

地平线

Horizon Robotics

(A company controlled through weighted voting rights and incorporated in the Cayman Islands with limited liability)

Stock Code : 9660



2025
ANNUAL REPORT

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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Dr. Kai Yu (余凱)
(Founder, Chairman and Chief Executive Officer)
Dr. Chang Huang (黃暢)
Dr. Jian Xu (徐健) *(appointed on August 27, 2025)*
Dr. Liming Chen (陳黎明)
Ms. Feiwen Tao (陶斐雯)
(resigned on August 27, 2025)

Non-executive Directors

Mr. Liang Li (李良)
Mr. Qin Liu (劉芹)
Dr. André Stoffels
Mr. Jianjun Zhang (張堅俊)
(appointed on August 27, 2025)
Dr. Juehui Zhang (張覺慧)
(resigned on August 27, 2025)

Independent Non-executive Directors

Dr. Jun Pu (浦軍)
Mr. Yingqiu Wu (吳迎秋)
Dr. Katherine Rong XIN
Dr. Ya-Qin Zhang (張亞勤)

AUDIT COMMITTEE

Dr. Jun Pu (浦軍) *(Chairman)*
Dr. Katherine Rong XIN
Dr. Ya-Qin Zhang (張亞勤)

REMUNERATION COMMITTEE

Dr. Ya-Qin Zhang (張亞勤) *(Chairman)*
Dr. Katherine Rong XIN
Dr. Kai Yu (余凱)

NOMINATION COMMITTEE

Mr. Yingqiu Wu (吳迎秋) *(Chairman)*
Dr. Katherine Rong XIN
Dr. Kai Yu (余凱)

CORPORATE GOVERNANCE COMMITTEE

Dr. Ya-Qin Zhang (張亞勤) *(Chairman)*
Dr. Jun Pu (浦軍)
Mr. Yingqiu Wu (吳迎秋)

JOINT COMPANY SECRETARIES

Ms. Qi Zhao (趙奇)
Ms. Ka Man So (蘇嘉敏)

AUTHORISED REPRESENTATIVES

Dr. Jian Xu (徐健)
(appointed on August 27, 2025)
Ms. Ka Man So (蘇嘉敏)
Ms. Feiwen Tao (陶斐雯)
(resigned on August 27, 2025)

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STOCK CODE

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Financial Performance Highlights

	For the Year Ended		
	December 31,		Change (%)
	2025	2024	
	(RMB in thousands, except for percentages)		
Revenue from contracts with customers	3,758,268	2,383,554	57.7
Gross profit	2,425,680	1,841,354	31.7
Operating loss	(3,338,791)	(2,144,240)	55.7
(Loss)/Profit for the year	(10,469,366)	2,346,508	(546.2)
Non-IFRS Financial Measures:			
Adjusted operating loss	(2,372,323)	(1,495,179)	58.7
Adjusted net loss	(2,811,776)	(1,681,155)	67.3

Note:

Please refer to section headed "Non-IFRS Measures" in this report for more details.

Business Review and Outlook

BUSINESS REVIEW AND OUTLOOK

Business Review for the Reporting Period

According to industry data, the intelligent transformation of China's passenger vehicle market achieved a significant breakthrough in 2025. The market penetration rate of passenger vehicles equipped with intelligent assisted driving functions reached a record high of 67.6%. Notably, within the segment of new intelligent vehicle sales, the proportion of advanced features – namely highway and urban navigate on autopilot (NOA) functions – rose rapidly from 21.6% in 2024 to 42.6% in 2025. It represents a near-doubling year-over-year increase in penetration rate. Consequently, for every three passenger vehicles sold in the Chinese market in 2025, two were equipped with intelligent assisted driving capabilities, with nearly one already featuring an advanced NOA solution. This not only confirms that Chinese consumers' acceptance of intelligent assisted driving solutions has crossed an inflection point, but also highlights the accelerated shift toward advanced NOA solutions is becoming a new engine for growth.

Chinese domestic brands and the Company have played a pivotal role in the process of accelerating the upscale shift in intelligent assisted driving systems. In 2025, 61.8% of new intelligent vehicle sales from Chinese brands featured NOA functions, significantly outperforming the 13.1% recorded by joint venture brands. Of particular note, in the sub RMB200,000 price segment – the largest volume bracket which accounts for 65% of total passenger vehicle sales – witnessed the penetration of advanced NOA features surged from 5% at the beginning of the year to over 50% by year-end. Within this most dynamically transforming mainstream passenger vehicle market, the Company secured a 44.2% market share, ranking first in the industry. This exponential growth signals that Chinese market has achieved equitable access to basic intelligent driving capabilities, and has also advanced into a new era of "equitable access to NOA solutions". The NOA driving experience, once exclusive to the luxury segment, are becoming a standard feature for the mass market.

Against this backdrop, the Company as a key driver in the democratization of advanced NOA solutions, achieved the following significant milestones during the Reporting Period:

- **Solidifying Market Leadership:** For the full year of 2025, the Company maintained its dominant position in the basic Advanced Driver Assistance Systems (ADAS) solutions market among Chinese domestic brands, securing the top place with an overwhelming 47.7% market share. In the burgeoning advanced NOA segment, with a 14.4% market share, the Company, alongside a leading Chinese technology enterprise with a 15.2% market share and a U.S. technology company, formed the top tier of the market. The market share of the above three enterprises (CR3) reached 89% in aggregate, shaping a "one superpower, two strong players" market landscape. In the mainstream passenger vehicle market under the RMB200,000 price segment, as mentioned above, the advanced NOA solutions of the Company achieved a 44.2% market share, ranking first, which has significantly propelled the upward popularization of China's intelligent driving industry.
- **Nearly 5-Fold Leap in NOA-enabled Hardware Shipments, Sustaining High-Quality Growth by Both Volume and ASP Expansion:** During the Reporting Period, total shipments of the Company's automotive-grade Journey® series processing hardware reached 4.01 million units, representing a year-over-year increase of 38.8%. Of which, the shipment proportion of processing hardware supporting NOA functions has climbed to 45%, with shipment volume reaching 4.8 times compared to the same period in 2024. This structural shift significantly optimized the Company's product mix in 2025, driving an increase of over 75% in average dollar content per vehicle, further sustaining the growth momentum of simultaneous rise in both volume and price. Furthermore, it is worth emphasizing that over 95% of the total shipments during the Reporting Period were delivered through our ecosystem partners. This underscores the Company's technological edge and established ecosystem leadership.

Business Review and Outlook

- HSD Brings Urban NOA to the Mainstream, Emerging as a Decisive Purchase Driver: In November 2025, the Company's all-scenario urban assisted driving solution, Horizon SuperDrive ("HSD"), officially entered into mass production, making it the first mass-production large-scale intelligent driving model based on a one-segment end-to-end technology in China. Pioneering its deployment in the mainstream passenger vehicle market priced at around RMB150,000, the Company delivered over 22,000 units in just over one month, successfully democratizing the urban NOA driving experience for the broader public. According to industry data, HSD has become a decisive factor influencing consumers' vehicle purchase decisions: models equipped with HSD, despite the higher selling price, accounted for 83% of the total sales for the relevant vehicle models. This forms a stark contrast to industry norms. Additionally, during the 2026 Chinese New Year holiday, the AD mileage rate among HSD users reached as high as 41%. According to public data, this proportion significantly outperformed the general performance of the existing mainstream intelligent assisted driving systems in the market, representing HSD's high user stickiness and superior user experience. During the Reporting Period, HSD has secured design wins from 10 OEM brands for a cumulative over 20 vehicle models, reflecting robust commercial momentum.
- Empowering Global Expansion of Domestic Brands, Consolidating Local Presence of JV Brands, and Driving Smart Transformation of Overseas Brands. By 2025, the Company has cumulatively secured nominations for over 40 export models from 11 automakers, comprehensively covering the mainstream models of the top five Chinese automobile exporters, with cumulative export nominations reaching 2 million units over the lifecycle, thereby establishing itself as a pivotal force in empowering the global expansion of domestic auto brands. Regarding joint venture

brands, since the Company established a joint venture with CARIAD (a software company of Volkswagen Group), our technological empowerment has effectively driven the intelligence upgrading of JV models in the Chinese market. The Company has successfully secured nominations for over 35 models from 9 JV brands in China. Notably, models from brands outside the Volkswagen Group accounted for over 60%, demonstrating the widespread trust among joint-venture brands in the Company. Furthermore, during the Reporting Period, the Company successfully secured model nominations towards overseas markets from 3 global automakers through 2 international Tier-1 suppliers, with the shipment of nominations reaching 10 million units over the lifecycle, further solidifying our strategic layout in accelerating the smart transformation of overseas brands.

In 2025, the Company recorded revenue of RMB3,758 million, representing a year-over-year increase of 57.7%. The comprehensive gross margin reached 64.5%. The automotive business contributed 94.6% of our total revenue, while achieving an even higher gross margin of 67.2%. We firmly believe that HSD serves not only as our near-term growth engine, but also as the technological foundation towards L4 and Robotaxi applications. Its underlying AI foundation model is poised to further empower broader industries, including robotics, in the future. Thus we have strategically increased our R&D expenses in these areas, especially cloud-related services, resulting in an adjusted operating loss of RMB2,372 million for the Reporting Period. The successful mass production and strong market reception of HSD have already demonstrated the effectiveness of our R&D investments. We believe that sustained, high-intensity investment will further refine our in-vehicle foundation models and deepen our competitive moat. Ultimately, our goal is to transform HSD into an accessible standard feature for all mass-market consumers, and provide them safety, convenience, and comfort of intelligent driving in their daily journeys.

Products and Solutions

Fuelled by robust growth in shipment volume and a significant increase in dollar content per vehicle, revenue from our products and solutions more than doubled to RMB1,622 million, representing a year-over-year growth of 144.2%. Consequently its contribution to total revenue rose to 43.2%, a marked increase from 27.9% in 2024, highlighting the structural optimization of our revenue streams as we have entered a mass production cycle of advanced NOA solutions. As a result, while processing hardware enabling advanced NOA solutions accounted for 45% of total delivery volume, they contributed over 80% of Products and Solutions revenue.

During the Reporting Period, the Company secured over 110 additional design wins, covering a wide range of vehicle models from leading domestic brands and joint venture brands. Among these, our most cutting-edge all-scenario intelligent driving solution, HSD, accounted for over 20 new design wins. This trend confirms that urban NOA feature is becoming an essential for next-generation vehicle models, and we are firmly positioned at the epicenter of this transformation.

License and Services

Underpinned by our world-class algorithmic capabilities, outstanding ecological influence in the automotive-grade chip sector in China, flexible business models, and the highly acclaimed mass-production performance of HSD, our algorithm and software stack has become a highly regarded foundational model in the intelligent assisted driving sector, driving licensing adoption among a broader range of OEMs and ecosystem partners. During the Reporting Period, revenue from our License and Services business reached RMB1,935 million, representing a year-over-year increase of 17.4% and accounting for 51.4% of total revenue. Beyond our partnership with CARIZON, one of the largest global automotive part groups commenced licensing our algorithms and software during the Reporting Period, becoming one of our top five customers in 2025.

RECENT DEVELOPMENTS AFTER THE REPORTING PERIOD

In January 2026, the industry's first urban NOA solution based on our single Journey 6M processing hardware officially entered mass production. Leveraging deep software-hardware co-optimization, this solution significantly reduces complexity and total cost, establishing a robust foundation for more scalable adoption. We are now collaborating with a broad ecosystem partners to further expand the reach of urban NOA solution from the RMB150,000 mass-market segment down to the RMB100,000 entry-level vehicle segment, making advanced driving technology truly within reach for all.

The first vehicle model developed in collaboration with CARIZON has recently entered mass production. We anticipate an additional 6 new models to commence mass production in 2026. This milestone marks a significant transition. Since establishing CARIZON with CARIAD (the software company of Volkswagen Group) in November 2023, and following two years of dedicated development, our strategic partnership has successfully transitioned from the R&D phase into full-scale mass production and delivery phase.

BUSINESS OUTLOOK

Currently, automakers are competing to pursue differentiated innovation and cost-efficiency, while facing the backdrop of elevated raw material costs this year. The Group's product strategy does not rely solely on reducing the costs of existing technologies, rather, it is committed to providing customers with system-level solutions that deliver both an exceptional user experience and cost advantages through foundational technological innovation and systematic cost-efficiency optimization. This year, we will launch a new generation of cockpit-driving fusion Agentic CAR SoC and Agentic CAR OS at an appropriate time, deliver a seamlessly collaborative cockpit-driving function experience, provide ample computing power, and significantly lower the system-level software and hardware costs. We believe that the intelligence agent solution of cockpit-driving fusion is expected to become a standard configuration for the next stage of intelligent vehicles.

The Company has officially introduced its next-generation computing architecture, the "Riemann Architecture" BPU and intends to launch the Journey 7 processing hardware – our next-generation computing platform featuring enhanced computational capacity – in due course. The aggregate computing power and core performance metrics of this platform are designed to benchmark against the next-generation hardware offerings of the pioneering global automaker in autonomous driving. Consequently, this will facilitate the in-vehicle deployment of intelligent driving software powered by larger-scale AI models.

The Company targets the third quarter of this year to collaborate with ecosystem partners in facilitating the pilot operations of Robotaxis in designated domestic cities, leveraging the foundation model underlying our HSD solution. Through such synergistic collaborations, we aim to accumulate L4-level autonomous driving experience on real-world open urban roads, thereby laying the groundwork for the subsequent technological evolution of our foundation models and the commercial deployment of Robotaxis, and ultimately establishing the Company as a mass-production technology solution provider for L4-level passenger vehicles and Robotaxi operators.

Management Discussion and Analysis

Year Ended December 31, 2025 Compared to Year Ended December 31, 2024

The following table sets forth the comparative figures for the years ended December 31, 2025 and 2024:

	Year ended December 31,	
	2025	2024
	<i>(in thousands of RMB)</i>	
Revenue from contracts with customers	3,758,268	2,383,554
Cost of sales	(1,332,588)	(542,200)
Gross profit	2,425,680	1,841,354
Research and development expenses	(5,153,708)	(3,156,055)
Administrative expenses	(725,964)	(637,615)
Selling and marketing expenses	(631,924)	(409,853)
Net impairment losses on financial assets	(9,575)	(51,249)
Other income	335,183	195,875
Net other gains	421,517	73,303
Operating loss	(3,338,791)	(2,144,240)
<i>Add back:</i>		
Share-based payments	965,773	562,923
Non-recurring capital raising expenses	695	86,138
Adjusted operating loss (non-IFRS measure)	(2,372,323)	(1,495,179)
Operating loss	(3,338,791)	(2,144,240)
Finance income	403,938	383,231
Finance costs	(14,089)	(7,413)
Net finance income	389,849	375,818
Share of results of investments accounted for using the equity method	(853,054)	(557,287)
Fair value changes of preferred shares and other financial liabilities	(6,664,051)	4,676,724
(Loss)/Profit before income tax	(10,466,047)	2,351,015
Income tax expense	(3,319)	(4,507)
(Loss)/Profit for the year	(10,469,366)	2,346,508
<i>Add back:</i>		
Share-based payments	992,844	562,923
Non-recurring capital raising expenses	695	86,138
Fair value changes of preferred shares and other financial liabilities	6,664,051	(4,676,724)
Adjusted net loss (non-IFRS measure)	(2,811,776)	(1,681,155)

Management Discussion and Analysis

Revenues

Revenues increased by 57.7% year-on-year to RMB3,758.3 million for the year ended December 31, 2025. The following table sets forth our revenues by revenue source for the years ended December 31, 2025 and 2024:

	Year ended December 31,			
	2025		2024	
	Amount	% of total revenues	Amount	% of total revenues
	<i>(in thousands of RMB, except for percentages)</i>			
Automotive solutions				
Product solutions	1,622,274	43.2%	664,237	27.9%
License and services	1,934,913	51.4%	1,647,466	69.1%
Subtotal	3,557,187	94.6%	2,311,703	97.0%
Non-Automotive solutions	201,081	5.4%	71,851	3.0%
Total revenues	3,758,268	100%	2,383,554	100%

Revenues from automotive solutions increased by 53.9% year-on-year to RMB3,557.2 million for the year ended December 31, 2025. This growth was driven by:

- Revenues from product solutions increased by 144.2% year-on-year to RMB1,622.3 million for the year ended December 31, 2025. Driven by customers' strong recognition and demand for our product solutions powered by our Journey® 6 series processing hardware, including the successful mass production and deployment of our full-scenario urban NOA solution (HSD) in the final quarter of 2025, delivery volume of our highway and urban NOA-capable product solutions increased to almost five fold. This rapid growth in deliveries of advanced NOA solutions drove a 38.8% increase in total automotive-graded shipments, while also lifting average selling price by more than 75% compared to 2024.
- Revenues from license and services increased by 17.4% year-on-year to RMB1,934.9 million for the year ended December 31, 2025, primarily due to the revenue growth from more IP licensing arrangements. As a result of our continued pursuit of a holistic approach integrating hardware and software, and increased R&D investments of intelligent assisted driving technologies, we have greatly enriched our portfolio of technologies, that can be flexibly selected and seamlessly integrated into customers own products. In particular, more tier-one supplier customers obtained our IP licenses in 2025, primarily contributing to the overall license and service revenue growth.

Revenues from non-automotive solutions increased by 179.9% year-on-year to RMB201.1 million for the year ended December 31, 2025. Our non-automotive business primarily provides processing hardware and robot developer kits to a wide range of non-automotive customers and developers. The year-on-year revenue increase mainly comprised of an increase in non-automotive processing hardware and peripheral devices by RMB94.0 million.

Cost of Sales

Cost of sales was RMB1,332.6 million for the year ended December 31, 2025, which increased by 145.8% year-on-year. By revenue source, cost of product solutions increased by 198.3%, and cost of license and services decreased by 19.5%, respectively. By nature, cost of inventories sold increased by 165.9% which was basically in line with the growth trend of product solutions revenue, and cost of employee benefit decreased

by 26.8% which demonstrated our efforts in standardizing the delivery process and solution offering, as well as streamlining the delivery resource requirements, considering that our automotive license and services revenue kept growing year-on-year.

Gross Profit and Gross Profit Margin

Gross profit was RMB2,425.7 million in 2025, which increased by 31.7% year-on-year. Gross profit margin decreased to 64.5% in 2025, from 77.3% in 2024. This margin fluctuation was primarily driven by changes in the revenue mix, specifically the notably rising proportion of automotive product solutions revenue along with our rapidly growing average selling price and delivery volume. The smaller revenue portion from the higher-margin license and services business and a lower gross profit margin of automotive product solutions revenue, together resulted in the decrease in blended gross profit margin. Our license and services typically have higher gross profit margin compared to our product solutions because our license and services incur lower cost of inventories sold as compared to our product solutions.

The following table sets forth our gross profit and gross profit margin by line of business of our automotive solutions for the years ended December 31, 2025 and 2024:

	Year ended December 31,			
	2025		2024	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	<i>(in thousands of RMB, except for percentages)</i>			
Automotive solutions				
Product solutions	559,898	34.5%	308,059	46.4%
License and services	1,829,426	94.5%	1,516,480	92.0%
Total	2,389,324	67.2%	1,824,539	78.9%

- Gross profit for automotive solutions increased by 31.0% year-on-year to RMB2,389.3 million for the year ended December 31, 2025, and gross profit margin of automotive solutions decreased to 67.2% from 78.9% in the previous year. These changes are primarily the results of:
 - Gross profit for product solutions increased by 81.8% year-on-year to RMB559.9 million for the year ended December 31, 2025, and gross profit margin decreased to 34.5% from 46.4% in the year of 2024. To facilitate the rapid vehicle integration of our HSD solution and other intelligent assisted driving solutions for certain customers in 2025, we supplied autonomous driving domain controllers and other integrated product device units – incorporating our processing hardware, on-board electronic components, as well as other requested chip-related peripherals and structural parts, as needed. Given that supplying domain controllers and other integrated product device units is neither our core business nor part of our future strategic focus, we applied only a nominal markup on these non-core components and manufacturing costs. Excluding this impact, our adjusted gross margin was at 42.5%. The remaining fluctuation in gross margin was primarily due to our strategic decision to offer more competitive prices of existing product solutions throughout the year of 2025.
 - Gross profit for license and services increased by 20.6% year-on-year to RMB1,829.4 million for the year ended December 31, 2025, and gross profit margin increased to 94.5% from 92.0% in the previous year. These increases in both gross profit and gross profit margin were primarily attributable to the growth and expanding contribution of revenue from licenses granted, with higher margin as compared to the services rendered to customers.

- Gross profit for non-automotive solutions increased by 116.2% year-on-year to RMB36.4 million for the year ended December 31, 2025, and gross profit margin decreased to 18.1% from 23.4% last year. Substantially all of the non-automotive revenues were generated from delivery of product solutions in both years, and therefore the overall gross margin fluctuation reflected a faster increased inventory cost as compared to the product solutions revenue growth on an annual basis. The rapid increase in non-automotive product solutions revenue resulted in a declined proportion of revenue from the higher-margin license and service arrangements, which also led to an overall lower gross margin in non-automotive business.

Research and Development Expenses

Research and development expenses increased by 63.3% year-on-year to RMB5,153.7 million for the year ended December 31, 2025, primarily due to increases of (i) cloud service fees and other technical service procurement to advance our development of full-scenario urban-NOA solution HSD, and also ADAS solutions powered by our Journey® 6 processing hardware, (ii) R&D related labor expenses, mainly share-based compensation to R&D personnel, and (iii) Tape-out fees for processing hardware and consumable material costs. Notwithstanding our strategically continuous investment in R&D resources, research and development expenses as a percentage of revenue kept steady, and were 137.1% and 132.4% for the years ended December 31, 2025 and 2024, respectively.

Administrative Expenses

Administrative expenses increased by 13.9% year-on-year to RMB726.0 million for the year ended December 31, 2025, primarily due to (i) increases in administrative employee related share-based compensation expenses, and (ii) a decrease in service fees to external professional vendors. As our revenue continues to grow and we increasingly focus on administrative efficiency, our administrative expenses as a percentage of total revenue decreased from 26.8% in 2024 to 19.3% in 2025.

Selling and Marketing Expenses

Selling and marketing expenses increased by 54.2% year-on-year to RMB631.9 million for the year ended December 31, 2025, primarily driven by increases in (i) marketing, conference, brand and product advertising expenses, reflecting our increased promotion and marketing efforts, and (ii) selling and marketing employee benefit expenses, including share-based compensation. Our selling and marketing expenses as a percentage of total revenue decreased from 17.2% in 2024 to 16.8% in 2025.

Net Impairment Losses on Financial Assets

We recorded net impairment losses on financial assets of RMB9.6 million for the year ended December 31, 2025, decreased by 81.3% year-on-year, primarily due to the decrease in expected credit loss allowance for trade and other receivables, contributed by our efforts on improving collectability management.

Other Income

Other income increased significantly to RMB335.2 million in 2025, driven by financial subsidies correlated to key R&D milestone accomplishments and other precondition fulfillments.

Net other gains

Net other gains increased significantly to a gain of RMB421.5 million in 2025, driven by (i) fair value gains in financial assets at fair value through profit or loss, and (ii) gains in wealth management product.

Net finance income

Net finance income increased to RMB389.8 million in 2025. This increase was contributed by interest income gained from our deposit in bank.

Share of Results of Investments Accounted for Using the Equity Method

We recorded share of losses of investments accounted for using the equity method of RMB853.1 million for 2025, compared to RMB557.3 million for the previous year. This increase in loss was primarily attributable to our increased shared loss of CARIZON and Horizon Continental Technology Pte. Ltd. (“HCT”), as they were still in ramping up stage with increased R&D expenses.

Fair Value Changes of Preferred Shares and Other Financial Liabilities

We recorded losses on fair value changes of preferred shares and other financial liabilities of RMB6,664.1 million in 2025, versus gains on fair value changes of preferred shares and other financial liabilities of RMB4,676.7 million in 2024. The fair value loss in 2025 comprised of (i) primarily the incremental fair value of the convertible loan, in line with our rising market capitalization, and (ii) increase in fair value of preferred shares issued by D-Robotics. While the fair value gain in 2024 was attributable to a downward adjustment in the fair value of the preferred share liability, for the decline in the actual conversion price upon IPO, compared to previously measured value of such preferred shares.

(Loss)/Profit for the Year

Loss for the year was RMB10,469.4 million in 2025, as compared to profit for the year of RMB2,346.5 million in 2024.

Share-based Payments

Share-based payments increased by 76.4% year-on-year to RMB992.8 million for the year ended December 31, 2025, primarily due to (i) rise in the grant-date fair value of awards, and (ii) the additional grants of incentive shares under our ESOP.

Non-recurring capital-raising expenses

We had non-recurring capital-raising expenses of RMB0.7 million in 2025 in connection with our top-up issuance capital raising consummated in June and October, as compared to expenses of RMB86.1 million in relation to our HK IPO and global offering incurred in 2024.

Adjusted Operating Loss (non-IFRS measure)

Our adjusted operating loss (non-IFRS measure), by adding back share-based payments and non-recurring capital-raising expenses, was RMB2,372.3 million in 2025, as compared to RMB1,495.2 million in 2024.

Adjusted Net Loss (non-IFRS measure)

Our adjusted net loss (non-IFRS measure), by adding back share-based payments, non-recurring capital-raising expenses, and fair value changes of

preferred shares and other financial liabilities to loss for the year, was RMB2,811.8 million in 2025, as compared to RMB1,681.2 million in 2024.

Non-IFRS Measures

To supplement our consolidated statements of profit or loss which are presented in accordance with IFRS, we use adjusted operating loss and adjusted net loss as non-IFRS measures, which are not required by, or presented in accordance with IFRS. We define adjusted operating loss as operating loss for the periods adjusted by adding back (i) share-based payments, which are non-cash in nature, and (ii) non-recurring capital-raising expenses, which relate to our Hong Kong IPO and global offering, and top-up placing. We define adjusted net loss as loss for the periods adjusted by adding back (i) share-based payments, which are non-cash in nature, (ii) non-recurring capital-raising expenses, which relate to our Hong Kong IPO and global offering, and top-up placing, and (iii) fair value changes on preferred shares and other financial liabilities, which are non-cash items. All preferred shares and other financial liabilities will be reclassified to equity upon conversion, and no longer measured at fair value going forward once converted.

We believe that the non-IFRS financial measures help identify underlying trends in our business and enhance the overall understanding of the Company's past performance and future prospects. We also believe that the non-IFRS financial measures allow for greater visibility with respect to key metrics used by the Company's management in its financial and operational decision-making. The non-IFRS financial measures are not presented in accordance with IFRS and may be different from non-IFRS methods of accounting and reporting used by other companies. The non-IFRS financial measures have limitations as analytical tools and when assessing the Company's operating performance, investors should not consider them in isolation, or as a substitute for net loss or other consolidated statements of comprehensive loss data prepared in accordance with IFRS. We encourage investors and others to review its financial information in its entirety and not rely on a single financial measure.

Liquidity and Source of Funding

During the year ended December 31, 2025, we funded our cash requirements principally through cash generated from capital raising and our operations. Our cash and cash equivalents increased by 31.3% from RMB15.4 billion as of December 31, 2024 to RMB20.2 billion as of December 31, 2025.

Investments

As at 31 December 2025, the Group's investments accounted for using the equity method amounted to approximately RMB1,297.3 million (31 December 2024: RMB1,038.2 million). As at 31 December 2025, the Group's financial assets measured at fair value through profit or loss amounted to approximately RMB3,502.6 million (31 December 2024: RMB629.6 million).

Investments include the following:

	At December 31, 2025 RMB'000	At December 31, 2024 RMB'000
Investments accounted for using the equity method⁽ⁱ⁾ ⁽ⁱⁱ⁾	1,297,284	1,038,161
Financial assets at FVPL⁽ⁱ⁾		
Investment in listed companies ⁽ⁱⁱ⁾	1,063,871	12,483
Investment in unlisted companies ⁽ⁱⁱ⁾	2,438,763	617,155
Total investments	4,799,918	1,667,799

Notes:

- (i) **Investment principles and scope.** The Group's investments in listed and unlisted companies are guided by a set of core principles designed to ensure prudent capital management. All such investments must be strategically aligned with the Group's principal business along the processing hardware, intelligent-driving solution value chains, and are only undertaken using surplus cash that is not required for the Group's short-to-medium term operational requirements.

The Group's core investment portfolio consists of: (i) minority equity interests in unlisted entities whose products, technologies, or customer bases are strategically aligned with or complementary to the Group's own offerings; (ii) joint venture interests with established ecosystem partners, notably automotive OEMs and Tier-1 suppliers; (iii) strategic investments in the initial public offerings of key partners; (iv) limited partner commitments to industry-specific venture capital and private funds, and (v) other wealth management products for treasury and liquidity management purposes.

- (ii) **Governance and decision-making.** The management of the Group conducts initial assessment and analysis of all potential investments in listed and unlisted companies, evaluating expected benefits against risks while considering multiple factors including cash requirements, market conditions, economic developments, investment costs, duration, and potential returns. All investment decisions require formal Investment Committee approval before execution or disposal. The management of the Group regularly reports to the Audit Committee on investment status and performance, ensuring continuous oversight and alignment with the Group's risk tolerance and strategic objectives.

Furthermore, the Group commits to preserving adequate liquid capital at all times to meet ongoing business needs and unforeseen obligations.

Significant Investments

The Group did not make or hold any significant investments (including any investment in an investee company) with a value of 5% or more of the Group's total assets as of December 31, 2025.

Material Acquisitions and Disposals

The Group did not have any material acquisitions or disposals of subsidiaries, consolidated affiliated entities, associates or joint ventures during the year ended December 31, 2025.

Charge on Assets

The Group did not have any pledge or charge on assets as of December 31, 2025.

Future Plans for Material Investments or Capital Assets

The Group did not have detailed future plans for material investments or capital assets as of December 31, 2025.

Gearing Ratio

As of December 31, 2025, the Company's gearing ratio (equals total liabilities divided by total assets, in percentage) was 58.7% (December 31, 2024: 41.5%).

Foreign Exchange Risk Exposure

Foreign exchange risk arises when future commercial transactions or recognized assets and liabilities are denominated in a currency that is not the respective functional currency of our subsidiaries. Our functional currency outside mainland China is USD whereas the functional currency of the subsidiaries operating in mainland China is RMB. We manage our foreign exchange risk by performing regular reviews of our Group's net foreign exchange exposures and trying to minimize these exposures through natural hedges, wherever possible.

Contingent Liabilities

The Company had no material contingent liabilities as of December 31, 2025.

Capital Commitment

As of December 31, 2025, capital commitment of the Company was RMB528.6 million (December 31, 2024: RMB161.8 million), mainly related to capital expenditure on intangible assets, property, plant and equipment.

As of December 31, 2025, commitments in respect of associates and joint ventures was RMB1,359.9 million (December 31, 2024: RMB1,513.5 million).

Employees and Remuneration

As of December 31, 2025, the Company had a total of 2,215 full-time employees (December 31, 2024: 2,078). The total employee remuneration expenses for the year ended December 31, 2025, including share-based compensation expenses, were RMB2,917.7 million, as compared to RMB2,447.5 million for the year ended December 31, 2024.

Our employees' remuneration mainly comprises salaries, bonuses, social security contributions and other employee benefits. We participate in housing fund and various employee social security schemes organized by applicable local municipal and provincial governments, including housing, pension, medical, maternity, work-related injury and unemployment benefit plans, under which we make contributions at specified percentages of the salaries of our employees. We also purchase commercial health insurance for our employees.

We maintain high standards in recruitment with strict procedures to ensure the quality of new hires and provide specialized training tailored to the needs of our employees in different departments. We also conduct periodic performance reviews for our employees, and their remuneration is performance-based. We have also adopted the 2018 Share Incentive Plan and the Post-IPO Share Incentive Plan.

Directors' Report

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

DIRECTORS

The Directors who held office during the Reporting Period and up to the date of this annual report are:

Executive Directors

Dr. Kai Yu
Dr. Chang Huang
Dr. Jian Xu (*appointed on August 27, 2025*)
Dr. Liming Chen
Ms. Feiwen Tao (*resigned on August 27, 2025*)

Non-executive Directors

Mr. Liang Li
Mr. Qin Liu
Dr. André Stoffels
Mr. Jianjun Zhang (*appointed on August 27, 2025*)
Dr. Juehui Zhang (*resigned on August 27, 2025*)

Independent Non-executive Directors

Dr. Jun Pu
Mr. Yingqiu Wu
Dr. Katherine Rong XIN
Dr. Ya-Qin Zhang

Biographical details of the Directors are set out in the section headed "Directors and Senior Management" on pages 45 to 50 of this annual report.

GENERAL INFORMATION

The Company was incorporated under the laws of the Cayman Islands on July 21, 2015 as an exempted limited liability company. Class B Ordinary Shares were listed on the Main Board of the Stock Exchange on October 24, 2024.

