Pollutants[4]		
	Nitrogen Oxides (NOx)	Grams	924.94
	Particulate Matter (PM)	Grams	58.20
	Sulphur Oxides (SOx)	Grams	25.86

1 Greenhouse gases mainly come from purchased electricity. Greenhouse gas emissions are calculated based on the 2022 Emission Reduction Project China Regional Grid Baseline Emission Factors published by the Ministry of Ecology and Environment of China and the 2006 IPCC National Greenhouse Gas Inventory Guidelines published by the Intergovernmental Panel on Climate Change (IPCC), and are presented in carbon dioxide equivalent. Greenhouse Gas (Scope 3) refers to the carbon dioxide equivalent emissions generated by the Group's employees traveling by air for business purposes during the Year.

2 Purchased electricity data is calculated based on the electricity factor in Northern China regions. The primary source of greenhouse gas emissions is the electricity consumed by office operations. Additionally, this also includes the electricity usage of pure electric vehicles during the Reporting Period.

3 The water sources used by the Company are mainly municipal water supply, and there is no issue in sourcing water that is fit for purpose.

4 The primary source is the Company's sole fuel-powered vehicle, calculated in accordance with the "How to Prepare an ESG Report – Appendix II: Reporting Guidance on Environmental KPIs" published by Hong Kong Exchanges and Clearing Limited (HKEX).

Category	Indicator	Unit	2025
Environmental	**Waste**		
	Non-hazardous waste[5]	Tonnes	N/A
	Non-hazardous waste intensity	Tonnes/employee	N/A
	Hazardous waste[6]	Tonnes	N/A
	Hazardous waste intensity	Tonnes/employee	N/A
Social	**Employment**		
	Total number of employees	Person	139
	By gender		
	Male	Person	74
	Female	Person	65
	By employment type		
	Full-time	Person	139
	Part-time	Person	0
	By age		
	Under 30 years old (not including)	Person	45
	Age 30–40	Person	62
	Age 41–50	Person	31
	Above 50 years old (not including)	Person	1
	By employee level		
	Chief executives and senior management	Person	6
	Middle management	Person	13
	Non-management	Person	120
	By region		
	China (including Hong Kong, Macau and Taiwan)	Person	139
	Overseas regions	Person	0

5 The Group's current business is primarily conducted in leased offices. The household and office waste generated from daily operations is uniformly collected and disposed of by the office building's property management office. Non-hazardous waste, mainly consisting of discarded office waste and household garbage, is handed over to waste collection and transportation units for processing. As the property management office is currently unable to provide specific waste weight data allocated to individual tenants, and given the nature of the Group's business has a minimal material impact on the environment, accurate quantitative data could not be obtained for this reporting period. The Group has established a comprehensive waste management system (see section 3.3 of this report for details) and will continue to communicate with the property management to improve future data collection mechanisms.

6 As the nature of the Group's business is primarily software R&D, the amount of hazardous waste generated from daily operations (such as used batteries and toner cartridges) is extremely minimal and has all been handed over to professional recyclers for centralized disposal. It is currently not possible to accurately weigh and measure these sporadic amounts of waste. The Group will continue to optimize its waste management processes to enhance the granularity of its data statistics.

Category	Indicator	Unit	2025
Social	**Employee Turnover Rate[7]**		
	Total Employee Turnover Rate	%	33.1
	By gender		
	Male	%	25.7
	Female	%	41.5
	By age		
	Under 30 years old (not including)	%	53.3
	Age 30–40	%	32.3
	Age 40–50	%	6.5
	Above 50 years old (not including)	%	0
	By employee level		
	Chief executives and senior management	%	0
	Middle management	%	38.5
	Non-management	%	34.2
	By region		
	China (including Hong Kong, Macau and Taiwan)	%	33.1
	Overseas regions	%	0

7 Employee Turnover Rate: the number of employees who leave the Company in the reporting year/the total number of employees at year end * 100%.

Category	Indicator	Unit	2025
Social	**Percentage of Trained Employee**[8]		
	By gender		
	Male	%	58.1
	Female	%	73.8
	By employee level		
	Chief executives and senior management	%	100
	Middle management	%	100
	Front-line staff	%	60
	Average Training Hours[9]		
	By gender		
	Male	Hour	0.95
	Female	Hour	0.96
	By employee category		
	Chief executives	Hour	4
	Senior management	Hour	16
	Middle management	Hour	1.62
	Front-line staff	Hour	0.42
	Supply Chain Management[10]		
	Total number of suppliers	Unit	532
	By region		
	China (including Hong Kong, Macau and Taiwan)	Unit	532
	Overseas regions	Unit	0

8 Percentage of Trained Employee = The total numbers of trained employees by type/The total numbers of employees by type.
9 Average Training Hours Per Employee = The total training hours by type/The total numbers of trained employees by type.
10 The regional classification of suppliers is based on the supplier's registered place of business or principal office address.

HKEX ESG INDICATOR INDEX

Indicator	HKEX ESG Reporting Code Requirement	Section/Remarks
Governance Structure		
General Disclosure	A statement from the board containing the following elements: (i) a disclosure of the board's oversight of ESG issues; (ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	The Board and ESG Matters 1.1 ESG Governance Structure
Reporting Principles		
General Disclosure	A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report: Materiality: The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement. Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed. Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.	Reporting Standards and Principles
Reporting Boundary		
General Disclosure	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	Reporting Scope and Period

Indicator	HKEX ESG Reporting Code Requirement	Section/Remarks
A. Environmental		
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	3.2 Operational Emissions Management: Practicing Green Office
KPI A1.1	The types of emissions and respective emissions data.	Key Performance Indicator
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Key Performance Indicator
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Key Performance Indicator
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Metrics and Targets 3.2 Operational Emissions Management: Practicing Green Office
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Metrics and Targets 3.2 Operational Emissions Management: Practicing Green Office

Indicator	HKEX ESG Reporting Code Requirement	Section/Remarks
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	3.2 Operational Emissions Management: Practicing Green Office
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Key Performance Indicator
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Key Performance Indicator
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Metrics and Targets 3.2 Operational Emissions Management: Practicing Green Office
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Metrics and Targets 3.2 Operational Emissions Management: Practicing Green Office
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Key Performance Indicator
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	3.2 Operational Emissions Management: Practicing Green Office
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	3.2 Operational Emissions Management: Practicing Green Office

Indicator	HKEX ESG Reporting Code Requirement	Section/Remarks
B. Social		
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, antidiscrimination, and other benefits and welfare.	5.3 Standardized Employment and Diversity & Inclusion 5.1 Talent Acquisition and Competitiveness
KPI B1.1	Total workforce by gender, employment type (for example, full – or parttime), age group and geographical region.	Key Performance Indicator
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Key Performance Indicator
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	5.4 Employee Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	5.4 Employee Health and Safety
KPI B2.2	Lost days due to work injury.	5.4 Employee Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	5.4 Employee Health and Safety
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	5.2 Smart Transportation Talent Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Key Performance Indicator
KPI B3.2	The average training hours completed per employee by gender and employee category.	Key Performance Indicator

Indicator	HKEX ESG Reporting Code Requirement	Section/Remarks
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	5.3 Standardized Employment and Diversity & Inclusion
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	5.3 Standardized Employment and Diversity & Inclusion
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	5.3 Standardized Employment and Diversity & Inclusion
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	4.4 Responsible Supply Chain: Building a Digital and Intelligent Ecosystem
KPI B5.1	Number of suppliers by geographical region.	Key Performance Indicator
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	4.4 Responsible Supply Chain: Building a Digital and Intelligent Ecosystem
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	4.4 Responsible Supply Chain: Building a Digital and Intelligent Ecosystem
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	4.4 Responsible Supply Chain: Building a Digital and Intelligent Ecosystem

Indicator	HKEX ESG Reporting Code Requirement	Section/Remarks
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	4.3 Product Responsibility and Quality Service
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	4.3 Product Responsibility and Quality Service
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	4.3 Product Responsibility and Quality Service
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	4.3 Product Responsibility and Quality Service
KPI B6.4	Description of quality assurance process and recall procedures.	4.3 Product Responsibility and Quality Service
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	4.3 Product Responsibility and Quality Service

Indicator	HKEX ESG Reporting Code Requirement	Section/Remarks
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	2.1 Compliance Governance System
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	2.3 Performance Metrics and Anti-corruption Compliance
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	2.2 Integrity and Whistleblowing Prevention Mechanism
KPI B7.3	Description of anti-corruption training provided to directors and staff.	2.3 Performance Metrics and Anti-corruption Compliance
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	6.2 Corporate Social Responsibility and Environmental Benefits 6.3 Public Welfare Innovation and Social Investment
KPI B8.1	Focus areas of contribution.	6.2 Corporate Social Responsibility and Environmental Benefits 6.3 Public Welfare Innovation and Social Investment
KPI B8.2	Resources contributed to the focus area.	6.3 Public Welfare Innovation and Social Investment

Indicator	HKEX ESG Reporting Code Requirement	Section/Remarks
D. Climate-related Disclosures		
Governance	19(a) An issuer shall disclose the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about: (i) how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities; (ii) how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities; (iii) how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities; and (iv) how the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities, including whether and how related performance metrics are included in remuneration policies.	1.2 ESG Risks and Climate Change Response
	19(b) An issuer shall disclose the management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about: (i) whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and (ii) whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	1.2 ESG Risks and Climate Change Response

Indicator	HKEX ESG Reporting Code Requirement	Section/Remarks
Strategy	20 An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall: (a) describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term; (b) explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk; (c) specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur; and (d) explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.	1.2 ESG Risks and Climate Change Response
	21 An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain. Specifically, the issuer shall disclose: (a) a description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain; and (b) a description of where in the issuer's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	1.2 ESG Risks and Climate Change Response

Indicator	HKEX ESG Reporting Code Requirement	Section/Remarks
	22(a) An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about: (i) current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities; (ii) current and anticipated adaptation and mitigation efforts (whether direct or indirect); (iii) any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer's transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan; and (iv) how the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any)), described in accordance with paragraphs 37 to 40.	1.2 ESG Risks and Climate Change Response
	22(b) An issuer shall disclose information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).	1.2 ESG Risks and Climate Change Response
	23 An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).	1.2 ESG Risks and Climate Change Response
	24 An issuer shall disclose qualitative and quantitative information about: how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and the climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	1.2 ESG Risks and Climate Change Response

Indicator	HKEX ESG Reporting Code Requirement	Section/Remarks
	25(a) The issuer shall provide qualitative and quantitative disclosures about how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration: its investment and disposal plans; and its planned sources of funding to implement its strategy;	1.2 ESG Risks and Climate Change Response
	25(b) The issuer shall provide qualitative and quantitative disclosures about how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	1.2 ESG Risks and Climate Change Response
	26(a) An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose the issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of: the implications, if any, of the issuer's assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis; the significant areas of uncertainty considered in the issuer's assessment of its climate resilience; and the issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term;	1.2 ESG Risks and Climate Change Response

Indicator	HKEX ESG Reporting Code Requirement	Section/Remarks
	26(b) An issuer shall disclose how and when the climate-related scenario analysis was carried out, including: (i) information about the inputs used, including: (1) which climate-related scenarios the issuer used for the analysis and the sources of such scenarios; (2) whether the analysis included a diverse range of climate-related scenarios; (3) whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks; (4) whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change; (5) why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties; (6) time horizons the issuer used in the analysis; and (7) what scope of operations the issuer used in the analysis (for example, the operation, locations and business units used in the analysis); (ii) the key assumptions the issuer made in the analysis; and (iii) the reporting period in which the climate-related scenario analysis was carried out.	1.2 ESG Risks and Climate Change Response

Indicator	HKEX ESG Reporting Code Requirement	Section/Remarks
Risk Management	27(a) An issuer shall disclose information about the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about: (i) the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes); (ii) whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks; (iii) how the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria); (iv) whether and how the issuer prioritises climate-related risks relative to other types of risks; (v) how the issuer monitors climate-related risks; and (vi) whether and how the issuer has changed the processes it uses compared with the previous reporting period.	1.2 ESG Risks and Climate Change Response
	27(b) An issuer shall disclose information about the processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities).	1.2 ESG Risks and Climate Change Response
	27(c) An issuer shall disclose information about the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.	1.2 ESG Risks and Climate Change Response

Indicator	HKEX ESG Reporting Code Requirement	Section/Remarks
Metrics and Targets	28 An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO_2 equivalent, classified as: (a) Scope 1 greenhouse gas emissions; (b) Scope 2 greenhouse gas emissions; and (c) Scope 3 greenhouse gas emissions.	Key Performance Indicator
	29 An issuer shall: (a) measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions; (b) disclose the approach it uses to measure its greenhouse gas emissions including: (i) the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions; (ii) the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and (iii) any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes; (c) for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions; and (d) for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).	Key Performance Indicator
	30 An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	1.2 ESG Risks and Climate Change Response

Indicator	HKEX ESG Reporting Code Requirement	Section/Remarks
	31 An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	1.2 ESG Risks and Climate Change Response
	32 An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	1.2 ESG Risks and Climate Change Response
	33 An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	1.2 ESG Risks and Climate Change Response
	34 An issuer shall disclose: (a) an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and (b) the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions; or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.	1.2 ESG Risks and Climate Change Response
	35 An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).	1.2 ESG Risks and Climate Change Response
	36 An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.	1.2 ESG Risks and Climate Change Response 3.4 ESG Environmental Targets and Actions

Indicator	HKEX ESG Reporting Code Requirement	Section/Remarks
	37 An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose: (a) the metric used to set the target; (b) the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives); (c) the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region); (d) the period over which the target applies; (e) the base period from which progress is measured; (f) milestones or interim targets (if any); (g) if the target is quantitative, whether the target is an absolute target or an intensity target; and (h) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	3.4 ESG Environmental Targets and Actions
	38 An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including: (a) whether the target and the methodology for setting the target has been validated by a third party; (b) the issuer's processes for reviewing the target; (c) the metrics used to monitor progress towards reaching the target; and (d) any revisions to the target and an explanation for those revisions.	3.4 ESG Environmental Targets and Actions
	39 An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.	3.4 ESG Environmental Targets and Actions

Indicator	HKEX ESG Reporting Code Requirement	Section/Remarks
	40 For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose: (a) which greenhouse gases are covered by the target; (b) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target; (c) whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target; (d) whether the target was derived using a sectoral decarbonisation approach; and (e) the issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose: (i) the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits; (ii) which third-party scheme(s) will verify or certify the carbon credits; (iii) the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and (iv) any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset).	3.4 ESG Environmental Targets and Actions
	41 In preparing disclosures to meet the requirements in paragraphs 21 to 26 and 37 to 38, an issuer shall refer to and consider the applicability of cross-industry metrics (see paragraphs 28 to 35) and (ii) industry-based metrics (see paragraph 36).	3.4 ESG Environmental Targets and Actions

INDEPENDENT AUDITOR'S REPORT

Ernst & Young Limited
27/F, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

安永會計師事務所
香港鰂魚涌英皇道979號
太古坊一座27樓

Tel 電話：+852 2846 9888
Fax 傳真：+852 2868 4432
ey.com

To the shareholders of MetaLight Inc.
(Incorporated in the Cayman Islands with limited liability)

Opinion

We have audited the consolidated financial statements of MetaLight Inc. (the "**Company**") and its subsidiaries (the "**Group**") set out on pages 151 to 255, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matter	**How our audit addressed the key audit matter**
Impairment of accounts receivable As at 31 December 2025, the carrying amounts of the Group's accounts receivable before impairment were approximately RMB44,606,000, and the Group was exposed to credit risks arising therefrom. The Group recognises impairment allowances of accounts receivable based on the expected credit loss ("**ECL**") approach under IFRS 9 Financial Instruments. The measurement of ECL requires the application of significant judgement and estimates. The Group uses a provision matrix to assess the ECL, and the provision rates are based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the economic environment, where applicable. Relevant disclosures are included in notes 2.4, 3 and 17 to the financial statements.	We performed the following procedures to address the impairment of accounts receivable: • Assessed, on a sample basis, whether items in the ageing reports of accounts receivables were classified within the appropriate ageing categories; • Evaluated the ECL determined by the Group management by examining, on a sample basis, the information used to form such judgement and estimates, including the historical credit loss information and forward-looking factors; • Evaluated the impairment provision of accounts receivable by reference to the Group's subsequent collection; and • Evaluated the adequacy of the relevant disclosures in the financial statements.