PRINCIPAL ACTIVITIES

We are a leading provider of advanced intelligent assisted driving solutions for passenger vehicles, empowered by our proprietary software and hardware technologies. Our solutions combine algorithms, purpose-built software and processing hardware, providing the core technologies for assisted and autonomous driving that enhance the safety and experience of drivers and passengers. Analysis of the principal activities of the Group during the year ended December 31, 2025 is set out in Note 6 to the consolidated financial statements.

There was no significant change in the nature of the Group's principal activities during the Reporting Period and up to the date of this annual report. Particulars of the Company's major subsidiaries as of December 31, 2025 are set out in Note 12 to the consolidated financial statements.

BUSINESS REVIEW

A business review of the Group, as required by Schedule 5 to the Companies Ordinance, including a fair review of the Company's business, a description of the principal risks and uncertainties facing the Company, particulars of important events affecting the Company that have occurred since the end of the financial year, an indication of likely future developments in the Group's business, an analysis of the Group's financial performance and the Group's key relationships with its stakeholders who have a significant impact on the Group and on which the Group's success depends, is set out in the sections headed "BUSINESS REVIEW AND OUTLOOK" and "MANAGEMENT DISCUSSION AND ANALYSIS" on pages 5 to 15 of this annual report. These discussions form part of this Directors' report. Events affecting the Company that have occurred since the end of the financial year is set out in the section headed "Recent Developments after the Reporting Period" in "BUSINESS REVIEW AND OUTLOOK".

PRINCIPAL RISKS AND UNCERTAINTIES

Our business involves certain risks as set out in the section headed "Risk factors" in the Prospectus. The following list is a summary of certain principal risks and uncertainties facing the Group, some of which are beyond its control.

- We operate in a competitive market subject to an evolving landscape. Our business is characterized by rapid changes as well as new and disruptive technologies. If we fail to meet evolving customer needs or the pace of industry innovation by improving our existing solutions and introducing new solutions in a timely and cost-effective manner, our competitive position would be impacted and our business, results of operations and financial condition may be materially adversely affected.
- We have been and intend to continue investing significantly in research and development, and to the extent our research and development efforts are unsuccessful, our competitive position would be negatively impacted and our business, results of operations and financial condition would be adversely affected.
- We cannot ensure that there will be sufficient future market adoption of ADAS and AD solutions to drive our growth, nor can we ensure that industry developments as well as market acceptance of ADAS and AD solutions will develop in our favor. If the markets toward smart vehicles and ADAS and AD solutions falter, or if these trends do not grow as rapidly or as positively as expected, our business, results of operations and financial condition may be adversely affected.
- We may not be able to successfully expand our market share given the intense competition, and even if we can, an expansion of market share may not lead to profitability.
- The interruption of requisite services from third-party partners may expose us to supply chain risk that could harm our business.
- We depend on a limited number of third-party business partners for certain essential materials, equipment and services.
- We face risks related to heightened regulatory and public scrutiny on our third-party service providers. If such parties, their associates and/or network members are subject to regulatory or public scrutiny, such as investigations and negative publicity, our reputation, business and results of operations may be adversely affected.
- Our customer concentration has been high and we currently generate a significant share of our revenue from a limited number of customers. There still exists a risk of customer concentration, and our revenue could be adversely affected if we lose or are prevented from selling to any of our top customers.
- Technology companies, OEMs and tier-one suppliers have been self-developing, and may start to self-develop ADAS and AD solutions, or technologies that are similar to ours, which may reduce their demand for our solutions.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to fulfilling social responsibility, promoting employee benefits and development, protecting the environment and giving back to community and achieving sustainable growth. Details of such are set out in the section headed "Environmental, Social and Governance Report" of this annual report.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

During the Reporting Period, the Group has complied with the relevant laws and regulations that have a significant impact on the operations of the Group.

CONNECTED TRANSACTIONS

During the year ended December 31, 2025, the Company confirms that it has complied with the requirements in accordance with Chapter 14A of the Listing Rules in respect of the connected transactions.

On December 12, 2025, the Company entered into the Loan Agreement (the "**Loan Agreement**") with Dr. Kai Yu, pursuant to which the Company agreed to make available to Dr. Kai Yu the Loan in the principal amount of RMB64,026,413.93, with the term continuing until 12 months from the date of drawdown of the Loan, or the date on which an event of default occurs, whichever is earlier. The interest rate shall be the one year loan prime rate published by the National Interbank Funding Center on the last business day before the drawdown date. Certain Class B Ordinary Shares owned by the Borrower shall be held in escrow by the Company for the benefit of the Borrower (the "**Escrow Shares**") to ensure the repayment of the Loan. Legal and equitable title to all Escrow Shares and any relevant dividends shall remain with the Borrower at all times during which the Escrow Shares are held by the Company.

As at December 12, 2025, Dr. Kai Yu is the founder, an executive Director, the chairman of the Board, the chief executive officer and the controlling shareholder of the Company. Hence, Dr. Kai Yu is a connected person of the Company and the transaction contemplated under the Loan Agreement constitutes a connected transaction for the Company pursuant to Chapter 14A of the Listing Rules. As one or more applicable percentage ratio(s) with respect to the transaction contemplated under the Loan Agreement exceed 0.1% but are less than 5%, the connected transaction is subject to the reporting and announcement requirements but exempt from the circular and independent shareholders' approval requirements pursuant to Rule 14A.76(2) of the Listing Rules.

For further details of the Loan Agreement, please refer to the announcement of the Company dated December 12, 2025.

Save as disclosed in this annual report and save for the related party transactions involving remuneration to certain Directors, which constitute fully exempt connected transactions under the Listing Rules, no related party transaction disclosed in Note 34 to the consolidated financial statements falls under the definition of "connected transaction" or "continuing connected transaction" in Chapter 14A of the Listing Rules for which disclosure is required.

PARTIALLY EXEMPT CONTINUING CONNECTED TRANSACTIONS

Product Solutions Sales Framework Agreement

Principal Terms

On October 10, 2024, the Company (for itself and on behalf of its subsidiaries other than D-Robotics Group (as defined below)) entered into a product solutions sales framework agreement (the "**Product Solutions Sales Framework Agreement**") with D-Robotics (for itself and on behalf of its subsidiaries), pursuant to which D-Robotics and its subsidiaries ("**D-Robotics Group**") agree to purchase product solutions for the development of their non-automotive businesses from our Group (other than D-Robotics Group) for a term commencing on the Listing Date and ending on December 31, 2026, which may be renewed as the parties may mutually agree, subject to compliance with the requirements under Chapter 14A of the Listing Rules and all other applicable laws and regulations.

Subject to the terms as provided in the Product Solutions Sales Framework Agreement, we will enter into specific agreements with D-Robotics Group to set out the specific terms and conditions for the product solutions provided by our Group.

Annual Caps and Transaction Amount during the Reporting Period

On August 27, 2025, the Company entered into the Supplemental Agreement with D-Robotics to amend the existing annual caps for the years ending December 31, 2025 and December 31, 2026 for the continuing connected transactions under the Product Solutions Sales Framework Agreement.

The annual cap of the transaction fees contemplated under the Product Solutions Sales Framework Agreement is approximately RMB37.1 million for the year ended December 31, 2024, and the revised annual caps for the above transactions are approximately RMB62.8 million and RMB119.0 million for the years ended December 31, 2025 and 2026, respectively, while the actual transaction amount under the Product Solutions Sales Framework Agreement for the year ended December 31, 2024 and 2025 is approximately RMB37.1 million and RMB62.8 million, respectively. For further details in relation to the Product Solutions Sales Framework Agreement, please refer to the Prospectus and the announcement dated August 27, 2025 of the Company.

Reason for and Purpose of the Transactions

D-Robotics was incorporated in September 2023 as one of our subsidiaries, and the business operated by D-Robotics Group was managed by our Group as one of our business departments prior to its incorporation. Since the commencement of its business, we have been working with D-Robotics Group to facilitate its development in order to grow our nonautomotive businesses. The Group (other than D-Robotics Group) has a comprehensive understanding of the business and operational requirements of D-Robotics Group, and has established a long-term and stable business relationship with D-Robotics Group during its development. We believe it is in the best interests of the Group and our Shareholders as a whole to continue to provide product solutions to D-Robotics Group after the Listing.

Pricing Basis

The fees charged for the product solutions under the Product Solutions Sales Framework Agreement are determined on an arm's length basis between our Group (other than D-Robotics Group) and D-Robotics Group with reference to factors including (i) costs incurred by the Group (other than D-Robotics Group) for the development and commercialization of product solutions, including but not limited to R&D, costs of manufacture and administration, and (ii) the fees charged by our

Group for similar product solutions from customers who are Independent Third Parties. To ensure fees to be charged by the Group (other than D-Robotics Group) are on normal commercial terms, are fair and reasonable and in the interests of our Shareholders as a whole, for each transactions under the Product Solutions Sales Framework Agreement, the Group will take into account fee quotes offered to Independent Third Parties for product solutions of the same or similar type at least on an annual basis and/or before entering into any definitive agreements to ensure the terms offered to D-Robotics Group are similar to or better than the terms offered to Independent Third Parties in similar circumstances.

Listing Rules Implications

D-Robotics is a non-wholly owned subsidiary of the Company, and Dr. Kai Yu, our executive director, can exercise or control the exercise of 10% or more of the voting power at the general meeting of D-Robotics. Thus, D-Robotics and its subsidiaries are connected subsidiaries hence constituting the connected persons of the Company and the transactions contemplated under the Product Solutions Sales Framework Agreement and Supplemental Agreement, and the Revised Annual Caps, constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

In respect of the continuing connected transactions and the revision contemplated under the Supplemental Agreement as described above, the highest applicable percentage ratio calculated for the purpose of Chapter 14A of the Listing Rules is expected to be above 0.1% but will not exceed 5% on an annual basis for continuing connected transactions under the Product Solutions Sales Framework Agreement Accordingly, the continuing connected transactions under the Product Solutions Sales Framework Agreement are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules but will be subject to the annual reporting, annual review and announcement requirements under Chapter 14A of the Listing Rules.

Confirmation from independent non-executive Directors

Our independent non-executive Directors are of the view that all the continuing connected transactions described above have been entered into: (i) in the ordinary and usual course of our business, (ii) on normal commercial terms or better, and (iii) that the respective terms and the proposed annual caps thereof are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

Reporting from the Company's Independent Auditor

The 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 (Revised) "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 his findings and conclusions in respect of the continuing connected transactions disclosed by the Group on pages 18 to 19 of this annual report in accordance with Rule 14A.56 of the Listing Rules.

The Auditor has confirmed in a letter to the Board, with respect to the continuing connected transactions as described above:

- (i) nothing has come to the Auditor's attention that causes the Auditor to believe that the disclosed continuing connected transactions have not been approved by the Board;
- (ii) for transactions involving the provision of goods or services by the Group, nothing has come to the Auditor's attention that causes the Auditor to believe that the continuing connected transactions were not, in all material respects, in accordance with the pricing policies of the Group;
- (iii) nothing has come to the Auditor's attention that causes the Auditor to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and
- (iv) nothing has come to the Auditor's attention that causes the Auditor to believe that such continuing connected transactions have exceeded the annual caps as set by the Company.

WEIGHTED VOTING RIGHTS

The Company has a weighted voting rights structure. Under our weighted voting rights structure, our share capital comprises Class A Ordinary Shares and Class B Ordinary Shares. Each Class A Ordinary Share entitles the holder to exercise ten votes, and each Class B Ordinary Share entitles the holder to exercise one vote, respectively, on any matters subject to the vote at general meetings of the Company, subject to Rule 8A.24 of the Listing Rules that requires the Reserved Matters to be voted on a one vote per share basis.

The WVR structure enables the WVR Beneficiary to exercise voting control over the Company notwithstanding that the WVR Beneficiary does not hold a majority economic interest in the share capital of the Company. This will enable the Company to benefit from the continuing vision and leadership of the WVR Beneficiary who will control the Company with a view to its long-term prospects and strategy.

Investors are advised to be aware of the potential risks of investing in companies with a WVR structure, in particular that the interests of the WVR Beneficiary may not necessarily always be aligned with those of our Shareholders as a whole, and that the WVR Beneficiary will be in a position to exert significant influence over the affairs of our Company and the outcome of Shareholders' resolutions. Investors should make the decision to invest in the Company only after due and careful consideration.

The table below sets out the ownership and voting rights held by the WVR Beneficiary as of December 31, 2025:

	Number of Class A Ordinary Shares held	Number of Class B Ordinary Shares held ⁽¹⁾	Approximate percentage of beneficial interests in the issued share capital	Approximate percentage of voting rights ⁽²⁾
Dr. Kai Yu	1,733,612,127	71,933,093	12.32%	51.39%
Dr. Chang Huang	390,777,143	3,610,633	2.69%	11.57%

- (1) As of December 31, 2025, each of Dr. Kai Yu and Dr. Chang Huang was entitled to receive up to 53,949,820 and 2,707,975 Class B Ordinary Shares, respectively, pursuant to the share awards granted to them under the 2018 Share Incentive Plan, subject to the terms and conditions of such share awards.
- (2) On the basis that each Class B Ordinary Share entitles the Shareholder to one vote per Share and each Class A Ordinary Share entitles the Shareholder to ten votes per Share.

Class A Ordinary Shares may be converted into Class B Ordinary Shares on a one to one basis. As of December 31, 2025, assuming the conversion of all the issued and outstanding Class A Ordinary Shares into Class B Ordinary Shares, the Company will issue 2,124,389,270 Class B Ordinary Shares, representing approximately 16.96% of the total number of issued Class B Ordinary Shares.

The weighted voting rights attached to our Class A Ordinary Shares will cease when the WVR Beneficiaries cease to have beneficial ownership of any of our Class A Ordinary Shares, in accordance with Rule 8A.22 of the Listing Rules. This may occur:

- (i) upon the occurrence of any of the circumstances set out in Rule 8A.17 of the Listing Rule, in particular where the WVR Beneficiaries are: (1) deceased; (2) no longer a member of our Board; (3) deemed by the Stock Exchange to be incapacitated for the purpose of performing his duties as a director; or (4) deemed by the Stock Exchange to no longer meet the requirements of a director set out in the Listing Rules;
- (ii) when the holders of Class A Ordinary Shares have transferred to another person the beneficial ownership of, or economic interest in, the Class A Ordinary Shares or the control over the voting rights attached to them, other than in the circumstances permitted by Rule 8A.18 of the Listing Rule;
- (iii) where a vehicle holding Class A Ordinary Shares on behalf of a WVR Beneficiary no longer complies with Rule 8A.18(2) of the Listing Rule; or
- (iv) when all of the Class A Ordinary Shares have been converted to Class B Ordinary Shares.

MAJOR CUSTOMERS AND MAJOR SUPPLIERS

During the year ended December 31, 2025, our top five customers and the largest customer accounted for 60.4% and 18.1% of our total revenues, respectively. During the year ended December 31, 2025, our top five suppliers and the largest supplier accounted for 50.0% and 16.8% of our total purchase amount, respectively.

Save for CARIZON, none of our Directors, their associates or any of our Shareholders (who or which to the knowledge of the Directors owned more than 5% of our issued share capital) had any interest in any of our five largest customers or suppliers during the year ended December 31, 2025.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the laws of the Cayman Islands which would oblige the Company to offer new Shares on a pro-rata basis to the existing Shareholders.

TAX RELIEF AND EXEMPTION OF HOLDERS OF LISTED SECURITIES

The Directors are not aware of any tax relief and exemption available to the Shareholders by reason of their holding of the Company's securities.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year ended December 31, 2025 are set out in Note 16 to the consolidated financial statements.

None of the Company's properties are held for development and/or sale or for investment purposes.

SHARE CAPITAL AND SHARES ISSUED

Details of movements in the share capital of the Company for the year ended December 31, 2025 are set out in consolidated statements of changes in shareholders' equity in the consolidated financial statements.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors as of the date of this annual report, the Company has maintained the prescribed percentage of public float under the Listing Rules.

DONATION

During the year ended December 31, 2025, the Group did not make any charitable and other donation. (2024: RMB3,038,000)

DEBENTURE ISSUED

Pursuant to a convertible loan agreement dated November 17, 2022, CARIAD Estonia AS ("**CARIAD**") as lender agreed to provide the loan in the amount of US\$800,000,000 to the Company. On October 11, 2024, an amendment agreement (together with the original convertible loan agreement, the "**Convertible Loan Agreement**") was entered into between the Company and CARIAD to amend the arrangement with respect to the conversion mechanism of the convertible loan (among others). Terms in the amendment agreement superseded the convertible loan agreement dated November 17, 2022.

A summary of the principal terms and conditions of the Convertible Loan Agreement are set out below:

- Date of agreement: November 17, 2022 and October 11, 2024
- Principal amount: US\$924,855,491.33

- Amount of consideration paid: US\$800,000,000
- Basis of consideration: The consideration represents 86.5% of the principal amount, which was determined based on arms' length negotiations between the Company and CARIAD.
- Payment date of consideration: December 7, 2023
- Issuance date: December 7, 2023
- Interest and interest payment date: The interest shall accrue on the outstanding principal amount which shall be calculated on and from December 7, 2023 at a annual rate of interest equal to (i) 2.67% per annum for the period starting on December 7, 2023 and ending on December 7, 2025, and (ii) 5.67% per annum for the period starting on December 7, 2025 and ending on the date of conversion or repayment (as applicable) of the loan in accordance with the Convertible Loan Agreement. Interest shall accrue and be computed daily on the basis of a year of 365 days for the actual number of days elapsed from and including December 7, 2023 to the maturity date. The interest shall become due on the maturity date.
- Maturity date: December 7, 2026, unless extended pursuant to the terms and conditions of the Convertible Loan Agreement.
- Conversion mechanism: Upon maturity of the loan, all of the principal amount and accrued interest (the "**Accrued Amount**") shall be repaid in full by way of (i) automatic and mandatory conversion into Class B Ordinary Shares at the final Offer Price, subject to a 9.9% shareholding threshold of CARIAD in the Company's then issued share capital, and (ii) cash, if there is any remaining Accrued Amount after conversion of the loan. The aforementioned 9.9% shareholding threshold can be removed if, among others, agreed by the Company and CARIAD. The Company will comply with relevant requirements under the Listing Rules, including but not limited to public float requirement under Rule 8.08 of the Listing Rules, at the time of conversion.
- Conversion price: HK\$3.99
- Redemption rights: CARIAD shall have the right to require the Company to redeem the outstanding principal amount of the Convertible Loan Agreement, or any portion thereof, together with all accrued and unpaid interest upon the occurrence of customary events of default under the Convertible Loan Agreement, including but not limited to material breach of representations and warranties given by the Company, bankruptcy or insolvency of the Company and non-performance of payment obligations or delivery of Shares.
- Use of Proceeds under the Convertible Loan Agreement: All of the proceeds from the Convertible Loan Agreement will be utilized for operating the business of the development and manufacturing of processing hardware based on processing algorithms, the development of relevant software and hardware, and the provision of cloud services, capital expenditures and general working capital needs of the Group in accordance with and subject to the loan proceeds utilization plan under the Convertible Loan Agreement. For the year ended December 31, 2025, approximately RMB1,130.9 million of the net proceeds under the Convertible Loan Agreement have been utilized for the intended use, and as of January 1, 2025 and December 31, 2025, all and approximately RMB4,192.2 million and RMB3,061.3 million of the net proceeds remained unutilized, respectively.
- Strategic benefits of CARIAD brought to our Company: Our Directors were of the view that our Company could benefit from the additional capital under the Convertible Loan Agreement. In addition, we will benefit from the expertise and commitment of CARIAD and the mandatory convertible loan demonstrates its confidence in the operations of and cooperation with our Group.

EQUITY-LINKED AGREEMENTS

Save as disclosed in this annual report, no equity-linked agreements were entered into by the Company, or existed during the year ended December 31, 2025.

DIVIDEND

The Board does not recommend the distribution of an annual dividend for the year ended December 31, 2025. There is no arrangement under which a Shareholder has waived or agreed to waive any dividends.

PERMITTED INDEMNITY

Pursuant to the Articles of Association and subject to the applicable laws and regulations, every Director or other officers of the Company shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them may incur or sustain in or about the execution of their duty in their offices. A permitted indemnity provision (as defined in section 469 of the Companies Ordinance) for the benefit of the Directors is currently and was in force for the year ended December 31, 2025 and up to the date of this annual report.

The Company has also taken out liability insurance to provide additional coverage for the Directors.

RESERVES

Details of movements in the reserves of the Group and the Company during the year ended December 31, 2025 are set out in the consolidated statements of changes in shareholders' equity on pages 143 to 144 and in Note 37(b) to the consolidated financial statements, respectively. The Company did not have any reserves available for distribution as of December 31, 2025.

LOANS AND BORROWINGS

The Group had total borrowings of RMB527,998,000 as of December 31, 2025 (2024: RMB407,272,000). Particulars of bank loans and other borrowings of the Group as of December 31, 2025 are set out in the section headed "MANAGEMENT DISCUSSION AND ANALYSIS" in this annual report and Note 29 to the consolidated financial statements.

DIRECTORS' SERVICE CONTRACTS AND APPOINTMENT LETTERS

Each of the executive Directors has entered into a service contract with our Company under which they agreed to act as executive Directors for an initial term of three years commencing from the Listing Date/appointment date, which may be terminated by not less than three months' notice in writing served by either the executive Director or our Company. The appointments of the executive Directors are subject to the provisions of retirement and rotation of Directors under the Articles of Association.

Each of the non-executive Directors and the independent non-executive Directors has signed an appointment letter with our Company for a term of three years with effect from the Listing Date/appointment date. The appointments are subject to the provisions of retirement and rotation of Directors under the Articles of Association.

None of the Directors proposed for re-election at the forthcoming annual general meeting of the Company has or is proposed to have a service contract with any member of our Group other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation).

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in the sections headed "Connected Transactions" and "Partially Exempt Continuing Connected Transactions" of this Directors' report and save for the First Top-up Placing and the Second Top-up Placing, none of the Directors or any entity connected with the Directors had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to which the Company, its holding company, or any of its subsidiaries or fellow subsidiaries was a party subsisting during or at the end of the year ended December 31, 2025.

EMOLUMENTS OF DIRECTORS AND THE FIVE HIGHEST PAID INDIVIDUALS

In compliance with the Corporate Governance Code, the Company has established the Remuneration Committee to formulate remuneration policies.

The Remuneration Committee was set up for reviewing the Group's emolument policy and structure for all remuneration of the Directors and senior management of the Group. The remuneration is determined and recommended based on each Director's and senior management personnel's qualification, position and seniority.

The Directors and the senior management personnel are eligible participants of 2018 Share Incentive Plan and the Post-IPO Share Incentive Plan, details of which are set out in the Prospectus and Note 26 to the consolidated financial statements.

Details of the remuneration of the Directors, senior management and the five highest paid individuals are set out in Note 35 and Note 11(a) to the consolidated financial statements, respectively.

None of the Directors waived or agreed to waive any remuneration and there were no emoluments paid by the Group to any of the Directors, past Directors or the five highest paid individuals during the Reporting Period, as an inducement to join, or upon joining the Group, or as compensation for the loss of office.

Save as disclosed in the section headed "Connected Transactions" of this Directors' report, no loans, quasi-loans, other dealings in favour of Directors, their controlled bodies corporate and their connected entities subsisted at the end of the Reporting Period or at any time during the Reporting Period. No consideration was provided to or received by third parties for making available the services of a person as a Director or in any other capacity while as a Director during the Reporting Period.

The Company's remuneration policy is to ensure that the remuneration offered to employees, including Directors and senior management, is based on skill, knowledge, responsibilities and involvement in the Company's affairs. The remuneration packages of executive Directors are also determined with reference to the Company's performance and profitability, the prevailing market conditions and the performance or contribution of each executive Director. The remuneration for the executive Directors comprises basic salary, pensions, share-based compensation expenses and discretionary bonus. The remuneration policy for non-executive Directors and independent non-executive Directors is to ensure that non-executive Directors and independent non-executive Directors are adequately compensated for their efforts and time dedicated to the Company's affairs, including their participation in Board committees. The remuneration for the non-executive Directors and independent non-executive Directors mainly comprises Director's fee which is determined with reference to their duties and responsibilities by the Board. Individual Directors and senior management have not been involved in deciding their own remuneration.

CONTRACTS WITH CONTROLLING SHAREHOLDERS

On June 25, 2024, Horizon Together Holding Ltd. ("**Horizon Together**"), a wholly owned subsidiary of the Company, has entered into an acting-in-concert agreement with D-GUA Brother LP, pursuant to which, D-GUA Brother LP shall act in accordance with the instructions of Horizon Together (the "**Acting-in-Concert Agreement**") The Acting-in-Concert Agreement remain in full force and effect unless terminated in writing by Horizon Together and D-GUA Brother LP. For details, please refer to appendix I of the Prospectus.

Save as disclosed in the Prospectus and set out in the sections headed "Connected Transactions" and "Partially Exempt Continuing Connected Transactions" above, no contract of significance or contract of significance for the provision of services has been entered into among the Company or any of its subsidiaries and the Controlling Shareholders or any of their subsidiaries during the year ended December 31, 2025.

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the year ended December 31, 2025.

AUDITOR

The consolidated financial statements of the Group have been audited by PricewaterhouseCoopers, who will retire and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting. There has been no change in auditor since the Listing.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in this annual report, at no time during the year ended December 31, 2025 was the Company or any of its subsidiaries, fellow subsidiaries or its holdings companies a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate; and none of the Directors, or any of their spouse or children under the age of 18, had any right to subscribe for equity or debt securities of the Company or any other body corporate, or had exercised any such right.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

Save as disclosed in this annual report and except for the interests of the Controlling Shareholders in the Group, during the Reporting Period, neither the Controlling Shareholders nor any of the Directors (other than independent non-executive Directors) had any interest in a business, apart from the business of the Group, which competes or is likely to compete, directly or indirectly, with the Group's business, which would require disclosure under Rule 8.10 of the Listing Rules.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

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

NON-COMPETITION ARRANGEMENTS

No non-competition agreements or arrangement has been provided by the substantial shareholders as of December 31, 2025 or at any time during the Reporting Period.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATIONS

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

(a) Interest in Shares of the Company

Name	Nature of interest ⁽¹⁾	Number of Shares	Approximate percentage of shareholding of relevant class of shares in the Company ⁽²⁾	Approximate percentage of shareholding in the issued and outstanding share capital of the Company ⁽²⁾
<i>Class A Ordinary Shares – Dr. Kai Yu</i>				
Dr. Kai Yu	Interest in controlled corporations, founder and beneficiary of a trust ⁽³⁾ (L)	1,733,612,127	81.61%	11.83%
Trident Trust Company (HK) Limited	Trustee ⁽³⁾ (L)	1,733,612,127	81.61%	11.83%
Bigsur Robotics Limited	Interest in controlled corporations ⁽³⁾ (L)	1,733,612,127	81.61%	11.83%
Horizon Robotics, Inc.	Interest in controlled corporations ⁽³⁾ (L)	1,733,612,127	81.61%	11.83%
Everest Robotics Limited	Beneficial owner (L)	1,733,612,127	81.61%	11.83%
<i>Class A Ordinary Shares – Dr. Chang Huang</i>				
Dr. Chang Huang	Interest in controlled corporations, founder and beneficiary of a trust ⁽⁴⁾ (L)	390,777,143	18.39%	2.67%
Trident Trust Company (HK) Limited	Trustee ⁽⁴⁾ (L)	390,777,143	18.39%	2.67%
Gravitational Wave Technology Limited	Interest in controlled corporations ⁽⁴⁾ (L)	390,777,143	18.39%	2.67%
Grace Robotics, Inc.	Interest in controlled corporations ⁽⁴⁾ (L)	390,777,143	18.39%	2.67%
String Theory Robotics Limited	Beneficial owner (L)	390,777,143	18.39%	2.67%

Name	Nature of interest ⁽¹⁾	Number of Shares	Approximate percentage of shareholding of relevant class of shares in the Company ⁽²⁾	Approximate percentage of shareholding in the issued and outstanding share capital of the Company ⁽²⁾
<i>Class B Ordinary Shares – Dr. Kai Yu</i>				
Dr. Kai Yu	Beneficial owner ⁽³⁾ (L)	71,933,093	0.57%	0.49%
	Interest in controlled corporations, founder and beneficiary of a trust ⁽³⁾ (S)	20,000,000	0.16%	0.14%
Trident Trust Company (HK) Limited	Trustee ⁽³⁾ (S)	20,000,000	0.16%	0.14%
Bigsur Robotics Limited	Interest in controlled corporations ⁽³⁾ (S)	20,000,000	0.16%	0.14%
Horizon Robotics, Inc.	Interest in controlled corporations ⁽³⁾ (S)	20,000,000	0.16%	0.14%
Everest Robotics Limited	Beneficial owner (S)	20,000,000	0.16%	0.14%
<i>Class B Ordinary Shares – Dr. Chang Huang</i>				
Dr. Chang Huang	Beneficial owner ⁽⁴⁾ (L)	3,610,633	0.03%	0.02%
<i>Class B Ordinary Shares – Dr. Jian Xu</i>				
Dr. Jian Xu	Beneficial owner ⁽⁵⁾ (L)	4,963,470	0.04%	0.03%
	Interest of your spouse ⁽⁵⁾ (L)	22,800	0.0002%	0.0002%
<i>Class B Ordinary Shares – Dr. Liming Chen</i>				
Dr. Liming Chen	Beneficial owner ⁽⁶⁾ (L)	12,081,646	0.10%	0.08%
<i>Class B Ordinary Shares – Mr. Qin Liu</i>				
Mr. Qin Liu	Interest in controlled corporations ⁽⁷⁾	647,537,121	5.17%	4.42%
<i>Class B Ordinary Shares – Dr. Ya-Qin Zhang</i>				
Dr. Ya-Qin Zhang	Beneficial owner ⁽⁸⁾ (L)	847,236	0.01%	0.01%

Notes:

- (1) The letter "L" denotes long position.
- (2) As of December 31, 2025, the Company had 14,651,884,985 issued and outstanding share capital in total, comprising 2,124,389,270 Class A Ordinary Shares and 12,527,495,715 Class B Ordinary Shares.
- (3) The entire interest of 1,733,612,127 Class A Ordinary Shares was held by Everest Robotics Limited, which was held by Bigsur Robotics Limited as to 99% and Horizon Robotics, Inc. as to 1%. Horizon Robotics, Inc. was wholly-owned by Dr. Kai Yu. Bigsur Robotics Limited was wholly-owned by Trident Trust Company (HK) Limited as trustee of Rock Street Trust, the family trust established by Dr. Kai Yu (as settlor) for the benefit of Dr. Kai Yu and his family. Each of Horizon Robotics, Inc., Bigsur Robotics Limited, Trident Trust Company (HK) Limited and Dr. Kai Yu was deemed to be interested in the Class A Ordinary Shares held by Everest Robotics Limited under the SFO.

Dr. Kai Yu was entitled to receive up to 53,949,820 Class B Ordinary Shares pursuant to the share awards granted to him under the 2018 Share Incentive Plan, subject to the terms and conditions of such share awards.

- (4) The entire interest of 390,777,143 Class A Ordinary Shares was held by String Theory Robotics Limited, which was held by Gravitational Wave Technology Limited as to 99% and Grace Robotics, Inc. as to 1%. Grace Robotics, Inc. was wholly-owned by Dr. Chang Huang. Gravitational Wave Technology Limited was wholly-owned by Trident Trust Company (HK) Limited as trustee of Gravitational Wave Trust, the family trust established by Dr. Chang Huang (as settlor) for the benefit of Dr. Chang Huang and his family. Each of Grace Robotics, Inc., Gravitational Wave Technology Limited, Trident Trust Company (HK) Limited and Dr. Chang Huang was deemed to be interested in the Class A Ordinary Shares held by String Theory Robotics Limited under the SFO.

Dr. Chang Huang was entitled to receive up to 2,707,975 Class B Ordinary Shares pursuant to the share awards granted to him under the 2018 Share Incentive Plan, subject to the terms and conditions of such share awards.

- (5) Dr. Jian Xu was entitled to receive up to 2,250,000 Class B Ordinary Shares pursuant to the share awards granted to him, subject to the terms and conditions of such share awards.

Dr. Jian Xu is also deemed to be interested in the shares personally held by his spouse, Shuhang GU, pursuant to Part XV of the SFO.

- (6) Dr. Liming Chen was entitled to receive up to 1,500,000 Class B Ordinary Shares pursuant to the share awards granted to him under the 2018 Share Incentive Plan, subject to the terms and conditions of such share awards.

- (7) Morningside China TMT Fund IV, L.P. and Morningside China TMT Fund IV Co-Investment, L.P. were controlled by their general partner, Morningside China TMT GP IV, L.P.. Morningside China TMT GP IV, L.P. was controlled by its general partner, TMT General Partner Ltd. Consequently, TMT General Partner Ltd. was deemed to be interest in the Shares in which Morningside China TMT Fund IV, L.P. and Morningside China TMT Fund IV Co-Investment, L.P. had an interest.

Mr. Qin Liu was entitled to exercise or control the exercise of two-third of the voting power of all issued shares in TMT General Partner Ltd. at its general meeting and was therefore deemed to be interested in the Shares in which TMT General Partner Ltd. was interested.

Each of Evolution Special Opportunity Fund I, L.P., Evolution Fund I Co-investment, L.P., 5Y Capital Growth Fund I, L.P. and 5Y Capital Growth Fund I Co-Investment, L.P. was controlled by their general partner 5Y Capital GP Limited. Consequently, 5Y Capital GP Limited is deemed to be interest in the Shares in which Evolution Special Opportunity Fund I, L.P., Evolution Fund I Co-investment, L.P., 5Y Capital Growth Fund I, L.P. and 5Y Capital Growth Fund I Co-Investment, L.P. had an interest.

Mr. Qin Liu was entitled to exercise or control the exercise of 100% of the voting power of all issued shares in 5Y Capital GP Limited at its general meeting and was therefore deemed to be interested in the Shares in which 5Y Capital GP Limited is interested.

(b) Interest in associated corporation

Name of director or chief executive	Nature of interest ⁽¹⁾	Associated corporations	Number and class of shares interested in	Approximate percentage of shareholding in the relevant class of shares in associated corporation	Approximate percentage of shareholding in the total issued share capital of associated corporation
Dr. Kai Yu	Interest in controlled entity ⁽²⁾ (L)	D-Robotics	174,168,131 class A ordinary shares	94.20%	12.53%
			600,000,000 class B ordinary shares	100%	43.18%
Dr. Chang Huang	Interest in controlled entity ⁽³⁾ (L)	D-Robotics	7,485,326 class A ordinary shares	4.05%	0.54%
Mr. Qin Liu	Interest in controlled entity ⁽⁴⁾ (L)	D-Robotics	14,945,653 series A1 preferred shares	11.71%	1.08%
			1,799,457 series A2 preferred shares	1.64%	0.13%
			1,563,923 series B1 preferred shares	2.75%	0.11%
			2,571,953 series B2 preferred shares	2.04%	0.19%
			3,870,176 series B3 preferred shares	4.27%	0.28%

Notes:

- (1) The letter "L" denotes long position.
- (2) The entities controlled by Dr. Kai Yu held a total of 174,168,131 class A ordinary shares in D-Robotics. Horizon Together Holding Ltd., a wholly owned subsidiary of the Company, held 600,000,000 class B ordinary shares of D-Robotics. Therefore, Dr. Kai Yu was deemed to be interested in 174,168,131 class A ordinary shares and 600,000,000 class B ordinary shares in D-Robotics under the SFO.
- (3) A shareholding vehicle wholly owned by Dr. Chang Huang held 7,485,326 class A ordinary shares and Dr. Chang Huang was therefore deemed to be interested in the 7,485,326 class A ordinary shares in D-Robotics under the SFO.
- (4) 5Y Capital Evolution Fund II, L.P. and 5Y Capital Evolution Fund II Co-Investment, L.P. held an aggregate of 14,945,653 series A1 preferred shares, 1,799,457 series A2 preferred shares, 1,563,923 series B1 preferred shares, 2,571,953 series B2 preferred shares and 3,870,176 series B3 preferred shares in D-Robotics.

Both 5Y Capital Evolution Fund II, L.P. and 5Y Capital Evolution Fund II Co-Investment, L.P. were controlled by their general partner 5Y Capital GP Limited. Mr. Qin Liu was entitled to exercise or control the exercise of 100% of the voting power of all issued shares in 5Y Capital GP Limited at its general meeting. Therefore, Mr. Qin Liu was deemed to be interested in the said shares, in D-Robotics under the SFO.

Save as disclosed above, as of December 31, 2025, so far as is known to any Director or the chief executive of the Company, none of the Directors nor the chief executives of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which (a) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (b) were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

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

As of December 31, 2025, the following persons (other than the Directors and chief executives whose interests have been disclosed in this annual report), had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Name	Nature of interest ⁽¹⁾	Number and class of shares held	Approximate percentage of shareholding of relevant class of shares in the Company ⁽²⁾	Approximate percentage of shareholding in the issued and outstanding share capital of the Company ⁽²⁾
<i>Class B Ordinary Shares – CARIAD Estonia AS</i>				
Ferdinand Porsche Familien-Privatstiftung	Interest in controlled corporations ⁽³⁾ (L)	269,711,694 ⁽⁴⁾ 1,998,875,035 ⁽⁵⁾	2.15% 15.96%	1.84% 13.64%
Ferdinand Porsche Familien-Holding GmbH	Interest in controlled corporations ⁽³⁾ (L)	269,711,694 ⁽⁴⁾ 1,998,875,035 ⁽⁵⁾	2.15% 15.96%	1.84% 13.64%
Ferdinand Alexander Porsche Zweite GmbH	Interest in controlled corporations ⁽³⁾ (L)	269,711,694 ⁽⁴⁾ 1,998,875,035 ⁽⁵⁾	2.15% 15.96%	1.84% 13.64%
Familie Porsche Beteiligung GmbH	Interest in controlled corporations ⁽³⁾ (L)	269,711,694 ⁽⁴⁾ 1,998,875,035 ⁽⁵⁾	2.15% 15.96%	1.84% 13.64%
Porsche Automobil Holding SE	Interest in controlled corporations ⁽³⁾ (L)	269,711,694 ⁽⁴⁾ 1,998,875,035 ⁽⁵⁾	2.15% 15.96%	1.84% 13.64%
Volkswagen AG	Interest in controlled corporations ⁽³⁾ (L)	269,711,694 ⁽⁴⁾ 1,998,875,035 ⁽⁵⁾	2.15% 15.96%	1.84% 13.64%
Volkswagen Group Beteiligungen GmbH	Interest in controlled corporations ⁽³⁾ (L)	269,711,694 ⁽⁴⁾ 1,998,875,035 ⁽⁵⁾	2.15% 15.96%	1.84% 13.64%
CARIAD SE	Interest in controlled corporations ⁽³⁾ (L)	269,711,694 ⁽⁴⁾ 1,998,875,035 ⁽⁵⁾	2.15% 15.96%	1.84% 13.64%
CARIAD Estonia AS	Beneficial owner (L)	269,711,694 ⁽⁴⁾ 1,998,875,035 ⁽⁵⁾	2.15% 15.96%	1.84% 13.64%
<i>Class B Ordinary Shares – SAIC QIJUN I Holdings Limited</i>				
Ji Feng	Interest in controlled corporations ⁽⁶⁾ (L)	1,025,310,055	8.18%	7.00%
SAIC Motor	Interest in controlled corporations ⁽⁶⁾ (L)	1,025,310,055	8.18%	7.00%
SAIC Investment	Interest in controlled corporations ⁽⁶⁾ (L)	1,025,310,055	8.18%	7.00%
SAIC Changzhou	Interest in controlled corporations ⁽⁶⁾ (L)	1,025,310,055	8.18%	7.00%
Shanghai Qiyuan	Interest in controlled corporations ⁽⁶⁾ (L)	1,025,310,055	8.18%	7.00%
Shangqi Capital	Interest in controlled corporations ⁽⁶⁾ (L)	1,025,310,055	8.18%	7.00%
Shanghai Qimeng	Interest in controlled corporations ⁽⁶⁾ (L)	1,025,310,055	8.18%	7.00%
SAIC QIJUN I Holdings Limited	Beneficial owner (L)	1,025,310,055	8.18%	7.00%

Name	Nature of interest ⁽¹⁾	Number and class of shares held	Approximate percentage of shareholding of relevant class of shares in the Company ⁽²⁾	Approximate percentage of shareholding in the issued and outstanding share capital of the Company ⁽²⁾
<i>Class B Ordinary Shares – 5Y Shareholders</i>				
Yuanyuan Ni	Interest of Spouse ⁽⁷⁾ (L)	647,537,121	5.17%	4.42%
<i>Class B Ordinary Shares – Baillie Gifford</i>				
Baillie Gifford & Co	Interest in controlled corporations ⁽⁸⁾ (L)	387,856,200	3.10%	2.65%
	Investment manager (L)	250,436,201	2.00%	1.71%

Notes:

- (1) The letter "L" denotes long position.
- (2) As of December 31, 2025, the Company had 14,651,884,985 issued and outstanding share capital in total, comprising 2,124,389,270 Class A Ordinary Shares and 12,527,495,715 Class B Ordinary Shares.
- (3) CARIAD Estonia AS was wholly-owned by CARIAD SE, which was in turn wholly-owned by Volkswagen Group Beteiligungen GmbH ("VGB"), a wholly-owned subsidiary of Volkswagen AG, a company listed on a number of stock exchanges including the Frankfurt Stock Exchange (ticker symbol: VOW and VOW3). Porsche Automobil Holding SE ("PSE") held approximately 53.35% voting interest in Volkswagen AG, and Familie Porsche Beteiligung GmbH ("FPB") held approximately 55.46% voting interest in PSE. FPB was wholly-owned by Ferdinand Alexander Porsche Zweite GmbH ("FAPZ"), which was in turn wholly-owned by Ferdinand Porsche Familien-Holding GmbH ("FPFH"). Ferdinand Porsche Familien-Privatstiftung ("PoPS"), a private foundation established in Austria, holds 90% of FPFH.

By virtue of the SFO, each of CARIAD SE, VGB, Volkswagen AG, PSE, FPB, FAPZ, FPFH and PoPS was deemed to have an interest in the Class B Ordinary Shares directly held by CARIAD Estonia AS and the Class B Ordinary Shares to be issued to CARIAD Estonia AS, as the lender of a convertible loan which, upon maturity, shall be automatically and mandatorily converted into Class B Ordinary Shares. For further details of the convertible loan and the conversion mechanism, please refer to "History, Reorganization and Corporate Structure" in the Prospectus.
- (4) This refers to the number of Class B Ordinary Shares as of December 31, 2025.
- (5) This refers to the number of Class B Ordinary Shares to be issued to CARIAD Estonia AS upon conversion of the convertible loan at maturity pursuant to the Convertible Loan Agreement. Please refer to the Prospectus for details.

- (6) SAIC QIJUN I Holdings Limited was wholly-owned by Shanghai Qimeng Management Partnership (Limited Partnership) (上海頡盟企業管理合夥企業(有限合夥)) ("Shanghai Qimeng"), of which the general partner was Shangqi Capital (上海尚頡投資管理合夥企業(有限合夥)), whose general partner was Shanghai Qiyuan Business Consulting Co., Limited (上海頡元商務諮詢有限公司) ("Shanghai Qiyuan"), which was ultimately controlled by Ji Feng (馮戟) ("Mr. Feng").

Shanghai Qimeng was owned as to approximately 99.95% by its limited partner SAIC (Changzhou) Innovation and Development Investment Fund Co., Ltd. (上汽(常州)創新發展投資基金有限公司) ("SAIC Changzhou"), which was held as to 99.5% by Shanghai Automobile Group Investment Management Co., Ltd. (上海汽車集團投資管理有限公司) ("SAIC Investment"), which was wholly-owned by SAIC Motor Corporation Limited (上海汽車集團股份有限公司) ("SAIC Motor").

Therefore, each of Shanghai Qimeng, Shangqi Capital, Shanghai Qiyuan, Mr. Feng, SAIC Changzhou, SAIC Investment and SAIC Motor is deemed to be interested in the 1,025,310,055 Class B Ordinary Shares directly held by SAIC QIJUN I Holdings Limited under the SFO.

- (7) Ms. Yuanyuan Ni is the spouse of Mr. Qin Liu. She was deemed to be interested in the Shares in which Mr. Qin Liu was interested.
- (8) 59,655,600 Class B Ordinary Shares were directly held by Baillie Gifford Investment Management Europe Ltd, which was wholly-owned by Baillie Gifford Overseas Limited. 296,632,800 and 31,567,800 Class B Ordinary Shares were directly held by Baillie Gifford Overseas Limited and Baillie Gifford & Co Limited respectively. Each of Baillie Gifford Overseas Limited and Baillie Gifford & Co Limited was wholly-owned by Baillie Gifford & Co.

Save as disclosed above, as of December 31, 2025, no person, other than the Directors whose interests are set out in the section headed "Directors' and Chief Executives' Interests and Short Positions in Shares and Underlying Shares and Debentures of the Company or any of its Associated Corporations" had an interest or short position in the shares and underlying shares which would fall to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

SHARE INCENTIVE PLANS

2018 Share Incentive Plan

The 2018 Share Incentive Plan was adopted by the Company in November 2018. As no further grant of awards will be made by the Company after the Listing, the 2018 Share Incentive Plan is not subject to Chapter 17 of the Listing Rules.

As disclosed in the Prospectus, all Class B Ordinary Shares granted under the 2018 Share Incentive Plan have been issued to employee shareholding platforms set up by our Company with independent professional trustee companies. Accordingly, there will not be any dilution effect on the shareholdings nor any impact on the earnings per share arising from the full vesting or exercise of the outstanding options and share awards after Listing.

The following is a summary of the principal terms of the 2018 Share Incentive Plan.

Purpose

The purposes of the 2018 Share Incentive Plan are to attract and retain the best available personnel for positions of substantial responsibility, to provide additional incentives to selected employees, Directors and consultants and to promote the success of the Company's business by offering these individuals or entities an opportunity to acquire a proprietary interest in the success of the Company, or to increase this interest by permitting them to acquire Shares of the Company.

Eligible Participants

Only employees, Directors, and consultants, or trusts or companies established in connection with any employee benefit plan of the Company for the benefit of an employee, Director or consultant, shall be eligible for the grant of awards. Options may be granted to employees only. Awards other than options may be granted to employees, Directors and consultants.

Restricted Period

The Restricted Period shall commence on the grant date and end at the time or times set forth on a schedule established by the Administrator in the applicable award agreement (the "**Restricted Period**"); provided, however, that notwithstanding any such vesting dates, the Administrator may in its sole discretion accelerate the vesting of any restricted award at any time and for any reason.

Options

(i) Exercise price

Each option agreement shall specify the exercise price. The exercise price of an option shall be determined by the Administrator in its sole discretion which may be a fixed or variable price related to the fair market value of the shares on the date of grant, provided, however, that the exercise price may be not less than the fair market value on the date of grant, without compliance with Section 409A of the U.S. Internal Revenue Code of 1986 (the "Code"), or the optionee's consent; provided further, that the exercise price of any option granted to any individual who, upon the date of grant, owns shares possessing more than ten percent (10%) of the total combined voting power of all classes of shares of the Company may not be less than one-hundred and ten percent (110%) of fair market value on the date of grant. Notwithstanding anything to the contrary in the foregoing, in the event of a transaction described in Section 424(a) of the Code, options may be issued at an exercise price other than as required by the foregoing.

(ii) Vesting schedule

Fifty percent (50%) of the optioned shares shall vest on the first vesting date (such day to be deemed to be the last day of the month, when necessary), and remaining 50% optioned shares shall vest in equal annual installments over the following two (2) years, subject to the optionee's continuing to be an employee, Director, or consultant through these dates. Before or after execution of the option agreement, the vesting schedule may be modified or changed by the Administrator in its sole discretion as it deems necessary or appropriate where new agreement between the Company and the optionee shall be entered into regarding the said modification or change.

(iii) Term of Option

The option agreement shall specify the term of the option. Subject to the preceding sentence, the Administrator in its sole discretion shall determine when an option is to expire.

Restricted Share Units ("RSUs")**(i) General**

The terms and conditions of a grant of RSUs shall be reflected in an award agreement. No Shares shall be issued at the time a RSU is granted, and the Company will not be required to set aside funds for the payment of any such award. A participant shall have no voting rights with respect to any RSU granted hereunder. To the extent provided in an award agreement, the holder of RSUs shall be entitled to be credited with dividend equivalent payments (upon the payment by the Company of dividends on Shares) either in cash or, at the sole discretion of the Administrator, in Shares having a fair market value equal to the amount of such dividends (and interest may, at the sole discretion of the Administrator, be credited on the amount of cash dividend equivalents at a rate and subject to such terms as provided by the Administrator), which accumulated dividend

equivalents (and interest thereon, if applicable) shall be payable to the participant upon the release of restrictions on such RSUs, and if such RSUs are forfeited, the participant shall have no right to such dividend equivalent payments.

(ii) Restrictions

RSUs awarded to a participant shall be subject to (a) forfeiture until the expiration of the Restricted Period and satisfaction of any applicable performance goals during such period, to the extent provided in the applicable award agreement, and to the extent such RSUs are forfeited, all rights of the participant to such RSUs shall terminate without further obligation on the part of the Company and (b) such other terms and conditions as may be set forth in the applicable award agreement.

(iii) Settlement of RSUs

Upon the expiration of the Restricted Period with respect to any outstanding RSUs, the Company shall deliver to the Participant, or his or her beneficiary, without charge, one Share for each outstanding RSU and any dividend equivalent payments credited to the participant's account with respect to such RSUs and the interest thereon, if any; provided, however, that if explicitly provided in the award agreement, the Administrator may, in its sole discretion, elect to pay part cash or part cash and part Shares in lieu of delivering only Shares for vested RSUs. If a cash payment is made in lieu of delivering Shares, the amount of such payment shall be equal to the fair market value of the Shares as of the date on which the Restricted Period lapsed.

Duration

The term of the 2018 Share Incentive Plan shall be ten years commencing on the date of its adoption. As of the date of this annual report, the remaining life of the 2018 Share Incentive Plan was approximately two years and seven months.

Outstanding Share Options Granted under the 2018 Share Incentive Plan

The table below shows the details of movements of share options granted under the 2018 Share Incentive Plan during the Reporting Period:

Participant	Date of Grant	Exercise price (US\$/Share)	Vesting period	Outstanding as of January 1, 2025	Granted during the Reporting Period	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Outstanding as of December 31, 2025
Employee participants	June 11, 2015 to July 15, 2024	\$0.000025-\$0.4677	1 year or 4 years	398,684,475	-	81,567,573	-	3,787,500	313,329,402
Total				398,684,475	-	81,567,573	-	3,787,500	313,329,402

Note: All of the share options granted under the 2018 Share Incentive Plan were granted prior to the Listing Date. No further grant under the 2018 Share Incentive Plan has been or will be made by the Company after the Listing.

Outstanding RSUs Granted under the 2018 Share Incentive Plan

The table below shows the details of movements of RSUs granted under the 2018 Share Incentive Plan during the Reporting Period:

Participant	Date of Grant	Purchase price of the awards granted	Vesting period	Outstanding as of January 1, 2025	Granted during the Reporting Period	Vested during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Outstanding as of December 31, 2025
Directors									
Kai Yu	July 26, 2024	Nil	4 years	71,933,093	-	17,983,273	-	-	53,949,820
Chang Huang	July 26, 2024	Nil	4 years	3,610,633	-	902,658	-	-	2,707,975
Feiwen Tao ^(Note 1)	July 26, 2024	Nil	4 years	1,564,378	-	391,095	-	-	1,173,283
Liming Chen	December 25, 2021 to July 15, 2024	Nil	1 year or 4 years	12,339,416	-	10,839,416	-	-	1,500,000
Ya-Qin Zhang	January 23, 2020	Nil	4 years	847,236	-	847,236	-	-	-
Jian Xu ^(Note 2) ^(Note 1)	January 15, 2021 to July 15, 2024	Nil	1 year or 4 years	5,243,820	-	3,493,820	-	-	1,750,000
Employee participants	April 5, 2016 to July 15, 2024	Nil	1 year or 4 years	837,588,277	-	616,262,321	-	21,137,991	200,187,965
Total				933,126,853	-	650,719,819	-	21,137,991	261,269,043

Note 1: Ms. Feiwen Tao has resigned as an executive Director with effect from August 27, 2025; and Dr. Jian Xu has been appointed as an executive Director with effect from August 27, 2025.

Note 2: All of the RSUs granted under the 2018 Share Incentive Plan were granted prior to the Listing Date. No further grant under the 2018 Share Incentive Plan has been or will be made by the Company after the Listing.

Post-IPO Share Incentive Plan

The Post-IPO Share Incentive Plan was adopted by the Company in compliance with Chapter 17 of the Listing Rules by an extraordinary general meeting of our Shareholders on October 8, 2024.

The following is a summary of the principal terms of the Post-IPO Share Incentive Plan.

Purpose

The purpose of the Post-IPO Share Incentive Plan is to incentivize and reward the Eligible Participants (as defined below) for their contribution to the Group and to align their interests with that of our Company so as to encourage them to work towards enhancing the value of our Company.

Eligible Participants

The Board (which expression shall, for the purpose of this paragraph, include the Board or such duly authorized person(s) by the Board) may, at its absolute discretion, offer to grant an option or a share award to subscribe for such number of Class B Ordinary Shares as the Board may determine to (a) an employee (whether full time or part-time) or a director of our Company or any of its subsidiaries (the "**Eligible Employee(s)**") and (b) a consultant who provides services to the Group on a continuing and recurring basis in its ordinary and usual course of business which are material to the long term growth of the Group ("**Service Provider(s)**"), and (c) directors and employees of the holding companies, fellow subsidiaries or associated companies of the Company (together with the Eligible Employees and Service Providers hereinafter referred as the "**Eligible Participant(s)**").

Service Providers shall exclude placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions, and any professional service providers such as auditors or valuers.

Maximum Number of Shares

Plan Mandate Limit	the total number of Class B Ordinary Shares which may be issued upon exercise of all options and share awards to be granted under the Post-IPO Share Incentive Plan shall not in aggregate exceed 5.0% of the total number of Shares in issue (but excluding any treasury shares) on the Listing Date, being October 24, 2024.
Service Providers Sublimit	the total number of Class B Ordinary Shares which may be issued upon exercise of all options and share awards to be granted to Service Providers shall not exceed 1.0% of the total number of Shares in issue (but excluding any treasury shares) on the Listing Date, being October 24, 2024.

The Plan Mandate Limit and the Service Providers Sublimit may be refreshed by Shareholders at general meeting in accordance with Rule 17.03C and the relevant requirements of the Listing Rules.

Individual Limit

Where any grant of options or share awards to a participant would result in the Class B Ordinary Shares issued and to be issued upon exercise of all options and/or share awards granted and to be granted to such participant (excluding any options and share awards lapsed in accordance with the terms of the Post-IPO Share Incentive Plan) in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the Shares in issue (but excluding any treasury shares), such grant must be separately approved by the Shareholders in general meeting with such participant and his/her close associates (or his/her associates if the participant is a connected person) abstaining from voting. The number and terms (including the exercise price) of options and/or share awards to be granted to such participant must be fixed before Shareholders' approval.

Amount Payable on Application or Acceptance of the Option or Award

An option or a share award shall be deemed to have been granted and accepted and to have taken effect when the duplicate letter comprising acceptance of the offer of the grant of the option or share award duly signed by the grantee together with a payment to our Company and/or any of its subsidiaries of HK\$1 (or the equivalent of HK\$1 in the local currency of any jurisdiction where our Company and/or its subsidiaries operate, as the Board or such duly authorized person(s) by the Board may in its absolute discretion determine) by way of consideration for the grant thereof is received by our Company within the time period specified in the offer of the grant of the option or share award.

Exercise Period

An option may be exercised in accordance with the terms of the Post-IPO Share Incentive Plan at any time during a period to be determined and notified by the Board to each grantee, which period may commence on a day falling at least 12 months after the date upon which the offer for the grant of options is made but shall end in any event not later than 10 years from the date on which an option is offered to a participant, subject to the provisions for early termination under the Post-IPO Share Incentive Plan.

Vesting Period

The minimum period for which an option or a share award must be held before it can be vested or exercised (if applicable) shall be 12 months from the date of grant of such option or share award, except that any options or share awards granted to an Eligible Employee may be subject to a short vesting period as specified under the Post-IPO Share Incentive Plan.

Exercise Price of Option and Purchase Price of Awards

The amount payable for each Class B Ordinary Share to be subscribed for under an option in the event of the option being exercised shall be determined by the Board or such duly authorized person(s) by the Board at its absolute discretion, which shall be not less than the highest of: (i) the nominal value of a Class B Ordinary Share; (ii) the closing price of the Class B Ordinary Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a business day; and (iii) the average closing price of the Class B Ordinary Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant.

The amount payable for each Class B Ordinary Share to be subscribed for under a share award shall be determined by the Board or such duly authorized person(s) by the Board at its absolute discretion, based on considerations such as the prevailing closing price of the Class B Ordinary Shares, the purpose of the share award and the contribution of the Eligible Participant.

Duration

The term of the Post-IPO Share Incentive Plan shall be ten years commencing on the Listing Date. As of the date of this annual report, the remaining life of the Post-IPO Share Incentive Plan was approximately eight years and seven months.

Outstanding Awards Granted under the Post-IPO Share Incentive Plan

The table below shows the details of movements of awards (with Shares to be issued as underlying Shares) granted under the Post-IPO Share Incentive Plan during the Reporting Period:

Participant	Date of grant	Purchase price of the awards granted	Vesting period	Outstanding as of January 1, 2025	Granted during the Reporting Period	Vested during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Outstanding as of December 31, 2025	Closing price of Class B Ordinary Shares immediately before the date of grant	Fair value of awards as at the date of grant (per Share) <small>(Note 2)</small>
Directors											
Jian Xu <small>(Note 4)</small>	July 4, 2025	Nil	48 months	-	500,000	-	-	-	500,000	HK\$6.29	HK\$6.48
Employee participants											
	January 15, 2025	Nil	40 months to 47 months	-	35,004,895	5,374,954	-	2,490,830	27,139,111	HK\$3.72	HK\$3.60
	April 29, 2025	Nil	39 months to 48 months	-	8,082,500	109,375	-	913,065	7,060,060	HK\$5.69	HK\$6.47
	July 4, 2025	Nil	12 months to 48 months	-	86,275,108	-	-	2,996,828	83,278,280	HK\$6.29	HK\$6.48
	October 15, 2025	Nil	45 months to 48 months	-	10,599,400	-	-	633,680	9,965,720	HK\$8.72	HK\$8.87
Service Provider Grantees											
	January 15, 2025	Nil	40 months to 47 months	-	1,000,000	-	-	-	1,000,000	HK\$3.72	HK\$3.60
	October 15, 2025	Nil	48 months	-	500,000	-	-	-	500,000	HK\$8.72	HK\$8.87
Related Entity Grantees											
	January 15, 2025	Nil	40 months to 47 months	-	700,000	-	-	-	700,000	HK\$3.72	HK\$3.60
Total				-	142,661,903	5,484,329	-	7,034,403	130,143,171		

Note 1: All of the grant of awards mentioned above during the Reporting Period were made without any performance targets.

Note 2: The fair value of each award at the date of grant is determined by reference to the fair value of the underlying Class B Ordinary Share on the date of grant. For relevant accounting standard and policy adopted in respect of fair value of awards granted, please refer to Note 26 to the consolidated financial statements.

Note 3: For employee participants, the weighted average closing price of Class B Ordinary Shares immediately before the dates on which the awards were vested in 2025 was HK\$8.71 per Share.

Note 4: Dr. Jian Xu has been appointed as an executive Director with effect from August 27, 2025.

Directors' Report

The table below shows the details of movements of awards (with existing Shares as underlying Shares) granted under the Post-IPO Share Incentive Plan during the Reporting Period:

Participant	Date of grant	Purchase price of the awards granted	Vesting period	Outstanding as of January 1, 2025	Granted during the Reporting Period	Vested during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Outstanding as of December 31, 2025	Closing price of Class B Ordinary Shares immediately before the date of grant	Fair value of awards as at the date of grant (per Share) (Note 2)
Directors											
Jian Xu (Note 3)	April 29, 2025	-	3 months	-	119,190.00	119,190.00	-	-	-	HK\$5.69	HK\$6.47
Liming Chen (Note 4)	April 29, 2025	-	3 months	-	8,630.00	8,630.00	-	-	-	HK\$5.69	HK\$6.47
Five Highest Paid Individuals (excluding Directors)											
	April 29, 2025	-	3 months to 12 months	-	726,920.00	629,890.00	-	-	97,030	HK\$5.69	HK\$6.47
	July 4, 2025	-	48 months	-	21,000,000.00	-	-	-	21,000,000	HK\$6.29	HK\$6.48
Other participants											
	April 29, 2025	-	3 months to 48 months	-	36,350,350.00	31,231,440	-	477,350	4,641,560	HK\$5.69	HK\$6.47
	July 4, 2025	-	12 months to 84 months	-	34,155,220.00	-	-	-	34,155,220	HK\$6.29	HK\$6.48
	October 15, 2025	-	48 months	-	500,000.00	-	-	-	500,000	HK\$8.72	HK\$8.87
Total				-	92,860,310	31,989,150	-	477,350	60,393,810		

Note 1: All of the grant of awards mentioned above during the Reporting Period were made without any performance targets.

Note 2: The fair value of each award at the date of grant is determined by reference to the fair value of the underlying Class B Ordinary Share on the date of grant. For relevant accounting standard and policy adopted in respect of fair value of awards granted, please refer to Note 26 to the consolidated financial statements.

Note 3: Dr. Jian Xu has been appointed as an executive Director with effect from August 27, 2025. For Dr. Jian Xu, the weighted average closing price of Class B Ordinary Shares immediately before the dates on which the awards were vested in 2025 was HK\$7.37 per Share.

Note 4: For Dr. Liming Chen, the weighted average closing price of Class B Ordinary Shares immediately before the dates on which the awards were vested in 2025 was HK\$7.37 per Share.

Note 5: For the five highest paid individuals, the weighted average closing price of Class B Ordinary Shares immediately before the dates on which the awards were vested in 2025 was HK\$7.37 per Share.

Note 6: For other participants, the weighted average closing price of Class B Ordinary Shares immediately before the dates on which the awards were vested in 2025 was HK\$7.37 per Share.

As of January 1, 2025, 651,493,304 and 130,298,660 underlying Class B Ordinary Shares were available for grants under the Plan Mandate Limit and Service Providers Sublimit, respectively. As of December 31, 2025, 515,865,804 and 128,798,660 underlying Class B Ordinary Shares were available for grants under the Plan Mandate Limit and Service Providers Sublimit, respectively.

The number of Class B Ordinary Shares that may be issued in respect of options and awards granted under all share schemes of the Company during the Reporting Period divided by the weighted average number of Class B Ordinary Shares in issue (excluding treasury shares) for the Reporting Period is 1.23%.

As at the date of this annual report, the total number of Class B Ordinary Shares available for issue under the Post-IPO Share Incentive Plan is 519,930,801, representing approximately 3.55% of the total number of issued Shares (excluding treasury shares (as defined under the Listing Rules)).

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

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's securities listed on the Hong Kong Stock Exchange or sold any treasury Shares (as defined under the Listing Rules).

As of December 31, 2025, the Company did not hold any treasury Shares (as defined under the Listing Rules).

USE OF PROCEEDS

Use of proceeds from the Global Offering

On October 24, 2024, the Class B Ordinary Shares were listed on the Main Board of the Stock Exchange. The net proceeds received by the Company from the Global Offering were approximately HK\$5,217 million (after deducting the listing expenses). In addition, following the partial exercise of the over-allotment option, the Company received the additional net proceeds of approximately HK\$656 million (after deducting the underwriting fees, commissions and expenses).

As of the date of this annual report, there had been no change in the intended use of net proceeds from the Global Offering as previously disclosed in the section headed "Future Plans and Use of Proceeds" in the Prospectus.

Directors' Report

As of December 31, 2025, the Group had utilized the net proceeds from the Global Offering as set out in the table below:

Intended use of net proceeds	Net proceeds from the Global Offering (including the proceeds from the partial exercise of the over-allotment option) (HK\$ million)	Percentage of net proceeds as stated in the Prospectus	Net proceeds unutilized as of January 1, 2025 (HK\$ million)	Utilized net proceeds during the Reporting Period (HK\$ million)	Net proceeds unutilized as of December 31, 2025 (HK\$ million)	Expected timeline of full utilization of the net proceeds
For research and development purposes, including ADAS and advanced intelligent assisted driving solutions and technology pillars	4,111.2	70%	4,111.2	2,808.9	1,302.3	Before December 31, 2026
For sales and marketing related expenses	587.3	10%	587.3	506.6	80.7	Before December 31, 2026
For future strategic investment into our joint ventures, particularly CARIZON	587.3	10%	587.3	587.3	0.0	Before December 31, 2025
For general corporate purposes and working capital needs ^(Note)	587.3	10%	581.9	400.1	181.8	Before December 31, 2026
Total	5,873.1	100%	5,867.7	4,302.9	1,564.8	

Note: The proceeds used for general corporate purposes and working capital during the Reporting Period, specifically include: (1) HKD147.8 million were used to pay for agency fees, such as lawyer fees, audit fees, tax services, and consultation fees; (2) HKD129.7 million were used for staff remuneration; and (3) HKD122.6 million were used to pay for other purposes, such as office rent, event expenses and property management-related expenses.