Other information included in the Annual Report

The directors of the Company are responsible for the other information. The other information comprises 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 on the other information obtained prior to the date of the auditor's report, 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 the directors for the consolidated financial statements

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

In preparing the consolidated financial statements, the directors of the Company 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 of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities 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. Our report is made 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 HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement 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.

- 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 Ng Siu Ki Ricky (practising certificate number: P05575).

Ernst & Young
Certified Public Accountants

Hong Kong
25 March 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2025

	Notes	2025 RMB'000	2024
REVENUE	5	**206,313**	206,137
Cost of sales		**(46,451)**	(48,690)
Gross profit		**159,862**	157,447
Other income and gains	5	**10,569**	6,721
Selling expenses		**(40,868)**	(38,254)
Administrative expenses		**(71,024)**	(56,236)
Research and development expenses		**(49,925)**	(42,512)
Impairment losses on financial assets, net		**(494)**	(4,370)
Fair value losses on financial liabilities at fair value through profit or loss	25	**(119,202)**	(42,968)
Other expenses and losses		**(5,387)**	(225)
Finance costs	7	**(738)**	(1,347)
LOSS BEFORE TAX	6	**(117,207)**	(21,744)
Income tax expense	10	**(10,362)**	(4,394)
LOSS FOR THE YEAR		**(127,569)**	(26,138)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	12		
Basic (RMB)		**(1.11)**	(0.45)
Diluted (RMB)		**(1.11)**	(0.45)

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

Year ended 31 December 2025

	2025 RMB'000	2024
LOSS FOR THE YEAR	**(127,569)**	(26,138)
OTHER COMPREHENSIVE LOSS		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of subsidiaries not operating in Chinese mainland	**1,342**	(1,577)
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of the Company	**(5,350)**	(5,190)
Fair value loss on an equity investment designated at fair value through other comprehensive income	**(5,496)**	(8,749)
Net other comprehensive loss that will not be reclassified to profit or loss in subsequent periods	**(10,846)**	(13,939)
OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX	**(9,504)**	(15,516)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	**(137,073)**	(41,654)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2025

	Notes	2025 RMB'000	2024
NON-CURRENT ASSETS			
Property and equipment	13	**1,138**	1,602
Right-of-use assets	14(a)	**3,258**	1,571
Intangible assets	15	**231**	328
Investments in associates	16	**–**	–
Prepayments, other receivables and other assets	18	**4,965**	163
Financial investments	19	**17,293**	15,242
Time deposits	20	**–**	30,000
Deferred tax assets	26	**8,443**	18,797
Total non-current assets		**35,328**	67,703
CURRENT ASSETS			
Accounts receivable	17	**42,473**	33,659
Prepayments, other receivables and other assets	18	**21,091**	23,419
Financial investments	19	**55,113**	43,079
Time deposits	20	**206,885**	–
Cash and cash equivalents	20	**38,693**	56,306
Total current assets		**364,255**	156,463
CURRENT LIABILITIES			
Accounts payable	21	**5,857**	7,864
Contract liabilities	22	**235**	439
Other payables and accruals	23	**24,731**	31,480
Interest-bearing bank borrowings	24	**10,000**	30,000
Lease liabilities	14(b)	**2,216**	1,178
Financial liabilities at fair value through profit or loss	25	**–**	465,189
Tax payable		**8**	–
Total current liabilities		**43,047**	536,150
NET CURRENT ASSETS/(LIABILITIES)		**321,208**	(379,687)
TOTAL ASSETS LESS CURRENT LIABILITIES		**356,536**	(311,984)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2025

	Notes	2025 RMB'000	2024
NON-CURRENT LIABILITIES			
Lease liabilities	14(b)	**203**	108
Total non-current liabilities		**203**	108
Net assets/(deficiency in assets)		**356,333**	(312,092)
EQUITY			
Share capital	27	**109**	44
Reserves	29	**356,224**	(312,136)
Total equity/(deficit)		**356,333**	(312,092)

SUN Xi
Director

XIAO Pingyuan
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2025

	Notes	Share capital	Share premium	Capital reserve	Share-based payment reserve	Fair value reserve of financial assets at fair value through other comprehensive income	Statutory reserves	Exchange fluctuation reserve	Accumulated losses	Total
						RMB'000				
At 1 January 2025		**44**	**12,525**	**14,198**	**21,142**	**(8,749)**	**1,135**	**(24,567)**	**(327,820)**	**(312,092)**
Loss for the year		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(127,569)**	**(127,569)**
Other comprehensive loss for the year:										
Exchange differences on translation of the Group's entities not operating in Chinese mainland		**-**	**-**	**-**	**-**	**-**	**-**	**(4,008)**	**-**	**(4,008)**
Fair value loss on an equity investment designated at fair value through other comprehensive income		**-**	**-**	**-**	**-**	**(5,496)**	**-**	**-**	**-**	**(5,496)**
Total comprehensive loss for the year		**-**	**-**	**-**	**-**	**(5,496)**	**-**	**(4,008)**	**(127,569)**	**(137,073)**
Issue of shares	27	**18**	**221,818**	**-**	**-**	**-**	**-**	**-**	**-**	**221,836**
Conversion of financial liabilities at fair value through profit or loss	25	**47**	**-**	**584,060**	**-**	**-**	**-**	**-**	**-**	**584,107**
Share transaction costs		**-**	**(26,677)**	**(1,210)**	**-**	**-**	**-**	**-**	**-**	**(27,887)**
Equity-settled share-based payment arrangements	28	**-**	**-**	**-**	**27,442**	**-**	**-**	**-**	**-**	**27,442**
At 31 December 2025		**109**	**207,666***	**597,048***	**48,584***	**(14,245)***	**1,135***	**(28,575)***	**(455,389)***	**(356,333)**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2025

	Notes	Share capital	Share premium	Capital reserve	Share-based payment reserve	Fair value reserve of financial assets at fair value through other comprehensive income	Statutory reserves	Exchange fluctuation reserve	Accumulated losses	Total
						RMB'000				
At 1 January 2024		30	12,525	36,748	2,862	–	850	(17,800)	(301,397)	(266,182)
Loss for the year		–	–	–	–	–	–	–	(26,138)	(26,138)
Other comprehensive loss for the year:										
Exchange differences on translation of the Group's entities not operating in Chinese mainland		–	–	–	–	–	–	(6,767)	–	(6,767)
Fair value loss on an equity investment designated at fair value through other comprehensive income		–	–	–	–	(8,749)	–	–	–	(8,749)
Total comprehensive loss for the year		–	–	–	–	(8,749)	–	(6,767)	(26,138)	(41,654)
Issue of shares	27	21	–	–	–	–	–	–	–	21
Repurchase of shares and capital return to registered owners of a subsidiary	25, 27	(7)	–	(22,515)	–	–	–	–	–	(22,522)
Capital return to registered owners of a subsidiary for the Group's reorganisation purpose		–	–	(35)	–	–	–	–	–	(35)
Equity-settled share-based payment arrangements	28	–	–	–	18,280	–	–	–	–	18,280
Appropriation of statutory reserves		–	–	–	–	–	285	–	(285)	–
At 31 December 2024		44	12,525*	14,198*	21,142*	(8,749)*	1,135*	(24,567)*	(327,820)*	(312,092)

* These reserve accounts comprise the consolidated reserves of RMB356,224,000 (2024: negative balance of RMB312,136,000) in the consolidated statement of financial position.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2025

	Notes	2025 RMB'000	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		**(117,207)**	(21,744)
Adjustments for:			
Finance costs	7	**738**	1,347
Bank interest income	5	**(5,408)**	(1,381)
Other interest income	5	**(101)**	(97)
Investment income from financial investments at fair value through profit or loss	5	**(1,091)**	(1,574)
Loss on disposal of financial assets at fair value through profit or loss	6	**4,774**	–
Fair value gains on financial investments at fair value through profit or loss	5	**(771)**	(1,882)
Fair value losses on financial liabilities at fair value through profit or loss	25	**119,202**	42,968
Gain on early termination of a lease	5	**(37)**	–
Depreciation of property and equipment	6	**464**	521
Depreciation of right-of-use assets	6	**2,080**	2,172
Amortisation of intangible assets	6	**97**	63
Impairment of financial assets, net	6	**494**	4,370
Write-off of other receivables	6	**1**	3
Write-off of contract liabilities	5	**–**	(179)
Equity-settled share-based payment expense	28	**27,442**	18,280
		30,677	42,867
Decrease/(increase) in accounts receivable		**(9,580)**	11,184
Increase in prepayments, other receivables and other assets		**(3,578)**	(5,129)
Increase/(decrease) in accounts payable		**(2,007)**	3,631
Decrease in contract liabilities		**(204)**	(514)
Increase/(decrease) in other payables and accruals		**(6,749)**	5,062
Effect of foreign exchange rate changes, net		**(2,311)**	(1,082)
Cash generated from operations		**6,248**	56,019
Interest received		**1,965**	463
Interest paid		**(111)**	(58)
Net cash flows from operating activities		**8,102**	56,424

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Net cash flows from operating activities		**8,102**	56,424
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		**2,214**	879
Purchases of property and equipment	13	**–**	(7)
Purchases of intangible assets	15	**–**	(282)
Other loans advanced		**(4,378)**	–
Repayment of other loans advanced		**1,264**	1,670
Investment in an equity investment designated at fair value through other comprehensive income		**–**	(17,375)
Investments in an equity investment and convertible debt investments at fair value through profit or loss		**(18,981)**	(2,500)
Proceeds from disposal of an equity investment and maturity of a convertible debt investment at fair value through profit or loss		**7,159**	1,639
Purchases of current financial investments at fair value through profit or loss		**(254,000)**	(331,140)
Proceeds from maturity of current financial investments at fair value through profit or loss		**243,170**	329,732
Placement of time deposits with original maturity over three months		**(208,230)**	–
Proceeds from maturity of time deposits with original maturity over three months		**30,000**	–
Net cash flows used in investing activities		**(201,782)**	(17,384)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of ordinary shares	27	**221,836**	–
Proceeds from issue of preferred shares	25	**–**	18,518
Repurchase of shares	27	**–**	(11,703)
Repurchase of preferred shares	23, 25	**–**	(12,000)
Payment of share transaction costs		**(22,604)**	(3,074)
Capital return to registered owners of a subsidiary for the Group's reorganisation purpose		**–**	(35)
Capital return to registered owners of a subsidiary	25	**–**	(17,000)
New bank borrowings		**10,000**	30,000
Repayment of bank borrowings		**(30,000)**	(40,000)
Repayment of other borrowings		**–**	–
Principal portion of lease payments		**(2,132)**	(2,179)
Interest paid on bank borrowings		**(627)**	(1,341)
Net cash flows from/(used in) financing activities		**176,473**	(38,814)

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2025

	Notes	2025 RMB'000	2024
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**(17,207)**	226
Cash and cash equivalents at beginning of year		**56,306**	55,511
Effect of foreign exchange rate changes, net		**(406)**	569
CASH AND CASH EQUIVALENTS AT END OF YEAR		**38,693**	56,306
ANALYSIS OF CASH AND CASH EQUIVALENTS			
Cash and bank balances		**28,150**	56,306
Time deposits with original maturity dates of within three months when acquired		**10,543**	–
Cash and cash equivalents as stated in the statement of cash flows and statement of financial position	20	**38,693**	56,306

NOTES TO FINANCIAL STATEMENTS

31 December 2025

1. Corporate information

MetaLight Inc. (the "**Company**") is a limited liability company incorporated in the Cayman Islands on 21 May 2015. The registered office of the Company is located at Palm Grove, Unit 4, 265 Smith Road, George Town, P.O. Box 52A Edgewater Way, #1653, Grand Cayman, KY1-9006, Cayman Islands.

The Company is an investment holding company. During the year ended 31 December 2025, the Company's subsidiaries registered in the People's Republic of China (the "**PRC**") were principally engaged in the provision of mobile advertising services and vehicle dynamic information via app and mini programs in Wechat and Alipay, both of which are known as *Chelaile*, and data technology services. The Company and its subsidiaries are collectively referred to as the "Group".

There is no company holding a direct or indirect majority interest in the Company.

Information about subsidiaries

Particulars of the Company's subsidiaries are as follows:

Name	Place and date of incorporation/ registration and place of operations	Nominal value of issued ordinary share capital/ registered capital	Percentage of equity attributable to the Company Direct	Percentage of equity attributable to the Company Indirect	Principal activities
MetaLight Technology HK Limited	Hong Kong 4 June 2015	HK$10,000	100	–	Investment holding
MetaLight HK Limited	Hong Kong 25 September 2024	HK$1	–	100	Not yet commenced commercial operation
MetaLight Intelligence HK Limited	Hong Kong 14 May 2025	USD1,000		100	Not yet commenced commercial operation
BINARY INVESTMENTS PTE. LTD. ("**Binary**")	Singapore 4 January 2024	S$100,000	100	–	Investment holding
Beijing Yuanguang Zhixing Information Technology Co., Ltd. ("**Beijing WFOE**") (北京元光智行信息技術有限公司*)	PRC/ Chinese mainland 11 August 2015	USD42,000,000	–	100	Provision of mobile advertising services via app *Chelaile* and investment holding

1. Corporate information (continued)

Information about subsidiaries (continued)

Name	Place and date of incorporation/ registration and place of operations	Nominal value of issued ordinary share capital/ registered capital	Percentage of equity attributable to the Company Direct	Indirect	Principal activities
Beijing Yuanguang Zhixing Technology Co., Ltd. ("**Beijing Yuanguang**") (北京元光智行科技有限公司*)	PRC/ Chinese mainland 6 May 2015	RMB100,000	–	100	Provision of internal auxiliary services to other Group companies
Beijing Yuanguang Peixin Technology Co., Ltd. ("**Beijing Yuanguang**") (北京元光培心科技有限公司*)	PRC/ Chinese mainland 9 December 2025	RMB1,000,000	–	100	Not yet commenced commercial operation
Wuhan Yuanguang Zhineng Technology Co., Ltd. ("**Wuhan WFOE**") (武漢元光智能科技有限公司*)	PRC/ Chinese mainland 8 January 2024	USD10,000,000	–	100	Provision of internal auxiliary services to other Group companies
Wuhan Yuanguang Technology Co., Ltd. ("**Wuhan Yuanguang**") (武漢元光科技有限公司*)	PRC/ Chinese mainland 4 February 2010	RMB15,000,000	–	100	Provision of mobile advertising services via app Chelaile and data technology services
Wuhan Chexing Weilai Technology Co., Ltd. ("**Wuhan Chexing**") (武漢車行未來科技有限公司*)	PRC/ Chinese mainland 9 December 2016	RMB1,000,000	–	100	Provision of internal auxiliary services to other Group companies

* The English names of these subsidiaries represent the best efforts made by the management of the Company to translate the Chinese names as they do not have an official English names registered in the PRC.

Subsidiaries established under the laws of the PRC are limited liability companies.

1. Corporate information (continued)

Contractual arrangements

Due to regulatory restrictions on foreign ownership in providing value-added telecommunication services in the People's Republic of China (the "**PRC**"), certain of the Group's businesses were carried out by Wuhan Yuanguang Technology Co., Ltd. ("**Wuhan Yuanguang**"), a major group company operating in Chinese mainland, during the year. Wuhan Yuanguang is directly owned as to 50% by Wuhan Yuanguang Zhineng Technology Co, Ltd, which is a wholly-owned subsidiary of the Group.

On 11 November 2024, Wuhan Yuanguang and its relevant registered owners entered in a set of contractual arrangements, comprising an exclusive business cooperation service agreement, an exclusive option agreement and an equity pledge agreement, as well as consents granted by spouses of the then registered owners of Wuhan Yuanguang (if applicable) and powers of attorney granted by the then registered owners of Wuhan Yuanguang, to enable to Company to exercise effective control over Wuhan Yuanguang and obtain substantially all economic benefits of Wuhan Yuanguang.

Accordingly, Wuhan Yuanguang is effectively controlled by the Company and is therefore classified as a subsidiary of the Company based on the aforementioned contractual arrangements notwithstanding that the Company does not have any direct or indirect majority equity interest in Wuhan Yuanguang.

2. Accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with IFRS Accounting Standards (which include all International Financial Reporting Standards, International Accounting Standards ("**IASs**") and Interpretations) the International Accounting Standards Board (the "**IASB**") and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for financial investments at fair value through profit or loss and other comprehensive income and financial liabilities at fair value through profit or loss which have been measured at fair value. These financial statements are presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand except when otherwise indicated.