Use of proceeds from the First Top-up Placing

On June 23, 2025, the Company allotted and issued 681,000,000 new Class B Ordinary Shares at the placing price of HK\$6.93 per share to the Existing Shareholders following the completion of the First Top-up Placing. The net proceeds from the First Subscription (after deducting all fees, costs and expenses properly incurred by the Existing Shareholders and the Company (including the Managers' commission, the stamp duty, the Stock Exchange trading fee and the SFC transaction levy) to be borne by the Company, and other expenses incurred by the Company, in connection with the First Top-up Placing and the First Subscription) amount to approximately HK\$4,674.0 million. The aggregate value of the subscription shares is HK\$4,719.3 million and the aggregate nominal value of the subscription shares is US\$1,702.5 (equivalent to approximately HK\$13,362.0). The net placing price, after deducting placing fees and other relevant costs and the expenses of the placing, is therefore approximately HK\$6.86 per share. The closing price as quoted on the Hong Kong Stock Exchange on June 12, 2025, being the date of the placing agreement, is HK\$7.15 per share. For details, please refer to the announcements of the Company dated June 12, 2025 and June 23, 2025.

The First Top-up Placing represented an opportunity to raise capital for the Company while broadening its Shareholder base. As of the date of this annual report, there had been no change in the intended use of net proceeds from the First Top-up Placing as previously disclosed in the First Placing Announcement.

As of December 31, 2025, the Group had utilized the net proceeds from First Top-up Placing as set out in the table below:

Intended use of net proceeds	Net proceeds from the First Top-up Placing (HK\$ million)	Percentage of net proceeds as stated in the First Placing Announcement	Utilized net proceeds during the Reporting Period (HK\$ million)	Net proceeds unutilized as of December 31, 2025 (HK\$ million)	Expected timeline of full utilization of the net proceeds
For acceleration of its business expansion	674	14.42%	674.0	0.0	Before December 31, 2025
For investments in research and development to further advance its technological capabilities	2,000	42.79%	1,119.2	880.8	Before December 31, 2026
For other general corporate purposes	2,000	42.79%	0.0	2,000.0	Before December 31, 2026
Total	4,674	100%	1,793.2	2,880.8	

Use of proceeds from the Second Top-up Placing

On October 9, 2025, the Company allotted and issued 639,028,800 new Class B Ordinary Shares at the placing price of HK\$9.99 per share to the Existing Shareholders following the completion of the Second Top-up Placing. The net proceeds from the Second Subscription (after deducting all fees, costs and expenses properly incurred by the Existing Shareholders and the Company (including the Managers' commission, the stamp duty, the Stock Exchange trading fee and the SFC transaction levy) to be borne by the Company, and other expenses incurred by the Company, in connection with the Second Top-up Placing and the Second Subscription) amount to approximately HK\$6,339.4 million. The aggregate value of the subscription shares is HK\$6,383.9 million and the aggregate nominal value of the subscription shares is US\$1,597.6 (equivalent to approximately HK\$12,426.1). The net placing price, after deducting placing fees and other relevant costs and the expenses of the placing, is therefore approximately HK\$9.92 per share. The closing price as quoted on the Hong Kong Stock Exchange on September 25, 2025, being the date of the placing agreement, is HK\$10.6 per share. For details, please refer to the announcements of the Company dated September 26, 2025 and October 10, 2025.

The Second Top-up Placing represented an opportunity to raise capital for the Company while broadening its Shareholder base. As of the date of this annual report, there had been no change in the intended use of net proceeds from the Second Top-up Placing as previously disclosed in the Second Placing Announcement.

Directors' Report

As of December 31, 2025, the Group had utilized the net proceeds from the Second Top-up Placing as set out in the table below:

Intended use of net proceeds	Net proceeds from the Second Top-up Placing (HK\$ million)	Percentage of net proceeds as stated in the Second Placing Announcement	Utilized net proceeds during the Reporting Period (HK\$ million)	Net proceeds unutilized as of December 31, 2025 (HK\$ million)	Expected timeline of full utilization of the net proceeds
For the expansion of its business in the overseas market	633.9	10%	52.0	581.9	Before December 31, 2027
For investments in research and development to further advance its technological capabilities and to support the scaling of its advanced intelligent assisted driving solutions	3,803.7	60%	0.0	3,803.7	Before December 31, 2027
For investments in emerging sectors, such as Robotaxi-related initiatives	633.9	10%	7.6	626.3	Before December 31, 2028
For strategic investment into our upstream and downstream business partners	1,267.9	20%	635.3	632.6	Before December 31, 2028
Total	6,339.4	100%	694.9	5,644.5	

MATERIAL LITIGATION

The Company was not involved in any material litigation or arbitration during the Reporting Period which could have a material and adverse effect on our financial condition or results of operations. The Directors are also not aware of any material litigation or claims that are pending or threatened against the Group during the Reporting Period and up to the date of this annual report which could have a material and adverse effect on our financial condition or results of operations.

EVENTS AFTER DECEMBER 31, 2025

On March 19, 2026, the Company announced that D-GUA Brother LP intends to terminate the acting-in-concert agreement with the Group and the Company's founders intend to withdraw the power of attorney granted to the Group. The Board of the Company agreed with the termination. The above mentioned arrangement is subject to be materialized as of the date of this Directors' Report.

Except the above mentioned event, there have been no material events subsequent to the year ended December 31, 2025.

APPROVAL OF ANNUAL REPORT

The annual report and the consolidated financial statements of the Group for the year ended December 31, 2025 were approved and authorized for issue by the Board on March 19, 2026.

By order of the Board

Horizon Robotics

Dr. Kai Yu

Chairman and Executive Director

Hong Kong,
March 19, 2026

Directors and Senior Management

DIRECTORS AND SENIOR MANAGEMENT

The following table sets forth information regarding our directors and executive officers as of the date of this annual report.

Name	Age	Position(s)/Title(s)	Date of appointment as a Director	Year of joining our Group
Dr. Kai Yu	49	Founder, Chairman of the Board, executive Director and chief executive officer	July 2015	2015
Dr. Chang Huang	45	Executive Director and chief technology officer	November 2017	2015
Dr. Jian Xu	51	Executive Director and chief ecosystem officer	August 2025	2020
Dr. Liming Chen	63	Executive Director and vice chairman of the Board	March 2024	2021
Mr. Liang Li	54	Non-executive Director	November 2017	2017
Mr. Qin Liu	53	Non-executive Director	October 2015	2015
Dr. André Stoffels	57	Non-executive Director	December 2023	2023
Mr. Jianjun Zhang	54	Non-executive Director	August 2025	2025
Dr. Jun Pu	49	Independent non-executive Director	October 2024	2024
Mr. Yingqiu Wu	64	Independent non-executive Director	October 2024	2024
Dr. Katherine Rong XIN	62	Independent non-executive Director	October 2024	2024
Dr. Ya-Qin Zhang	60	Independent non-executive Director	January 2020	2020

EXECUTIVE DIRECTORS

Dr. Kai Yu (余凱), aged 49, is our founder, chairman of the Board, an executive Director and chief executive officer. Dr. Yu is in charge of our overall strategic and business development. Dr. Yu was appointed as a Director in July 2015 and re-designated as an executive Director in March 2024.

Dr. Yu is a globally recognized scientist, and has approximately 25 years of research and development experience in computer engineering. Dr. Yu has published more than 100 research papers with over 30,000 citations. Before founding the Company, Dr. Yu was the deputy head of Baidu Research (百度研究院) from April 2012 to June 2015. He was instrumental in initiating China's one of the first autonomous driving project at Baidu in 2013. Prior to joining Baidu, Dr. Yu played various key R&D roles in Germany and the United States for 12 years, including senior research scientist at the Neural Computation Department of Siemens Corporate Technology, head of the Media Analytics Department at NEC Laboratories America. He was also an adjunct faculty at the Computer Science Department of Stanford University during the period.

Dr. Yu obtained his bachelor's degree and master's degree in electronic engineering from Nanjing University (南京大學) in July 1998 and June 2000, respectively, and his Ph.D. degree in computer science from University of Munich in Germany in July 2004.

Dr. Chang Huang (黃暢), aged 45, is our co-founder, an executive Director and chief technology officer. Dr. Huang is in charge of our overall R&D work. Dr. Huang was appointed as a Director in November 2017 and re-designated as an executive Director in March 2024.

Dr. Huang is one of the top researchers in computer engineering. As a renowned expert in both industry and academia, he has over 20,000 academic citations and owns more than 80 patents internationally. Dr. Huang served as the chief R&D architect at Baidu Inc. (NASDAQ: BIDU; stock code: 9888.HK) from November 2014 to August 2015, the principal architect of Baidu USA LLC from July 2012 to November 2014, a researcher of NEC Laboratories America from November 2010 to July 2012, and a postdoctoral researcher at the University of Southern California in the United States from November 2007 to July 2010.

Dr. Huang received his bachelor's, master's and Ph.D. degrees in computer science and technology from Tsinghua University (清華大學) in July 2003, July 2005 and July 2007, respectively.

Dr. Jian Xu (徐健), aged 51, is an executive Director and the chief ecosystem officer of the Company, focusing on the construction of the computing platform ecosystem for robots. Dr. Xu was appointed as an executive Director in August 2025.

Since February 2023, Dr. Xu has been serving as a director of Chongqing Changxian Intelligent Technology Co., Ltd. (重慶長線智能科技有限責任公司), a joint venture of the Company. Dr. Xu has extensive experience in the field of intelligent vehicles and intelligent driving. He is a council member of the China Association of Automobile Manufacturers and a senior member of the China Society of Automotive Engineers.

Dr. Xu obtained a Bachelor of Engineering degree in International Business Management from Tongji University in July 1998, a Master of Management degree in Management Science and Engineering from Tongji University in March 2001, and a Doctorate in Management in Management Science and Engineering from Tongji University in May 2012.

Dr. Liming Chen (陳黎明), aged 63, is our executive Director appointed in March 2024 and vice chairman of the Board. Dr. Chen is in charge of our overall management, with a strategic focus on supply chain and quality assurance.

Dr. Chen is a widely respected technologist and industry leader in the automotive industry and renowned business leader in strategy development, management system and sustainable business growth with about 30 years' experiences. Prior to joining the Company, Dr. Chen held various senior positions within the Bosch Group (the "Bosch"), a leading global supplier of technology and services with a concentration in areas of automotive technology, industrial technology, consumer goods, and building technology, including application manager from August 2004 to May 2007, engineering director from June 2007 to December 2010, vice president from January 2011 to June 2012 and senior vice president and regional president of Bosch Group's chassis systems control division in China from 2012 to 2021, and was responsible for its P&L and overall management. At Bosch, Dr. Chen demonstrated outstanding technical foresight and innovation capabilities and led the development of the new generation of vehicle traction control systems (TCS), which is still used in Bosch's latest ESP10 system. He led the establishment of one of the largest foreign-invested automotive R&D centers and R&D teams in China. Under Dr. Chen's leadership and via measures of new business strategies, re-organization, deep localization of product development and manufacturing, Bosch's sales performance in China achieved significant growth and became market leader for eight consecutive years in China.

Dr. Chen received his bachelor's and master's degrees in aeronautical powerdevice control from Nanjing University of Aeronautics and Astronautics (南京航空航天大學) (formerly known as Nanjing College of Aeronautics (南京航空學院)) in July 1983 and June 1986, respectively, and his Ph.D. degree in mechanical engineering from Wayne State University in the United States in May 1995. Dr. Chen has been a member of Global Automotive Executive Council (全球汽車精英組織) since October 2017.

NON-EXECUTIVE DIRECTORS

Mr. Liang Li (李良), aged 54, was re-designated as a non-executive Director in March 2024. He is primarily responsible for providing strategic advice on the development of the Company.

Mr. Li has served as a partner at Hillhouse Investment since November 2005. From November 2001 to November 2005, Mr. Li worked as the vice-general manager and subsequently the general manager at State Research Internet and Data (Beijing) Co., Ltd. (北京國研網絡數據科技有限公司). Prior to joining State Research Internet and Data (Beijing) Co., Ltd., Mr. Li worked at State Research Information and Technology Co., Ltd. (國研信息科技有限公司) and Development Research Centre of the State Council (國務院發展研究中心).

Mr. Li received his bachelor's degree in automation in July 1994 and his master's degree in systems engineering in June 1997 from Tsinghua University (清華大學).

Mr. Qin Liu (劉芹) (former name: Ya Liu (劉雅)), aged 53, was re-designated as a non-executive Director in March 2024. He is primarily responsible for providing strategic advice on the development of the Company.

Directors and Senior Management

Mr. Liu co-founded and has been serving as a managing partner of 5Y Capital (formerly known as Morningside Venture Capital Limited) since June 2007. Before co-founding 5Y Capital, Mr. Liu served various roles including the business development director for investment at Morningside IT Management Services (Shanghai) Co. Ltd. (晨興信息科技諮詢(上海)有限公司) from July 2000 to November 2008. Mr. Liu has been a director of JOYY Inc. (NASDAQ: YY) since June 2008, and he currently serves as a member of the corporate governance and nominating committee and the investment committee of JOYY Inc.. Mr. Liu became a director of Xiaomi Corporation (stock code: 1810.HK) in May 2010, and he currently serves as a non-executive director and a member of the audit committee of Xiaomi Corporation. Since December 2014, Liu Qin has been a director of Agora, Inc. (NASDAQ: API), and he currently serves as a member of the audit committee, the nominating and corporate governance committee and the compensation committee of Agora, Inc. Mr. Liu served as a non-executive director of XPeng Inc. (NYSE: XPEV, stock code: 9868.HK) from September 2019 to June 2023.

Mr. Liu received his bachelor's degree in industrial electrical automation from University of Science and Technology Beijing (北京科技大學) in July 1993, and his master's degree in business administration from China Europe International Business School (中歐國際工商學院) in April 2000.

Dr. André Stoffels, aged 57, was re-designated as a non-executive Director in March 2024. He is primarily responsible for providing strategic advice on the development of the Company.

From September 2023 to present, Dr. Stoffels has been the chief financial officer at CARIAD SE, prior to which he held various senior positions within Volkswagen Group including the executive first vice president (finance) in FAW-Volkswagen Co. Ltd. from April 2019 to July 2023, a management position in finance, China, compliance and integrity department at AUDI AG from October 2018 to March 2019, the chief financial officer at Ducati Motor Holding spa from September 2015 to September 2018, the chief financial officer in Volkswagen Group España Distribución from May 2012 to August 2015, and the head of strategic corporate planning at AUDI AG from June 2004 to April 2012.

Dr. Stoffels received his diploma in engineering (general engineering) from École Centrale in France and his diploma in engineering (electrical engineering) from RWTH Aachen University in Germany in June 1994 and December 1995, respectively. Dr. Stoffels received his Ph.D. degree in mechanical engineering from Technical University Darmstadt in Germany in May 2001.

Mr. Jianjun Zhang (張堅俊), aged 54, was appointed as a non-executive Director in August 2025. Mr. Zhang has been serving as the general manager of the quality and technology management department of SAIC Motor Corporation Limited (上海汽車集團股份有限公司) since January 2024. Prior to this, he worked as a workshop technician in the manufacturing department of Shanghai Tobacco Industrial Machinery Factory (上海煙草工業機械廠) from July 1995 to August 1997; from September 1997 to May 1999, he served as a production manager of the manufacturing department of Meituo First Label (Shanghai) Co., Ltd. (美妥第一標籤(上海)有限公司); from May 1999 to September 2007, he served as a project engineer of the manufacturing department of Shanghai General Motors Co., Ltd. (上海通用汽車有限公司); from September 2007 to December 2014, he successively served as a project manager, project director, and deputy manager of the strategy and business planning department of SAIC Motor Corporation Limited (上海汽車集團股份有限公司); from December 2014 to January 2018, he successively served as the deputy manager, manager, and senior director of the investment planning office of the planning department of SAIC Motor Corporation Limited (上海汽車集團股份有限公司). He served as the deputy general manager of the planning department of SAIC Motor Corporation Limited (上海汽車集團股份有限公司) from February 2018 to August 2018 and subsequently served as the general manager of the investment department of Shanghai Automotive Industry Group Co., Ltd. (上海汽車工業(集團)總公司) from August 2018 to January 2024.

Mr. Zhang received his bachelor's degree in mechanical design and manufacturing in July 1995 from Shanghai University (上海大學).

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. Jun Pu (浦軍), aged 49, was appointed as an independent non-executive Director in October 2024. He is primarily responsible for providing independent opinion and judgment to the Board.

Dr. Pu has been an accounting professor since December 2016 at University of International Business and Economics (對外經濟貿易大學), a researcher of the Beijing Enterprises' Global Management Research Centre (北京企業國際化經營基地) and the Research Centre for the Internationalization of Chinese Enterprises (中國企業國際化經營研究中心) since 2005 at University of International Business and Economics (對外經濟貿易大學).

Dr. Pu has been an independent non-executive director and the chairman of the audit committee of the board of directors of China Quanjude (Group) Co., Ltd. (中國全聚德(集團)股份有限公司, stock code: 002186.SZ) since January 2019, an independent non-executive director and the chairman of the audit committee of the board of directors of China Science Publishing & Media Ltd (中國科技出版傳媒股份有限公司, stock code: 601858.SH) since January 2022, and an independent non-executive director and a member of the audit committee of the board of directors of Ecovacs Robotics Co., Ltd. (科沃斯機器人股份有限公司, stock code: 603486.SH) since May 2022. Dr. Pu served as an independent non-executive director of Beijing Baination Pictures Co., Ltd. (北京百納千成影視股份有限公司, stock code: 300291.SZ) from November 2016 to March 2023 and an independent non-executive director of New Journey Health Technology Group Co., Ltd. (新里程健康科技集團股份有限公司, stock code: 002219.SZ) from March 2021 to June 2024.

Dr. Pu received his bachelor's degree in economics in July 1999, master's degree in management in June 2002 and Ph.D. degree in economics in June 2005 from University of International Business and Economics (對外經濟貿易大學).

Mr. Yingqiu Wu (吳迎秋), aged 64, was appointed as an independent non-executive Director in October 2024. He is primarily responsible for providing independent opinion and judgment to the Board.

Mr. Wu has been the chairman and chief executive officer of Global Auto Group (寰球汽車集團) since January 2011. He was an adjunct professor at the school of journalism at Lanzhou university (蘭州大學). Mr. Wu served as the senior vice president and the chairman of the media committee of Yiche Media Group (易車傳媒集團) from February 2008 to December 2010. From December 1987 to February 2008, Mr. Wu worked at China Automotive News (中國汽車報社) with the last position as deputy editor.

Mr. Wu received his bachelor's degree in literature from Lanzhou University (蘭州大學) in 1983.

Dr. Katherine Rong XIN, aged 62, was appointed as an independent non-executive Director in October 2024. She is primarily responsible for providing independent opinion and judgment to the Board.

Dr. XIN has been a professor of management since September 2001 and associate dean since 2011 at the China Europe International Business School (中歐國際工商學院). She worked as a professor and associate professor in various renowned universities from 1999 to 2009. Dr. XIN served as an independent director in Shanghai Blossom Hill Hotel Management Co. Ltd., (上海布洛斯酒店管理有限公司), a company mainly engaged in boutique hotel management in China under the brand of Blossom Hill (花間堂), from March 2012 to April 2017.

Dr. XIN has been an independent non-executive director of EuroEyes International Eye Clinic Limited (德視佳國際眼科有限公司, stock code: 1846.HK) since April 2021, an independent non-executive director of Kingdee International Software Group Company Limited (金蝶國際軟件集團有限公司, stock code: 268.HK) since December 2021, an independent non-executive director of Landsea Green Life Service Company Limited (朗詩綠色生活服務有限公司, stock code: 1965.HK) since April 2022. Dr. XIN served as a director of Contemporary Ampere Technology Co., Limited (寧德時代新能源科技股份有限公司, stock code: 300750.SZ) from November 2022 to December 2024, an independent non-executive director of Besunyen Holdings Company Limited (碧生源控股有限公司, stock code: 926.HK) from July 2010 to December 2012 and an independent non-executive director of Fosun Tourism Group (復星旅遊文化集團, stock code: 1992.HK; the shares of which were delisted on the Stock Exchange in March 2025) from

Directors and Senior Management

November 2018 to March 2025. Dr. XIN was awarded the Chinese Most Cited Researchers by Elsevier, a global provider of scientific, technical, and medical information, for 11 consecutive years from 2014 to 2024.

Dr. XIN received her bachelor's degree in English from Anhui University (安徽大學) in July 1984. She received her master's degree in applied linguistics from Graduate University of Chinese Academy of Sciences (中國科學院研究生院) in July 1986, and her master's degree in business administration from California State University in the United States in June 1991. She received her Ph.D. degree in business administration from the University of California in the United States in June 1995.

Dr. Ya-Qin Zhang (張亞勤), aged 60, was re-designated as an independent non-executive Director in March 2024. He is primarily responsible for providing independent opinion and judgment to the Board.

Dr. Zhang was the president of Baidu Inc. (NASDAQ: BIDU, stock code: 9888.HK) from 2014 to 2019. Prior to Baidu, Dr. Zhang had been an executive at Microsoft for 16 years with different key positions, including managing director of Microsoft Research Asia, chairman of Microsoft China, and corporate vice president and chairman of Microsoft Asia R&D.

Dr. Zhang was elected as a fellow of the Chinese Academy of Engineering (CAE), the American Academy of Arts and Sciences (AAA&S), the Australian Academy of Technology and Engineering (ATSE), the National Academy of Inventors (NAI), and the Euro-Asia Academy of Sciences. He is a fellow of IEEE and CAAI. He is one of the top scientists and technologists in computer engineering, with over 500 papers authored, 60 U.S. patents granted, and 11 books published. His original research has become the basis for start-up ventures, new products, and international standards.

Dr. Zhang has been an independent non-executive director of AsialInfo Technologies Limited (亞信科技控股有限公司, stock code: 1675.HK) since December 2018. He has been a non-executive director of WPP (NYSE: WPP, LSE: WPP) since January 2021 and Chinasoft International Limited (中軟國際有限公司, stock code: 354.HK) since December 2008.

Dr. Zhang received his bachelor's degree in radio electronics and master's degree in telecommunication and electrical systems from the University of Science and Technology of China (中國科技大學) in July 1983 and January 1986, respectively. In February 1990, Dr. Zhang received his Ph.D. degree in electrical engineering from George Washington University, Washington D.C.

SENIOR MANAGEMENT

Dr. Kai Yu, Dr. Chang Huang, Dr. Jian Xu and Dr. Liming Chen are the members of our senior management. Please refer to the above sections for their biographical details.

JOINT COMPANY SECRETARIES

Ms. Qi Zhao (趙奇) is our joint company secretary. Ms. Zhao joined the Company in December 2015 and now serves as the head of compliance of legal and compliance department, responsible for regulatory compliance matters of the Company. Ms. Zhao received her bachelor's degree in English from Shanghai Jiao Tong University (上海交通大學) in July 2010 and her master's degree in law from Fudan University (復旦大學) in June 2013.

Ms. Ka Man So (蘇嘉敏) is a director of the company secretarial services of Tricor Services Limited and has been providing professional corporate services to Hong Kong listed companies as well as multi-national, private and offshore companies. Ms. So has over 20 years of experience in the corporate secretarial and compliance service field. Ms. So is currently acting as the company secretary or joint company secretary of a few listed companies on the Stock Exchange.

Ms. So received her bachelor's degree of arts in accountancy from The Hong Kong Polytechnic University in November 1996. Ms. So is a Chartered Secretary, a Chartered Governance Professional and a fellow of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.

Corporate Governance Report

The Board is dedicated to upholding high standards of corporate governance, recognizing that such standards are vital in establishing a framework to safeguard the interests of Shareholders while promoting corporate value and accountability.

CORPORATE PURPOSE, CULTURE AND STRATEGY

The Company recognizes that a good corporate culture is essential to support and complement its corporate governance efforts and corporate image, and has developed a corporate culture emphasizing on lawful, ethical and responsible business conduct over the years, which has been reflected in the overall operations and management of the Group. In order to promote open communication in the workplace and high ethical standards among staff and management of the Group, the Group has established anti-corruption and whistle-blowing policies and training, to provide guidance on identifying potential breaches or improper behaviour, reporting procedures and consequences of violations of such policies. For further details on the Group's anti-corruption and whistle-blowing policies, please refer to the section headed "Environmental, Social and Governance Report" of this annual report.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining and promoting stringent corporate governance standards.

The Company aims to achieve high standards of corporate governance which are crucial to the Company's development and safeguard the interests of the Shareholders. The principles of the Company's corporate governance are to promote effective internal control measures and to enhance the transparency and accountability of the Board of Directors to all Shareholders.

During the Reporting Period, we have complied with all of the applicable code provisions of the Corporate Governance Code, save for the following:

(i) code provision C.2.1 of Part 2 of the Corporate Governance Code, which is explained in the section headed "Chairman and Chief Executive Officer"; and

(ii) code provision C.5.3 of Part 2 of the Corporate Governance Code, pursuant to which, a notice of at least 14 days should be given of a regular board meeting to give all directors an opportunity to attend; for all other board meetings, reasonable notice should be given. Due to the practical scheduling issues and with no objections from any Director, a shorter reasonable notice was given to the Directors for a regular Board meeting held in the Reporting Period.

The Company will continue to enhance its corporate governance practices appropriate to the conduct and growth of its business and to review such practices from time to time to ensure that they comply with statutory and professional standards and align with the latest development.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code to regulate all dealings by Directors and relevant employees who, because of his/her office or employment, is likely to possess inside information in relation to the Group or the Company's securities.

Specific enquiry has been made of all the Directors and the relevant employees and they have confirmed that they have complied with the Model Code during the Reporting Period. No incident of non-compliance of the Model Code was noted by the Company during the Reporting Period.

In case when the Company is aware of any restricted period for dealings in the Company's securities, the Company will notify its Directors and Relevant Employees in advance.

BOARD OF DIRECTORS

Board Composition

The Board currently comprises the following Directors:

Executive Directors

Dr. Kai Yu (*Chairman of the Board and Chief Executive Officer*)

Dr. Chang Huang

Ms. Feiwen Tao (*resigned on August 27, 2025*)

Dr. Jian Xu (*appointed on August 27, 2025*)

Dr. Liming Chen

Non-executive Directors

Mr. Liang Li

Mr. Qin Liu

Dr. André Stoffels

Mr. Jianjun Zhang (*appointed on August 27, 2025*)

Dr. Juehui Zhang (*resigned on August 27, 2025*)

Independent non-executive Directors

Dr. Jun Pu

Mr. Yingqiu Wu

Dr. Katherine Rong XIN

Dr. Ya-Qin Zhang

The biographical information of the Directors is set out in the section headed "Directors and Senior Management" of this annual report. Save as disclosed in this annual report, there has been no change to the information of the Directors and chief executive of the Company which is required to be disclosed pursuant to paragraphs (a) to (e) and (g) under Rule 13.51(2) and Rule 13.51B(1) of the Listing Rules. To the best knowledge of the Company, there is no relationship (including financial, business, family or other material/relevant relationship(s)) among the members of the Board.

Save as disclosed above, during the Reporting Period and up to the date of this annual report, the Board has met the requirements of the Listing Rules regarding the appointment of at least three independent non-executive directors (representing at least one-third of the board), with at least one of whom possessing appropriate professional qualifications, or accounting, or related financial management expertise.

The Company has obtained written annual confirmations from each of the independent non-executive Directors regarding their independence, in accordance with the criteria outlined in Rule 3.13 of the Listing Rules. Based on these confirmations, the Company considers all independent non-executive Directors to be independent.

Both Dr. Jian Xu and Mr. Jianjun Zhang confirm that they (i) have obtained the legal advice referred to under Rule 3.09D of the Listing Rules on August 27, 2025, and (ii) understands their obligations as a director of a listed issuer under the Listing Rules.

Responsibilities and Delegation

The Board is responsible for the leadership and control of the Company, directing and supervising the Company's affairs and acting in the best interests of the Company and its Shareholders.

Through its committees, the Board directs and provides clear directions to management by establishing strategies and overseeing their implementation. It monitors the Group's operational and financial performance and ensures that effective risk management and internal control systems are in place.

All Directors, including non-executive Directors and independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. All Directors have full and timely access to all the information of the Company, and may upon request, seek independent professional advice in appropriate circumstances at the Company's expense for discharging their duties to the Company. The Directors have disclosed to the Company details of other offices held by them.

The Board reserves its discretion on all major matters relating to policy matters, strategies and budgets, risk management and internal control systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and coordinating the daily operation and management of the Company are delegated

to the Chief Executive Officer and management. The delegated functions and responsibilities are periodically reviewed by the Board. Approval must be obtained from the Board prior to any significant transactions entered into by the aforesaid officers.

Chairman and Chief Executive Officer

Pursuant to Code Provision C.2.1 of part 2 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from the requirement that the responsibilities between the chairman and the chief executive officer should be separate and should not be performed by the same individual. We do not have a separate chairman and chief executive officer and Dr. Kai Yu 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 Company will continue to enhance its corporate governance practices appropriate to the conduct and growth of its business and to review such practices from time to time to ensure that they comply with statutory and professional standards and align with the latest developments.

Appointment and Re-election of Directors

According to the Articles of Association, 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 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. Any Director appointed by the Board to fill a casual vacancy or as an addition to the Board shall hold office until the first annual general meeting of the Company after such Director's appointment. A retiring Director shall retain office until the close of the meeting at which such Director retires and shall be eligible for re-election at such meeting. 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.

Each Director (including the non-executive Directors and independent non-executive Directors) is engaged for a specific term of three years. They are subject to retirement and re-election in accordance with the provisions of the Articles of Association as mentioned above.

Continuous Professional Development of Directors

Directors shall keep abreast of regulatory developments and changes in order to effectively perform their responsibilities and to ensure that their contribution to the Board remains informed and relevant. The newly appointed Directors were also provided with a detailed induction to the Group's businesses by senior management.

Pursuant to code provision C.1.4 as set out in Part 2 of the Corporate Governance Code, Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant. Internally-facilitated briefings for Directors would be arranged and reading materials on relevant topics would be provided to Directors where appropriate. All Directors are encouraged to attend relevant training courses at the Company's expense.

The training received by the Directors throughout the Reporting Period is summarized below:

Name of Director	Participated in continuous professional development ⁽¹⁾
<i>Executive Directors</i>	
Dr. Kai Yu	✓
Dr. Chang Huang	✓
Ms. Feiwen Tao (resigned on August 27, 2025)	✓
Dr. Jian Xu (appointed on August 27, 2025)	✓
Dr. Liming Chen	✓
<i>Non-executive Directors</i>	
Mr. Liang Li	✓
Mr. Qin Liu	✓
Dr. André Stoffels	✓
Mr. Jianjun Zhang (appointed on August 27, 2025)	✓
Dr. Juehui Zhang (resigned on August 27, 2025)	✓
<i>Independent Non-executive Directors</i>	
Dr. Jun Pu	✓
Mr. Yingqiu Wu	✓
Dr. Katherine Rong XIN	✓
Dr. Ya-Qin Zhang	✓

Note:

(1) attended training/seminar/conference arranged by the Company or other external parties or read relevant materials

Board Activities

The Company adopts the practice of holding Board meetings regularly, at least four times a year and at approximately quarterly intervals. Notices of not less than fourteen days are given for all regular Board meetings to provide all Directors with an opportunity to attend and include matters in the agenda for regular Board meetings. Due to the practical scheduling issues and with no objections from any Director, a shorter reasonable notice was given to the Directors for a regular Board meeting held in the Reporting Period. The Company will continue to enhance its corporate governance practices appropriate to the conduct and growth of its business and to review such practices from time to time to ensure that they comply with statutory and professional standards and align with the latest development.

For other Board meetings and Board committees meetings, reasonable notice is generally given. The agenda and accompanying board papers are dispatched to the Directors or Board committees members at least three days before such meetings to ensure that they have sufficient time to review the papers and are adequately prepared for the meetings. When Directors or Board committees members are unable to attend a meeting, they will be advised of the matters to be discussed and given an opportunity to make their views known to the chairman prior to the meeting. Minutes of meetings are kept by the company secretary of the Company with copies circulated to all Directors for information and records.

The matters considered by the Board and Board committees and the decisions reached are recorded in sufficient details in the minutes of the Board meetings and Board committees meetings. 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 date on which the meeting is held. Minutes of the Board meetings are open for inspection by Directors.

During the Reporting Period, the Board has convened 4 Board meetings and 2 Audit Committee meetings, 2 Corporate Governance Committee meetings, 2 Remuneration Committee meetings and 2 Nomination Committee meetings and 1 annual general meeting. The attendance records of each Director at the above meetings are set out in the table below:

Name of Director	Attendance/Number of Meetings					
	Board	Audit Committee	Nomination Committee	Remuneration Committee	Corporate Governance Committee	Annual General Meeting
Dr. Kai Yu	4/4	-	2/2	2/2	-	1/1
Dr. Chang Huang	4/4	-	-	-	-	1/1
Ms. Feiwen Tao (<i>resigned on August 27, 2025</i>)	3/3	-	-	-	-	1/1
Dr. Jian Xu (<i>appointed on August 27, 2025</i>)	1/1	-	-	-	-	-
Dr. Liming Chen	4/4	-	-	-	-	1/1
Mr. Liang Li	3/4	-	-	-	-	1/1
Mr. Qin Liu	3/4	-	-	-	-	1/1
Dr. André Stoffels	4/4	-	-	-	-	1/1
Mr. Jianjun Zhang (<i>appointed on August 27, 2025</i>)	1/1	-	-	-	-	-
Dr. Juehui Zhang (<i>resigned on August 27, 2025</i>)	2/3	-	-	-	-	1/1
Dr. Jun Pu	4/4	2/2	-	-	2/2	1/1
Mr. Yingqiu Wu	4/4	-	2/2	-	2/2	1/1
Dr. Katherine Rong XIN	4/4	2/2	2/2	2/2	-	1/1
Dr. Ya-Qin Zhang	4/4	2/2	-	2/2	2/2	1/1

In addition, the chairman of the Board held a meeting with the independent non-executive Directors without the presence of other Directors during the Reporting period.

BOARD COMMITTEES

The Board has established four Board committees, namely, the Audit Committee, the Nomination Committee, the Remuneration Committee and the Corporate Governance Committee, for overseeing particular aspects of the Company's affairs. All Board committees are established with specific terms of reference which deal clearly with their authority and duties, and are published on the Company's website and the Stock Exchange's website.

Audit Committee

The Company has established the Audit Committee 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, the risk management and internal controls systems of the Group, to review connected transactions and to advise the Board. The Audit Committee comprises three independent non-executive Directors, namely, Dr. Jun Pu, Dr. Katherine Rong XIN and Dr. Ya-Qin Zhang. The chairman of the Audit Committee is Dr. Jun Pu who possesses the appropriate professional qualification, and accounting and financial management expertise as required under Rule 3.10(2) of the Listing Rules.

None of the members of the Audit Committee is a former partner of the Company's existing Auditor, PricewaterhouseCoopers.

During the Reporting Period, the Audit Committee has held two meetings, in which the Audit Committee has performed the following major tasks:

- reviewed the audited annual results and annual report of the Group for the year ended December 31, 2025;
- reviewed the adequacy of resources, staff qualifications and experience, training programs and budget of the Group's accounting, financial reporting and internal audit function;
- reviewed the risk management and internal control systems of the Group;
- discussed and reviewed the Auditor's independence and terms of engagement for the year ending December 31, 2025, and made recommendations on the re-appointment of the Auditor; and
- reviewed the Auditor's independence and terms of engagement for the year ended December 31, 2025.

The Auditor was invited to attend the Audit Committee meetings to discuss with the Audit Committee on issues arising from the audit and financial reporting matters. The Audit Committee also met with the Auditor without the presence of management. The Audit Committee was satisfied with the independence and engagement of the Auditor. As such, the Audit Committee has recommended the re-appointment of the Auditor.

Nomination Committee

The Company has established the Nomination Committee with written terms of reference in compliance with Rule 8A.27 of the Listing Rules and the Corporate Governance Code. The primary duties of the Nomination Committee are to review the Board structure, size and composition (including the skills, knowledge and experience), to make recommendations to the Board regarding the rotation and appointment of Directors and Board succession, and to assess the independence of independent non-executive Directors. The Nomination Committee comprises one executive Director, namely, Dr. Kai Yu and two independent non-executive Directors, namely, Mr. Yingqiu Wu and Dr. Katherine Rong XIN. Mr. Yingqiu Wu is the chairman of the Nomination Committee.

During the Reporting Period, the Nomination Committee has held two meetings, in which the Nomination Committee has performed the following major tasks:

- reviewed the structure, size and composition of the Board to ensure that it has a balance of expertise, skills and experience appropriate to the requirements of the business of the Group;
- recommended the re-election of the retiring Directors at the forthcoming annual general meeting;
- assessed the independence of all the independent non-executive Directors;
- reviewed the implementation and effectiveness of the Board Diversity Policy (as defined below);
- reviewed and recommended on the amendment of terms of reference of Nomination Committee; and
- made recommendations on the appointment of the proposed Directors.

Diversity

Board Diversity Policy

The Board has adopted a board diversity policy (the “**Board Diversity Policy**”) to strengthen its effectiveness and to uphold a high standard of corporate governance. The Company acknowledges and values the advantages of maintaining a diverse Board. Pursuant to the Board Diversity Policy, when reviewing and assessing potential candidates for a role of Director, the Nomination Committee takes into account a range of diversity dimensions with reference to the Company’s business model and specific needs. These dimensions include but not limited to gender, age, language, cultural and educational background, professional qualifications, skills, knowledge, industry expertise and regional experience and/or length of service.

The Nomination Committee is responsible for reviewing the diversity of the Board. It will from time to time review the Board Diversity Policy, develop and review measurable objectives for implementing the policy, and monitor the progress on achieving these measurable objectives in order to ensure that the policy remains effective.

As of the date of this annual report, the Board comprised twelve Directors, including one female member. The Board has achieved gender diversity, thereby meeting the requirements as set forth in Rule 13.92 of the Listing Rules. Additionally, the Company is committed to promoting gender diversity in its recruitment processes, particularly for mid to senior-level positions, to establish a pipeline of female senior management and potential successors to the Board.

The Company plans to offer all-rounded trainings to female employees whom we consider having the suitable experience, skills and knowledge of our operation and business, including but not limited to, business operation, management, accounting and finance, legal and compliance and research and development. The Company is of the view that such strategy will offer chances for the Board to identify capable female employees to be nominated as a member of the Board in the future with an aim to providing the Board with a pipeline of female candidates to achieve gender diversity in the Board in the long run.

Diversity of Employees

The Company strives to enhance gender diversity of staff and management to create a fair, diverse and inclusive workplace. As of December 31, 2025, the gender ratio of the Group’s workforce (including the Company’s senior management) was approximately 80.01% male to 19.99% female. To achieve the goal of improving fairness and create more opportunities for female employees, the Group has put in place recruitment and hiring, training and promotion measures such that a diverse range of candidates are considered. The Group also provides physical and mental health, care and benefits, a safe workplace environment and communication channels to empower our female employees. During the Reporting Period, the Board was not aware of any mitigating factors or circumstances which make achieving gender diversity across the Group’s workforce (including senior management) more challenging or less relevant.

More details of the Group’s diversity practices for employees are set forth in the section headed “Environmental, Social and Governance Report” of this annual report.

Mechanism Regarding Independent Views to the Board

The Board has implemented different ways to ensure independent views and input are available to the Board. The implementation and effectiveness of such mechanism was reviewed on an annual basis. The Board considers that such mechanism has been implemented properly and effectively.

The following mechanism is in place in order to ensure that there is a strong independent element on the Board which is key to the Board’s effectiveness:

Composition

The Board ensures the appointment of at least three independent non-executive Directors and at least one-third of its members being independent non-executive Directors (or such higher threshold as may be required by the Listing Rules from time to time), with at least one independent non-executive Director possessing appropriate professional qualifications, or accounting or related financial management expertise. Further, independent non-executive Directors will be appointed to the Board committees as required under the Listing Rules and as far as practicable to ensure independent views are available.

Independent Assessment in Nomination Practices

The Company has a nomination policy for election of Directors. Such policy, devising the criteria and procedures of selection and performance evaluation, provides guidance to the Board on the nomination and appointment of Directors (including the independent non-executive Directors) of the Company. The Nomination Committee strictly adheres to the nomination policy with regard to the nomination and appointment of independent non-executive Directors, and is mandated to assess annually the independence of independent non-executive Directors to ensure they can continually exercise independent judgment.

The Board believes that the defined selection process is good for corporate governance in serving the Board continuity and appropriate leadership at Board level, enhancing Board effectiveness and diversity, and ensuring independent views and input are available to the Board.

Compensation

No equity-based remuneration with performance-related elements has been granted to independent non-executive Directors as this may lead to bias in their decision-making and compromise their objectivity and independence.

Board Decision Making

The Directors (including independent non-executive Directors), upon reasonable request, may seek independent professional advice at the Company's expense, to assist in the performance of their duties. If a substantial shareholder or a Director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter would be dealt with by a physical Board meeting rather than a written resolution. A Director who has a material interest in a contract, transaction or arrangement shall not vote or be counted in the quorum on any Board resolution approving the same.

Remuneration Committee

The Company has 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 the Directors and senior management and to establish a formal and transparent procedure for developing policy to review the terms of incentive schemes and directors' service contracts. The Remuneration Committee comprises one executive Director, namely, Dr. Kai Yu, and two independent non-executive Directors, namely, Dr. Katherine Rong XIN and Dr. Ya-Qin Zhang. Dr. Ya-Qin Zhang is the chairman of the Remuneration Committee.

During the Reporting Period, the Remuneration Committee has held two meetings, in which the Remuneration Committee has performed the following major tasks:

- reviewed and recommended on the terms of remuneration packages of the Directors and senior management of the Company; and
- reviewed the proposed remuneration package of the proposed Directors and made relevant recommendations to the Board.

Pursuant to code provision E.1.5 as set out in Part 2 of the Corporate Governance Code, the annual remuneration (including share-based compensation) of the members of senior management for the year ended December 31, 2025, including those members of senior management who are also the executive Directors, by band for the Reporting Period is set out below:

Annual Remuneration	Number of individuals
HK\$5,000,000 to HK\$10,000,000	1
HK\$10,000,001 to HK\$70,000,000	2
HK\$70,000,001 to HK\$130,000,001	1

Further details of the remuneration of Directors for the Reporting Period are set out in Note 35 to the Consolidated Financial Statements in this annual report.

There was no matter relating to any grants or options under the share schemes of the Company during the Reporting Period which is required to be reviewed or considered by the Remuneration Committee under the Listing Rules.

Corporate Governance Committee

The Company has established the Corporate Governance Committee with written terms of reference in compliance with Rule 8A.30 of the Listing Rules and the Corporate Governance Code. The primary duties of the Corporate Governance Committee are to ensure that the Company is operated and managed for the benefit of all Shareholders and to ensure the Company's compliance with the Listing Rules and safeguards relating to the weighted voting rights structure of the Company. The Corporate Governance Committee comprises three independent non-executive Directors, namely, Dr. Ya-Qin Zhang, Dr. Jun Pu and Mr. Yingqiu Wu. Dr. Ya-Qin Zhang is the chairman of the Corporate Governance Committee.

During the Reporting Period, the Corporate Governance Committee has held two meetings, in which the Corporate Governance Committee has performed the following major tasks:

- reviewed the Company's compliance with laws, regulations and the Corporate Governance Code, and the disclosure in the Corporate Governance Report;
- reviewed the deviation from the code provisions of the Corporate Governance Code, and considered reasons and explanation in respect of the deviation;
- reviewed and monitored whether the Company is operated and managed for the benefits of all its Shareholders;
- reviewed and monitored the management of conflicts of interests between the Group/the Shareholders on one hand and the WVR Beneficiaries on the other;
- reviewed and monitored all risks related to the weighted voting rights structure;
- reviewed and monitored the training and continuous professional development of Directors and senior management;
- reviewed the remuneration, the terms of appointment of the Company's compliance adviser; and
- reviewed the implementation and effectiveness of the Shareholders' communication policy.

The Corporate Governance Committee has confirmed that (i) the WVR Beneficiaries have been members of the Board throughout the Reporting Period; (ii) no matter under Rule 8A.17 of the Listing Rules has occurred during the Reporting Period; and (iii) the WVR Beneficiaries have complied with Rules 8A.14, 8A.15, 8A.18 and 8A.24 of the Listing Rules during the Reporting Period.

In particular, the Corporate Governance Committee has confirmed to the Board that it was of the view that the Company has adopted sufficient corporate governance measures to manage the potential conflict of interests between the Group and the WVR Beneficiaries in order to ensure that the operations and management of the Company are in the interests of the Shareholders as a whole. These measures include the Corporate Governance Committee ensuring that (i) any connected transactions are disclosed and dealt with in accordance with the requirements of the Listing Rules, (ii) any Directors who have a conflict of interest abstain from voting on the relevant board resolution, and (iii) the compliance adviser is consulted on any matters related to transactions involving the WVR Beneficiaries or a potential conflict of interest between the Group and the WVR Beneficiaries. The Corporate Governance Committee recommended the Board to continue the implementation of these measures and to periodically review their efficacy towards these objectives.

Having reviewed the remuneration and the terms of engagement of the compliance adviser, the Corporate Governance Committee confirmed to the Board that it was not aware of any factors that would require it to consider either the removal of the current compliance adviser or the appointment of a new compliance adviser during the Reporting Period. As a result, the Corporate Governance Committee recommended that the Board retain the services of compliance adviser of the Company.

RISK MANAGEMENT AND INTERNAL CONTROLS

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

The Board has the overall responsibility for evaluating and determining the nature and extent of the risk of failure to achieve the Company's strategic objectives, as well as establishing and maintaining effective risk management and internal control systems.

The Audit Committee assists the Board in leading the management team to oversee the design, implementation and monitoring of the risk management and internal control systems.

The management considers it is important to establish and continue to improve its risk management and internal control systems, and has strengthened internal control, internal audit, compliance and forensic functions of the Company during the Reporting Period. The Company's risk management and internal control systems have been developed with the following principles, features and processes:

Organization Principles

To ensure that the risk management and internal control systems are effective, the Company, under the supervision and guidance of the Board and factoring the actual needs of the Company, has adopted the "Three Lines of Defense" model as an official organizational structure for risk management and internal control.

The First Line of Defense – Management and Operation

The first line of defense is mainly implemented by the business departments of the Company which are responsible for the day-to-day operations, and they are responsible for designing and implementing control measures to address the risks.

The Second Line of Defense – Risk Management, Internal Control and Other Functions

The second line of defense is mainly implemented by, among others, the internal control team, the finance department, the legal department, the information security department, the quality and operations department and other departments with similar functions. To ensure effective implementation of such systems, this line of defense also assists and supervises the first line of defense in the establishment and improvement of risk management and internal control systems.

The Third Line of Defense – Internal Audit and Forensic

The third line of defense is mainly implemented by the internal audit department, which hold a high degree of independence. The internal audit team provides an evaluation on the effectiveness of the Company's risk management and internal control systems, and monitors management's continuous improvement over these areas. The forensic team is responsible for receiving whistle-blowing reports and investigating alleged fraudulent incidents.

Risk Management Process

The Company has established a risk management system (including the "Three Lines of Defense" internal monitoring model as detailed above) which sets out the roles and responsibilities of each relevant party as well as the relevant risk management policies and processes.

All business and functional departments of the Company are responsible for conducting internal control assessment regularly to identify risks that may potentially impact the business of the Group.

The internal audit department is responsible for performing independent review of the effectiveness and adequacy of the risk management and internal control systems. The internal audit department examined key issues in relation to the material controls over accounting practice and critical business areas and reported to the Audit Committee.

The Board, as supported by the Audit Committee as well as the management, has reviewed the report from the management and findings from the internal audit, and reviewed the risk management and internal control systems, including the financial, operational and compliance controls. The annual review also covered areas on the adequacy of resources, staff qualifications and experience, training programs and budget of the Company's accounting, financial reporting and internal audit functions.

The Board considered the risk management and internal control systems of the Company during the Reporting Period were effective and adequate.

Proper internal control procedures and guidelines are in place to guard against mishandling of inside information which may constitute insider dealing or breach of any other statutory obligations. Access to inside information is at all times confined to relevant personnel (i.e. Company's Directors, senior management and relevant employees) and on "as needed" basis until proper disclosure or dissemination of inside information in accordance with applicable laws and regulations. Company's Directors, senior management and relevant employees in possession of potential inside information and/or inside information are required to take reasonable measures to ensure that proper safeguards are in place to preserve strict confidentiality of inside information and to ensure that its recipients recognize their obligations to maintain the information confidential.

DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities for preparing the financial statements of the Company for the Reporting Period.

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, inside information announcements and other disclosures required under the Listing Rules and other regulatory requirements. The senior management has provided to the Board necessary explanation and information to enable the Board to make an informed assessment of the financial information and position of the Company, which are put forward to the Board for approval.

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

The statement of the Auditor about their reporting responsibilities on the Consolidated Financial Statements is set out under the section headed "Independent Auditor's Report" of this annual report.

AUDITOR'S REMUNERATION

The remuneration paid or payable for the audit and non-audit services provided by the Auditor to the Group for the Reporting Period is analyzed below. The remuneration for the audit services also includes the service fees in connection with audit and reviews of the Group. The non-audit services conducted by the Auditor mainly include professional services on tax advisory and other consultation services.

Type of services provided by the Auditor	Expenses paid/payable (RMB)
Audit services	9,464,965
Non-audit services	2,163,566
Total	11,628,531

JOINT COMPANY SECRETARIES

Ms. Qi Zhao, the joint company secretary of the Company, is responsible for advising the Board on corporate governance matters and ensuring that the Board policies and procedures, as well as the applicable laws, rules and regulations are followed.

Ms. Ka Man So of Tricor Services Limited, an external service provider, has been engaged by the Company as the other joint company secretary to assist Ms. Qi Zhao to discharge her duties as the joint company secretary of the Company. The primary contact person at the Company is Ms. Qi Zhao.

For the Reporting Period, the joint company secretaries of the Company took not less than 15 hours of relevant professional training respectively, in compliance with Rule 3.29 of the Listing Rules.

COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS

The Company has in place a shareholders' communication policy to ensure that the Shareholders' views and concerns are appropriately addressed. The Board believes that effective communication with the Shareholders is essential for enhancing investor relations and investors' understanding of the Group's business performance and strategies. The Group also recognizes the importance of transparency and timely disclosure of its corporate information, which enables the Shareholders and investors to make the best investment decisions.

The general meetings of the Company provide an opportunity for communication between the Directors, senior management and the Shareholders. The chairman of the Board as well as chairmen of the Audit Committee, the Nomination Committee, the Remuneration Committee and the Corporate Governance Committee, in their absence, other members of the respective committees, are available to answer questions at general meetings. The chairman of the meeting will provide the detailed procedures for conducting a poll and answer any questions from the Shareholders on voting by poll. The annual general meeting shall be called by at least 21 clear days' notice to Shareholders in writing and any extraordinary general meeting shall be called at least 14 clear days' notice to Shareholders in writing.

The Company will publish in a timely manner both English and Chinese versions of (i) any corporate communication (as defined in the Listing Rules) of the Company that requires Shareholders' attention or action, and (ii) announcements relating to matters to be disclosed under the Listing Rules (including but not limited to those involving inside information, corporate actions and corporate transactions).

The Company maintains a website at <https://www.horizon.auto> as a communication platform with the Shareholders and investors, where information on the Company's announcements, financial information and other information are available for public

access. Shareholders and investors may send written enquiries or requests to the Company, for the attention of the Board of Directors, as follows:

Address: Room 1928, 19/F
Lee Garden One
33 Hysan Avenue
Causeway Bay
Hong Kong

Email: investor_relations@horizon.auto

The Company continues to enhance communications and relationships with the Shareholders and investors. Designated senior management maintains regular dialogue with institutional investors and analysts to keep them posted of the Company's developments. Enquiries from the Shareholders and investors are dealt with in an informative and timely manner.

The Company ensures that the Hong Kong Branch Share Registrar, Tricor Investor Services Limited, maintains the most up-to-date information relating to the Shares at all times so that it can respond effectively to the Shareholders' enquiries.

The Corporate Governance Committee has reviewed the implementation and effectiveness of the shareholders' communication policy during the Reporting Period, and is of the view that the policy was effective and adequate as it has provided various channels for Shareholders, potential investors and other stakeholders of the Group to share their views with the Company.

SHAREHOLDERS' RIGHTS

To safeguard the Shareholders' interests and rights, separate resolutions are proposed at the Shareholders' meetings on each substantial issue, including the election of individual Directors, for the Shareholders' consideration and voting. All resolutions put forward at the Shareholders' meetings will be voted by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company (<https://www.horizon.auto>) and the Stock Exchange (www.hkexnews.hk) after each Shareholders' meeting.

Pursuant to the Articles of Association, extraordinary general meetings shall be convened on the requisition of any one or more Shareholders holding at the date of deposit of the requisition not less than 10% of the voting rights, on a one vote per share basis, of the issued Shares which as at that date carry the right to vote at an extraordinary general meetings of the Company and add resolutions to the meeting agenda.

The Shareholders' requisition must state the objects and the resolutions to be added to the agenda of the meeting and must be signed by the requisitionists and deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the Registered Office, and may consist of several documents in like form each signed by one or more requisitionists.

If there are no Directors as of the date of the deposit of the Shareholders' requisition or if the Directors do not within 21 days from the date of the deposit of the Shareholders' requisition duly proceed to convene a general meeting to be held within a further 21 days, the requisitionists, or any of them representing more than one-half of the total voting rights of all of the requisitionists, may themselves convene a general meeting, but any meeting so convened shall be held no later than the day which falls three months after the expiration of the said 21 day period.

For the avoidance of doubt, the Shareholders must deposit and send the original duly signed requisition, notice or statement (as the case may be) to the Company's principal place of business in Hong Kong and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

There is no provision allowing the Shareholders to move new resolutions at general meetings under the Companies Act. Shareholders who wish to move a resolution may request the Company to convene a general meeting following the procedures set out in the preceding paragraph.

With respect to the Shareholders' right to propose persons for election as Directors, please refer to the "Procedures for shareholders to propose a person for election as a director of the company" available on the website of the Company (<https://www.horizon.auto>).

SIGNIFICANT CHANGES TO CONSTITUTIONAL DOCUMENTS

During the Reporting Period, the Company has amended its Memorandum and Articles of Association. Details of the amendments are set out in the circular of the Company dated May 19, 2025 to the Shareholders. Save for the aforementioned changes, there was no other changes to the Memorandum and Articles of Association of the Company during the Reporting Period.

The current effective Memorandum and Articles of Association is available on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (<https://www.horizon.auto>).

Environmental, Social and Governance Report

1. ABOUT THIS REPORT

Report Overview

Horizon Robotics (hereinafter referred to as “the Company” or “we”) (Hong Kong Stock Exchange Stock Code: 09660) is pleased to present the second Environmental, Social and Governance (ESG) report. The report marks the sustainability effort and performance for the year 2025. It aims to disclose the concepts, management methods, initiatives, and performance achievements of the Company in relation to sustainable development issues during its operations to investors and other stakeholders.

Reporting Period

This report covers Horizon Robotics and its subsidiaries, with the information and data from January 1, 2025, to December 31, 2025 (hereinafter referred to as the “Reporting Period”). Any information beyond this period will be separately noted.

Compilation Basis

The Company has strictly followed the mandatory disclosure requirements and the “comply or explain” provisions of the *Environmental, Social and Governance Reporting Code* (hereinafter referred to as the “ESG Reporting Code”) in Appendix C2 to the *Main Board Listing Rules* of The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Stock Exchange” or the “Exchange”) to compile this report, ensuring the comprehensiveness and accuracy of its content.

Reporting Principles

The Group has followed the following four reporting principles in compiling this report:

“Materiality”: This report has identified key stakeholders and their concerns about ESG issues, and disclosed information based on the relative materiality of these concerns. A materiality assessment was conducted in accordance with the *ESG Reporting Code*, which includes the following procedures: (i) identifying relevant ESG issues, (ii) assessing the materiality of the issues, and (iii) board review and confirmation of the assessment process and results. The ESG issues disclosed in this report are determined based on the results of the materiality assessment. Further details are provided in the “Stakeholder Engagement” and “Materiality Analysis” sections of this report.

“Quantitative”: Key Performance Indicators (“KPIs”) have been set to ensure the measurability of data and allow effective comparison where appropriate. The standards, methodologies, assumptions and/or calculation tools adopted, together with the sources of any conversion factors used, are disclosed where applicable.

“Balance”: This report presents the Company’s performance in an objective and balanced manner, avoiding any selection, omission, or presentation format that may unduly influence the decisions or judgments of report readers.

“Consistency”: The statistical methodologies applied in this report are consistent with those used in the Company’s previous ESG report. Any changes to these methodologies are clearly disclosed within this report.

Environmental, Social and Governance Report

Report Language

This report is published in both Traditional Chinese and English versions. In the event of any discrepancies between the two versions, the Traditional Chinese version shall prevail.

Feedback on the Report

We deeply value the opinions of all stakeholders. This report is available in both Chinese and English for your reference. The electronic version of the report can be obtained from the Company's website at <https://www.horizon.auto> or on the website of the Hong Kong Stock Exchange. Should you have any comments or suggestions regarding the Company's ESG management, please feel free to contact us via email. We look forward to your valuable feedback.

Email: investor_relations@horizon.auto

Board Statement

Horizon Robotics remains steadfast in its commitment to sustainable value creation by maintaining a robust three-tier ESG governance framework. This structure, which cascades from the Board of Directors through a dedicated ESG Working Group to specialized Operating Departments, ensures that sustainability is not a standalone function but is deeply embedded within our core corporate strategy.

The Board assumes ultimate accountability for our ESG and climate-related performance. Beyond traditional oversight, the Company is actively engaged in the systematic identification and prioritization of material ESG risks and opportunities that may impact our long-term financial resilience. This includes a mandate to ensure that risk management measures are not only established but are also effective and agile in the face of evolving regulatory landscapes. To maintain this rigor, the Board convenes annual sessions dedicated to evaluating our ESG management strategies, assessing the resilience of our business model against climate-related scenarios, and addressing pivotal sustainability milestones.

The Board provides strategic guidance throughout our materiality assessment process, ensuring that the prioritization of key issues accurately reflects both stakeholder expectations and the Company's operational realities. Furthermore, the Board has overseen the establishment of quantitative ESG targets, particularly regarding our environmental footprint. By conducting regular reviews of our progress – as detailed in the environmental sections of this report – the Board ensures that our sustainability ambitions are backed by measurable accountability and a clear roadmap for continuous improvement in line with international reporting standards.

This report has been reviewed and approved by the Board on 19th March, 2026.

2. SUSTAINABLE DEVELOPMENT MANAGEMENT

2.1 ESG Governance Structure

Sustainability is a vital component of the Company’s corporate governance. The Company continuously refine its ESG governance structure and institutional frameworks to strengthen its overall ESG governance capabilities. To achieve this, we have established a robust three-tier ESG governance structure comprising the Board of Directors, the ESG Working Group, and Operating Departments. This framework ensures the effective implementation of sustainability management functions across all organizational levels, continuously elevating the standard of our corporate sustainability governance.

ESG Responsibilities

<p>Governance Level</p> <p>Board of Directors</p>	<p>Composition:</p> <ul style="list-style-type: none"> • Our Board is composed of 4 Executive Directors, 4 Non-executive Directors, and 4 Independent non-executive Directors. <p>Role and Responsibilities:</p> <ol style="list-style-type: none"> (1) Evaluating and determining the Group’s material ESG-related risks and opportunities, including climate-related ones. (2) Providing strategic oversight and review of ESG management policies, strategies, and the progress of environmental and social performance targets. (3) Reviewing and approving the annual ESG report, board statements, and all related regulatory disclosure materials. (4) Maintaining a regularized mechanism for reviewing progress reports from the ESG Working Group on pivotal ESG matters.
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<p>Management Level</p> <p>ESG Working Group</p>	<p>Composition:</p> <ul style="list-style-type: none"> • Our ESG Working Group is formed with management level representative from key operating departments, including Capital Operations, Legal, R&D, and Administration team. <p>Role and Responsibilities:</p> <ol style="list-style-type: none"> (1) Ensuring transparency by providing regular briefings to the Board regarding the Group’s ESG status and regulatory compliance. (2) Translating Board strategies into actionable policy frameworks and formulating ESG guiding documents for organizational implementation. (3) Monitoring the execution of ESG management policies and tracking the progress of performance targets through systematic data collection. (4) Leading the centralized coordination, compilation, and continuous improvement of the annual ESG reporting process. (5) Informing the Board with the ESG Working Group’s advice, decision supports, and daily progress reports on ESG and climate change related issues.
<p>Execution Level</p> <p>Operating Departments</p>	<p>Composition:</p> <ul style="list-style-type: none"> • Representative staff from different departments <p>Role and Responsibilities:</p> <ol style="list-style-type: none"> (1) Integrating specific ESG management measures into daily operations and ensuring the successful completion of departmental sustainability KPIs. (2) Safeguarding data integrity by compiling and verifying performance metrics for public disclosure and internal audit purposes. (3) Executing other functional duties essential to the Group’s long-term sustainable development and ESG excellence.

2.2 Stakeholder Engagement

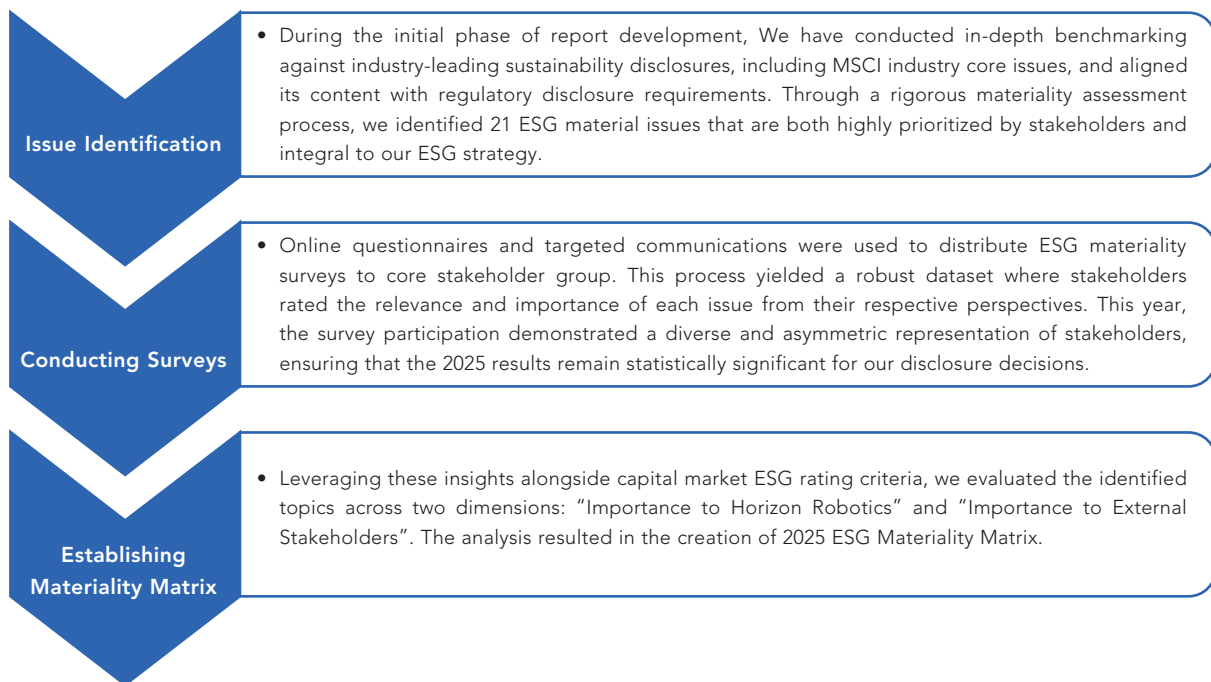
Recognizing that transparent stakeholder engagement is essential to a sound risk culture and effective ESG governance, Horizon Robotics actively fosters robust connections across diverse communication channels. Through regular consultations, digital surveys, and interviews, we ensure stakeholders’ rights to information and participation are fully honored. We systematically integrate these critical insights into our corporate decision-making and operational practices. By aligning our strategic initiatives with stakeholder expectations, we cultivate collaborative partnerships that drive sustainable value creation and keep our ESG efforts responsive, inclusive, and forward-looking.