2. Accounting policies (continued)

2.1 Basis of preparation (continued)

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

2. Accounting policies (continued)

2.1 Basis of preparation (continued)

Basis of consolidation (continued)

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 Changes in accounting policies and disclosures

The Group has adopted amendments to IAS 21 *Lack of Exchangeability* for the first time for the current year's financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted in and the functional currencies of overseas Group entities for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's financial statements.

In addition, the IASB has issued amendments to Illustrative Examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37 *Disclosures about Uncertainties in the Financial Statements*, which added illustrative examples in the corresponding IFRS Accounting Standards. These examples reflect existing requirements in the corresponding IFRS Accounting Standards to report the effects of uncertainties in the financial statements using climate-related examples. Therefore, the amendments do not have an effective date or transitional provisions. The amendments did not have any impact on the Group's financial statements.

2. Accounting policies (continued)

2.3 Issued but not yet effective IFRS Accounting Standards

The Group has not applied the following new and amended IFRS Accounting Standards, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and amended IFRS Accounting Standards, if applicable, when they become effective.

IFRS 18	*Presentation and Disclosure in Financial Statements*[2]
IFRS 19 and its amendments	*Subsidiaries without Public Accountability: Disclosures*[2]
Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[1]
Amendments to IFRS 9 and IFRS 7	*Contracts Referencing Nature-dependent Electricity*[1]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
Amendments to IAS 21	*Lack of Exchangeability*[2]
Annual Improvements to Accounting Standards – Volume 11	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7[1]

1 Effective for annual periods beginning on or after 1 January 2026
2 Effective for annual/reporting periods beginning on or after 1 January 2027
3 No mandatory effective date yet determined but available for adoption

Further information about those IFRS Accounting Standards that are expected to be applicable to the Group is described below.

IFRS 18 replaces IAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in IAS 1 are moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as IAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of IFRS 18, limited, but widely applicable, amendments are made to IAS 7 Statement of Cash Flows, IAS 33 Earnings per Share and IAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other IFRS Accounting Standards. IFRS 18 and the consequential amendments to other IFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of IFRS 18 on the presentation and disclosure of the Group's financial statements.

2. Accounting policies (continued)

2.3 Issued but not yet effective IFRS Accounting Standards (continued)

IFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with IFRS Accounting Standards. IFRS 19 was amended in 2025 to reduce the previous full disclosure requirements for new and amended IFRS Accounting Standards issued between February 2021 and May 2024. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply IFRS 19 and its amendments. Some of the Company's subsidiaries are considering the application of IFRS 19 and its amendments in their specified financial statements.

Amendments to IFRS 9 and IFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IFRS 9 and IFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. The amendments relating to the own-use exception shall be applied retrospectively. Prior periods are not required to be restated and can only be restated without the use of hindsight. The amendments relating to the hedge accounting shall be applied prospectively to new hedging relationships designated on or after the date of the initial application. Earlier application is permitted. The amendments to IFRS 9 and IFRS 7 shall be applied at the same time. The amendments are not expected to have any significant impact on the Group's financial statements.

2. Accounting policies (continued)

2.3 Issued but not yet effective IFRS Accounting Standards (continued)

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed by the IASB. However, the amendments are available for adoption now.

Amendments to IAS 21 *Translation to a Hyperinflationary Presentation Currency* require the translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate. The amendments also require an entity whose functional currency and presentation currency are the currency of a hyperinflationary economy to restate the comparative amounts of a foreign operation whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, in accordance with paragraph 34 of IAS 29 *Financial Reporting in Hyperinflationary Economies*, to the foreign operation's comparative figures. The amendments introduce certain additional disclosures. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Annual Improvements to *IFRS Accounting Standards – Volume 11* set out amendments to IFRS 1, IFRS 7 (and the accompanying Guidance on implementing IFRS 7), IFRS 9, IFRS 10 and IAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- IFRS 7 *Financial Instruments: Disclosures*: The amendments have updated certain wording in paragraph B38 of IFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing IFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the Guidance on implementing IFRS 7 does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IFRS 9 *Financial Instruments*: The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 of IFRS 9 and recognise any resulting gain or loss in profit or loss. However, the amendments do not address how a lessee distinguishes between a lease modification as defined in IFRS 16 and an extinguishment of a lease liability in accordance with IFRS 9. In addition, the amendments have updated certain wording in paragraph 5.1.3 of IFRS 9 and Appendix A of IFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

2. Accounting policies (continued)

2.3 Issued but not yet effective IFRS Accounting Standards (continued)

- IFRS 10 *Consolidated Financial Statements*: The amendments clarify that the relationship described in paragraph B74 of IFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of IFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IAS 7 *Statement of Cash Flows*: The amendments replace the term "cost method" with "at cost" in paragraph 37 of IAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

2.4 Material accounting policies

Investments in associates

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investments in associates are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

The Group's share of the post-acquisition results and other comprehensive income of associates is included in the consolidated statement of profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's investments in the associates, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates is included as part of the Group's investments in associates.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

2. Accounting policies (continued)

2.4 Material accounting policies (continued)

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

2. Accounting policies (continued)

2.4 Material accounting policies (continued)

Business combinations and goodwill (continued)

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Fair value measurement

The Group measures its financial investments at fair value through profit or loss and other comprehensive income and financial liabilities at fair value through profit or loss at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

2. Accounting policies (continued)

2.4 Material accounting policies (continued)

Fair value measurement (continued)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than deferred tax assets and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

2. Accounting policies (continued)

2.4 Material accounting policies (continued)

Impairment of non-financial assets (continued)

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

2. Accounting policies (continued)

2.4 Material accounting policies (continued)

Related parties (continued)

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property and equipment and depreciation

Property and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

2. Accounting policies (continued)

2.4 Material accounting policies (continued)

Property and equipment and depreciation (continued)

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Leasehold improvements	Over the shorter of lease terms and 3 years
Furniture and office equipment	19%
Electronics equipment	19%
Motor vehicles	19%

Where parts of an item of property and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Software

Purchased software is stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives of 3 to 10 years, which are mainly determined by reference to the licensed period of the purchased software.

2. Accounting policies (continued)

2.4 Material accounting policies (continued)

Intangible assets (other than goodwill) (continued)

Research and development costs

All research costs are charged to the statement of profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Deferred development costs are stated at cost less any impairment losses and are amortised using the straight-line basis over the commercial lives of the underlying products, commencing from the date when the products are put into commercial production.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Buildings	1.1 years to 2 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

2. Accounting policies (continued)

2.4 Material accounting policies (continued)

Leases (continued)

Group as a lessee (continued)

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) Short-term leases

The Group applies the short-term lease recognition exemption to its short-term leases of buildings (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as an expense on a straight-line basis over the lease term.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of accounts receivable that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Accounts receivable that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

2. Accounting policies (continued)

2.4 Material accounting policies (continued)

Investments and other financial assets (continued)

Initial recognition and measurement (continued)

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("**SPPI**") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

2. Accounting policies (continued)

2.4 Material accounting policies (continued)

Investments and other financial assets (continued)

Financial assets designated at fair value through other comprehensive income (equity investments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the statement of profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on the equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statements of financial position) when:

- the rights to receive cash flows from the asset have expired; or

- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

2. Accounting policies (continued)

2.4 Material accounting policies (continued)

Investments and other financial assets (continued)

Derecognition of financial assets (continued)

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("**ECLs**") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

2. Accounting policies (continued)

2.4 Material accounting policies (continued)

Impairment of financial assets (continued)

General approach (continued)

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for accounts receivable which apply the simplified approach under certain circumstances as detailed below.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For accounts receivable that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

2. Accounting policies (continued)

2.4 Material accounting policies (continued)

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or payables as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost (accounts and other payables, and borrowings)

After initial recognition, accounts and other payables, and interest-bearing borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss. The net fair value gain or loss recognised in the statement of profit or loss does not include any interest charged on these financial liabilities.

2. Accounting policies (continued)

2.4 Material accounting policies (continued)

Financial liabilities (continued)

Financial liabilities at fair value through profit or loss (continued)

Financial liabilities designated upon initial recognition as at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. Gains or losses on liabilities designated at fair value through profit or loss are recognised in the statement of profit or loss, except for the gains or losses arising from the Group's own credit risk which are presented in other comprehensive income with no subsequent reclassification to the statement of profit or loss. The net fair value gain or loss recognised in the statement of profit or loss does not include any interest charged on these financial liabilities.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

2. Accounting policies (continued)

2.4 Material accounting policies (continued)

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of taxable temporary differences associated with investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

2. Accounting policies (continued)

2.4 Material accounting policies (continued)

Income tax (continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual installments.

2. Accounting policies (continued)

2.4 Material accounting policies (continued)

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

(a) Mobile advertising services

The Group provides display advertising services primarily through display of impressions of customers' advertisements on particular areas of the Group's app and mini programs in Wechat and Alipay, all of which are known as *Chelaile* (the "**App Advertising**"). The service fee from customers is charged primarily on the basis of per thousand impressions. Revenue is recognised at the point in time upon the occurrence of qualified displays.

The Group also provides display advertising services by posting articles of customers' advertisements on *Chelaile*'s official account in WeChat (the "**WeChat Advertising**"). The Group recognises revenue at the point in time when the article is posted in WeChat.

2. Accounting policies (continued)

2.4 Material accounting policies (continued)

Revenue recognition (continued)

Revenue from contracts with customers (continued)

(b) Data technology services

The Group's data-driven services include data related services, data analytics services, consultancy services and other related auxiliary services based on its data and knowledge mainly in the field of public transportation in major cities of Chinese mainland. Revenue is recognised over time as services are rendered, or at a point in time when ultimate users consume the corresponding public transportation services.

The Group provides information technology ("**IT**") solution services customised to the specific needs of particular customers. Revenue is recognised over time, using an output method to measure progress towards complete satisfaction of the service, when the Group's performance creates an asset with no alternative use to the Group and the Group has enforceable right to payment for performance obligations completed to date; otherwise, the revenue is recognised at a point in time upon acceptance of customised services by customers.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

2. Accounting policies (continued)

2.4 Material accounting policies (continued)

Share-based payments

The Group operates two share-based incentive schemes. Employees (including directors) and other eligible participants of the Group receive remuneration in the form of share-based payments, whereby employees and other eligible participants render services in exchange for equity instruments ("**equity-settled transactions**"). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined using a binominal model for share options or with reference to the fair value of the underlying share for share awards, further details of which are given in note 28 to the financial statements.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee or other qualifying person as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

2. Accounting policies (continued)

2.4 Material accounting policies (continued)

Pension scheme

The employees of the Group's subsidiaries which operate in Chinese mainland are required to participate in central pension schemes operated by local municipal governments. These entities are required to contribute certain percentages of their payroll costs to the central pension schemes. The contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the central pension schemes.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting.

Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the end of the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the end of the reporting period, the Group will not change the amounts recognised in its financial statements, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

2. Accounting policies (continued)

2.4 Material accounting policies (continued)

Foreign currencies

The functional currency and presentation currency of the Company is the United States Dollars ("**USD**") and RMB, respectively.

Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

The functional currencies of the Group's entities not operating in Chinese mainland are currencies other than RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into RMB at the weighted average exchange rates for the respective years.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of an entity not operating in Chinese mainland which is directly or indirectly owned by the Company, the cumulative amount in the reserve relating to that particular entity is recognised in the statement of profit or loss. The cumulative exchange differences arising from the translation of the Company's standalone financial statements are not reclassified to profit or loss in the consolidated financial statements.

Any goodwill arising on the acquisition of an entity not operating in Chinese mainland and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of that particular entity and translated at the closing rate.

For the purpose of the consolidated statements of cash flows, the cash flows of the Group's entities not operating in Chinese mainland are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of such entities which arise throughout a particular year are translated into RMB at the weighted average exchange rates for that particular year.

3. Significant accounting judgements and estimates

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Accounting for companies governed under contractual arrangements as subsidiaries

The Company and some of its subsidiaries do not hold any equity interests in certain of their subsidiaries. Nevertheless, under the contractual agreements entered into between the Group and the shareholders/shareholding companies who are the registered owners of those subsidiaries, the directors of the Company determine that the Group has the power to govern the financial and operating policies of those subsidiaries so as to obtain benefits from their activities. As such, those subsidiaries are accounted for as subsidiaries of the Group for accounting purposes.

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

The Group has unrecognised tax losses of RMB3,362,000 (2024: RMB1,628,000) carried forward at 31 December 2025. These losses related to subsidiaries that have a history of losses, have not expired, and may not be used to offset taxable income elsewhere in the Group. These subsidiaries have neither any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward. Further details are contained in note 26 to the financial statements.

3. Significant accounting judgements and estimates (continued)

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each reporting period. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Provision for expected credit losses on accounts receivable

The Group uses a provision matrix to calculate ECLs for accounts receivable. The provision rates are based on ageing for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's accounts receivable is disclosed in note 17 to the financial statements.

3. Significant accounting judgements and estimates (continued)

Estimation uncertainty (continued)

Research and development costs

Development expenses incurred on the Group's products and services are capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, the Group's intention to complete and the Group's ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the pipeline and the ability to measure reliably the expenditure during the development. Development expenses which do not meet these criteria are expensed when incurred. Determining the amounts to be capitalised requires management to make assumptions regarding the expected future cash generation of the assets, discount rates to be applied and the expected period of benefits. During the reporting period, all expenses incurred for research and development activities were expensed when incurred.

4. Operating segment information

For management purposes, the Group has only one reportable operating segment, which is the provision of mobile advertising services and data technology services, because the Group's chief operating decision maker, who has been identified as the Chief Executive Officer ("**CEO**"), regularly reviews the consolidated results when making decisions about allocating resources and assessing performance of the Group as a whole. Since this is the only reportable operating segment of the Group, no further operating segment analysis thereof is presented.

Geographical information

(a) Revenue from external customers

All of the Group's external revenue were derived from customers located in Chinese mainland during the year (2024: All).

(b) Non-current assets

All of the Group's non-current assets were located in Chinese mainland as at the end of the reporting period (2024: All). The non-current asset information excludes financial instruments and deferred tax assets.

4. Operating segment information (continued)

Information about major customers

During the year, revenues from transactions with single external customers (including entities under common control with those customers) amounting to 10% or more of the Group's revenues are as follows:

	2025 RMB'000	2024
Customer A	**43,445**	53,290
Customer B	**26,559**	38,365
Customer C	**26,817**	20,721

5. Revenue, other income and gains

An analysis of revenue from contracts with customers is as follows:

	2025 RMB'000	2024
Mobile advertising services	**200,355**	202,049
Data technology services	**5,958**	4,088
Total	**206,313**	206,137

5. Revenue, other income and gains (continued)

Disaggregation of the Group's revenue from contracts with customers by the timing of revenue recognition is set out below:

	2025 RMB'000	2024
Transfer at a point in time:		
Mobile advertising services	**200,355**	202,049
Data technology services	**3,681**	1,532
Subtotal	**204,036**	203,581
Transfer over time:		
Data technology services	**2,277**	2,556
Subtotal	**2,277**	2,556
Total revenue	**206,313**	206,137

The following table shows the amounts of revenue recognised in current reporting period that were included in the contract liabilities at the beginning of the reporting period:

	2025 RMB'000	2024
Mobile advertising services	**197**	327
Data technology services	**242**	805
Total	**439**	1,132

5. Revenue, other income and gains (continued)

Information about the Group's performance obligations is summarised below:

Mobile advertising services

The performance obligation of the App Advertising is satisfied upon the occurrence of qualified displays and payment is generally due within 30 days from the billing date, except for small-sized customers where payment in advance is normally required. Some contracts provide customers with volume rebates which give rise to variable consideration subject to constraint. The performance obligation of the WeChat Advertising is satisfied upon the posting of articles in WeChat and payment in advance is required.