Stakeholder Group	Main Concerns	Communication/Feedback Methods
Government and Regulatory Agencies	Compliance Operations Risk Management Business Ethics ESG Governance	On-site Research Government Visits Official Correspondence Information Disclosure
Shareholders and Investors	Compliance Operations Risk Management Business Ethics ESG Governance	Shareholders' Meetings Investor Conferences Earnings Presentations News/Announcements On-site Research
Directors and Senior Management	Compliance Operations Risk Management Business Ethics ESG Governance Research and Innovation in Technology Safe Intelligent Driving Solutions Responsible Algorithms	Board Meetings Investor Conferences Earnings Presentations Employee Representative Meetings Internal Management Meetings and Reports Corporate Governance-related Training Internal Information Communication Platforms
Employees	Employee Benefits and Care Diversity and Equal Opportunities Employee Development and Training Occupational Health and Safety	Various Employee Activities Internal Publications Employee Performance Appraisals Multimedia (Wechat Official Accounts and other Social Platforms)
Customers	Safe Intelligent Driving Solutions Responsible Algorithms Information Security and Privacy Protection Research and Technological Innovation Low-carbon Operations Energy Efficiency Improvement Resource Conservation	Customer Satisfaction Surveys Customer Hotlines Official Media Platforms Customer Exchange Meetings
Suppliers	Responsible Supply Chain Business Ethics Compliance Operations	Supplier Qualification Reviews Supplier Exchange Conferences
Peer/Industry Associations	Safe Intelligent Driving Solutions Research and Technological Innovation Responsible Algorithms Energy Efficiency Improvement	Industry Associations Exchange Visits Information Disclosure Exhibitions
Community and Public	Technology for Public Good and Social Welfare	News Social Welfare Projects Community Volunteer Activities Surveys

2.3 Materiality Analysis

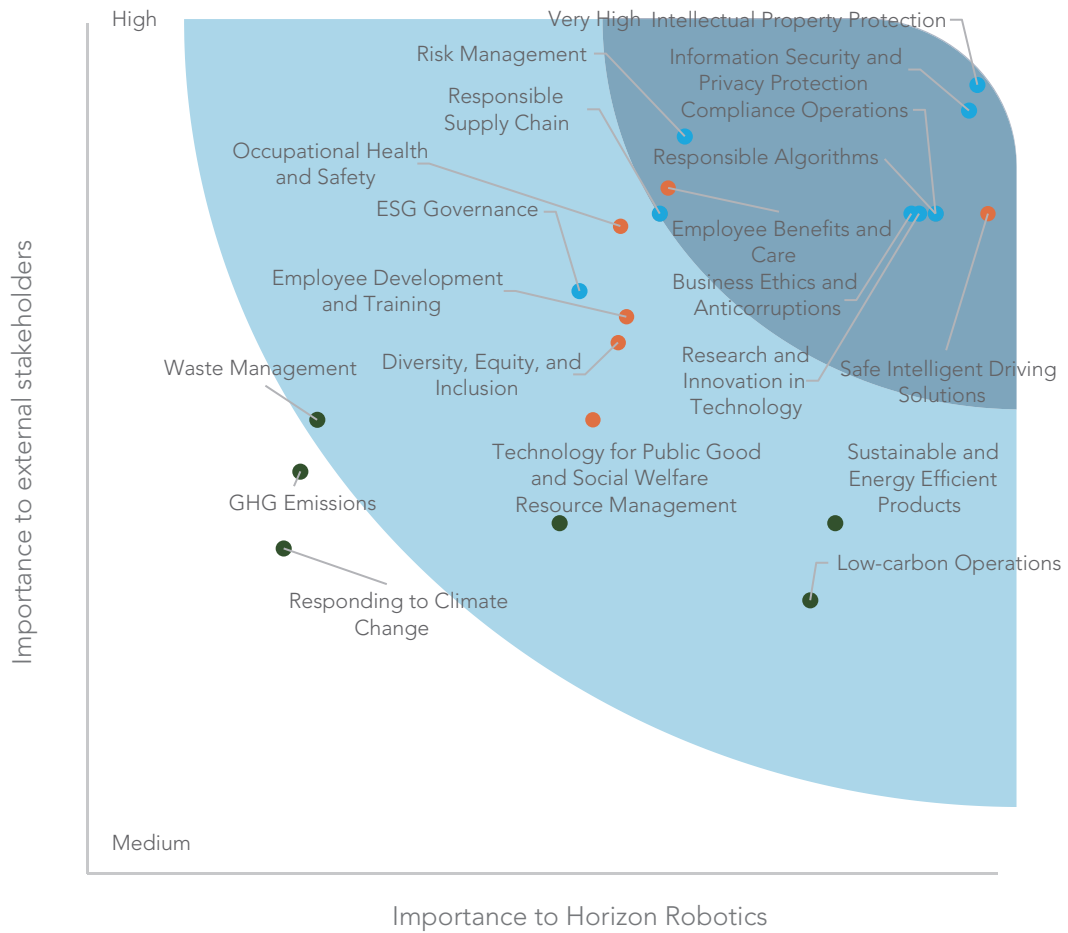
Horizon Robotics identifies and manages ESG-related risks and opportunities through systematic stakeholder engagement. We actively capture expectations by distributing targeted ESG questionnaires across a comprehensive spectrum of internal and external stakeholders – spanning regulatory bodies, investors, corporate leadership, employees, value chain partners, and community representatives. This rigorous process yields objective, multi-dimensional insights into the evolving landscape of stakeholder priorities.

We synthesize this data to develop our ESG materiality matrix, rigorously prioritizing topics based on their significance to our stakeholders and their potential impact on our business. This structured framework is vital for translating stakeholder concerns into actionable, risk-aware business strategies that deliver shared value. Furthermore, the outcomes of this materiality assessment dictate the narrative of our sustainability reporting, ensuring our disclosures are transparent, highly relevant, and reflective of our dedication to addressing the material issues that drive organizational and societal advancement.



This analytical process does not merely identify current stakeholder priorities; it provides a longitudinal benchmark to measure the effectiveness of our management approaches over time. By aligning these high-priority issues with our internal Key Performance Indicators (KPIs), we establish a robust framework for continuous improvement. Ultimately, this evidence-based review allows us to track our progress in addressing systemic risks and capturing sustainable opportunities, ensuring that our ESG performance drives both organizational resilience and long-term societal value.

2025 Horizon Robotics' Materiality Matrix



Highlights from the 2025 matrix include:

- Strategic Continuity: Core themes such as **“Safe Intelligent Driving Solutions”** and **“Responsible Algorithms”** remained anchored in the high-priority quadrant.
- Priority Elevation: **“Intellectual Property Protection”** surged to the No. 1 rank, reflecting its critical role in market competition and global compliance.
- Governance Maturation: **“Compliance Operations”** evolved from high importance in 2024 to very high importance topic for the company in 2025.
- Talent Stability: Issues regarding employee welfare, safety, and training showed converged importance scores, indicating a more balanced and integrated approach to human capital management compared to the previous year.

3. EMPOWERING THE FUTURE OF AUTOMOBILE

At Horizon Robotics, our commitment to innovation and safety is anchored in a deeply human-centric philosophy. Driven by our mission “To make human life safer and better through smart vehicles”, and our vision of “To create the best smart driving products loved by people everywhere”, we are redefining the future of mobility. Through the continuous, iterative enhancement of our cutting-edge SoC, algorithms and software, we deliver intelligent driving solutions that prioritize passenger and public safety. Furthermore, by fostering an open and collaborative industry ecosystem, we empower our automotive partners to scale these life-saving technologies, setting new global benchmarks for advanced intelligent driving.

3.1 Innovation as a Driver of Industry Transformation

Innovation is the driving force behind Horizon Robotics’ sustainable development and our capacity to transform the intelligent mobility landscape. Through strategic collaborations across the value chain, we successfully translate cutting-edge R&D into practical, market-ready products that elevate vehicle safety and user experience. By championing an open ecosystem and fostering deep synergies with upstream and downstream partners, we are accelerating the industry’s evolution and delivering smarter, more accessible driving solutions for the future.

Innovation and Safety: Scaling the Future of Mobility

Horizon Robotics continues to lead the industry through a dual-growth strategy: deepening our technological breakthroughs in integrated hardware-software solutions and accelerating the large-scale commercialization of advanced driver-assistance systems (ADAS) and autonomous driving (AD).

Our Innovation Journey

Year	Innovation Achievement
2016	The Company introduced BPU, its first domestically developed and designed proprietary processing architecture, specifically engineered to support advanced assisted driving and high-level autonomous driving functions.
2017	The Company launched Horizon Journey, China’s first vehicle intelligent computing solution, and first-generation processing hardware.
2020	The Company commenced the first mass-production of Horizon Mono with Horizon Journey 2, its active safety advanced assisted driving solution.
2022	The Company commenced the first mass-production of Horizon Pilot with Horizon Journey 3 and Journey 5, a high-speed navigation assisted driving solution.
2025	The Company achieved a historic milestone with cumulative shipments of the Horizon Journey series exceeding 10 million units, solidifying our position as the primary engine for the intelligent transformation of the global automotive sector.

Mass-Market Proliferation of the Horizon Journey 6 Series SoC

The year 2025 marks the full-scale mass-production phase of our flagship Horizon Journey 6 series. Built on the BPU® Nash architecture, this scalable computing family provides a performance-cost optimized solution for everything from entry-level active safety to high-end urban navigation-on-autopilot (NOA).

Horizon SuperDrive (“HSD”): The Benchmark for Human-Like Driving

Moving beyond traditional rule-based systems, HSD utilizes a one-stage end-to-end architecture with reinforcement learning to provide a “human-like” driving experience that inspires user trust.

- **Recognition:** Our HSD, known as the most cutting-edge all-scenario intelligent driving solution, has accounted for over 20 new design wins.
- **Complex Scenarios:** Successfully validated through 500 million kilometers of safe driving data, HSD demonstrates superior cognitive capabilities in ultra-complex urban environments – seamlessly navigating peak-hour roundabouts and mixed traffic zones with defensive, professional-grade driving behaviors.
- **Mass Production Debut:** In November 2025, HSD made its global commercial debut on the Chery EXEED STERRA ET5, marking the arrival of high-end, map-less urban driving for the mass market.

Design and Trial Run of the Horizon Journey 7 Series SoC

Building on the success of the Horizon Journey 6 series and incorporating valuable stakeholder feedback, Horizon Robotics is further enhancing its hardware platform with the upcoming Horizon Journey 7 (J7) series. This next-generation solution focuses on three core technological pillars:

- **Advanced Computing Architecture:** The next-gen Riemann architecture significantly increases operator counts and optimizes key performance to provide robust support for future autonomous driving algorithms.
- **System Throughput & Latency:** An upgraded system architecture enhances throughput and introduces ultra-low latency technology, further accelerating End-to-End (E2E) processing performance.
- **Enhanced Energy Efficiency:** Through chip process upgrades and hardware-software co-design, the J7 targets a substantial increase in energy efficiency compared to the J6P, delivering high-performance computing with a minimal power footprint.

Ecosystem Empowerment & Industry Leadership

Horizon Robotics is dedicated to establishing itself as the foundational enabler of the intelligent driving industry. By transforming cutting-edge technologies and innovative products into measurable commercial value, the Company aims to support its ecosystem partners in accelerating the widespread adoption of autonomous driving solutions. By securing over 110 additional design wins in 2025, we have transitioned from a technology pioneer to a critical architect of the global intelligent mobility infrastructure.

Horizon Robotics remains dedicated to fostering a resilient and inclusive intelligent driving ecosystem through our premier hardware-software integration capabilities. By adopting an open, collaborative framework, we actively catalyze industry-wide progress, supported by strategic partnerships with over 200 global upstream and downstream partners, including Tier-1 suppliers, ODMs, and sensor specialists. A cornerstone of our 2025 ESG commitment is the “HSD Together” initiative. This industry-first program licenses our foundational models and algorithms to key partners such as Denso, CARIZON, and neueHCT, empowering them to focus on functional customization. This flexible model accelerates the democratization of advanced safety technologies, advancing our shared vision for human-centric mobility.

Global Technical Validation: CVPR 2025 Championship

H-RDT, a cutting-edge embodied intelligence algorithm developed by the Horizon Robotics Lab in strategic collaboration with Professor Zhu Jun’s team at Tsinghua University. At CVPR 2025 – the world’s premier conference on artificial intelligence and computer vision – H-RDT demonstrated unparalleled performance in the RoboTwin Dual-Arm Collaboration Challenge. Outperforming elite academic and industrial teams from around the globe, the Company secured First Place (Grand Prize) in the Real-World Track and Second Place in the Simulation Track.



This achievement marks a significant leap in the “perception-to-operation” chain, as H-RDT exhibited superior precision and stability in complex bimanual tasks, including delicate cloth manipulation (towel folding) and high-accuracy spatial reasoning. By proving exceptional generalization capabilities in “Sim-to-Real” transitions, this victory validates our leadership in Embodied AI and reinforces the Company’s role as a primary driver of next-generation robotic intelligence on the world stage.

3.2 Safety First Design Philosophy

Our company’s intelligent driving technology is guided by a “human-centered” vision, and safety is the guiding philosophy for this vision. We adopts a safety-by-design approach by embedding robust safeguards into our technologies from conception through worldwide implementation. This holistic approach reflects our commitment to responsible innovation, ensuring that every advancement in intelligent driving technology contributes to safer roads, communities, and environments. Beyond conventional physical safety standards, the Company emphasizes psychological assurance for users, delivering uncompromised intelligent driving performance across all scenarios. Leveraging its end-to-end technology architecture, Horizon Robotics integrates advanced system fluency, traffic efficiency, and environmental adaptability into its intelligent mobility solutions, with the aim of enhancing safety and user experience across diverse driving conditions.

As one of China’s most rigorously certified intelligent driving technology providers, Horizon Robotics demonstrates its dedication to safety, responsibility, and transparency. In early 2025, the Company achieved a major regulatory milestone by securing a triple certification suite: ISO 26262 for Functional Safety, ISO 21448 for Safety of the Intended Functionality (SOTIF), and ISO/SAE 21434 for Automotive Cybersecurity. This systematic safety framework is supported by a specialized safety engineering team and standardized operational protocols that meet the highest global requirements. Our architecture provides end-to-end, automotive-grade safety solutions – spanning the BPU® Nash computing architecture, hardware platforms, and software development toolchains – forming a robust safety ecosystem from initial chip design to final mass-production deployment. Guided by safety-first approach, Horizon Robotics continues to collaborate with global partners and automotive manufacturers to advance the secure, reliable, and trustworthy evolution of autonomous driving technologies.

<p>Software and System Security</p>	<p>The intelligent driving environment perception project obtained the ASPICE CL2 certification certificate in April 2022. The certification was issued by an internationally recognized third-party testing and evaluation agency. It represents our intelligent driving solutions’ software development framework has achieved full compliance with internationally recognized quality assurance benchmarks, implementing rigorous process control systems that meet the exacting product quality demands of global automotive manufacturers and Tier-1 partners.</p> <p>The Company attained ISO 21448 certification for its Safety of the Intended Functionality (SOTIF) process framework in April 2023, establishing itself as the pioneering intelligent mobility technology provider in the industry to achieve this internationally recognized safety standard accreditation.</p>
<p>Vehicle Network Security</p>	<p>The Company achieved a significant industry milestone by becoming China’s first organization to obtain TÜV certification for ISO/SAE 21434 Road Vehicles – Cybersecurity Engineering in April 2022. This certification underscores our capability to deliver automotive cybersecurity solutions fully compliant with industry-leading best practices.</p>
<p>Functional Safety</p>	<p>The Company obtained ASIL-D functional safety process certification in 2020, establishing a solid foundation for the continuous enhancement of its functional safety management and technological capabilities. The Horizon Journey 5, Horizon Journey 6, toolchain, software runtime library, and Safety BSP¹ have successively passed the SGS-TÜV ISO 26262 ASIL-B (D) functional safety product certification. This achievement signifies that our entire Journey series hardware platform and software development suite strictly adhere to functional safety requirements. By fulfilling end-to-end product safety specifications throughout the development chain, these certified solutions establish a reliable technical foundation for developing advanced intelligent driving systems based on the Journey architecture.</p>

1 Safety BSP is built based on the long-term maintenance version of the Linux open source community LTS (Long Term Support) and optimized according to the needs of intelligent driving mass production application scenarios. It can provide core capabilities including secure resource management (including CPU, memory, network, peripherals and other key resources), secure computation of autonomous driving algorithms, real-time scheduling of data streams, and handling of hardware security troubleshooting and encryption protection for information security.

3.3 Product Quality Management with the Goal of “Committed to delivering zero-defect, safe, and premium-quality products and services”

Horizon Robotics is steadfast in its commitment to superior product quality, operating in strict compliance with applicable legal frameworks, including but not limited to the *People’s Republic of China Product Quality Law* and the *People’s Republic of China Consumer Rights and Interests Protection Law*. To ensure comprehensive oversight, the Company has implemented robust internal frameworks, such as the *Product Quality Management Process*. This end-to-end lifecycle management approach enhances operational effectiveness and drives the continuous standardization and institutionalization of our quality control protocols. During the Reporting Period, the Company has not experienced any product recalls for health and safety reasons.

Inclusive Safety: Democratizing Advanced Driver Assistance Systems (ADAS)

In 2025, through the large-scale commercialization of the Horizon Journey 6 series, we successfully facilitated the “democratization of safety.” By optimizing the integration efficiency and reducing the deployment barriers of active safety technologies, we have enabled mass-market vehicle models to achieve superior safety ratings.

- Strategic Impact: Our solutions have empowered entry-level vehicles to manage complex traffic environments effectively, significantly expanding the population protected by advanced collision avoidance and emergency braking technologies.

Technological Robustness: The Safety-First “End-to-End” Paradigm

In 2025, our launch of the Horizon SuperDrive (“HSD”) system marks an evolution in our product responsibility framework. Moving beyond legacy rule-based systems, our “End-to-End” architecture utilizes advanced neural networking to better interpret human-like driving intuition.

- Validation and Reliability: To ensure the highest levels of operational safety, the HSD system underwent rigorous validation in 2025, completing over 1.5 million kilometers of road testing across diverse global geographies. This data-driven approach ensures our systems can reliably navigate high-risk “corner cases,” such as vulnerable road user (“VRU”) interactions in dense urban environments.

Quality Management System

Our Company has obtained ISO 9001 quality management system certification and has integrated ISO 9001 and IATF 16949 automotive industry quality management system standards into our business processes to ensure the achievement of our quality management objectives. Through internal and external audit mechanisms, we continuously ensure the integrity, practicality, and effectiveness of our quality management system.

Quality and Safety Assurance

Horizon Robotics enforces a systematic quality control framework spanning research and development (R&D), production, supplier management, delivery, and customer service. Throughout the product development lifecycle, cross-functional teams execute rigorous technical and quality reviews to evaluate performance, proactively mitigate potential risks, and guarantee reliable outcomes. In the production and delivery phases, all functional and performance parameters are subjected to exhaustive verification to ensure compliance with our stringent quality benchmarks.

Demonstrating our leadership in automotive safety, we have fully integrated global standards into our development framework. We have earned prestigious certifications including ISO 26262, ISO/SAE 21434 ML3, ISO 21448, and ASPICE CL2. Crucially, our core products have achieved ISO 26262 ASIL-B(D) certification, enabling us to deliver uncompromising, full-lifecycle safety assurance to our global automotive manufacturing partners.

2025 Milestone: Global Leadership in AI & Functional Safety Integration

The Company further deepened its alignment with international authoritative standards, achieving a total of 10 international system certifications. In addition to maintaining ISO 9001 (Quality Management), ISO 14001 (Environmental Management), ISO 45001 (Occupational Health and Safety), ISO 27001 (Information Security), ISO 37001 (Anti-bribery), and ISO 37301 (Compliance Management), we have made significant breakthroughs in core intelligent driving technologies.

In 2025, the Company was awarded the world’s first **ISO/PAS 8800 (Road Vehicles – Safety and Artificial Intelligence)** certification. This pioneering standard establishes top-tier safety governance frameworks specifically for AI applications within the automotive sector, reinforcing our position as a global leader in AI safety.

This 2025 breakthrough represents a significant evolution of our safety architecture. Building upon our foundation as the industry’s first computing solution provider to achieve ISO 21448 (SOTIF) certification in 2023, we have successfully fused ISO 8800 with SOTIF and ISO 26262 (Functional Safety) into a unified, integrated development system. Furthermore, our associate, Horizon Continental Technology (Shanghai) Co., Ltd. (“Horizon Continental”), further strengthened the group’s safety ecosystem by obtaining ISO 21448, ISO 26262, and ISO 21434 certifications in early 2025, ensuring comprehensive safety compliance across our entire organizational footprint.



ISO/PAS 8800 certification



ISO 26262 certification

Non-Conforming Product Management Procedure

To uphold our responsibility to customers and stakeholders, the Company has established a comprehensive protocol for managing non-conforming products. By systematically identifying and addressing potential defects, we prevent their introduction into the market and protect the trust placed in our brand. This procedure not only strengthens product safety and reliability but also drives ongoing improvements across our development and manufacturing workflows.

Capacity Building for Quality Excellence

In 2025, the Company has strategically advanced its talent development program by scheduling 14 specialized training sessions focused on core automotive standards. Key modules include Advanced Product Quality Planning (APQP), IPD 2.2 process optimization, and the interpretation of SAE L2 legal and regulatory frameworks. Furthermore, deep-dive sessions on VDA series standards (including VDA 6.3 and VDA 2) ensure our quality management remains aligned with the most rigorous global automotive benchmarks.

3.4 Continuously Improving Customer Service

Guided by the corporate value of “Customer First,” Horizon Robotics continuously strengthens its post-sales technical support infrastructure to ensure seamless integration for our global partners. The Company employs automotive-industry-standard quality tools and methodologies to provide proactive responsiveness to client requirements. This includes implementing a rigorous post-sales issue classification system with defined handling standards and resolution timelines to minimize quality-related disruptions.

Our commitment to service excellence is driven by a systematic “closed-loop” complaint mechanism. Every customer complaint triggers a comprehensive root-cause analysis and the formulation of targeted corrective actions, with “lessons learned” systematically captured to drive continuous product refinement. During the Reporting Period, we have received 20 complaint cases, mainly about minor product quality and service related, all complain have been resolved immediately, achieving a 100% resolution rate.

Customer Satisfaction and Continuous Improvement

Company endeavors to drive customer satisfaction by consistently applying innovation improvement. Through annual systematic customer satisfaction surveys and in-depth client interviews, the Company identifies critical opportunities for service optimization. This data-driven approach allows us to analyze feedback across all customers, fueling continuous improvements in our technical support and delivery frameworks. By maintaining open and transparent communication channels, we ensure that our service evolution remains precisely aligned with the rapidly shifting needs of the global intelligent vehicle market.

4. CONSOLIDATE THE COMPLIANCE GOVERNANCE FRAMEWORK

4.1 Risk Management

The Company places strong emphasis on effective risk oversight as a key component of responsible governance and stable operations. A comprehensive risk management and internal control framework has been established, supported by the ongoing enhancement of governance procedures and the promotion of risk awareness across all levels of the organisation. Through these efforts, the Company strengthens its capability to identify, evaluate and address potential risks while maintaining regulatory compliance.

Risk Management Framework

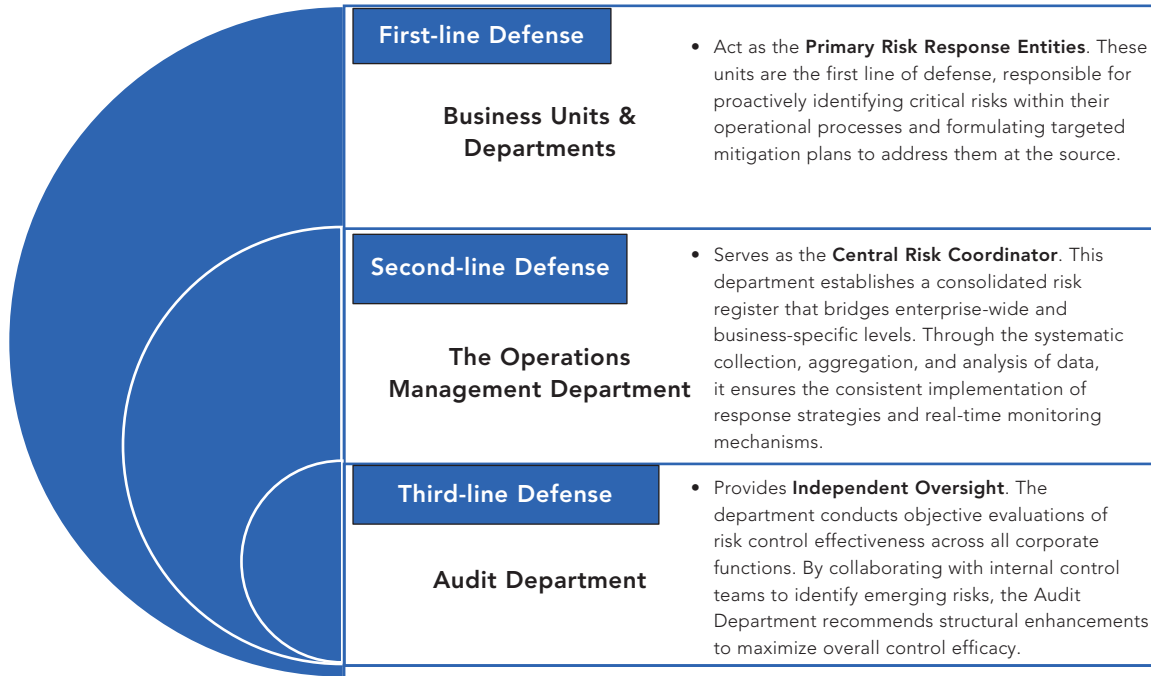
Detailed Departmental Accountability

Building on this model, specific departments hold key mandates for risk governance, reporting directly to senior management:



The Three Lines of Defense

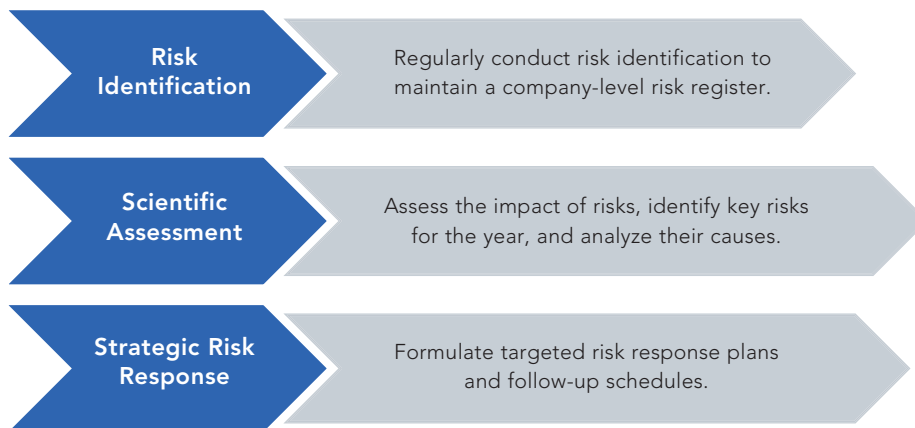
The Company operates a “Three Lines of Defense” model, providing a comprehensive multi-layered approach to risk prevention and control:



Risk Management Mechanism

To strengthen oversight and support informed decision-making, the Company maintains a well-defined internal control environment with risk management integrated into its strategic planning. This framework follows a systematic management cycle that enables ongoing monitoring and improvement. As a result, the Company is better equipped to navigate changing market dynamics while steadily advancing its long-term development goals.

This mechanism covers three fundamental pillars: Risk Identification, Scientific Assessment, and Strategic Risk Response.



Cultivating a Risk-Aware Culture

By fostering this environment of shared accountability, the Company ensures that risk management is not merely a compliance requirement, but a core component of our collective operational excellence.

Deepening Global Compliance to Anchor International High-Order Autonomous Driving

2025 marks a pivotal inaugural year for Horizon Robotics' globalized operations. Following the formal establishment of our European Headquarters and the showcase of our industry-leading autonomous driving solutions at IAA Mobility 2025, the Group has further fortified its global compliance governance framework. This ensures our business expansion remains in lockstep with evolving international regulatory standards.



- **Proactive Alignment with Global Regulatory Frameworks**

In response to the shifting global landscape of autonomous driving supervision, we established a Dynamic Regulatory Tracking Mechanism in 2025. We conducted comprehensive Full-Lifecycle Compliance Assessments for our Horizon SuperDrive (HSD) and Horizon Journey 6 series.

- **Strengthening Data Security and Cross-Border Governance**

Parallel to our overseas expansion, we strictly adhere to regional data sovereignty requirements. In 2025, the Company deepened the construction of systems compliant with GDPR and international data security standards.

4.2 Information Security and Data Privacy

Safeguarding information security and protecting user privacy are fundamental priorities for Horizon Robotics in its global operations. The Company adopts a comprehensive approach to managing data risks throughout the product lifecycle, with the aim of protecting stakeholder interests and maintaining stable and responsible business operations.

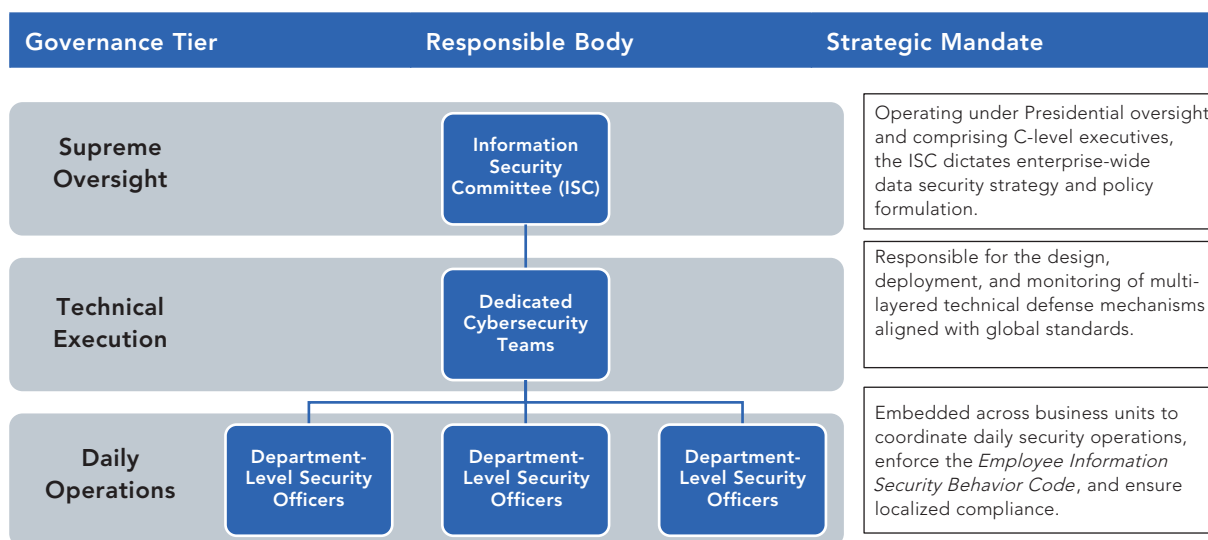
During the Reporting Period, the Company maintained a zero-incident record in critical data security, with no material breaches and zero substantiated complaints regarding customer privacy violations.

Information Security Governance

Horizon Robotics strictly adheres the below laws, regulations and internal documents, including,


Relevant laws and regulations	Internal Policies and systems
<p><i>Cybersecurity Law of the People’s Republic of China</i></p> <p><i>Data Security Law of the People’s Republic of China</i></p> <p><i>Personal Information Protection Law of the People’s Republic of China</i></p> <p><i>General Data Protection Regulation (GDPR)</i></p> <p><i>California Consumer Privacy Act (CCPA)</i></p>	<p><i>Information Security Management Manual</i></p> <p><i>Data Security Management System</i></p> <p><i>Account Security Management System</i></p> <p><i>Information System Operation and Maintenance Management System</i></p> <p><i>Internal and External Network Vulnerability Scanning Operation Specifications</i></p> <p><i>Employee Information Security Behavior Code</i></p>

We operate a clearly defined, top-down security governance structure to ensure enterprise-wide alignment with our internal policies that stated as above. This governance framework supports the standardization of security management policies, objectives, and processes across the entire information lifecycle, thereby effectively safeguarding the Company’s internal information security.




Global Compliance and Certifications

To navigate the complex geopolitical and regulatory landscape of autonomous driving, we align our operations with stringent global standards, including the PRC Cybersecurity and Data Security Laws, GDPR, and CCPA.

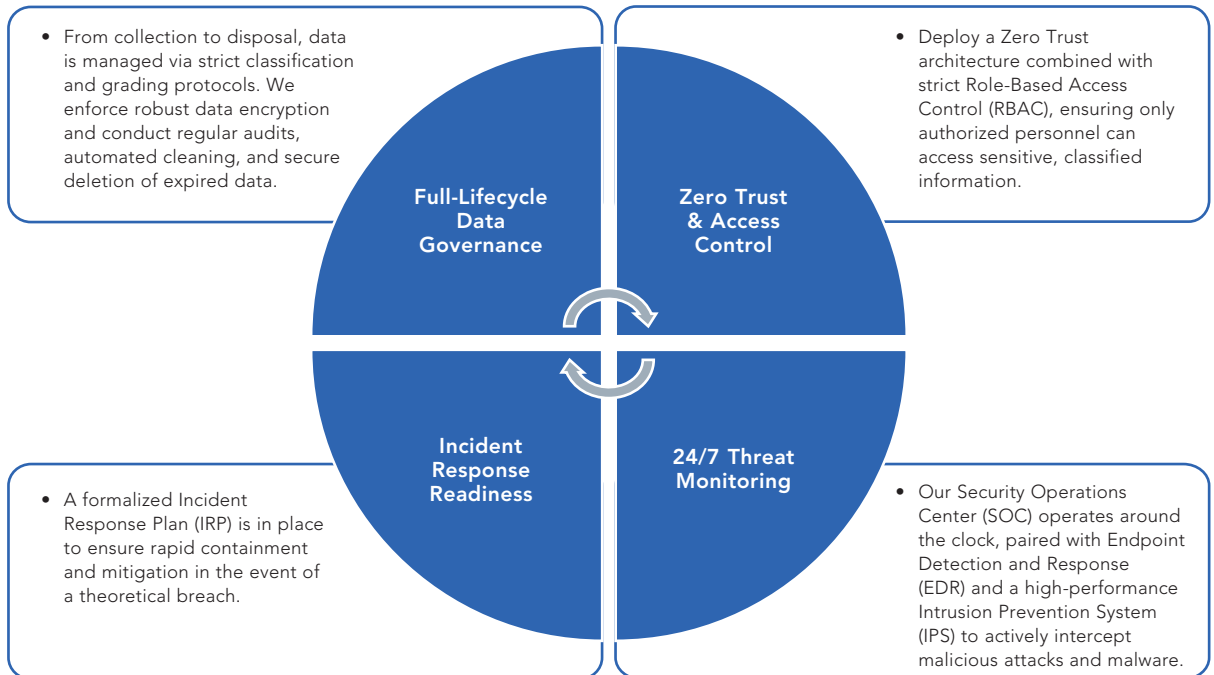
 Our commitment to building trust is validated by rigorous third-party audits and industry-leading certifications:

- **ISO 27001** Certification: For systematic enterprise information security management.
- **TISAX (Levels 2 & 3)**: Ensuring the highest standards of automotive data exchange security for our OEM partners.
- **MLPS Level 3**: Fully compliant with China’s Classified Cybersecurity Protection requirements.