Data technology services

The performance obligation of data-driven services is satisfied over time as services are rendered, while the performance obligation of customised IT solution services is satisfied either over time or at a point in time depending on whether the Group has enforceable right to payment for performance obligations completed to date. Payment due date is negotiated on a contract-by-contract basis and certain contracts require a portion of service fee to be paid in advance upon signing the contracts and/or retained by customers until the end of the retention period upon the satisfaction of the service quality by the customers.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December are as follows:

	2025	**2024**
	RMB'000	
Amounts expected to be recognised as revenue:		
Within one year	**1,143**	1,003
After one year	**344**	8
Total	**1,487**	1,011

5. Revenue, other income and gains (continued)

Data technology services (continued)

An analysis of the Group's other income and gains is as follows:

	2025	2024
	RMB'000	
Other income		
Bank interest income	**5,408**	1,381
Other interest income	**101**	97
Investment income from financial investments at fair value through profit or loss	**1,091**	1,574
Government grant*	**3,161**	1,428
Others	**–**	2
Total other income	**9,761**	4,482
Gains		
Fair value gains on financial investments at fair value through profit or loss	**771**	1,882
Gain on early termination of a lease	**37**	–
Write-off of contract liabilities	**–**	179
Foreign exchange gains, net	**–**	178
Total gains	**808**	2,239
Total other income and gains	**10,569**	6,721

* Various government grants were mainly attributable to the Group's development in advanced technology and contributions to the district where the Group's primary business operates, as well as other tax benefits. There are no unfulfilled conditions or contingencies relating to these government grants.

6. Loss before tax

The Group's loss before tax is arrived at after charging/(crediting):

	Notes	2025 RMB'000	2024
Cost of services provided*		**46,451**	48,690
Depreciation of property and equipment	13	**464**	521
Depreciation of right-of-use assets	14(a)	**2,080**	2,172
Amortisation of intangible assets	15	**97**	63
Lease payments not included in the measurement of lease liabilities	14(c)	**245**	147
Auditor's remuneration		**1,700**	–
Employee benefit expense (excluding directors' and chief executive's remuneration (note 8):*			
Wages and salaries		**41,976**	38,092
Social welfare benefits		**5,921**	5,122
Termination benefits		**2,162**	1,029
Equity-settled share-based payment expense		**10,194**	6,355
Pension scheme contribution (defined contribution scheme)		**2,643**	2,277
Total		**62,896**	52,875
Impairment of/(reversal of impairment of) financial assets, net:			
Accounts receivable	17	**766**	1,881
Financial assets included in prepayments, other receivables and other assets	18	**(272)**	2,489
Total		**494**	4,370
Loss on disposal of financial investments at fair value through profit or loss**		**4,774**	–
Write-off of other receivables**		**1**	3
Donations**		**63**	–
Penalties and compensation**		**4**	222
Foreign exchange losses, net**		**545**	–

* Employee benefit expense of RMB8,347,000 (2024: RMB9,606,000) are classified as and included in cost of services provided.

** These items are included in "Other expenses and losses" in the consolidated statement of profit or loss.

7. Finance costs

An analysis of finance costs is as follows:

	2025 RMB'000	2024
Interest on bank borrowings	**627**	1,289
Interest on lease liabilities	**111**	58
Total	**738**	1,347

8. Directors' and chief executive's remuneration

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	2025 RMB'000	2024
Fees	**112**	–
Other emoluments:		
Salaries, allowances and benefits in kind	**5,440**	4,126
Discretionary performance related bonuses	**4,369**	2,964
Equity-settled share-based payment expense	**17,248**	11,925
Pension scheme contributions	**209**	205
Subtotal	**27,266**	19,220
Total fees and other emoluments	**27,378**	19,220

During the year and in prior years, certain directors were granted share options and/or share awards of the Company in respect of their services to the Group, under the share-based incentive schemes of the Group, further details of which are set out in note 28 to the financial statements. The fair value of such share options and share awards, which has been recognised in the statement of profit or loss, was determined as at the date of grant and the amount included in the financial statements for the current year is included in the above directors' and chief executive's remuneration disclosures.

8. Directors' and chief executive's remuneration (continued)

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

	2025	2024
	RMB'000	
Dr. XIE Tao	–	–
Ms. SU Yu	56	–
Mr. LI Yifan	–	–
Mr. HUANG Xiaoling	56	–
Dr. XIONG Yingfei	–	–
Total	112	–

There were no other emoluments payable to the independent non-executive directors during the year (2024: Nil).

8. Directors' and chief executive's remuneration (continued)

(b) Executive directors and the chief executive

	Fees	Salaries, allowances and benefits in kind	Discretionary performance related bonuses	Equity-settled share-based payment expense	Pension scheme contributions	Total remuneration
			RMB'000			
2025						
Dr. SUN Xi*	**–**	**930**	**381**	**6,502**	**68**	**7,881**
Ms. QIAN Jinlei	**–**	**920**	**300**	**5,670**	**68**	**6,958**
Ms. LU Lu	**–**	**2,907**	**3,400**	**3,857**	**58**	**10,222**
Mr. XU Cheng	**–**	**683**	**288**	**1,219**	**15**	**2,205**
Mr. XIAO Pingyuan	**–**	**–**	**–**	**–**	**–**	**–**
Total	**–**	**5,440**	**4,369**	**17,248**	**209**	**27,266**
2024						
Dr. SUN Xi*	–	687	660	4,881	66	6,294
Ms. QIAN Jinlei	–	647	660	3,234	66	4,607
Ms. LU Lu	–	2,100	1,500	2,895	58	6,553
Mr. XU Cheng	–	692	144	915	15	1,766
Mr. CHAI Hua	–	–	–	–	–	–
Ms. YU Hao	–	–	–	–	–	–
Total	–	4,126	2,964	11,925	205	19,220

* Dr. SUN Xi is also the chief executive of the Company.

On 23 April 2024, Mr. CHAI Hua and Ms. YU Hao resigned as directors of the Company.

On 29 May 2024, (i) Dr. SUN Xi, Ms. QIAN Jinlei, Ms. LU Lu and Mr. XU Cheng were re-designated as executive directors of the Company with immediate effect; and (ii) Ms. SU Yu, Mr. ZHENG Yunduan and Dr. XIE Tao were appointed as independent non-executive directors of the Company with effect from the date of listing of the Company.

On 19 November 2024, Mr. ZHENG Yunduan resigned as an independent non-executive director of the Company with immediate effect.

8. Directors' and chief executive's remuneration (continued)

(b) Executive directors and the chief executive (continued)

On 30 December 2024, Mr. LI Yifan was appointed as an independent non-executive director of the Company with effect from the date of listing of the Company.

On 2 April 2025, Mr. LI Yifan resigned as an independent non-executive director of the Company with immediate effect and Mr. HUANG Xiaoling was appointed as an independent non-executive director of the Company.

On 31 December 2025, (i) Ms. LU Lu resigned as an executive director of the Company and Mr. XIAO Pingyuan was appointed as an executive director of the Company; and (ii) Dr. XIE Tao resigned as an independent non-executive director and Dr. XIONG Yingfei was appointed as an independent non-executive director of the Company.

There was no arrangement under which a director of the Company waived or agreed to waive any remuneration and no remuneration was paid by the Group to a director of the Company as an inducement to join or upon joining the Group during the year.

9. Five highest paid employees

The five highest paid employees during the year included three directors including the chief executive (2024: three directors including the chief executive), details of whose remuneration are set out in note 8 above. Details of the remuneration of the remaining two highest paid employees (2024: two) who are neither a director nor chief executive of the Company are as follows:

	2025 **RMB'000**	2024
Salaries, allowances and benefits in kind	**1,035**	835
Discretionary performance related bonuses	**444**	270
Equity-settled share-based payment expense	**6,787**	5,095
Pension scheme contributions	**86**	82
Total	**8,352**	6,282

9. Five highest paid employees (continued)

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	2025	2024
HK$2,500,001 to HK$3,000,000	–	1
HK$3,000,001 to HK$3,500,000	1	–
HK$3,500,001 to HK$4,000,000	–	–
HK$4,000,001 to HK$4,500,000	–	1
HK$4,500,001 to HK$5,000,000	–	–
HK$5,000,001 to HK$5,500,000	–	–
HK$5,500,001 to HK$6,000,000	1	–
Total	2	2

During the year and in prior years, certain non-director and non-chief executive highest paid employees were granted share options and/or share awards of the Company in respect of their services to the Group, under the share-based incentive schemes of the Group, further details of which are set out in note 28 to the financial statements. The fair value of such share options and share awards, which has been recognised in the statement of profit or loss, was determined as at the date of grant and the amount included in the financial statements for the current year is included in the above non-director and non-chief executive highest paid employees' remuneration disclosures.

10. Income tax

The Group is subject to income tax on an entity basis on profits arising in or derived from the countries/jurisdictions in which members of the Group are domiciled and operate.

Cayman Islands

Pursuant to the relevant rules and regulations of the Cayman Islands, the Group is not subject to any income tax in the Cayman Islands.

Hong Kong

The Hong Kong profits tax rate during the year was 16.5% (2024: 16.5%). No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the year (2024: Nil).

10. Income tax (continued)

Singapore

The Singapore profits tax rate during the year was 17% (2024: 17%). No provision for Singapore profits tax has been made as the Group did no generate any assessable profits arising in Singapore during the year (2024: Nil).

Chinese mainland

Pursuant to the Corporate Income Tax Law of the PRC and the respective regulations, the entities which operate in Chinese mainland are subject to corporate income tax ("**CIT**") at a rate of 25% on the taxable income. During the year, Beijing WFOE and Wuhan Yuanguang were entitled to a preferential tax rate of 15% because they were regarded as "High and New Technology Enterprise". In addition, the Group's other subsidiaries operating in Chinese mainland were entitled to effective preferential tax rates of 5% (2024: 5%) because they were regarded as "small-scaled minimal profit enterprises" with taxable income no more than RMB1,000,000.

	2025	2024
	RMB'000	
Current tax charged for the year	**8**	–
Deferred tax charged for the year (note 26)	**10,354**	4,394
Total tax charge for the year	**10,362**	4,394

10. Income tax (continued)

Chinese mainland (continued)

A reconciliation of the tax expense applicable to loss before tax at the statutory tax rates for the jurisdictions in which the Company and its subsidiaries are domiciled and/or operate to the tax expense at the effective tax rates is as follows:

	2025	2024
	RMB'000	
Profit/(loss) before tax		
Cayman Islands	**(144,308)**	(63,005)
Hong Kong	**(931)**	(48)
Singapore	**(34)**	–
Chinese mainland	**28,066**	41,309
Total	**(117,207)**	(21,744)
Tax at the statutory tax rates		
Cayman Islands	**–**	–
Hong Kong	**(154)**	(8)
Singapore	**(6)**	–
Chinese mainland	**7,016**	10,327
Total tax at the statutory tax rates	**6,856**	10,319
Lower tax rates enacted by relevant authorities	**(2,763)**	(4,324)
Income not subject to tax	**(81)**	–
Expenses not deductible for tax	**2,945**	3,555
Additional deductible allowance for research and development expenses	**(2,412)**	(5,131)
Prior years' tax losses recognised	**–**	(96)
Tax losses utilised from previous periods	**(7)**	(96)
Tax losses not recognised	**240**	71
Adjustments in respect of deferred tax of previous periods	**5,584**	–
Tax charge at the Group's effective rate	**10,362**	4,394

11. Dividends

There was no dividend declared or paid by the Company during the year (2024: Nil).

12. Loss per share attributable to ordinary equity holders of the Company

The calculation of the basic loss per share amounts is based on the loss for the year attributable to the ordinary equity holders of the Company, and the weighted average number of ordinary shares of 114,691,556 (2024: 57,873,299) outstanding during the year.

The calculation of the diluted loss per share amounts is based on the loss for the year attributable to the ordinary equity holders of the Company, adjusted to reflect the fair value changes of the preferred shares classified as financial liabilities at fair value through profit or loss, where applicable (see below). The weighted average number of ordinary shares used in the calculation is the number of ordinary shares outstanding during year, as used in the basic loss per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares, where applicable (see below).

The calculations of basic and diluted loss per share are based on:

	2025	2024
	RMB'000	
Loss		
Loss attributable to ordinary equity holders of the Company, as used in the basic loss per share calculation	**(127,569)**	(26,138)
Adjustment for fair value losses on the preferred shares	**119,202**	42,968
Profit/((loss) attributable to ordinary equity holders of the Company before fair value losses on the preferred shares	**(8,367)***	16,830*

	Number of shares	
	2025	**2024**
Shares		
Weighted average number of ordinary shares outstanding used in the basic loss per share calculation	**114,691,556**	57,873,299
Effect of dilution – weighted average number of ordinary shares		
Share options	**–***	–*
Preferred shares	**–***	–*
Total	**114,691,556**	57,873,299

* The share options and the preferred shares were ignored in the calculation of diluted loss per share amounts because for the year ended 31 December 2025, they had anti-dilutive effects on the basic loss per share amount as evidenced by the potential decrease in diluted loss per share amount when taking share options and preferred shares into account; and for the year ended 31 December 2024, they had anti-dilutive effects on the basic loss per share amount as evidenced by the potential decrease in diluted loss per share amount when taking share options into account or the potential change to diluted earnings per share amount when taking preferred shares into account. Accordingly, the diluted loss per share amounts are same as the basic loss per share amounts.

13. Property and equipment

	Leasehold improvements	Furniture and office equipment	Electronics equipment RMB'000	Motor vehicles	Total
2025					
At 1 January 2025:					
Cost	**1,564**	**63**	**506**	**2,224**	**4,357**
Accumulated depreciation and impairment	**(1,560)**	**(57)**	**(406)**	**(732)**	**(2,755)**
Net carrying amount	**4**	**6**	**100**	**1,492**	**1,602**
At 1 January 2025, net of accumulated depreciation and impairment	**4**	**6**	**100**	**1,492**	**1,602**
Depreciation provided during the year	**(4)**	**(2)**	**(36)**	**(422)**	**(464)**
At 31 December 2025, net of accumulated depreciation and impairment	**–**	**4**	**64**	**1,070**	**1,138**
At 31 December 2025:					
Cost	**1,564**	**63**	**506**	**2,224**	**4,357**
Accumulated depreciation and impairment	**(1,564)**	**(59)**	**(442)**	**(1,154)**	**(3,219)**
Net carrying amount	**–**	**4**	**64**	**1,070**	**1,138**
2024					
At 1 January 2024:					
Cost	1,564	63	499	2,224	4,350
Accumulated depreciation and impairment	(1,538)	(46)	(339)	(311)	(2,234)
Net carrying amount	26	17	160	1,913	2,116
At 1 January 2024, net of accumulated depreciation and impairment	26	17	160	1,913	2,116
Additions	–	–	7	–	7
Depreciation provided during the year	(22)	(11)	(67)	(421)	(521)
At 31 December 2024, net of accumulated depreciation and impairment	4	6	100	1,492	1,602
At 31 December 2024:					
Cost	1,564	63	506	2,224	4,357
Accumulated depreciation and impairment	(1,560)	(57)	(406)	(732)	(2,755)
Net carrying amount	4	6	100	1,492	1,602

14. Leases

Group as a lessee

The Group has certain lease contracts for buildings for its office and dormitory uses. Leases of buildings generally have lease terms for 1.1 to 2 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

The carrying amounts of right-of-use assets for buildings and the movements during the year are as follows:

	2025	**2024**
	RMB'000	
Carrying amount at beginning of year	**1,571**	2,959
Additions	**3,587**	463
Depreciation charges	**(2,080)**	(2,172)
Revision of lease terms	**480**	321
Early termination of a lease	**(300)**	–
Carrying amount at end of year	**3,258**	1,571

(b) Lease liabilities

The carrying amounts of lease liabilities and the movements during the year are as follows:

	2025	**2024**
	RMB'000	
Carrying amount at beginning of year	**1,286**	2,789
New leases	**3,122**	463
Accretion of interest recognised during the year	**111**	58
Payments	**(2,243)**	(2,237)
Revision of lease terms	**480**	213
Early termination of a lease	**(337)**	–
Carrying amount at end of year	**2,419**	1,286

14. Leases (continued)

Group as a lessee (continued)

(b) Lease liabilities (continued)

The carrying amounts of lease liabilities and the movements during the year are as follows: (continued)

	2025 RMB'000	2024 RMB'000
Analysed into:		
Current portion		
Repayable within one year	**2,216**	1,178
Non-current portion		
Repayable in the second year	**203**	108
Total lease liabilities	**2,419**	1,286

The maturity analysis of lease liabilities is disclosed in note 34 to the financial statements.

(c) The amounts charged/(credited) to profit or loss in relation to leases are as follows:

	2025 RMB'000	2024 RMB'000
Interest on lease liabilities	**111**	58
Depreciation charge of right-of-use assets	**2,080**	2,172
Expense relating to short-term leases included in selling, administrative and research and development expenses	**245**	147
Gain on early termination of a lease	**(37)**	–
Total amount recognised in profit or loss	**2,399**	2,377

(d) The total cash outflow for leases is disclosed in note 30(c) to the financial statements.

15. Other intangible assets

Software

	2025 RMB'000	2024
At beginning of year		
Cost	**443**	270
Accumulated amortisation and impairment	**(115)**	(161)
Net carrying amount	**328**	109
At beginning of year, net of accumulated amortisation and impairment	**328**	109
Additions	**–**	282
Amortisation provided during the year	**(97)**	(63)
At end of year, net of accumulated amortisation and impairment	**231**	328
At end of year		
Cost	**381**	443
Accumulated amortisation and impairment	**(150)**	(115)
Net carrying amount	**231**	328

16. Investments in associates

	2025 RMB'000	2024
Share of net assets	**–**	–

16. Investments in associates (continued)

Particulars of the Group's associates are as follows:

Name	Particulars of equity interest held	Percentage of ownership interest attributable to the Group 2025	2024	Principal activities
Hefei Xunboche Technology Co., Ltd. * ("**Hefei Xunboche**") (合肥迅泊車科技有限公司)	Capital of RMB300,000	**30%**	30%	Dormant
Beijing Yuanfeng Technology Co., Ltd. * ("**Beijing Yuanfeng**") (北京元封科技有限公司)	Capital of RMB1,080,000	**36%**	36%	Provision of food delivery services

* The English names represent the best efforts made by the management of the Company to translate the Chinese name.

The Group's equity interests in the associates are indirectly held through a wholly-owned subsidiary of the Company.

The Group's other receivables and loans receivable balances with Beijing Yuanfeng are disclosed in note 18 to the financial statements.

The amounts of the Group's unrecognised share of losses of associates are summarised below:

	2025	2024
	RMB'000	
Hefei Xunboche	**–**	53
Beijing Yuanfeng	**516**	270

The amounts of the Group's unrecognised share of losses of associates cumulatively are summarised below:

	2025	2024
	RMB'000	
Hefei Xunboche	**604**	604
Beijing Yuanfeng	**1,771**	1,255

16. Investments in associates (continued)

All of the Group's associates are not considered individually material. The following tables illustrates their aggregate financial information:

	2025 RMB'000	2024
Share of the associates' loss and total comprehensive loss for the year	**–**	–
Aggregate carrying amount of the Group's investments in associates	**–**	–

17. Accounts receivable

	2025 RMB'000	2024
Accounts receivable	**44,606**	35,487
Impairment	**(2,133)**	(1,828)
Net carrying amount	**42,473**	33,659

The Group's trading terms with its customers are mainly on credit, except for customers placed advertisements on *Chelaile*'s official account in WeChat, where payment in advance is normally required. The credit period is generally 30 days to 90 days. The Group seeks to maintain strict control over its outstanding receivables and overdue balances are reviewed regularly by senior management. Accounts receivable are settled in accordance with the terms of the respective contracts. Notwithstanding that the Group has concentration of credit risk as further detailed in note 34 to the financial statements, the directors of the Company are of the view that there has been no significant increase in credit risk of default because the amounts are from customers which are related companies and/or with good repayment history. The Group does not hold any collateral or other credit enhancements over its accounts receivable balances. Accounts receivable are non-interest-bearing.

The Group's accounts receivable included amounts due from associates, which are repayable on the terms mutually agreed by the parties involved, further details of which are included in note 31 to the financial statements.

17. Accounts receivable (continued)

An ageing analysis of the accounts receivable as at the end of the reporting period, based on the date of services rendered and net of loss allowance, is as follows:

	2025	2024
	RMB'000	
Within 6 months	**41,775**	33,357
7 to 12 months	**698**	302
Total	**42,473**	33,659

The movements in the loss allowance for impairment of accounts receivable are as follows:

	2025	2024
	RMB'000	
At beginning of year	**1,828**	462
Impairment loss (note 6)	**766**	1,881
Amount written off as uncollectible	**(461)**	(515)
At end of year	**2,133**	1,828

The increase in the loss allowance during the year ended 31 December 2025 was mainly due to an increase in the gross amount of accounts receivable aged within six months. The increase in the loss allowance during the year ended 31 December 2024 was mainly due to an increase in the gross amount of accounts receivable aged over one year.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on the ageing for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, accounts receivable are written off if past due for more than two years and are not subject to enforcement activity. In addition, when there exists an indicator of significant increase in credit risk in relation to a particular debtor, an impairment analysis is performed in respect of the corresponding outstanding receivable balance on an individual debtor basis.

17. Accounts receivable (continued)

Set out below is the information about the credit risk exposure on the Group's accounts receivable using a provision matrix:

As at 31 December 2025

	Ageing				
	Within 6 months	**7 to 12 months**	**13 to 24 months**	**Over 24 months**	**Total**
Individually assessed:					
Expected credit loss rate	–	–	**100.00%**	**100.00%**	**100.00%**
Gross carrying amount (RMB'000)	–	–	**100**	**635**	**735**
Expected credit losses (RMB'000)	–	–	**100**	**635**	**735**
Collectively assessed:					
Expected credit loss rate	**2.67%**	**17.59%**	**100.00%**	–	**3.19%**
Gross carrying amount (RMB'000)	**42,921**	**847**	**103**	–	**43,871**
Expected credit losses (RMB'000)	**1,146**	**149**	**103**	–	**1,398**
Total:					
Gross carrying amount (RMB'000)	**42,921**	**847**	**203**	**635**	**44,606**
Expected credit losses (RMB'000)	**1,146**	**149**	**203**	**635**	**2,133**

17. Accounts receivable (continued)

As at 31 December 2024

	Ageing				
	Within 6 months	7 to 12 months	13 to 24 months	Over 24 months	Total
Individually assessed:					
Expected credit loss rate	100.00%	100.00%	100.00%	100.00%	100.00%
Gross carrying amount (RMB'000)	100	100	605	462	1,267
Expected credit losses (RMB'000)	100	100	605	462	1,267
Collectively assessed:					
Expected credit loss rate	1.16%	8.21%	100.00%	–	1.64%
Gross carrying amount (RMB'000)	33,749	329	142	–	34,220
Expected credit losses (RMB'000)	392	27	142	–	561
Total:					
Gross carrying amount (RMB'000)	33,849	429	747	462	35,487
Expected credit losses (RMB'000)	492	127	747	462	1,828

18. Prepayments, other receivables and other assets

	2025 RMB'000	2024
Current:		
Prepayments	**17,309**	21,324
Prepaid other tax	**870**	315
Deposits	**737**	806
Interest receivable	**1,844**	585
Other loans receivable	**18,724**	19,620
Other receivables	**4,535**	3,969
Subtotal – current	**44,019**	46,619
Impairment	**(22,928)**	(23,200)
Total – current	**21,091**	23,419
Non-current:		
Prepayments	**60**	–
Deposits	**527**	163
Other loans receivable	**4,378**	–
Total – non-current	**4,965**	163
Total	**26,056**	23,582

Other loans receivable comprised:

	2025 RMB'000	2024
Beijing Yuanfeng	**13,920**	13,920
Beijing Jianwu Zhongyuan Technology Co., Ltd.* ("**Beijing Jianwu**") (北京建武中元科技有限公司)	**2,668**	2,800
Shenzhen City Whale Dynamic Co., Ltd.* ("**Whale Dynamic**") (深圳市惠爾智能有限公司)	**2,136**	2,900
Staff loans	**4,378**	–
	23,102	19,620

* The English names represent the best efforts made by the management of the Company to translate the Chinese name.

18. Prepayments, other receivables and other assets (continued)

On 1 June 2021, Wuhan Yuanguang and Beijing Yuanfeng entered into a loan facility agreement pursuant to which Wuhan Yuanguang agreed to make available a maximum aggregate loan amounting to RMB20,000,000 to Beijing Yuanfeng during the period between 1 June 2021 and 31 May 2023, and the individual loan amounts and repayment dates are stipulated in the respective loan notes when loans are made. The loans were unsecured and interest-bearing at an annual rate of 2%. On 6 January 2023, a portion of the loans amounting to RMB1,080,000 were capitalised to 36% equity interest of Beijing Yuanfeng which has since become a 36%-owned associate of the Group. As at 31 December 2025, the outstanding balances of loans and interests amounting to RMB13,920,000 and RMB258,000 respectively, have been fully provided for.

On 1 February 2021, Wuhan Yuanguang and Beijing Jianwu entered into a loan facility agreement pursuant to which Wuhan Yuanguang agreed to make available a maximum aggregate loan amounting to RMB7,000,000 to Beijing Jianwu during the period between 1 February 2021 and 31 January 2023, and the individual loan amounts and repayment dates are stipulated in the respective loan notes when loans are made. The loans were unsecured and interest-bearing at an annual rate of 2%. During the year ended 31 December 2025, Beijing Jianwu made partial repayments of RMB255,000 to the Group. As at 31 December 2025, the outstanding balances of loans amounting to RMB2,668,000 have been fully provided for.

On 15 March 2023, Wuhan Yuanguang, Whale Dynamic and Mr. Chang Yufei (the ultimate owner of Whale Dynamic) entered into a loan agreement pursuant to which Wuhan Yuanguang agreed to provide a loan of RMB3,000,000 to Whale Dynamic. The loan was interest-bearing at an annual rate of 3% and repayable within one year and was guaranteed by Mr. Chang Yufei. During the year ended 31 December 2025, Whale Dynamic made partial repayments of RMB1,009,000 to the Group. As at 31 December 2025, the outstanding balances of loans amounting to RMB2,136,000 have been fully provided for.

The staff loans were unsecured, interest-fee and repayable in accordance with the terms stipulated in the respective loan agreements.

Other receivables comprised:

	2025	2024
	RMB'000	
Beijing Yuanfeng	**3,386**	3,386

The other receivables from Beijing Yuanfeng were attributable to the payments made by the Group on behalf of Beijing Yuanfeng. As at 31 December 2025, the outstanding balance amounting to RMB3,386,000 has been fully provided for.

18. Prepayments, other receivables and other assets (continued)

The Group applies an expected credit loss model to evaluate the credit losses for financial assets included in prepayments, other receivables and other assets. The Group's movements in the loss allowance for impairment of financial assets included in prepayments, other receivables and other assets are as follows:

	2025	2024
	RMB'000	
At beginning of year	**23,200**	20,711
Impairment loss/(reversal of impairment loss), net (note 6)	**(272)**	2,489
At end of year	**22,928**	23,200

The decrease in the loss allowance for the year ended 31 December 2025 was due to the partial settlement of impaired loans receivable from Beijing Jianwu and Whale Dynamics. The increase in the loss allowance for the year ended 31 December 2024 was due to the net effect of the partial settlement of impaired loans receivable from Beijing Jianwu and partial impairment made against the loan receivable of Whale Dynamics.

19. Financial investments

	2025	2024
	RMB'000	
Non-current		
Financial assets at fair value through profit or loss		
Unlisted equity investments	**13,940**	5,282
Unlisted convertible debt investment	**–**	1,000
Subtotal	**13,940**	6,282
Equity investment designated at fair value through other comprehensive income		
Listed equity investment	**3,353**	8,960
Total non-current financial investments	**17,293**	15,242
Current		
Financial assets at fair value through profit or loss		
Structured deposits	**55,113**	43,079
Total current financial investments	**55,113**	43,079

19. Financial investments (continued)

The Group's unlisted equity investments comprised (i) a 30% ownership interest in a limited partnership as a limited partner; and (ii) investments in four (2024: one) entities with shareholding ranging from 3.75% to 18% (2024: 18%). These five investee entities were registered in the PRC and the investments were held by a wholly-owned subsidiary of the Group. They were classified as financial assets at fair value through profit or loss as the Group has not elected to recognise the fair value gain or loss through other comprehensive income.

The Group's listed equity investment designated at fair value through other comprehensive income was 150,000 ordinary shares (representing less than 0.1% equity interest) of BingEx Limited, an on-demand dedicated courier service provider operating in Chinese mainland and whose shares were listed on the National Association of Securities Dealers Automated Quotations, i.e., NASDAQ, on 4 October 2024. It was irrevocably designated at fair value through other comprehensive income as the Group considers such investment to be strategic in nature. The market value of the Group's listed equity investment at the date of approval of these financial statements was RMB2,803,000.

The Group's structured deposits were issued by commercial banks operating in Chinese mainland. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

20. Cash and cash equivalents and time deposits

	2025	**2024**
	RMB'000	
Cash and bank balances	**28,150**	56,306
Time deposits	**10,543**	–
Cash and cash equivalents	**38,693**	56,306
Time deposits not included in cash and cash equivalents:		
Short-term	**206,885**	–
Long-term	**–**	30,000
Cash and cash equivalents and time deposits	**245,578**	86,306

At the end of the reporting period, the Group's cash and bank balances and time deposits denominated in RMB amounted to RMB55,050,000 (2024: RMB68,028,000). The RMB is not freely convertible into other currencies, however, under the Chinese mainland's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

20. Cash and cash equivalents and time deposits (continued)

Cash at banks earns interest at floating rates based on daily bank deposit rates. Time deposits are categorised into (i) highly liquid time deposits (included in cash and cash equivalents), short-term time deposits (classified as current assets) and long-term time deposits (classified as non-current assets), of which the maturity dates are within three months, between four to twelve months and over twelve months, respectively, when acquired, and they are made for various periods depending on the immediate cash requirements of the Group. Time deposits earn interest at the respective time deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

21. Accounts payable

An ageing analysis of the accounts payable as at the end of the reporting period, based on the date of service received, is as follows:

	2025	**2024**
	RMB'000	
Within 3 months	**5,158**	6,118
4 to 12 months	**380**	870
13 to 24 months	**211**	528
Over 24 months	**108**	348
Total	**5,857**	7,864

The accounts payable are non-interest-bearing and are normally settled within 90 days.

22. Contract liabilities

An analysis of contract liabilities arising from short-term advances received from customers is as follows:

	1 January 2024	**31 December 2024**	**31 December 2025**
		RMB'000	
Mobile advertising services	327	197	**109**
Data technology services	805	242	**126**
Total	1,132	439	**235**

The decrease in contract liabilities was mainly due to the decrease in short-term advances received from customers in relation to data technology services at the end of the year.

23. Other payables and accruals

	2025	2024
	RMB'000	
Payroll and welfare payables	**14,205**	13,177
Other tax payables	**2,908**	1,495
Listing expenses payable	**69**	13,402
Other payables	**7,549**	3,406
Total	**24,731**	31,480

Other payables are non-interest-bearing and have an average term within one year.

24. Interest-bearing bank borrowings

	2025	2024
	RMB'000	
Bank borrowings, unsecured	**10,000**	–
Bank borrowings, secured	**–**	30,000
Total	**10,000**	30,000

The Group's interest-bearing bank borrowings are denominated in RMB and due to mature within one year from the end of the reporting period.

All of the Group's interest-bearing bank borrowings are charged interests with fixed rates, and accordingly the Group's interest-bearing bank borrowings had no interest rate risk exposure. The effective interest rates of the Group's interest-bearing bank borrowings are as follows:

	2025	2024
	%	
Bank borrowings, unsecured	**2.15**	–
Bank borrowings, secured	**–**	2.80–3.00

The securities of the Group's bank borrowings at 31 December 2024 were certain self-developed intellectual property rights of which the corresponding costs have been charged to profit or loss as incurred.

25. Financial liabilities at fair value through profit or loss

Preferred shares are classified as financial liabilities at fair value through profit or loss. The following table summarises the preferred shares in issue by series during the year:

		Number of preferred shares				
Name of preferred shares	Date of issuance	at 1 January 2024	issued/ (re-purchased) in 2024	at 31 December 2024 and 1 January 2025	converted to ordinary shares in 2025	at 31 December 2025
Series Seed A	20 October 2015	265,644	–	**265,644**	**(265,644)**	**–**
Series Seed B	20 October 2015	2,152,352	–	**2,152,352**	**(2,152,352)**	**–**
Series A	20 October 2015	5,066,898	–	**5,066,898**	**(5,066,898)**	**–**
Series A-1	20 October 2015	5,466,404	–	**5,466,404**	**(5,466,404)**	**–**
Series B	20 October 2015	15,184,519	–	**15,184,519**	**(15,184,519)**	**–**
Series B1-1	29 January 2016	10,901,482	–	**10,901,482**	**(10,901,482)**	**–**
Series B1-2	29 January 2016	2,217,811	–	**2,217,811**	**(2,217,811)**	**–**
Series B1-3	29 January 2016	3,702,882	–	**3,702,882**	**(3,702,882)**	**–**
Series B1-4	29 January 2016	16,370,488	–	**16,370,488**	**(16,370,488)**	**–**
	24 January 2017	2,362,036	(708,611)	**1,653,425**	**(1,653,425)**	**–**
Series B1-5	17 June 2019	863,886	–	**863,886**	**(863,886)**	**–**
Series C	23 January 2024	–	1,601,448	**1,601,448**	**(1,601,448)**	**–**
Total		64,554,402	892,837	**65,447,239**	**(65,447,239)**	**–**

25. Financial liabilities at fair value through profit or loss (continued)

Upon the initial public offering of the Company's shares on 10 June 2025, the Company converted all of its 65,447,239 preferred shares with an aggregate carrying amount of RMB584,107,000 to 65,447,239 ordinary shares, further details of which are set out in note 27 to the financial statements.