 **ISO/SAE 21434:2021 (Road Vehicles – Cybersecurity Engineering)**: Initially achieved by Horizon Robotics in May 2022 (issued by TÜV Rheinland), this certification remains a cornerstone of our product development. By 2025, we have successfully integrated these stringent cybersecurity engineering standards across our core subsidiaries, ensuring a unified multi-standard safety framework.

Technical Defense and Privacy Protection Systems

We safeguard user data and enterprise assets through a proactive, defense-in-depth approach:



Cultivating an Information Secure-orientated Workforce

The Company actively promotes cybersecurity awareness across the organisation to reinforce its overall information security framework. Employees participate in a structured programme that includes mandatory training and assessments, analysis of real-life cybersecurity incidents, phishing simulation exercises and regular compliance monitoring. By improving employees’ ability to identify and respond to potential risks, the Company strengthens its organisational resilience against evolving cyber threats.

In 2025, The Company evolved its security education strategy from broad awareness to Targeted Resilience. By aligning training content with the specific threat vectors faced by different business functions, we ensure that our workforce possesses the precise skills needed to protect our technical and operational integrity.

- *The Foundational Tier: Universal Readiness*

To maintain a high baseline of security across the organization, we implemented a continuous “Learning & Evaluation” cycle for all staff members.



- *The Specialized Tier: Awareness Enhancement*

Our 2025 security program featured four general training sessions, specialized workshops for R&D and HR, and a dedicated Awareness Week. These efforts, supported by targeted security publications and assessments, serve to increase employee awareness on corporate data integrity and proactive threat mitigation strategies. We have also deployed differentiated pedagogical strategies to address the unique vulnerabilities of high-impact departments:

Strategic Focus	Intellectual Property Protection	Operational Fraud Prevention	Systemic Hygiene
Target Functions	R&D and Testing Engineering	HR and Administrative Support	All Employees
Core Training Objectives	Preventing code leaks and implementing Data Loss Prevention (DLP) for high-confidentiality technical assets.	Advanced detection of social engineering tactics, phishing simulations, and cyber-fraud mitigation.	Foundational knowledge of virus protection, malware defense, and real-time threat reporting.

Privacy Protection

The Company places strong emphasis on protecting personal privacy and ensuring responsible data management. By implementing structured governance measures and complying with applicable privacy regulations, we safeguard the rights and personal information of our stakeholders. Horizon Robotics has established its *Horizon Robotics Privacy Policy* and implemented tiered protection measures based on data classification. Through this structured approach, the Company systematically strengthens its information security management and effectively mitigate the risks of data breaches. The Company continuously enhances its data privacy architecture by implementing structured internal governance frameworks and compliant process controls throughout the data lifecycle.

During the Reporting Period, the Company recorded no substantiated complaints regarding customer privacy violations or data loss incidents. We safeguard the rights of all stakeholders through systematic measures anchored by the Horizon Robotics Privacy Policy:

<p>Privacy Governance Framework</p> <ul style="list-style-type: none"> • Tiered Protection: Implementing measures based on data classification to systematically mitigate breach risks. • Data Sovereignty: Adhering to regional regulations (GDPR, CCPA, PIPL) to ensure compliant cross-border data management.
<p>Technical and Compliance Systems</p> <ul style="list-style-type: none"> • Zero Trust Architecture: Strict identity verification and access control for all network perimeters. • Data Encryption: Protecting sensitive information from unauthorized access during storage and transmission. • Endpoint Detection and Response (EDR): Real-time prevention of malicious software and data leak risks.
<p>Data Compliance System</p> <ul style="list-style-type: none"> • Classification & Grading: Applying protection measures proportional to the sensitivity level of the data. • Role-Based Access Control (RBAC): Ensuring that only authorized personnel can view sensitive information. • Lifecycle Management: Conducting regular audits, automated data cleaning, and secure deletion of expired data to minimize data retention risks. • Supply Chain Security: Strengthening third-party data management to ensure all suppliers and partners meet our internal security benchmarks.

4.3 Business Ethics and Integrity

Maintaining high standards of ethical conduct and operational integrity is fundamental to Horizon Robotics' corporate culture. The Company reinforces transparency through continuous improvements to its governance framework and management practices. This approach supports a fair and competitive business environment while guiding the Company's long-term and responsible growth.

Business Ethics Management

Horizon Robotics strictly adheres to laws and regulations such as the *Anti-Unfair Competition Law of the People's Republic of China*, *Company Law of the People's Republic of China*, *Anti-Monopoly Law of the People's Republic of China*, and the *Anti-Money Laundering Law of the People's Republic of China*. During the reporting year, we have obtained ISO 37301 *Compliance Management System* and ISO 37001 *Anti-bribery Management Systems* certifications, demonstrating our commitment to maintaining a robust compliance framework and upholding the highest standards of anti-bribery management.

We continuously optimize our internal business ethics system through a suite of robust policies:

Core system, policies and manuals: We uphold the highest standards of integrity through a robust governance framework, including our *Horizon Robotics High Voltage Line System*, *Horizon Robotics Anti-Fraud and Investigation Management*, *Horizon Robotics Conflict of Interest Prevention*, and *Horizon Robotics Gift Control Policies*. The 'High Voltage Line' strictly prohibits six categories of misconduct: asset misappropriation, bribery, falsification, conflicts of interest, data leakage, and legal violations.

This year, we also implemented the External Donation Management Policy to ensure all philanthropic activities are conducted with transparency, accountability, and full alignment with our corporate social responsibility objectives."

Zero-Tolerance Commitment: The Company mandates a zero-tolerance approach toward corruption, bribery, extortion, and fraud, applicable to all employees and third-party partners.

During the Reporting Period, no adjudicated corruption cases involving the Company or its employees were recorded.

Cultivating a Culture of Integrity

To promote a strong culture of integrity, we provide mandatory ethics training for all personnel, including Board members, via multimedia and blended learning platforms. The curriculum covers anti-corruption, bribery prevention, and fraud mitigation to ensure a culture of rigorous compliance and accountability across all operations. Beyond general sessions, we provide targeted training for key departments, such as specialized procurement standards for the Marketing and Branding team.

This year, our 'High Voltage Line' training and Conflict of Interest disclosure both achieved 100% completion rates. These efforts collectively foster a transparent and ethical business ecosystem, equipping our workforce with the practical knowledge required to uphold the highest standards of corporate governance.

Whistleblower Protection and Reporting Channels

We have standardized a robust accountability framework and resolution procedure for ethics complaints. Independent oversight by the Audit Department ensures that all reported matters are handled with total impartiality and confidentiality. The Company strictly prohibit the disclosure of a whistleblower’s personal information or report content without their explicit consent. We have implemented a rigorous protection mechanism to ensure their rights and interests remain protected from any form of retaliation or infringement.

We maintain dedicated channels for employees, suppliers, and users to disclose suspected violations of legal requirements or business ethics standards. To guarantee timely attention and proper handling of misconduct, the Company has established:

Dedicated and secure whistleblowing email channel	
compliance@horizon.auto	

The whistleblowing process is designed to be independent, confidential, and evidence-based. To ensure that every report is handled with the highest level of integrity, the Company follows a standardized, four-step procedure:



Step 1: Intake & Secure Logging	<ul style="list-style-type: none"> • Reports are received via the dedicated email or other internal channels. • Confidentiality: The report is encrypted and logged in a restricted database. Access is limited to authorized investigators in the Audit Department to prevent information leaks.
Step 2: Preliminary Assessment	<ul style="list-style-type: none"> • Filtering: The Audit Department reviews the report to determine if it falls under "Business Ethics" (e.g., bribery, fraud, conflict of interest). • Triage: If the report has sufficient evidence or a "reasonable basis," a formal investigation is opened. If the report is malicious or lacks detail, it may be closed or the whistleblower may be asked for more information.
Step 3: Independent Investigation	<ul style="list-style-type: none"> • Evidence Gathering: The investigators collect digital footprints, financial records, and interview relevant parties. • Rights Protection: Throughout this stage, the Whistleblower Protection Mechanism is active. The identity of the reporter is never shared with the subjects of the investigation or their direct managers. • Objectivity: The Audit Department operates independently of the business units being investigated to ensure no "conflict of interest" occurs.
Step 4: Resolution & Accountability	<ul style="list-style-type: none"> • Findings: A formal report is issued. If a violation of the "High Voltage Line" system is found, the Company takes immediate action. • Disciplinary Action: Depending on the severity, actions can include internal warnings, termination of employment, or reporting the matter to legal authorities (in cases of criminal fraud or bribery).

4.4 Intellectual Property Protection

Safeguarding innovation through robust intellectual property (IP) protection is a vital component of Horizon Robotics' ESG commitment. Recognizing that a strong IP foundation provides sustainable momentum for our growth, we align our practices in strict compliance with the *Patent Law of the People's Republic of China*, *Trademark Law of the People's Republic of China*, and the *Copyright Law of the People's Republic of China*. We have implemented robust internal policies, including the *IP Management Regulations*, to establish a comprehensive framework for safeguarding our innovations.

Our enterprise-wide IP management system is overseen by a dedicated IP department that integrates protection seamlessly into the entire product development lifecycle. By employing a tripartite evaluation mechanism – assessing technical merit, market viability, and innovation significance – we strategically cultivate high-value patent portfolios. This is complemented by a dual-purpose trademark strategy that balances brand promotion with defensive safeguarding through cross-functional collaboration. Furthermore, we enforce stringent open-source compliance protocols across all software development phases and utilize advanced encryption and access controls to protect proprietary know-how. Together, these measures fortify a highly secure, compliant, and resilient IP ecosystem.

2025 achievements in Intellectual Property

Total patents granted	Total copyrights granted	Total trademarks granted
928	121	662

5. LOW-CARBON DEVELOPMENT TO ASSIST EMISSION REDUCTION

We integrate sustainability into every stage of our operations. By focusing on energy-efficient product design and rigorous emission management, Horizon Robotics ensures that our growth contributes directly to global decarbonization efforts.

5.1 Addressing Climate Change

Amid growing global concerns over climate change and extreme weather events, the Company proactively identifies climate-related risks and opportunities. It has established standardized response protocols for extreme weather scenarios and implemented targeted measures to address climate-related challenges, thereby enhancing operational resilience and supporting sustainable development.

In accordance with Part D Climate-Related Disclosures of the ESG Reporting Code, and with reference to the International Financial Reporting Sustainability Disclosure Standard 2 – Climate-Related Disclosures (IFRS S2) issued by the International Sustainability Standards Board (ISSB), we have identified a list of climate change-related physical and transformation risks in our business and value chain segments. We have developed internal management and action plans for various climate change-related risks to steadily enhance our ability to respond to climate change risks and effectively seize green development opportunities.

Climate Governance

Horizon Robotics has established a structured three-tier climate governance framework comprising the Board of Directors, the ESG Working Group, and relevant operating departments. The Board holds ultimate responsibility for the Group's climate strategy, ensuring that climate-related risks are seamlessly integrated into our overarching risk management and internal control systems. Furthermore, the Board actively reviews climate risk identification, management frameworks, and progress toward our environmental targets. This top-down approach ensures that climate considerations are embedded in our long-term strategic decision-making and operational resilience.

Acting as the dedicated management body, the ESG Working Group is responsible for the practical implementation of climate risk strategies and cross-departmental coordination. To maintain an effective closed-loop management mechanism, the Working Group reports to the Board on ESG and climate-related progress at least annually, while also conducting ad-hoc communications as operational needs dictate.

To ensure high-level competency on climate-related issues, Board members and ESG Working Group members participated in specialized ESG training sessions led by external professionals this year, focusing on regulatory trends and industry best practices. For further details regarding our governance architecture, please refer to the “2.1 ESG Governance Structure” section above.

Strategy

Horizon Robotics has identified and managed climate-related risks and opportunities, and has implemented preventative measures to mitigate the negative impacts of climate risks on the Group. From the perspective of the Company’s business type and operations, we have identified substantial and likely entity risks and transformation risks, and explored potential opportunities. We recognize that these climate risks may have a significant impact on the Company in the short term (within 3 years), medium term (3-5 years), and long term (more than 5 years), encompassing physical changes in the environment and the challenges of transitioning to a low-carbon economy.

Climate Risk & Opportunity Assessment Table

Risk/ Opportunity Type	Risk Description	Potential Financial Impact	Time Horizon	Key Response Measures
Physical Risk				
Acute Risk	Frequent extreme weather events (typhoons, floods) affecting office operations, R&D labs, and leased data centers, as well as disrupting the supply chain for automotive-grade chips.	Increased operating costs; Potential revenue loss from business disruption.	Short-term	Strengthening supply chain diversification and enhancing emergency response protocols for R&D facilities.
Chronic Risk	Rising average temperatures increasing cooling demands for our own specialized hardware testing labs and the high-performance data centers from suppliers.	Increased capital expenditure (CAPEX) for cooling systems; Higher utility costs.	Long-term	Upgrading to high-efficiency cooling technologies and exploring green energy sourcing for operational sites.

Risk/ Opportunity Type	Risk Description	Potential Financial Impact	Time Horizon	Key Response Measures
Transition Risk				
Policy & Legal Risk	Increasing stringency of global ESG disclosure regulations (e.g., HKEX, ISSB). Failure to meet transparency requirements may lead to compliance risks or pressure on emission reduction investments.	Increased compliance and operating costs.	Medium to Long-term	Ensuring full compliance with the 2025 HKEX mandatory Scope 1 & 2 disclosure requirements and aligning with ISSB standards.
Technology Risk	The market shift toward high-compute, low-energy architectures. There is a continuous pressure to optimize the energy-efficiency ratio (TOPS/Watt) of our intelligent driving solutions.	Increased R&D expenditure to maintain technical leadership.	Medium to Long-term	Advancing the BPU® Nash architecture to deliver industry-leading performance-per-watt, reducing the carbon footprint of the end-user vehicle.
Market Risk	Heightened focus from global automotive OEMs on green supply chains. Lack of verifiable low-carbon product life cycles may affect market competitiveness.	Potential loss of market share if low-carbon verification is absent.	Long-term	Implementing Life Cycle Assessment (LCA) and collaborating with partners to build a circular and low-carbon automotive ecosystem.
Transition Opportunity				
Resource Efficiency	Optimizing chip manufacturing processes and adopting advanced semiconductor nodes to reduce resource intensity per unit.	Optimized CAPEX; Reduced unit production costs.	Medium-term	Investing in advanced process technologies and process-level energy-saving measures.
Low-Carbon Products	Our intelligent driving solutions (e.g., Horizon Mono) enable smoother traffic flow and optimized energy management in vehicles, contributing to global decarbonization.	Market share expansion and revenue growth.	Short to Long-term	Scaling mass production of high-efficiency solutions and promoting “Safe and Green” mobility as a core value proposition.

Risk Management




The Company has developed a comprehensive risk management strategy covering the entire process of climate change risk identification, assessment, and management. We conducted preliminary discussions to evaluate the potential impacts of extreme weather and long-term climate shifts based on our business model and operational footprint. As the Group primarily operates from leased offices and does not own manufacturing or high-risk physical facilities, our site selection prioritizes safety and compliance while aligning with property management emergency protocols. Consequently, a comprehensive analysis indicates that climate risks currently have a limited impact on our operations and financial performance.

During the year, we did not identify any significant climate-related risks, and our core risk management processes did not undergo changes due to the addition of climate risks. To ensure business continuity, we continuously optimize safety and emergency measures – including comprehensive training and drills – to enhance employees’ readiness for extreme weather. Looking ahead, the Group will closely monitor climate risk trends, further embedding them into our internal governance framework to establish a more systematic identification, assessment, and response mechanism.

Metrics and Targets

In active response to the goals of the Paris Agreement and China’s “3060” Dual Carbon Goals, Horizon Robotics has established clear climate-related objectives. Our transition toward a green economy focuses not only on “hard” technical targets for energy conservation and emission reduction but also on the “soft power” of enhancing environmental awareness and capability among our employees.

The Company has set long-term environmental targets to guide our sustainable operations. While our greenhouse gas emissions primarily originate from energy consumption in office operations, we did not set separate GHG emissions reduction targets for the current fiscal year, building upon established energy efficiency objectives. We will evaluate the effectiveness and progress of our energy target and establish a comprehensive GHG emission target in future. Our environmental commitment extends across all aspects of office design, construction, and daily operations, ensuring compliance with green and low-carbon standards through rigorous selection of materials and structural configurations. To ensure our sustainability path remains effective, the Company consistently reviews its progress and evaluates its initiatives periodically, ensuring that our environmental targets remain achievable and our strategic actions yield the intended impact.

 <p>Energy Target</p>	 <p>Water Target</p>	 <p>Waste Management Target</p>
<ul style="list-style-type: none"> • With 2023 as the baseline year, reduce electricity consumption intensity per RMB million of revenue by approximately 15% by 2027. <p>2025 Status:</p> <ul style="list-style-type: none"> • Current electricity consumption intensity is 1.60 MWh per RMB million of revenue, which has a 30% reduction compared to baseline year. 	<ul style="list-style-type: none"> • With 2023 as the baseline year, lower water consumption intensity per RMB million of revenue by approximately 50% by 2027. <p>2025 Status:</p> <ul style="list-style-type: none"> • Current water consumption intensity is 2.66 tonne per RMB million of revenue, which shows a 76% reduction compared to baseline year. 	<ul style="list-style-type: none"> • Ensure 100% of hazardous waste is handled by certified waste management agencies, while non-hazardous waste is disposed of in full compliance with local regulatory requirements. <p>2025 Status:</p> <ul style="list-style-type: none"> • All hazardous waste are handled by certified waste management agencies during the Reporting Period. • During the Reporting Period, the Group did not receive any environmental violations related to waste disposal.

By implementing robust energy-saving strategies and green office initiatives, we are committed to minimizing the carbon footprint of our operations. During the Reporting Period, the Company spent about RMB50,000 in environmental management verifications, demonstrating our firm commitment to achieving carbon reduction. We have also established a comprehensive environmental monitoring mechanism to track key performance indicators (KPIs) and monitor progress against our targets. While we are not yet linked climate factors to executive compensation or established internal carbon pricing mechanisms, we remain attentive to industry trends. We are actively exploring the feasibility of internal carbon pricing and the further refinement of our carbon management system to ensure steady progress on our path toward low-carbon development.

5.2 Enhancing Product Energy Efficiency

Horizon Robotics views technological innovation and sustainability development as inseparable. We recognize that maximizing energy efficiency is not just a technical requirement, but a core corporate responsibility in the era of intelligent, green ecosystems. By embedding sustainability into every phase of design and manufacturing, we are driving the evolution of autonomous driving toward greater environmental and operational performance.

Our HSD solution enhances energy efficiency by minimizing abrupt acceleration and deceleration. Beyond ensuring a safer driving experience, this optimized velocity control reduces fuel and electricity consumption, reinforcing our commitment to delivering sustainable and environmentally conscious intelligent mobility solutions.

Leading Green Mobility through Superior Energy Efficiency

In 2025, we transitioned from operational energy saving to "Efficiency-by-Design" at the silicon level.

- **The Nash Architecture Efficiency Revolution:** The Horizon J6 series leverages the advanced BPU Nash Architecture. Compared to previous generations, Horizon Journey 6 achieves a significant reduction in power consumption for equivalent AI workloads. We have optimized our performance-per-watt (Watt/TOPS), setting a new industry benchmark for high-efficiency automotive computing.
- **Empowering Downstream Decarbonization:** By reducing the power draw of the Intelligent Driving Domain Controller, our technology directly assists OEMs in optimizing overall vehicle energy efficiency. This contributes to the reduction of Scope 3 (Category 11: Use of Sold Products) emissions for New Energy Vehicle (NEV) partners, supporting the global transition to net-zero transportation.
- **Our newly engineered Horizon Journey 7 platform represents a significant leap in sustainable computing.** The Horizon Journey 7 Series leverages hardware-software co-design to achieve a substantial increase in energy efficiency over the Horizon J6 series, which allow delivering high-performance computing with a minimal power consumption.

System-Level Impact and Economic Value

Our systematic energy optimization creates tangible economic value for our customers by reducing operational hurdles and total system costs. A primary example is the Horizon Journey 6E platform; its superior efficiency allows for passive cooling, which eliminates the need for expensive, complex thermal management systems. This innovation makes high-level intelligent driving more feasible for Internal Combustion Engine (ICE) vehicles while directly extending the driving range of Electric Vehicles (EVs). By improving fuel economy and battery performance, our technology reinforces Horizon Robotics' competitive edge in the autonomous driving market.

5.3 Comprehensive Environmental Management

Horizon Robotics anchors its environmental stewardship in strict regulatory compliance and a highly structured internal governance architecture. We ensure full adherence to fundamental national legislation, including the *Environmental Protection Law of the People’s Republic of China*, the *Energy Conservation Law of the People’s Republic of China*, and the *Solid Waste Pollution Prevention and Control Law of the People’s Republic of China*.

To translate these legal mandates into operational excellence, we have instituted a comprehensive internal management framework. This system is driven by our Environmental and Safety Management Specifications, Energy Saving and Consumption Reduction Management Regulations, and Solid Waste Management Regulations. These core policies are further operationalized through the Small Property Service Management Manual and our rigorous EHS Compliance Obligations Identification and Evaluation Control Process.

Addressing physical climate risks, the Company has proactively formulated Special Emergency Plans and On-Site Disposal Plans for Extreme Weather Events. These protocols standardize facility maintenance and significantly elevate our rapid-response capabilities during adverse conditions.

ISO 14001 CERTIFIED Environmental Management Systems

Systematically embedding low-carbon principles into our daily corporate governance has enabled us to successfully maintain our ISO 14001 Environmental Management Systems certification. This milestone serves as a definitive validation of the maturity and operational integrity of our environmental oversight.

5.4 Resources Management

For energy management, we employ a multi-pronged approach to energy conservation, incorporating optimized HVAC (Heating, Ventilation, and Air Conditioning) setpoints, energy-efficient LED retrofits, and data-driven facility inspections. The Company promotes energy conservation through measures such as prominently displaying energy-saving guidelines and conducting regular facility inspections. These practices help embed low-carbon principles into daily operations and reinforce a culture of environmental responsibility across the organization.

In the aspects of water stewardship, through the deployment of motion-sensor technology, high-efficiency water fixtures and water saving posters, we have fostered a culture of conservation. No issues regarding water sourcing or supply stress were identified during the Reporting Period.



Water saving promotion poster

Paper saving promotion label

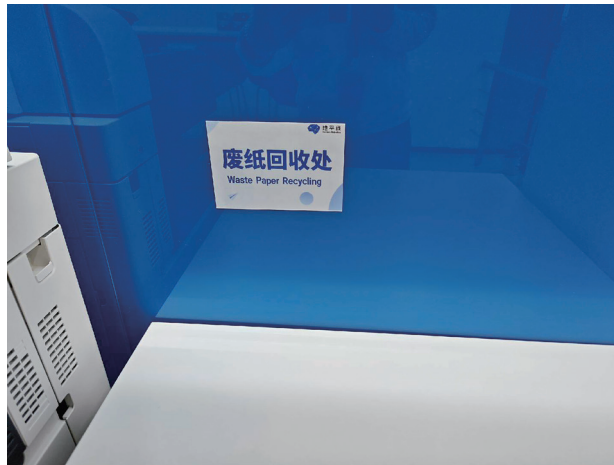
Sustainable Packaging Solutions

The Company actively integrates environmental principles into the product delivery lifecycle. Currently, the majority of our chip products are shipped using biodegradable and recyclable eco-friendly cardboard boxes. Furthermore, the vast majority of consumables used in daily operations are recyclable.

For our latest generation of HSD products, the Company employs a flexible packaging strategy – combining “reusable transit boxes” with “single-use cardboard boxes” – based on the physical logistics distance between foundries and customers. To ensure ultimate delivery reliability and quality stability, the Company maintained existing packaging specifications last year and currently has no plans for immediate material changes, prioritizing product integrity while steadily advancing environmental practices.

5.5 Waste Management

The Company enforces a multi-tiered approach for office-generated materials to advocate Circular Economy and Waste Management. The Company has implemented a rigorous waste hierarchy. The Company’s waste primarily originates from daily office operations, including household waste, discarded paper, and obsolete office consumables. We minimize upstream paper consumption through digitized workflows and mandatory duplex printing. For downstream management, we maintain specialized disposal channels: IT assets undergo certified recycling, while hazardous waste, such as printer cartridges, is processed via authorized manufacturer take-back programs in strict compliance with national regulations.



Waste paper Recycling Area

Digital-First Sustainability: Paperless Office

Our commitment to a circular and low-carbon office environment yielded significant measurable results in 2025. Through the total electronization of financial archives, the Company successfully eliminated the consumption of over 300,000 sheets of paper and associated printing consumables annually. Furthermore, this initiative has optimized our physical resource footprint by saving 5 cubic meters of high-density storage space every year and removing the need for over 1,000 physical archive volumes. These efforts, combined with our transition to biodegradable and recyclable packaging for our HSD products, underscore our systematic approach to minimizing waste at the source.

5.6 Collective Green Efforts

The Company is dedicated to fostering an environmentally conscious workplace by embedding sustainability into our daily office operations. To reinforce this culture, we have implemented an extensive visual communication strategy, prominently displaying green initiative signage across all facilities to encourage energy conservation, waste segregation, and water-saving practices among our staff. Beyond physical promotions, the Company provides systematic environmental training programs and knowledge-sharing initiatives, including internal emails, digital bulletin boards, and workplace communication platforms, to facilitate the sharing of practical green office case studies, and to equip employees with the latest energy-saving methodologies.

Scaling Employee-Driven Sustainability Initiatives

We have established channels for employee-driven green initiatives, encouraging our staff to propose innovative ideas for enhancing our green office practices. We actively evaluate and integrate these practical suggestions into our operational strategies, fostering a collaborative environment where every employee contributes to our shared environmental vision. By consistently reviewing our progress and evaluating the effectiveness of these initiatives, we ensure that our green office protocols are not only implemented but actively embraced.

Green Workplace and Mobility

When selecting office locations, the Company gives priority to properties that comply with internationally recognized green building certification standards. Our Shenzhen office serves as a notable example of this commitment, having obtained both LEED (Leadership in Energy and Environmental Design) Gold certification and WELL V2 Core Gold certification. These recognitions demonstrate our dedication to creating secure, environmentally responsible, and sustainable workplaces. To advance sustainable mobility, the Company has implemented a 100% pure-electric shuttle fleet, effectively reduced transportation-related carbon emissions while ensuring employee commuting safety.



6. CO-CREATING VALUE TO GIVE BACK TO SOCIETY

Horizon Robotics demonstrates its commitment to social progress by fostering an environment where technological advancement promotes inclusivity and accessibility. Marking a decade of innovation in 2025, our 10th anniversary signals a transition from technical excellence toward 'Inclusive Intelligence.' This guiding philosophy ensures that our progress in autonomous driving creates shared value for every stakeholder, from our supply chain partners to the broader society.

6.1 Supply Chain Management

Cultivating a responsible and sustainable supply chain rooted in transparency and ethical procurement. We manage our global network through a structured governance framework that provides end-to-end oversight throughout the supplier lifecycle – from initial qualification and strategic onboarding to continuous performance assessment.

To ensure precision in our oversight, we categorize partners into manufacturing and non-manufacturing groups. Each category is governed by specialized policies – including the *Supplier Management Process*, the *Special Procurement and Supplier Management Process*, and the *Supplier Audit Operation Manual* – which collectively institutionalize our rigorous standards for quality, integrity, and operational resilience.

Supplier Onboarding

All prospective suppliers are contractually bound to uphold international labor standards (including the strict prohibition of child labor), safeguard worker rights, and maintain environmental compliance. We mandate specific, verifiable certifications during the qualification phase to ensure alignment with our high-order intelligence standards:

- **Core ESG Compliance:** ISO 14001 (Environmental Management), ISO 45001 (Occupational Health & Safety), and explicit REACH/RoHS compliance declarations are required.
- **Automotive & Data Security Standards:** Automotive manufacturing partners are additionally required to demonstrate compliance with ISO 9001, IATF 16949 (Global Automobile Industry Technical Specifications), and ISO 27001 (Information Security).
- **Responsible Sourcing:** The Company maintains a strict zero-tolerance policy toward the use of conflict minerals and required suppliers to provide verifiable documentation demonstrating responsible mineral sourcing. Any confirmed violation will result in immediate termination of the supplier partnership.

Supplier Evaluation and Audit Mechanisms

To perform Environmental, Health, and Safety (EHS) audits, active suppliers must submit comprehensive evidence demonstrating the operational effectiveness of their ESG frameworks. These audits cover environmental impact, occupational safety, human rights protections, and anti-corruption measures. This systematic evaluation not only validates compliance but identifies emerging vulnerabilities, enabling timely, collaborative corrective actions. By ensuring sustained alignment with our ESG standards, Horizon Robotics operationalizes a robust supplier evaluation system

Supply Chain Resilience

To insulate our 10-million-unit mass production capabilities against external shocks, the Company operates a dual-tiered Business Continuity Management (BCM) structure:

- **Strategic Decision-Making Layer:** Composed of senior leadership, this body provides enterprise-wide guidance, approves emergency protocols, and oversees the resolution of escalated disruptions.
- **Agile Execution Layer:** Cross-functional teams are deployed to implement rapid response strategies, monitor incident progression on the ground, and restore normal operations within strictly predefined recovery timelines.

Supply Chain Integrity Management

Horizon Robotics maintains a zero-tolerance policy regarding unethical business conduct, ensuring that our “Inclusive Intelligence” mission is built on a foundation of trust. All suppliers are contractually bound by a *Supplier Integrity Agreement* that explicitly prohibits bribery, gift exchanges, kickbacks, or any form of unethical financial inducements. To safeguard the integrity of our ecosystem, the Company also provides secure, confidential channels for stakeholders to report suspected violations. During the reporting period, all suppliers signed the *Compliance Commitment Letter*, reaffirming their adherence to fair competition principles.

6.2 Industry Empowerment

We drive global technology value chain integration through a focused strategy of talent cultivation and ecosystem growth. By bridging elite academia with industry-leading training and a spirited open-source community, we are pushing the boundaries of innovation while empowering the next generation of the intelligent driving and robotics industry. This commitment to industry-wide growth is manifested through our extensive participation in global exhibitions, technical summits, and executive dialogues as below, including but not limited to:

2025 Offline Events, Industry Salons, and Technical Exchanges

Theme	Key Events & Milestones
Global Expansion and Showcase	<ul style="list-style-type: none"> • IAA MOBILITY • MWC Barcelona 2025 • Embedded World (Germany) • International Auto & Supply Chain Expo (Hong Kong)
Executive Thought Leadership	Featured speaker: Dr. Yu Kai (Founder, Chairman of the Board, Executive Director and Chief Executive Officer) <ul style="list-style-type: none"> • China EV100 Forum • 2025 China Auto Chongqing Summit • The 17th Xuanyuan Automotive Blue Book Forum 2025
Leading Industrial discussions	Featured Speaker: Dr. Chen Liming (Executive Director and Vice Chairman of the Board) <ul style="list-style-type: none"> • 7th Global Automotive Technology Development Leaders Summit • International Forum (TEDA) on Chinese Automotive Industry Development • World Intelligent Connected Vehicles Conference (WICV) • The 32nd SAE-China Annual Congress & Exhibition (SAECCE)
Pioneering Technical Excellence	<ul style="list-style-type: none"> • CVPR 2025 (RoboTwin Award) • Apsara Conference (Yunqi) • 2025 Inclusion • The Bund Conference • China International Industry Fair (CIIF)
Regional Commercial Presence	<ul style="list-style-type: none"> • Shanghai/Chengdu/Guangzhou International Automobile Exhibitions
Talent & Community Empowerment	<ul style="list-style-type: none"> • Autonomous Driving Challenge (Shenzhen InnoX) • Horizon Rigel Robot Communication Night • Embodied AI Technology Seminar (Chaihuo Maker Space)

Industry Recognition & Strategic Thought Leadership

The Company secured its position as an industry leader through 3 major global honors. Dr. Yu Kai, the founder and CEO of Horizon Robotics, was named "Person of the Year" at the 12th Global Auto Annual Ceremony, the only individual recognized for visionary leadership. Technically, our H-RDT algorithm wins the Grand Prize at CVPR 2025, validating our mastery of Embodied AI. Furthermore, the Horizon Super Drive (HSD) system won the iF Design Award for its "Minimalist Aesthetics" and "Digital Mirror World" experience. These accolades confirm our dominance in leadership, technical excellence, and user-centric design.