For the year ended 31 December 2024, the Company and two shareholders entered into share repurchase agreements pursuant to which the Company agreed to repurchase from the shareholders in aggregate 708,611 Series B1-4 preferred shares and 892,837 ordinary shares at USD71 and USD89 (equivalent to an aggregate consideration of RMB1,000), respectively, in January 2024, the carrying amounts of which are RMB6,098,000 and RMB1,000, respectively. In addition, there is a return of capital of Wuhan Yuanguang amounting to RMB17,000,000 to two registered owners of Wuhan Yuanguang which are group companies of the two aforementioned shareholders of the Company. The amount of RMB10,818,000 being the difference between the consideration amounts, including the share repurchase and capital return, and the carrying amounts of the preferred shares and ordinary shares repurchased (including the corresponding foreign exchange adjustments), is accounted for and recognised in capital reserve. As part of the arrangement, the Company also issued in aggregate 1,601,448 Series C preferred shares to two investors with an aggregate consideration of USD2,603,794 (equivalent to RMB18,518,000), and the two shareholders transferred to the two investors an aggregate 1,653,425 Series B1-4 preferred shares at an aggregate consideration of USD165 (equivalent to RMB1,000).

The Company engaged an independent valuer to determine the fair value of the preferred shares at 31 December 2024. The discounted cash flow method was used to determine the total equity value of the Group and then equity value allocation model based on the hybrid method, i.e., hybrid between the probability-weighted expected return method and the option pricing method, was adopted to determine the fair value of the preferred shares.

25. Financial liabilities at fair value through profit or loss (continued)

The Group does not bifurcate any embedded derivatives from the preferred shares and has designated the entire instruments as financial liabilities at fair value through profit or loss. Subsequent to the initial recognition, the changes in fair value of the preferred shares are recognised in profit or loss except for the portion attributable to credit risk change which shall be recognised in other comprehensive income, of which the directors of the Company consider insignificant. The movements in the preferred shares during the year are as follows:

	Series Seed A	Series Seed B	Series A	Series A-1	Series B	Series B1-1	Series B1-2	Series B1-3	Series B1-4	Series B1-5	Series C	Total
						RMB'000						
2025												
At 1 January 2025	**1,025**	**8,384**	**22,868**	**30,274**	**94,355**	**76,098**	**16,261**	**29,248**	**163,444**	**8,550**	**14,682**	**465,189**
Fair value changes recognised in profit or loss	**1,346**	**10,831**	**22,367**	**18,533**	**41,217**	**21,243**	**3,542**	**3,818**	**(2,480)**	**(835)**	**(380)**	**119,202**
Conversion to ordinary shares	**(2,371)**	**(19,209)**	**(45,221)**	**(48,786)**	**(135,520)**	**(97,294)**	**(19,794)**	**(33,048)**	**(160,861)**	**(7,710)**	**(14,293)**	**(584,107)**
Foreign exchange adjustments	**-**	**(6)**	**(14)**	**(21)**	**(52)**	**(47)**	**(9)**	**(18)**	**(103)**	**(5)**	**(9)**	**(284)**
At 31 December 2025	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2024												
At 1 January 2024	985	8,028	20,669	25,699	79,937	58,701	12,365	21,829	167,041	7,994	–	403,248
Issue of preferred shares	–	–	–	–	–	–	–	–	–	–	18,518	18,518
Repurchase of preferred shares	–	–	–	–	–	–	–	–	(6,098)	–	–	(6,098)
Fair value changes recognised in profit or loss	25	233	1,873	4,152	13,108	16,367	3,677	7,027	71	434	(3,999)	42,968
Foreign exchange adjustments	15	123	326	423	1,310	1,030	219	392	2,430	122	163	6,553
At 31 December 2024	1,025	8,384	22,868	30,274	94,355	76,098	16,261	29,248	163,444	8,550	14,682	465,189

26. Deferred tax

The movements in deferred tax assets/(liabilities) during the year are as follows:

	Impairment of financial assets	Fair value adjustments of financial investments at fair value through profit or loss	Right-of-use assets	Lease liabilities	Losses available for offsetting against future taxable profits	Total
			RMB'000			
2025						
At 1 January 2025	**3,753**	**(181)**	**(110)**	**104**	**15,231**	**18,797**
Deferred tax credited/ (charged) to profit or loss	**(71)**	**(125)**	**(378)**	**259**	**(10,039)**	**(10,354)**
At 31 December 2025	**3,682**	**(306)**	**(488)**	**363**	**5,192**	**8,443**
2024						
At 1 January 2024	3,175	362	(443)	418	19,679	23,191
Deferred tax credited/ (charged) to profit or loss	578	(543)	333	(314)	(4,448)	(4,394)
At 31 December 2024	3,753	(181)	(110)	104	15,231	18,797

Deferred tax assets have not been recognised in respect of the following items:

	2025	2024
	RMB'000	
Tax losses:		
available within one to five years	**2,766**	1,267
available indefinitely	**596**	361
Total	**3,362**	1,628

26. Deferred tax (continued)

Tax losses arising in Chinese mainland will expire in one to five years for offsetting against future taxable profits, while tax losses arising in Hong Kong, subject to agreement by the Hong Kong Inland Revenue Department, are available indefinitely for offsetting against future taxable profits. Deferred tax assets have not been recognised in respect of the above items as it is not considered probable that taxable profits will be available against which the above items can be utilised.

The Group is liable for withholding taxes on dividends distributed by those subsidiaries established in Chinese mainland in respect of earnings generated from 1 January 2008. The applicable rate is 5% or 10%.

At the end of the reporting period, no deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries established in Chinese mainland. In the opinion of the directors, it is not probable that these subsidiaries will distribute such earnings in the foreseeable future. The aggregate amount of temporary differences associated with investments in subsidiaries in Chinese mainland for which deferred tax liabilities have not been recognised totalled RMB38,944,000 as at 31 December 2025 (2024: RMB21,053,000).

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

27. Share capital

The Company was incorporated with an authorised share capital of USD50,000 divided into 500,000,000 ordinary shares and preferred shares with a par value of USD0.0001 each. A summary of movements in the Company's issued and fully paid ordinary shares is as follows:

		2025		2024	
	Notes	**Number of shares in issue**	**Share capital RMB'000**	**Number of shares in issue**	**Share capital RMB'000**
At beginning of year		**63,973,298**	**44**	46,971,135	30
Issue of shares	(i)	**24,856,000**	**18**	28,895,000	21
Conversion of financial liabilities at fair value through profit or loss	(i)	**65,447,239**	**47**	–	–
Repurchase of shares	(ii)	**–**	**–**	(11,892,837)	(7)
At end of year		**154,276,537**	**109**	63,973,298	44

27. Share capital (continued)

Notes:

(i) On 10 June 2025, the Company issued 24,856,000 ordinary shares in its initial public offering at HK$9.75 per share for a total cash consideration, before expenses, of HK$242,346,000 (equivalent at approximately RMB221,836,000), and converted all of its 65,447,239 preferred shares with an aggregate carrying amount of RMB584,107,000 to 65,447,239 ordinary shares. The excess of the proceeds from the issue of ordinary shares in the initial public offering over the par value of the Company's ordinary shares issued, amounting to RMB221,818,000, has been credited to the share premium, and the aggregate carrying amount of the preferred shares converted over the par value of the Company's ordinary shares issued, amounting to RMB584,060,000, has been credited to the capital reserve.

During the year ended 31 December 2024, a total of 28,895,000 ordinary shares of the Company at nil consideration were granted to certain directors and employees of the Group as share awards under the Pre-IPO Share Scheme, further details of which are set out in note 28 to the financial statements.

(ii) During the year ended 31 December 2024, the Company purchased 892,837 ordinary shares at USD0.0001 per share for USD89 (equivalent to RMB1,000) from two shareholders, details of which are set out in note 25 to the financial statements, and purchased 11,000,000 ordinary shares at USD0.15 per share for USD1,650,000 (equivalent to RMB11,703,000) from one shareholder. The purchased shares were cancelled and became authorised but unissued shares of the Company upon completion of the share purchase transaction. According to a written resolution of the shareholders of the Company, ordinary shares of 11,000,000 are additionally reserved solely for the purpose of future issuance under the employee share option plan or other equity incentive plan to be adopted by the Company from time to time. The excess of the repurchase consideration over the par value of the Company's ordinary shares, amounting to RMB11,697,000, has been credited to the capital reserve.

28. Share-based payments

2015 share incentive plan

The Company has a share incentive plan (the "**2015 Share Incentive Plan**") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the 2015 Share Incentive Plan include the directors, employees and consultants of the Company, holding companies and subsidiaries of the Company, and any business, corporation, partnership, limited liability company or other entity in which the Company, or any of its holding companies or subsidiaries holds a substantial ownership interest, directly or indirectly. The 2015 Share Incentive Plan became effective on 1 June 2015 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The maximum aggregate number of shares which may be issued pursuant to the grant of share options, share appreciation rights, dividend equivalent rights, restricted shares, restricted share units or other rights or benefits under the 2015 Share Incentive Plan (collectively, the "**Plan Award**") is 18,615,738 shares of the Company (proportionally adjusted to reflect any share dividends, share splits, or similar transactions). The 2015 Share Incentive Plan is administered by the board of directors of the Company, which has the authority, in its discretion, to select the employees, directors and consultants to whom the Plan Awards may be granted from time to time hereunder, to determine whether and to what extent the Plan Awards are granted hereunder, and to determine the number of shares or the amount of other consideration to be covered by each of the Plan Award granted hereunder.

28. Share-based payments (continued)

2015 share incentive plan (continued)

Except as unanimously approved by the board of directors of the Company, share options to be issued to the grantees under the 2015 Share Incentive Plan are subject to a minimum four year vesting schedule calling for vesting no faster than the following, counting from the applicable grant date with respect to the total issued share options: 25% of the shares subject to the share option shall vest at the end of the first twelve months, with remaining portions vesting in annually installments over the next thirty six months.

The following share options were outstanding under the 2015 Share Incentive Plan during the year:

	2025		2024	
	Weighted average exercise price of options per share US$	**Number of options '000**	**Weighted average exercise price of options per share US$**	**Number of options '000**
At beginning of year	**0.16**	**6,544**	0.16	6,625
Forfeited during the year	**0.32**	**(20)**	0.32	(81)
At end of year	**0.16**	**6,524**	0.16	6,544
Exercisable at end of year	**0.16**	**6,388**	0.16	6,370

28. Share-based payments (continued)

2015 share incentive plan (continued)

The exercise periods, exercise prices and weighted average remaining contractual life of the share options outstanding, as well as the additional number of ordinary shares and amount of share capital when share options exercised in full, as at the end of the reporting period are as follows:

Exercise period	Exercise price per share US$	Number of share options outstanding 2025 '000	2024 '000
2015/6/1 to 2025/5/31	–	**267**	267
2015/6/1 to 2025/5/31	0.01	**415**	415
2015/6/1 to 2025/5/31	0.16	**3,088**	3,088
2015/12/1 to 2025/11/30	–	**30**	30
2015/12/1 to 2025/11/30	0.01	**120**	120
2015/12/1 to 2025/11/30	0.08	**83**	83
2015/12/1 to 2025/11/30	0.16	**424**	424
2017/1/31 to 2027/1/30	0.08	**13**	13
2017/1/31 to 2027/1/30	0.16	**449**	449
2017/12/31 to 2027/12/30	0.16	**310**	310
2018/9/30 to 2028/9/29	0.08	**2**	2
2018/9/30 to 2028/9/29	0.16	**231**	231
2018/9/30 to 2028/9/29	0.32	**20**	20
2019/9/30 to 2029/9/29	–	**125**	125
2019/9/30 to 2029/9/29	0.32	**515**	515
2022/12/31 to 2032/12/30	0.32	**285**	285
2023/9/1 to 2033/8/31	0.32	**147**	167
		6,524	6,544
Weighted average remaining contractual life of share options outstanding (years)		**1.12**	1.62
Additional number of ordinary shares in issue when share options exercised in full ('000)		**6,524**	6,544
Additional amount of share capital and share premium when share options exercised in full (before issue expense and share-based payment expense) (RMB'000)		**7,331**	7,543

28. Share-based payments (continued)

2015 share incentive plan (continued)

The amount of share-based payment expense during the year are as follows:

	2025	2024
	RMB'000	
Share-based payment expense attributable to the share options granted in:		
current year	**–**	–
prior years	**93**	178
Total share-based payment expense	**93**	178

Pre-IPO share scheme

The Company adopted a pre-IPO share scheme (the "**Pre-IPO Share Scheme**") to encourage eligible participants, as determined by the board of directors of the Company or the scheme administrator, to contribute to the long-term growth, performance and profits of the Company and to enhance the value of the Company and its shares. The Pre-IPO Share Scheme became effective on 1 April 2024 and, unless otherwise early terminated by the board of directors of the Company, will be valid and effective for 10 years commencing from the date immediately prior to the shares of the Company commence trading on the Stock Exchange.

The total number of shares which may be issued pursuant to all share options and share awards (the "**Scheme Awards**") to be granted under the Pre-IPO Share Scheme is 34,910,920 shares of the Company. The board of directors of the Company is responsible for administering the Pre-IPO Share Scheme in accordance with the rules set out relating to the Pre-IPO Share Scheme, and it may delegate the authority to administer the Pre-IPO Share Scheme to a committee of the board of directors of the Company or to any other person(s) deemed appropriate at the sole discretion of the board of directors of the Company. The board of directors of the Company or its aforementioned delegate(s) has the power to grant the Scheme Awards to those eligible participants and determine the terms and conditions, including but not limited to, number of Scheme Awards, issue price, exercise price, vesting dates, vesting criteria, performance targets, clawback arrangements and other conditions.

28. Share-based payments (continued)

Pre-IPO share scheme (continued)

Except as unanimously approved by the board of directors of the Company, share options to be issued to the grantees under the Pre-IPO Share Scheme are subject to a minimum four-year vesting schedule calling for vesting no faster than the following, counting from the applicable grant date with respect to the total issued share options: 25% of the shares subject to the share option shall vest at the end of the first twelve months, with remaining portions vesting in annually installments over the next thirty six months. Other shares, options or other securities or awards granted or issued under the Pre-IPO Share Scheme shall be granted or issued according to the Pre-IPO Share Scheme subject to the written consent of the holders of at least 50% of the voting power of the then outstanding preferred shares (calculated on as-converted basis) of the Company and the board of directors of the Company.

The following share options and share awards were outstanding under the Pre-IPO Share Scheme during the year:

	2025			2024		
	Weighted average exercise price of options per share US$	**Number of options '000**	**Number of shares**	**Weighted average exercise price of options per share US$**	**Number of options '000**	**Number of shares**
At beginning of year	**0.32**	**2,321**	**28,895**	–	–	–
Granted during the year	**0.32**	**3,985**	**–**	0.32	2,356	28,895
Forfeited during the year	**0.32**	**(475)**	**–**	0.32	(35)	–
At end of year	**0.32**	**5,831**	**28,895**	0.32	2,321	28,895
Exercisable at end of year	**0.32**	**–**	**–**	0.32	–	–

28. Share-based payments (continued)

Pre-IPO share scheme (continued)

The exercise periods, exercise prices and weighted average remaining contractual life of the share options outstanding, as well as the additional number of ordinary shares and amount of share capital when share options exercised in full, as at the end of the reporting period are as follows:

Exercise period	Exercise price per share US$	Number of share options outstanding 2025 '000	2024
2024/4/1 to 2034/3/31	0.32	**559**	814
2024/11/1 to 2034/10/31	0.32	**1,277**	1,377
2024/12/31 to 2034/12/31	0.32	**100**	130
2025/2/28 to 2035/2/28	0.32	**3,675**	–
2025/5/15 to 2035/5/15	0.32	**220**	–
		5,831	2,321
Weighted average remaining contractual life of share options outstanding (years)		**9.01**	9.64
Additional number of ordinary shares in issue when share options exercised in full ('000)		**5,831**	2,321
Additional amount of share capital and share premium when share options exercised in full (before issue expense and share-based payment expense) (RMB'000)		**13,115**	5,338

28. Share-based payments (continued)

Pre-IPO share scheme (continued)

The fair value of share options and share awards granted and the amount of share-based payment expense during the year are as follows:

	2025	2024
Fair value of share options granted:		
Total amount (RMB'000)	**10,805**	5,174
Per share amount (US$)	**0.38**	0.31
Fair value of share awards granted:		
Total amount (RMB'000)	**–**	99,598
Per share amount (US$)	**–**	0.48
Share-based payment expense (RMB'000) attributable to the share options and share awards granted in:		
current year	**2,802**	18,102
prior years	**24,547**	–
Total share-based payment expense (RMB'000)	**27,349**	18,102

The discounted cash flow method was used to determine the total equity value of the Group and then equity allocation based on the hybrid method, i.e., hybrid between the probability-weighted expected return method and the option pricing method, was adopted to determine the fair value of ordinary shares. Based on the fair value of the underlying ordinary shares, the fair value of share options was estimated as at the date of grant using a binominal model, taking into account the terms and conditions upon which the options were granted. The following table lists the weighted average amounts of the inputs to the model used to estimate the fair value of share options granted during the year:

	2025	2024
Dividend yield (%)	**–**	–
Expected volatility (%)	**48.09–48.74**	49–52
Risk-free interest rate (%)	**3.74–4.06**	4.33–4.58
Expected life of share options (year)	**10**	10
Weighted average share value (US$/share)	**0.38**	0.28

28. Share-based payments (continued)

Pre-IPO share scheme (continued)

The expected life of share options is based on the contract terms. The expected volatility is determined by using the historical volatility of the share price of the comparable companies, which may also not necessarily be the actual outcome. No other feature of the share options granted was incorporated into the measurement of fair value.

The fair value of share awards was determined based on the fair value of the ordinary shares.

Subsequent to the end of the reporting period, a total of 40,000 share options with an exercise price of USD0.32 each were forfeited, and a total of 50,000 share options with an exercise price of USD0.32 each were exercised.

At the date of approval of these financial statements, the Company had 12,265,170 share options outstanding under the 2015 Share Incentive Plan and the Pre-IPO Share Scheme, which represented 7.95% of the Company's shares in issue as at that date.

29. Reserves

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statements of changes in equity.

(a) Capital reserve

Capital reserve represents (i) the capital amounts of Wuhan Yuanguang and Beijing Yuanguang, (ii) the excess of the carrying amounts of the ordinary and preferred shares over the par value of the Company's shares issued in exchange therefor or over the repurchase consideration of the ordinary and preferred shares, as well as (iii) the capital contribution from or return to the registered owners of a subsidiary for the Group's reorganisation.

(b) Share-based payment reserve

Share-based payment reserve is attributable to the fair value of options of the Company granted to the Group's employees, as further explained in the accounting policy for share-based payment in note 2.4 to the financial statements.

(c) Statutory reserves

Statutory reserve represents the amounts set aside from the retained profits by certain subsidiaries established in the PRC and is not distributable as dividend. In accordance with the relevant regulations, the Company's subsidiaries established in the PRC are required to allocate at least 10% of their after-tax profit according to the PRC accounting standards and regulations to legal reserves until such reserves have reached 50% of registered capital. These reserves can only be used for specific purposes and are not distributable or transferable to loans, advances, or cash dividends.

30. Notes to the consolidated statements of cash flows

(a) Major non-cash transactions

	2025 RMB'000	2024
Additions to right-of-use assets and lease liabilities	**3,587**	463
Conversion of preferred shares to ordinary shares	**584,107**	–

(b) Changes in liabilities arising from financing activities

Lease liabilities

	2025 RMB'000	2024
At beginning of year	**1,286**	2,789
Changes from financing cash flows	**(2,132)**	(2,179)
New leases	**3,122**	463
Interest expenses	**111**	58
Early termination of a lease	**(337)**	–
Revision of lease terms	**480**	213
Interest paid classified as operating cash flows	**(111)**	(58)
At end of year	**2,419**	1,286

Interest-bearing bank borrowings

	2025 RMB'000	2024
At beginning of year	**30,000**	40,000
Changes from financing cash flows	**(20,000)**	(10,000)
At end of year	**10,000**	30,000

30. Notes to the consolidated statements of cash flows (continued)

(b) Changes in liabilities arising from financing activities (continued)

Interests payable included in other payables and accruals

	2025 RMB'000	2024
At beginning of year	**–**	52
Changes from financing cash flows	**(627)**	(1,341)
Interest expenses	**627**	1,289
At end of year	**–**	–

(c) Total cash outflow for leases

The total cash outflow for leases included in the consolidated statements of cash flows is as follows:

	2025 RMB'000	2024
Within operating activities	**356**	205
Within financing activities	**2,132**	2,179
Total	**2,488**	2,384

31. Related party transactions

(a) In addition to the transactions detailed in notes 1 and18 to the financial statements, the Group had the following transactions with related parties during the year:

	2025 RMB'000	2024
Entities controlled by the Company's shareholding companies with significant influences over the Company		
Provision of mobile advertising services	–	2,230
Cloud storage service fee charges	–	29
Associates		
Provision of IT solution and other services	–	189

The above transactions were conducted in accordance with the terms and conditions mutually agreed by the parties involved.

(b) Outstanding balances with related parties

	2025 RMB'000	2024
Associates		
Accounts receivable	–	–*

* The gross amount of an account receivable of an associate as at 31 December 2024 was RMB805,000, which was fully provided for during the year ended 31 December 2024. The gross amount of an account receivable of an associate as at 31 December 2025 was reduced to RMB735,000 as partial settlement of RMB70,000 was received by the Group during the year ended 31 December 2025.

(c) Compensation of key management personnel of the Group

	2025 RMB'000	2024
Short-term employee benefits	**9,921**	7,090
Equity-settled share-based payment expense	**17,248**	11,925
Post-employment benefits	**209**	205
Total	**27,378**	19,220

Further details of directors' and the chief executive's emoluments are included in note 8 to the financial statements.

32. Financial instruments by category

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

Financial assets

	Financial assets at fair value through other comprehensive income – equity investments	Financial assets at fair value through profit or loss – mandatorily designated as such	Financial assets at amortised cost	Total
		RMB'000		
2025				
Accounts receivable	–	–	42,473	42,473
Financial assets included in prepayments, other receivables and other assets	–	–	7,817	7,817
Financial investments	3,353	69,053	–	72,406
Cash and cash equivalents	–	–	38,693	38,693
Time deposits	–	–	206,885	206,885
Total	3,353	69,053	257,175	368,274

32. Financial instruments by category (continued)

Financial assets (continued)

	Financial assets at fair value through other comprehensive income – equity investments	Financial assets at fair value through profit or loss – mandatorily designated as such	Financial assets at amortised cost	Total
		RMB'000		
2024				
Accounts receivable	–	–	33,659	33,659
Financial assets included in prepayments, other receivables and other assets	–	–	1,943	1,943
Financial investments	8,960	49,361	–	58,321
Cash and cash equivalents	–	–	56,306	56,306
Time deposits	–	–	30,000	30,000
Total	8,960	49,361	121,908	180,229

32. Financial instruments by category (continued)

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows: (continued)

Financial liabilities

	Financial liabilities at fair value through profit or loss – designated as such upon initial recognition	Financial liabilities at amortised cost	Total
		RMB'000	
2025			
Accounts payable	–	5,857	5,857
Financial liabilities included in other payables and accruals	–	7,618	7,618
Interest-bearing bank borrowings	–	10,000	10,000
Lease liabilities	–	2,419	2,419
Financial liabilities at fair value through profit or loss	–	–	–
Total	–	25,894	25,894

32. Financial instruments by category (continued)

Financial liabilities (continued)

	Financial liabilities at fair value through profit or loss – designated as such upon initial recognition	Financial liabilities at amortised cost	Total
		RMB'000	
2024			
Accounts payable	–	7,864	7,864
Financial liabilities included in other payables and accruals	–	16,808	16,808
Interest-bearing bank borrowings	–	30,000	30,000
Lease liabilities	–	1,286	1,286
Financial liabilities at fair value through profit or loss	465,189	–	465,189
Total	465,189	55,958	521,147

33. Fair value and fair value hierarchy of financial instruments

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

Financial assets

	2025 RMB'000	2024
Financial investments		
Carrying amounts	**72,406**	58,321
Fair values	**72,406**	58,321
Non-current portion of financial assets included in prepayments, other receivables and other assets		
Carrying amounts	**4,905**	163
Fair values	**4,713**	157
Non-current time deposits		
Carrying amounts	**–**	30,000
Fair values	**–**	30,027

Financial liabilities

	2025 RMB'000	2024
Financial liabilities at fair value through profit or loss		
Carrying amounts	**–**	465,189
Fair values	**–**	465,189

Management has assessed that the fair values of cash and cash equivalents, accounts receivable, accounts payable, current portion of financial assets included in prepayments, other receivables and other assets, financial liabilities included in other payables and accruals, and interest-bearing bank borrowings approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The Group's senior management is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the senior management.

33. Fair value and fair value hierarchy of financial instruments (continued)

Financial liabilities (continued)

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair value of structured deposits included in financial investments have been estimated by using a discounted cash flow valuation model accompanied by Monte Carlo simulation technique, based on the market interest rates of instruments with similar terms and risks.

The fair values of an unlisted equity investment included in financial investments have been estimated using a market-based valuation technique. The valuation requires that directors to determine comparable public companies (peers) based on industry and to calculate an enterprise price-to-sales ("**Price/Sales**") multiple for each comparable companies identified. The multiple is calculated by dividing the enterprise value of the comparable company by the sales amount. The multiple is then discounted for considerations such as illiquidity. The directors believe that the estimated fair values resulting from Price/Sales multiple, which are recorded in the consolidated statement of financial position, and the related changes in fair value, which is recorded in profit or loss, are reasonable and are the most appropriate values.

The fair values of other unlisted equity investments and the underlying unlisted equity investment held by the Group's interest in a limited partnership included in financial investments have been determined using the backsolve method of the market approach, together with the hybrid method, i.e., hybrid between the probability-weighted expected return method and the option pricing method, for equity allocation purpose. Valuations the underlying unlisted equity investment are then used in determining the fair values of the Group's interest in a limited partnership using an asset-based approach.

The fair values of an unlisted debt investment with a conversion feature included in financial investments have been estimated using a binominal model and/or discounted cash flow model based on expected future cash flows discounted using current market rates after considering entity-specific risks, which involved assumptions that are not supported by observable market prices or rates.

The directors believe that the estimated fair values resulting from market multiples, backsolve method and discounted cash flows, which are recorded in the consolidated statement of financial position, and the related changes in fair value, which is recorded in profit or loss, are reasonable and are the most appropriate values.

The fair value of a listed equity investment included in financial investments is based on a quoted market price.

33. Fair value and fair value hierarchy of financial instruments (continued)

Financial liabilities (continued)

The fair values of the non-current portion of financial assets included in prepayments, other receivables and other assets as well as non-current time deposits have been calculated by discounting the expected future cash flows using current market rates of instruments with similar terms and risk.

The details of the methods used to estimate the fair values of preferred shares are set out in note 25 to the financial statements.

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's financial assets:

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
		RMB'000		
Financial assets measured at fair value				
Financial investments				
31 December 2025	3,353	55,113	13,940	72,406
31 December 2024	8,960	43,079	6,282	58,321
Financial assets for which fair values are disclosed				
Non-current portion of financial assets included in prepayments, other receivables and other assets				
31 December 2025	–	4,713	–	4,713
31 December 2024	–	157	–	157
Non-current time deposits				
31 December 2025	–	–	–	–
31 December 2024	–	30,027	–	30,027

33. Fair value and fair value hierarchy of financial instruments (continued)

Fair value hierarchy (continued)

The movements in fair value movements of unlisted investments included in financial investments at fair value through profit or loss within Level 3 during the reporting period are as follows:

	2025	2024
	RMB'000	
At beginning of year	**6,282**	3,496
New investments	**7,000**	2,500
Investment income	**–**	122
Fair value gains recognised in profit or loss	**658**	1,803
Partial disposal/maturity of investments	**–**	(1,639)
At end of year	**13,940**	6,282

Below is a summary of significant unobservable inputs to the valuation of unlisted investments together with a quantitative sensitivity analysis summarised below:

	Valuation technique	Significant unobservable inputs	Values	Sensitivity of fair value to the input
Unlisted equity investments	Valuation multiples	Median Price/Sales multiple of peers	1.23 (2024: 1.13)	5% (2024: 5%) increase in multiple would result in increase in fair value by RMB48,000 (2024: RMB60,000). 5% (2024: 5%) decrease in multiple would result in decrease in fair value by RMB49,000 (2024: RMB72,000).
		Discount for lack of marketability	25% (2024: 24%)	5% (2024: 5%) increase in discount would result in decrease in fair value by RMB94,000 (2024: RMB94,000). 5% decrease in discount would result in increase in fair value by RMB119,000 (2024: RMB119,000).

33. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy (continued)

	Valuation technique	Significant unobservable inputs	Values	Sensitivity of fair value to the input
	Backsolve method	Recent transaction price per share	RMB1.8, RMB27 and RMB77 (2024: nil, nil and nil)	5% (2024: nil) increase in recent transaction price per share would result in increase in fair value by RMB104,000, RMB153,000 and RMB153,000 (2024: nil, nil and nil). 5% decrease in recent transaction price per share would result in decrease in fair value by RMB105,000, RMB135,000 and RMB152,000 (2024: nil, nil and nil).
Interest in a limited partnership included in unlisted equity investments	Backsolve method	Recent transaction price per share	RMB50.63 (2024: RMB50.63)	5% (2024: 5%) increase in recent transaction price per share would result in increase in fair value by RMB179,000 (2024: RMB168,000). 5% decrease in recent transaction price per share would result in decrease in fair value by RMB179,000 (2024: 182,000).
Unlisted convertible debt investment	Discounted cash flow method	Discount rate	Nil (2024: 5.3%)	Nil (2024: 0.5% increase in recent transaction price per share would result in decrease in fair value by RMB8,000. 0.5% decrease in recent transaction price per share would result in increase in fair value by RMB8,000).

33. Fair value and fair value hierarchy of financial instruments (continued)

Fair value hierarchy (continued)

The following table illustrates the fair value measurement hierarchy of the Group's financial liabilities:

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
		RMB'000		
Financial liabilities measured at fair value				
Financial liabilities at fair value through profit or loss				
31 December 2025	–	–	–	–
31 December 2024	–	–	465,189	465,189

The movements in fair value measurements of financial liabilities at fair value through profit or loss, i.e., the preferred shares, within Level 3 during the reporting period are set out in note 25 to the financial statements.

During the reporting period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities.

34. Financial risk management objectives and policies

The Group's principal financial instruments comprise cash and time deposits and interest-bearing bank borrowings. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as accounts receivable and accounts payable, which arise directly from its operations.

The main risks arising from the Group's financial instruments are credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at the end of the reporting period.

The amounts presented are gross carrying amounts for financial assets.

2025

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3 RMB'000	Simplified approach	Total
Accounts receivable*	–	–	–	44,606	44,606
Financial assets included in prepayments, other receivables and other assets					
– Normal**	7,817	–	–	–	7,817
– Doubtful**	–	–	22,928	–	22,928
Cash and cash equivalents					
– Not yet past due	38,693	–	–	–	38,693
Time deposits					
– Not yet past due	206,885	–	–	–	206,885
Total	253,395	–	22,928	44,606	320,929

34. Financial risk management objectives and policies (continued)

Credit risk (continued)

Maximum exposure and year-end staging (continued)

2024

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
			RMB'000		
Accounts receivable*	–	–	–	35,487	35,487
Financial assets included in prepayments, other receivables and other assets					
– Normal**	1,543	–	–	–	1,543
– Doubtful**	–	–	23,600	–	23,600
Cash and cash equivalents					
– Not yet past due	56,306	–	–	–	56,306
Time deposits					
– Not yet past due	30,000	–	–	–	30,000
Total	87,849	–	23,600	35,487	146,936

* For accounts receivable to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 17 to the financial statements.

** The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

34. Financial risk management objectives and policies (continued)

Credit risk (continued)

Further quantitative data in respect of the Group's exposure to credit risk arising from accounts receivable are disclosed in note 17 to the financial statements.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by customer/counterparty. At the end of the reporting period, the Group had certain concentrations of credit risks and the following table summarises the Group's largest debtor and top five debtors as the percentage of the Group's total accounts receivable balances:

	2025	2024
	%	
Largest debtor	**13**	19
Top five debtors	**51**	67

Liquidity risk

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management of the Group to finance the operations and mitigate the effects of fluctuations in cash flows.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

2025

	On demand or less than one year	**In the second to fifth years**	**Total**
		RMB'000	
Accounts payable	**5,857**	**–**	**5,857**
Financial liabilities included in other payables and accruals	**7,618**	**–**	**7,618**
Interest-bearing bank borrowings	**10,215**	**–**	**10,215**
Lease liabilities	**2,271**	**205**	**2,476**
Financial liabilities at fair value through profit or loss	**–**	**–**	**–**
Total	**25,961**	**205**	**26,166**

34. Financial risk management objectives and policies (continued)

Liquidity risk (continued)

2024

	On demand or less than one year	In the second to fifth years	Total
		RMB'000	
Accounts payable	7,864	–	7,864
Financial liabilities included in other payables and accruals	16,808	–	16,808
Interest-bearing bank borrowings	30,629	–	30,629
Lease liabilities	1,176	120	1,296
Financial liabilities at fair value through profit or loss	602,978	–	602,978
Total	659,455	120	659,575

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2025 and 2024.

34. Financial risk management objectives and policies (continued)

Capital management (continued)

The Group monitors capital using a gearing ratio, which is net debt divided by the capital plus net debt. Net debt includes accounts payable, financial liabilities included in other payables and accruals, interest-bearing bank borrowings and lease liabilities, less cash and cash equivalents and time deposits. Capital includes preferred shares included in financial liabilities at fair value through profit or loss and equity. At the end of the reporting period, the gearing ratios are as follows:

	2025	2024
	RMB'000	
Accounts payable	**5,857**	7,864
Financial liabilities included in other payables and accruals	**7,618**	16,808
Interest-bearing bank borrowings	**10,000**	30,000
Lease liabilities	**2,419**	1,286
Less: cash and cash equivalents	**38,693**	56,306
time deposits	**206,885**	30,000
Net debt	**(219,684)**	(30,348)
Financial liabilities at fair value through profit or loss	**–**	465,189
Equity	**356,333**	(312,092)
Adjusted capital	**356,333**	153,097
Capital and net debt	**136,649**	122,749
Gearing ratio*	**N/A**	N/A

* As at the end of the reporting period, the Group's cash and cash equivalents and time deposits exceeded aggregated amounts of accounts payable, financial liabilities included in other payables and accruals, interest-bearing bank borrowings and lease liabilities. As such, no gearing ratio was presented.

35. Events after the relevant periods

On 9 March 2026, Wuhan Yuanguang, Guangzhou Angel Investment Master Fund Venture Capital Partnership (Limited Partnership) and Yuehe Ruicheng (Shenzhen) Investment Partnership (Limited Partnership), all of each as limited partners, and Shenzhen Qianhai Chuangxiang Shidai Investment Management Enterprise (Limited Partnership), as the general partner, entered into a partnership agreement with to set up a limited partnership with a subsisting term of partnership of 10 years for the purpose of engaging in venture capital, equity investments and other activities related to equity investments, focusing on strategic emerging and future industries and placing emphasis on cultivating micro, small and medium-sized technology companies during the seed-stage and start-up stage to maximise the benefits of all partners. The total subscribed capital contribution of all partners in the partnership is RMB101.10 million, of which RMB40 million (39.56% of the total capital) is to be contributed by Wuhan Yuanguang. The capital contribution has not been made by the Group as of the date of approval of these financial statements.

On 20 March 2026, Wuhan Yuanguang and Ningbo Yun Sui Self-Funded Investment Partnership (Limited Partnership) ("**Ningbao Yun Sui**") entered into a partnership property transfer agreement pursuant to which Wuhan Yuanguang agreed to purchase from Ningbao Yun Sui a 66.67% property interest in Hangzhou Yunzhimeng Technology Partnership (Limited Partnership) ("**Hangzhou Yunzhimeng**") for a total cash consideration of RMB20 million. The principal asset of Hangzhou Yunzhimeng is approximately 13.8249 equity interest in Hangzhou DTMaaS Technology Co., Ltd. ("**Hangzhou DTMaaS**") which is principally engaged in (i) the provision of SaaS services and ancillary integrated software and hardware services for bus companies and government authorities based on its bus database; and (ii) the provision of high-quality services such as information inquiry, discounted rides, on-demand bus, and carbon credits for green travel, fully leveraging the advantages of mobile internet to enhance the public transit experience. The consideration has not been paid by the Group as of the date of approval of these financial statements.

On the same date, Wuhan Yuanguang and Hangzhou DTMaaS entered into a strategic cooperation framework agreement pursuant to which the Group and Hangzhou DTMaaS agreed to engage in-depth strategic cooperation in the field of autonomous driving for public transportation. The aim is to combine Wuhan Yuanguang's resources and technological expertise in the public transportation sector with Hangzhou DTMaaS's autonomous driving technology, public transport operation scenarios, data insights, and market resources.

On 10 March 2026, Wuhan Yuanguang and Shenzhen Chuangxiang Xingyi No. 1 Investment Partnership (Limited Partnership) ("**Chuangxiang Xingyi**") entered into an equity transfer agreement pursuant to which Wuhan Yuanguang agreed to purchase from Chuangxiang Xingyi a 1.1429% out of 2.6559% equity interest in Xingyi Lianxin Aerospace Technology (Wuxi) Co., Ltd., which is the principal asset of Chuangxiang Xingyi, at a cash consideration of RMB8 million. As at the end of the reporting period, the Group held 30% ownership interest in Chuangxiang Xingyi (classified as financial assets at fair value through profit or loss under non-current financial assets in the Group's statement of financial position). Upon completion of the transaction, the Group's direct and indirect equity interest in Xingyi Lianxin would increase from 0.7968% to 1.5968%. The Group has partially paid the consideration amount of RMB4 million, and the remaining RMB4 million are unpaid as of the date of approval of these financial statements.

36. Statement of financial position of the Company

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	2025	2024
	RMB'000	
NON-CURRENT ASSETS		
Investments in subsidiaries	**197,204**	181,102
Prepayments, other receivables and other assets	**2,778**	–
Financial investments	**3,353**	8,960
Total non-current assets	**203,335**	190,062
CURRENT ASSETS		
Due from subsidiaries	**1,283**	122
Prepayments, other receivables and other assets	**1,030**	4,719
Cash and cash equivalents	**179,352**	10,359
Total current assets	**181,665**	15,200
CURRENT LIABILITIES		
Due to subsidiaries	**76,146**	70,074
Other payables and accruals	**2,581**	12,997
Financial liabilities at fair value through profit or loss	**–**	465,189
Total current liabilities	**78,727**	548,260
NET CURRENT ASSETS/(LIABILITIES)	**102,938**	(533,060)
TOTAL ASSETS LESS CURRENT LIABILITIES	**306,273**	(342,998)
Net assets/(deficiency in assets)	**306,273**	(342,998)
EQUITY		
Share capital	**109**	44
Reserves (note)	**306,164**	(343,042)
Total equity/(deficit)	**306,273**	(342,998)

36. Statement of financial position of the Company (continued)

Note:

A summary of the Company's reserves is as follows:

	Share premium	Capital reserve	Share-based payment reserve	Fair value reserve of financial assets at fair value through other comprehensive income RMB'000	Exchange fluctuation reserve	Accumulated losses	Total
At 1 January 2025	12,525	13,388	21,142	(8,749)	(9,264)	(372,084)	(343,042)
Loss for the year	–	–	–	–	–	(144,308)	(144,308)
Other comprehensive loss for the year:							
Exchange differences on translation of the Company	–	–	–	–	(6,423)	–	(6,423)
Fair value loss on an equity investment designated at fair value through other comprehensive income	–	–	–	(5,496)	–	–	(5,496)
Total comprehensive loss for the year	–	–	–	(5,496)	(6,423)	(144,308)	(156,227)
Issue of shares	221,818	–	–	–	–	–	221,818
Conversion of financial liabilities at fair value through profit or loss	–	584,060	–	–	–	–	584,060
Share transaction costs	(26,677)	(1,210)	–	–	–	–	(27,887)
Equity-settled share-based payment arrangements	–	–	27,442	–	–	–	27,442
At 31 December 2025	207,666	596,238	48,584	(14,245)	(15,687)	(516,392)	306,164

36. Statement of financial position of the Company (continued)

Note: (continued)

A summary of the Company's reserves is as follows: (continued)

	Share premium	Capital reserve	Share-based payment reserve	Fair value reserve of financial assets at fair value through other comprehensive income	Exchange fluctuation reserve	Accumulated losses	Total
				RMB'000			
At 1 January 2024	12,525	35,903	2,862	–	(4,559)	(309,079)	(262,348)
Loss for the year	–	–	–	–	–	(63,005)	(63,005)
Other comprehensive loss for the year:							
Exchange differences on translation of the Company	–	–	–	–	(4,705)	–	(4,705)
Fair value loss on an equity investment designated at fair value through other comprehensive income	–	–	–	(8,749)	–	–	(8,749)
Total comprehensive loss for the year	–	–	–	(8,749)	(4,705)	(63,005)	(76,459)
Repurchase of shares	–	(22,515)	–	–	–	–	(22,515)
Equity-settled share-based payment arrangements	–	–	18,280	–	–	–	18,280
At 31 December 2024	12,525	13,388	21,142	(8,749)	(9,264)	(372,084)	(343,042)

37. Approval of the financial statements

The financial statements were approved and authorised for issue by the board of directors of the Company on 25 March 2026.

FOUR YEAR FINANCIAL SUMMARY

A summary of the results and of the assets, liabilities and non-controlling interests of the Group for the last four financial years, as extracted from the published audited financial statements or accountants' report, is set out below.

Results

	Year ended 31 December			
	2025	**2024**	**2023**	**2022**
		RMB'000		
Revenue	**206,313**	206,137	174,536	135,379
Loss before tax	**(117,207)**	(21,744)	(16,972)	(21,360)
Income tax credit/(expense)	**(10,362)**	(4,394)	(3,356)	1,323
Loss for the year	**(127,569)**	(26,138)	(20,328)	(20,037)

Assets, liabilities and total equity/(deficit)

	As at 31 December			
	2025	**2024**	**2023**	**2022**
		RMB'000		
Total assets	**399,583**	224,166	223,690	185,183
Total liabilities	**(43,250)**	(536,258)	(489,872)	(446,857)
Total equity/(deficit)	**356,333**	(312,092)	(266,182)	(261,674)

DEFINITIONS

"2015 Share Incentive Plan"	the pre-IPO share incentive plan approved and adopted by the Company adopted on October 20, 2015, the principal terms of which are set out in "Statutory and General Information – D. Share Incentive Plans – 1. 2015 Share Incentive Plan" in Appendix IV in the Prospectus
"2023 Share Incentive Plan"	the pre-IPO share incentive plan conditionally approved and adopted by the Company adopted on April 1, 2024, the principal terms of which are set out in "Statutory and General Information – D. Share Incentive Plans – 2. 2023 Share Incentive Plan" in Appendix IV in the Prospectus
"2023 Voting Agreement"	the voting agreement dated December 30, 2023, pursuant to which Bus Dream Ltd. and its ultimate beneficial owners granted the voting rights attached to his entire equity interest in the Company to Dr. Sun and his wholly-owned entity, Meta Hope Ltd. For details, please see the Prospectus
"AI"	artificial intelligence, the capability of computer systems or algorithms to simulate intelligent human behavior
"AI-Agent(s)"	an artificial intelligence software program capable of interacting with its environment, collecting data, and autonomously executing tasks using that data to achieve predefined objectives
"Articles of Association"	the articles of association of the Company adopted on May 29, 2025 and effective from the Listing Date, as amended, supplemented or otherwise modified from time to time
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Audit Committee"	the audit committee of the Board
"Beijing WFOE"	Beijing Yuanguang Zhixing Information Technology Co., Ltd. (北京元光智行信息技術有限公司), a limited liability company established in the PRC on August 11, 2015, which is wholly-owned by MetaLight Technology HK Limited, an indirect wholly-owned subsidiary of our Company
"Board" or "Board of Directors"	the board of Directors of the Company
"business day"	any day (other than a Saturday, Sunday or public holiday) on which banks in Hong Kong are generally open to the public for normal banking business

DEFINITIONS

"Chelaile"	our proprietary online platform designed to provide commuters with real-time bus information, accessible primarily through a mobile app, Weixin mini program, and Alipay mini program
"China" or "the PRC" or "Chinese mainland"	the People's Republic of China, for the purposes of this annual report, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"CIC"	China Insights Industry Consultancy Limited, an independent professional market research and consulting company
"Companies Ordinance"	Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Cayman Companies Act"	shall mean the Companies Act (As Revised), Cap. 22 of the Cayman Islands and any amendments thereto or re-enactments or revisions thereof for the time being in force and includes every other law incorporated therewith or substituted therefor
"Company," "our Company" or "the Company	MetaLight Inc., an exempted company incorporated with limited liability in the Cayman Islands on May 21, 2015, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 2605)
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"connected transaction(s)"	has the meaning ascribed to it under the Listing Rules
"Director(s)" or "our Director(s)"	the director(s) of the Company
"Dr. Sun"	Dr. Sun Xi (孫熙), an executive Director, chairman of the Board, chief executive officer of our Company and a member of the Single Largest Shareholders Group
"Global Offering"	has the same meaning ascribed to it in the Prospectus
"Group" "our Group" "the Group" "we" "us" or "our"	our Company together with our subsidiaries from time to time or, where the context so requires, in respect of the period before our Company became the holding company of our present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant time
"HK$" or "Hong Kong dollars" or "HK dollars"	Hong Kong dollars, the lawful currency of Hong Kong

"HK" or "Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"IFRS"	IFRS Accounting Standards, as issued from time to time by the International Accounting Standards Board
"Latest Practicable Date"	April 20, 2026, being the latest practicable date for ascertaining certain information in this annual report before its printing
"Listing"	the listing of the Shares on the Main Board of the Stock Exchange
"Listing Date"	June 10, 2025, being the date on which the Shares were first traded on the Stock Exchange
"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 contained in Appendix C3 to the Listing Rules
"Nomination Committee"	the nomination committee of the Board
"Prospectus"	the prospectus of the Company dated June 2, 2025
"Renminbi" or "RMB"	Renminbi, the lawful currency of the PRC
"Remuneration Committee"	the remuneration committee of the Board
"Reporting Period"	the year from January 1, 2025 to December 31, 2025
"Securities and Futures Ordinance" or "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 Innovation Bank"	Shanghai Science and Innovation Bank Limited (上海科創銀行有限公司)
"Share(s)"	ordinary share(s) in the share capital of the Company with nominal value of US$0.0001 each
"Shareholder(s)"	holder(s) of the Share(s)

DEFINITIONS

"Single Largest Shareholders Group"	Dr. Sun, Mr. Chen Xiao, Mr. Xiao Pingyuan and their respective controlled entities (being Meta Hope Ltd., Bus Hope Ltd. and Bus Cherish Ltd.), and Bus Dream Ltd. (the voting rights of which is exercised by Dr. Sun pursuant to the 2023 Voting Agreement)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed to it under Section 15 of the Companies Ordinance
"substantial shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"Takeovers Code"	the Code on Takeovers and Mergers issued by the Securities and Futures Commission, as amended, supplemented or otherwise modified from time to time
"US$" or "US dollars"	United States dollars, the lawful currency of the United States
"Wuhan Yuanguang"	Wuhan Yuanguang Technology Co., Ltd. (武漢元光科技有限公司), a limited liability company established in the PRC on February 4, 2010, a consolidated affiliated entity controlled by the Company through contractual arrangements
"China Zheshang Bank"	China Zheshang Bank Co., Ltd.
"%"	per cent