6.3 Technology as a Catalyst for Social Responsibility

Horizon Robotics is dedicated to both advancing technology and empowering our communities through impactful social initiatives. These efforts underscore our steadfast commitment to social responsibility, ensuring that our corporate growth contributes meaningfully to the well-being of society and fosters a more inclusive environment for all.

Youth Empowerment

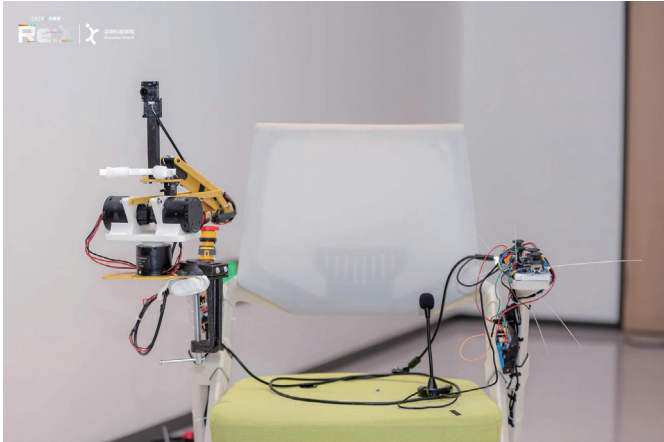
To build a sustainable pipeline of future innovators, we prioritize strategic talent attraction through deep academic partnerships. Collaborating with over 200 prestigious institutions – including Tsinghua University, Peking University, Shanghai Jiao Tong University, and Tongji University – we actively advance Embodied Intelligence education. By providing financial support and preferential resource allocation, we elevate university research capabilities while fostering early, meaningful connections with top-tier talent.

Furthermore, our collaboration with the “Seed Plan” offers a comprehensive “Mentorship + Internship + Intensive Training + Practical Projects” model. This initiative empowers students to engage in front-line roles, equipping them with cutting-edge deep learning expertise and practical experience. By bridging the gap between theoretical knowledge and commercial application, we nurture the next generation of leaders while positioning our company as a premier destination for emerging talent.

Technology for Social Good: Turning Vision into Reality

Moreover, guided by our “Tech for Good” value, the Group empowered D-Robotics to deliver social impact. We transform advanced AI and robotics into inclusive products that serve the community. For us, R&D investment is more than commercial innovation; it is a strategic commitment to a more equitable world. By offering high-performance platforms like the RDK X5, we empower developers to apply “Hard Tech” to “Heartfelt Needs.” Our collaboration with ecosystem partners enables the development of robotic solutions designed for public benefit and measurable social progress.

Latest Product Launch: Designed for Social Accessibility

Project Name	Core Technology (RDK X5 Driven) with the Social Impact & Accessibility Value
<p>Armigo • Lingxi Companion (Intelligent Mobility)</p>	<p>High-performance edge computing, visual semantic perception, and multi-modal interaction for seamless voice/gesture control.</p>  <ul style="list-style-type: none"> • Restoring Autonomy: Enables users to perform daily tasks (e.g., grasping objects) independently while providing “Remote Guardianship” for family peace of mind.
<p>Multi-Scenario Sign Language Translation System</p>	<p>High-precision camera integration and neural network-based gesture recognition for real-time translation.</p> <ul style="list-style-type: none"> • Breaking Barriers: Eliminates communication gaps between the deaf-mute and hearing communities in critical sectors like healthcare, education, and public services.
<p>Intelligent Bathing Robot</p>	<p>Human body model identification and 3D posture estimation for automated mechanical arm path planning.</p> <ul style="list-style-type: none"> • Preserving Dignity: Automates the personal hygiene process for individuals with limited mobility, reducing the physical strain on caregivers while protecting user privacy.

Our products are aimed at building tools that contribute to a more inclusive and compassionate society. We embody a 'Robotics Spirit' where innovation is designed to empower every individual and serve the common good.

7. CARING FOR EMPLOYEES' GROWTH

Horizon Robotics is dedicated to the symbiotic growth of our people and our business. We are building a diverse, equitable, and inclusive ecosystem that prioritizes employee well-being and clear career trajectories, ensuring a safe, fulfilling, and people-centric workplace.

7.1 Diversity, Equity, and Inclusion Team

The Company strictly adheres to the Labor Law of the People's Republic of China and the Labor Contract Law of the People's Republic of China, and has established internal systems such as the *Employee Recruitment Process*, *Interview & Offer Approval Process*, *Background Check Management System*, *Interviewer Manual*, *Labor Management Regulations*, and the *Horizon Robotics Employee Handbook*.

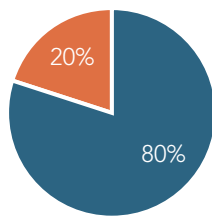
We uphold a strict zero-tolerance policy against all forms of employment discrimination, ensuring equitable treatment of employees regardless of gender, age, ethnicity, geographic origin, nationality, or religious affiliation. Special attention is given to providing employees with disabilities equal access to training, development, and career advancement opportunities. Non-discriminatory principles are applied consistently across performance evaluations, promotions, and job reassignment processes, removing any barriers related to physical conditions. By fostering a merit-based environment, the Company promotes inclusivity, supports professional growth, and cultivates a workplace that encourages collaboration and collective success.

Building a Global Talent Pipeline

To support our international expansion in 2025, Horizon Robotics has cultivated a diverse, world-class talent pool with a global perspective. We have expanded localized Employment and Global Synergy:

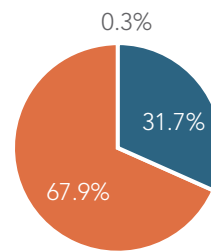
In 2025, we significantly scaled our operations in our European and Singaporean R&D centers. By prioritizing "localized hiring," we successfully integrated top-tier international experts in autonomous driving and semiconductor engineering. As of year-end 2025, our international headcount has grown steadily, fostering cross-cultural innovation and a deeper understanding of global market requirements.

Total numbers of employees by gender



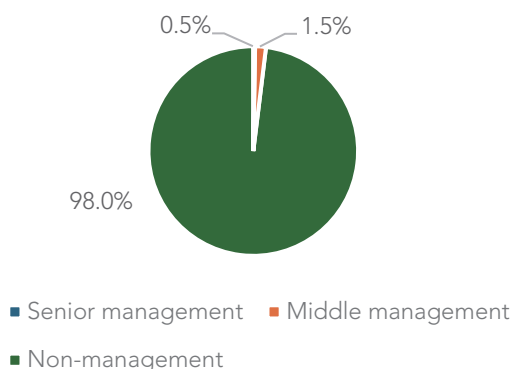
■ Male ■ Female

Total number of employees by age

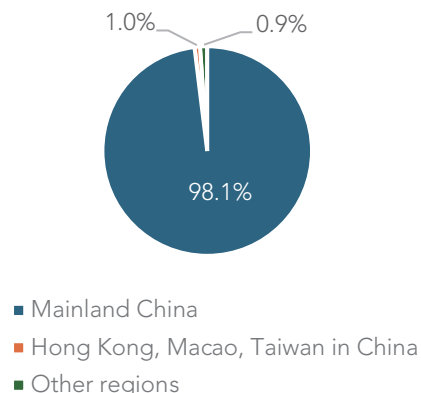


■ 29 years old or below ■ 30 to 50 years old
■ Above 50 years old

Total numbers of employees by type of employment



Total number of employees by geographical region



Absolute Prohibition of Child and Forced Labor

Our recruitment protocols incorporate strict identity verification. All candidates must submit government-issued identification to confirm they meet the jurisdictional minimum working age before an offer is finalized. We explicitly prohibit any form of coercion through violence, threats, or unlawful restriction of personal freedom. Any substantiated cases of labor violations result in immediate disciplinary action, up to termination and legal prosecution, in accordance with corporate policies and local mandates.

During the reporting year, no incidents involving underage labor or forced labor were identified within the company.

Open Dialogue and Transparent Communication

We have established multi-dimensional communication channels to ensure that employee voices are heard, respected, and addressed through collaborative problem-solving. We foster open discussion through regular employee symposiums and our proprietary internal platform. These forums are specifically designed to encourage transparent dialogue regarding workplace equity, corporate culture, and innovation.

7.2 Employee Benefits and Care

The Company is committed to establishing a comprehensive compensation and benefits framework that ensures market-competitive remuneration while progressively enhancing non-monetary welfare programs. These initiatives are designed to strengthen employee engagement, support work-life balance, and enhance overall workforce satisfaction.

Multi-Tiered Benefits and Security

Prioritizing long-term security, the Company provides a multi-tiered benefits framework that exceeds basic regulatory requirements. In strict compliance with national mandates, we ensure full coverage for mandatory social insurance and housing fund contributions for all employees. To further strengthen this safety net, we provide supplemental commercial health insurance and comprehensive annual health screenings.

This robust insurance package is designed to support employee well-being and provide financial protection, covering personal accidents, term life insurance, and critical illness. Furthermore, our medical coverage extends to employees’ children, encompassing outpatient, emergency, and inpatient support, ensuring comprehensive protection for the entire household.

Life-Cycle Support and Gender-Inclusive Care

Our commitment to employee welfare extends across significant life milestones. Horizon Robotics has established a dedicated care allowance system, providing tailored subsidies for employees during events such as marriage and childbirth. We further champion an inclusive workplace through specialized women-specific support initiatives, including a generous six-month maternity leave policy designed to support physical recovery and early-stage childcare.

To complement these financial benefits, we move our care model from reactive support to proactive education. The Company hosts regular expert-led health seminars featuring professional medical practitioners who provide clinical insights into breast health and the prevention of gynecological diseases. These initiatives, coupled with festive engagement activities, serve to reinforce a culture of appreciation and communal happiness.

Work-Life Integration and Inclusive Infrastructure

To empower employees in balancing professional excellence with personal commitments, Horizon Robotics has institutionalized an *Attendance and Leave Management Policy*. This policy supports modern work-life integration through flexible work arrangements and regulated remote work eligibility for qualified staff.

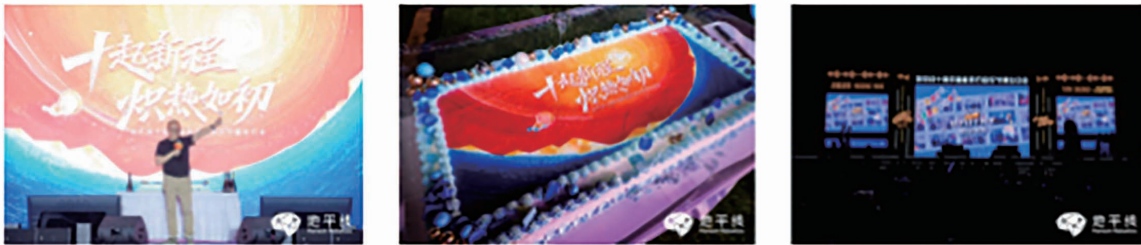
We believe the physical work environment is a catalyst for mental and physical rejuvenation. Consequently, our office locations feature strategically designed multi-functional spaces, including:

- Fitness Centers and Lounge Areas: Promoting physical health and mental decompression during the workday.
- Nursing Rooms: Providing essential, private support for returning parents to accommodate diverse life-stage needs.
- Recreational Pantries: Fostering cross-functional interaction and informal collaboration.

By investing in both flexible policies and inclusive infrastructure, Horizon Robotics ensures that our workplace remains a supportive environment that adapts to the diverse needs of our global workforce.

2025 Employee Vitality & Synergy Highlights

The year 2025 marked a significant milestone: **the Horizon 10th Anniversary**. To honor a decade of innovation, we hosted a large-scale Music Festival that transcended the boundaries of a typical corporate ceremony. This event was a masterclass in cross-functional collaboration, with employees from across the organization co-creating the performances and managing the logistics. The festival acted as a powerful emotional catalyst, harmonizing our collective history with our future vision. By celebrating our “Horizon Spirit” through the universal language of music, we reinforced a unified corporate identity, ensuring that every team member feels like a primary stakeholder in our long-term mission.



We believe that the qualities of a high-performing team – resilience, agility, and trust – are best forged through shared passion. The **2025 Horizon Club Month**, themed “*In the Name of Passion, Gathering Strength*,” saw our Badminton, Basketball, and Football clubs take center stage. These tournaments provided more than just physical activity; they served as a “trust accelerator.” On the court and on the pitch, professional hierarchies dissolved, replaced by the necessity of seamless communication and collective grit. By celebrating every “never-give-up” moment and every underdog victory, we have translated the competitive spirit of the sports field into a professional mindset of overcoming the “impossible.” Through these collaborative activities, Horizon continues to build a resilient, high-trust organization where growth is fueled by genuine connection.



Throughout the year, our **Festive Celebrations** served as vital touchpoints for building an inclusive workplace. By integrating cultural traditions with interactive workshops and creative fairs, we successfully broke down departmental silos, allowing employees from diverse backgrounds to connect on a personal level and fostering a deep sense of belonging within the “Horizon family.”



7.3 Talent Attraction and Retention

Omni-channel global graduates' engagement

To attract top-tier global graduates for the Class of 2025, the Company implemented a multi-dimensional recruitment strategy centered on the "SuperDrive Experience Journey." This initiative provided candidates with a direct look at our core technical prowess and the significant impact new graduates can make on key projects. We utilized a matrix broadcasting approach, conducting simultaneous recruitment live-streams across multiple platforms including the official WeChat Video Account, Weibo, Nowcoder, and Shixiseng. We also leveraged precision traffic placement through technical WeChat public accounts to continuously increase brand exposure within target technical communities, ensuring that Horizon Robotics remains a preferred employer for high-potential technical talent.

To ensure the precise acquisition of top-tier talent, we initiated a targeted communication mechanism at "**Core Universities**" – including the C9 League and premier electronic science hubs like Xidian and UESTC. By deploying a "Campus Ambassador" network within relevant departments, we have established a grid-based employer brand that ensures a steady influx of elite R&D personnel.





Hello!

地平线机器人实验室 邀你共筑「具身智能」未来

团队介绍

地平线三大创新实验室之一，承载公司在机器人方向长期探索的使命，聚焦具身智能基础算法和框架的研发，推动通用机器人的实现。团队具有Manipulation, Mobility和Rea2Sim三个主要研究方向，并探索机器人技术的工业化落地。

社招岗位

具身智能研究科学家	机器人运动控制算法工程师
具身智能算法工程师	机器人3D视觉算法工程师

实习岗位

- 机器人运动控制算法实习生
- 机器人3D视觉算法实习生
- 路径规划算法实习生
- 感知算法实习生



社招二维码



实习二维码



实验室主页

简历投递邮箱: lu.xu@horizon.ai
 进入链接关注更多机器人实验室的工作:
https://horizonrobotics.github.io/robot_lab/main/index.html



Compensation and Performance Management

The Company has established a systematically organized remuneration framework, governed by our Compensation Management Regulations, to ensure our talent remains competitively positioned and strategically motivated. This framework standardizes compensation structures through a scientifically designed approach that aligns individual rewards with corporate strategic objectives. We also implement Compensation Administration Procedures to ensure compliance and transparency. These procedures define approval protocols for incentive programs and enforce rigorous adherence to established management workflows. These measures safeguard the equitable distribution of compensation, ensuring that individual career progression is directly linked to the Company's sustainable development and value creation.

Our compensation philosophy is rooted in a performance-driven culture that integrates market benchmarking with operational strategies. We conduct comprehensive annual reviews to ensure that our remuneration remains competitive within the global technology market. By emphasizing rewards for exceptional contributors, we translate individual expertise into organizational value. This structured approach to total rewards reinforces our commitment to a merit-based ecosystem where personal excellence is recognized and rewarded in alignment with the Group's long-term success.

Performance Appraisal and Equitable Assessment

Our performance management framework operates on a semi-annual cycle, seamlessly integrating goal setting, continuous progress monitoring, and comprehensive outcome evaluations to align individual growth with the Group's strategic trajectory. By utilizing a balanced methodology that blends quantitative performance metrics with qualitative assessments, we ensure that appraisals honor both tangible business results and a deep-seated commitment to our core cultural values. To uphold the highest standards of objectivity and equity, our appraisal process features multi-layered validation, including departmental oversight and cross-functional calibration panels. This rigorous approach not only reinforces a meritocratic culture but also fosters a professional ecosystem where employee development and corporate milestones drive mutual advancement.

Promotion Pathway

Horizon Robotics synchronizes talent development with core business objectives through a Value-Creation Role Cluster and Progression System. This framework establishes rigorous hierarchical standards across four strategic tiers: Execution, Planning, Strategy, and Visionary. To drive precise talent mapping, we utilize our proprietary Prism Competency Model, which benchmarks individual potential across three vital dimensions: behavioral patterns, cognitive approaches, and mindset maturity. This structured architecture incentivizes continuous professional evolution while ensuring every role remains strictly aligned with the Company's strategic roadmap.

The Company has established formal Promotion Management Procedures to standardize career advancement through an equitable, merit-based framework. These protocols are designed to enhance professional competencies and address individual growth aspirations by providing transparent and impartial pathways for progression. A central pillar of our strategy is the cultivation of a gender-neutral career ecosystem; we ensure equal promotion opportunities for all employees and actively work to eliminate gender-based biases in talent selection. This commitment to equity strengthens our organizational vitality by leveraging diverse talents and promoting a culture that drives continuous innovation and sustainable business performance.

7.4 Employee Training and Development

We prioritize the career development of every employee. We continuously refine our talent cultivation system to deliver diversified training that enhances professional expertise, establishing a clear career progression framework that supports personal breakthroughs and organizational growth.

Comprehensive Talent Cultivation System

The Company implements role-specific development plans tailored to employees at various levels, including onboarding programs for new hires, and specialized courses to enhance technical and professional skills. To foster a culture of continuous improvement, we invite participants to evaluate their experience following every training session. By systematically analyzing these insights, we identify opportunities to iteratively refine our methodologies and curriculum. This data-driven approach ensures our human capital development initiatives remain agile, impactful, and precisely aligned with the evolving needs of our talent.

Responsible AI: Ethics and Safety Development

As an AI pioneer, Horizon Robotics maintains that technological advancement must be governed by ethical principles and safety protocols.

- **Institutionalizing AI Ethics:** In 2025, we updated our Employee Training Manual to include specialized modules on AI Ethics, Data Bias Mitigation, and Secure Development Lifecycle (SDL).
- **Training Progress:** We continuously provide the latest technical training for our R&D employees specifically dedicated to AI ethics during this year. Through rigorous case studies and simulation drills, we ensure that “Safety-First” and “Tech for Good” are embedded into codes that our engineers write.

New Employee Onboarding Training

To accelerate the transition of university graduates into high-impact professionals, the Company regularly executes the Campus Training Camp, a flagship initiative designed to bridge the gap between academic theory and industry excellence.

The program was structured around two core pillars:



The 2025 Campus Training Camp

Our 2025 Campus Training Camp empowered 43 newcomers through diverse learning initiatives designed to solidify foundational skills and optimize team dynamics. By fostering motivation and enhancing management capabilities, we drive business success while cultivating a high-performance, sustainable talent pipeline for the future of intelligent mobility.

- Strategic Immersion: A highlight of the program was the CEO Leadership Session, titled “Intelligent Driving: Industry Evolution and Strategic Positioning.” This session provided recruits with a direct line of sight into the Group’s business direction and its role in the global intelligent driving ecosystem.
- Cultural & Policy Orientation: Through interactive workshops on corporate values and HR policy orientations, we ensured that new joiners possessed a clear understanding of our organizational structure, performance management, and long-term development pathways.
- Experiential Resilience: Complementing the academic modules, we integrated outdoor experiential learning – including cycling and rafting – designed to foster teamwork, grit, and cross-functional collaboration.

The Campus Training Camp achieved an outstanding overall satisfaction score of 4.74/5.0. This high rating reflects the strong perceived value of the onboarding experience and the strategic relevance of the learning modules to our new joiners.



Training for Grassroots Management

To strengthen our human capital, we launched a dedicated empowerment program for junior managers, facilitating their transition from individual contributors to effective team leaders. By reinforcing management fundamentals through continuous learning and practical application, we empower leaders to optimize team dynamics and drive business success. This initiative ensures our leadership pipeline remains robust and motivated. The courses are designed with the Four Strategic Pillars:

Strategic Role Cognition	Operational Optimization	Human Capital Motivation	Scenario-based Problem Solving
<ul style="list-style-type: none"> Shifting mindsets toward team-level contribution. 	<ul style="list-style-type: none"> Training in hiring, talent inventory, and performance management. 	<ul style="list-style-type: none"> Mastering teambuilding and engagement techniques. 	<ul style="list-style-type: none"> Applying core principles to real-world frontline challenges.

This program is built as a long-term, systemic development plan rather than a one-off training event. Our curriculum achieves global competitiveness by integrating world-class external management methodologies with our proprietary internal management systems. This dual approach ensures that the training is deeply relevant to the Company’s unique corporate environment while adhering to international leadership standards.

Training Sessions 3	Total Certified Participants 118	Average Participant Satisfaction Score 4.8 (Out of 5.0)
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7.5 Employee Health and Safety

Horizon Robotics prioritises occupational health and safety as an integral part of its operational management. The Company has established internal frameworks such as the *Environmental and Safety Management Standards* and the *EHS Compliance Obligation Identification and Evaluation Control Process* to ensure the systematic identification and review of relevant regulatory requirements. The Company's dedication to maintaining a safe working environment is further validated by our ISO 45001 certification, ensuring our occupational health and safety management systems meet international benchmarks for excellence.

To maintain a secure operational environment, Horizon Robotics implements rigorous facility inspections and proactive hazard identification protocols. Employees are provided with advanced protective equipment, and the workplace is subject to routine safety audits to prevent potential incidents.

A significant milestone in our 2025 strategy was the promulgation of the newly formulated *Environmental and Safety Management Specifications*. This initiative marks a strategic transition from "reactive hazard mitigation" to "proactive wellbeing creation." By institutionalizing these standards, we have moved beyond addressing traditional occupational risks to fostering a holistic, ergonomic workplace designed to ensure the physical and mental flourishing of our employees. This shift reflects our belief that a safe environment is the foundation for innovation and professional vitality.

Health and Safety Training

We prioritize a secure workplace through regular safety-related training and activities. In 2025, we implemented comprehensive fire safety training and fire drills to bolster emergency preparedness and establish a robust safety defence.

Furthermore, the Company organized CPR and AED training to enhance life-saving skills and emergency rescue capabilities. By strengthening our health and safety culture, we proactively safeguard the well-being of our workforce, ensuring a resilient environment for all employees.



Comprehensive Health Resources and Accountability

The Group has established a comprehensive health protection system, integrating statutory insurance with supplementary commercial medical plans and annual physical examinations to prioritize preventive care. We foster a culture of wellness through regular health promotion activities, including educational workshops and a dedicated online medical consultation platform. To ensure fundamental protection, a transparent safety hazard reporting mechanism encourages employees to report violations of occupational health and safety regulations. Every report undergoes a rigorous root cause analysis, followed by targeted corrective and preventive measures to mitigate future risks and enhance workplace safety.

APPENDIX: KEY PERFORMANCE INDICATOR

Category	Indicator	Unit	2025
Environmental	Greenhouse Gas		
	Total greenhouse gas emissions¹ (Scope 1 and Scope 2)	Tonnes of carbon dioxide equivalent	3,406.66
	Greenhouse gas emission (Scope 1 and Scope 2) intensity	Tonnes of carbon dioxide equivalent/Revenue Per Million	0.91
	Greenhouse gas emission (Scope 2)	Tonnes of carbon dioxide equivalent	3,406.66
	Purchased electricity ²	Tonnes of carbon dioxide equivalent	3,406.66
	Greenhouse gas emission (Scope 3)³	Tonnes of carbon dioxide equivalent	58,451.71
	Upstream Procurement and Services ⁴	Tonnes of carbon dioxide equivalent	56,711.67
	Fuel and Energy Activities ⁵	Tonnes of carbon dioxide equivalent	196.33
	Business Travel	Tonnes of carbon dioxide equivalent	1,443.89
	Employee Commuting	Tonnes of carbon dioxide equivalent	99.82
	Energy		
	Total energy consumption	MWh	6,004.00
	Energy consumption intensity	MWh/Revenue Per Million	1.60
	Indirect energy consumption	MWh	6,004.00
	Electricity	MWh	6,004.00
	Water consumption		
	Total water consumption	Tonnes	10,002.95
	Water consumption intensity	Tonnes/Revenue Per Million	2.66

1 Greenhouse gases mainly come from purchased electricity. Greenhouse gas emissions are calculated based on the Announcement on the Release of 2023 Electricity Carbon Dioxide 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. Location-based method is adopted for the Scope 2 emissions calculation. Horizon Robotics does not consume gasoline, diesel, etc., and its greenhouse gases only come from the use of purchased electricity. Therefore, direct greenhouse gas emissions and direct energy consumption are not listed.

2 The purchased electricity data covers all workplaces in Horizon Robotics, including those in Beijing, Shanghai (including Lingang and Tuwu), Nanjing, Hangzhou, Shenzhen, Chengdu, Xi'an, Suzhou, Chongqing and Cixi.

3 According to Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011), our scope 3 greenhouse gas emission covers Category 1: Upstream Procurement and Services; Category 3: Fuel and Energy Activities; Category 6: Business Travel and Category 7: Employee Commuting.

4 The emissions from upstream procurement and services covers the top 10 major supplier in the reporting period and the relevant financial activity data is adopted for the calculation.

5 The emissions from fuel and energy activities covers the upstream emissions from the purchased electricity.

Category	Indicator	Unit	2025
Environmental	Waste		
	Non-hazardous waste⁶	Tonnes	190.96
	Non-hazardous waste intensity	kg/Revenue Per Million	50.81
	Hazardous waste⁷	Tonnes	1.84
	Hazardous waste intensity	kg/Revenue Per Million	0.49
Social	Employment		
	Total number of employees	Person	2,391
	By gender		
	Male	Person	1,913
	Female	Person	478
	By employment type		
	Full-time	Person	2,215
	Part-time	Person	176
	By age		
	Under 30 years old (not including)	Person	759
	30 to 50 years old	Person	1,624
	Above 50 years old (not including)	Person	8
	By employee level		
	Senior management	Person	13
	Middle management	Person	36
	Non-management	Person	2,342
	By region		
	Mainland China	Person	2,346
Hong Kong, Macao, Taiwan in China	Person	23	
Other regions	Person	22	

6 All non-hazardous waste is handled by garbage removal units, mainly office waste, domestic waste, etc.

7 Hazardous waste is handled by professional recycling companies for harmless treatment or by the original factory for recycling, mainly including discarded computer monitors, etc.

Category	Indicator	Unit	2025
Social	Turnover Rate⁸		
	Total Employee Turnover Rate	%	5.28
	By gender		
	Male	%	4.97
	Female	%	4.60
	By age		
	Under 30 years old (not including)	%	5.01
	30 to 50 years old	%	4.80
	Above 50 years old (not including)	%	12.50
	By employee level		
	Senior management	%	15.38
	Middle management	%	0.00
	Non-management	%	4.91
	By region		
	Mainland China	%	4.82
	Hong Kong, Macao, Taiwan in China	%	0.00
	Other regions	%	18.2
	Health and Safety		
	Number of deaths due to work	Person	0
	Death rate due to work	%	0
Number of working days lost due to injury ⁹	Day	0	

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

9 The number of working days lost due to injury is subject to the identification of injury by the local social insurance administrative department.

Category	Indicator	Unit	2025
Social	Percentage of Trained Employee		
	By gender		
	Male	%	93.83
	Female	%	87.87
	By employee level		
	Senior management	%	100
	Middle management	%	100
	Non-management	%	92.49
	Average Training Hours Per Employee¹⁰		
	By gender		
	Male	Hour	3.04
	Female	Hour	2.54
	By employee level		
	Senior management	Hour	0.15
	Middle management	Hour	0.97
	Non-management	Hour	2.99
	Supply Chain Management		
	Total suppliers	Unit	1,106
	By region		
	Mainland China	Unit	982
Hong Kong, Macao, Taiwan in China	Unit	73	
Other regions	Unit	51	

APPENDIX: HONG KONG STOCK EXCHANGE ESG INDICATOR INDEX

Subject Areas, Aspects, General Disclosures and KPIs		Corresponding Section
Governance Structure	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.	Board Statement
Reporting Principles	<p>A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report:</p> <p>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.</p> <p>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.</p> <p>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.</p>	About This Report
Reporting Boundary	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.	About This Report
A. Environmental		
A1 Emissions		
General Disclosure		5.3 Comprehensive Environmental Management
A1.1	The types of emissions and respective emissions data.	5.3 Comprehensive Environmental Management
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Key Performance Indicator
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

Subject Areas, Aspects, General Disclosures and KPIs		Corresponding Section
A1.5	Description of emissions target(s) set and steps taken to achieve them.	5.1 Addressing Climate Change 5.5 Waste Management
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.	5.1 Addressing Climate Change 5.5 Waste Management
A2 Use of Resources		
General Disclosure		5.4 Resources Management
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
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility)	Key Performance Indicator
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	5.1 Addressing Climate Change 5.4 Resources Management
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.	5.4 Resources Management
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable ¹⁰
A3 The Environment and Natural Resources		
General Disclosure		5.6 Collective Green Efforts
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	5.6 Collective Green Efforts
B.Social		
B1 Employment		
General Disclosure		7.1 Diversity, Equity, and Inclusion Team
B1.1	Total workforce by gender, employment type (for example, full – or part-time), age group and geographical region.	Key Performance Indicator
B1.2	Employee turnover rates by gender, age group and region.	Key Performance Indicator

¹⁰ Since we do not own any manufacturing facilities, we do not produce packaging materials.

Subject Areas, Aspects, General Disclosures and KPIs		Corresponding Section
B2 Health and Safety		
General Disclosure		7.5 Employee Health and Safety
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Key Performance Indicator
B2.2	Lost days due to work injury.	Key Performance Indicator
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	7.5 Employee Health and Safety
B3 Development and Training		
General Disclosure		7.4 Employee Training and Development
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Key Performance Indicator
B3.2	Average number of hours of training completed per employee by gender and employee category.	Key Performance Indicator
B4 Labor Standards		
General Disclosure		7.1 Diversity, Equity, and Inclusion Team
B4.1	Description of measures to review employment practices to avoid child and forced labor.	7.1 Diversity, Equity, and Inclusion Team
B4.2	Description of steps taken to eliminate such practices when discovered.	7.1 Diversity, Equity, and Inclusion Team
B5 Supply Chain Management		
General Disclosure		
B5.1	Number of suppliers by geographical region.	Key Performance Indicator
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.	6.1 Supply Chain Management
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	6.1 Supply Chain Management
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	6.1 Supply Chain Management

Subject Areas, Aspects, General Disclosures and KPIs		Corresponding Section
B6 Product Responsibility		
General Disclosure		3. Empowering The Future of Automobile
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	3.3 Product Quality Management with the Goal of "Committed to delivering zero-defect, safe, and premium-quality products and services"
B6.2	Number of products and service related complaints received and how they are dealt with.	4.2 Information Security and Data Privacy
B6.3	Description of practices relating to observing and protecting intellectual property rights.	4.4 Intellectual Property Protection
B6.4	Description of quality assurance process and recall procedures.	3.3 Product Quality Management with the Goal of "Committed to delivering zero-defect, safe, and premium-quality products and services"
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	4.2 Information Security and Data Privacy
B7 Anti-corruption		
General Disclosure		4.3 Business Ethics and Integrity
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.	4.3 Business Ethics and Integrity
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	4.3 Business Ethics and Integrity
B7.3	Description of anti-corruption training provided to directors and staff.	4.3 Business Ethics and Integrity

Subject Areas, Aspects, General Disclosures and KPIs		Corresponding Section
Community		
B8 Community Investment		
General Disclosure		6.3 Technology as a Catalyst for Social Responsibility
B8.1	Focus areas of contribution (e.g., education, environmental concerns, labor needs, health, culture, sports).	6.3 Technology as a Catalyst for Social Responsibility
B8.2	Resources contributed (e.g., money or time) to the focus areas.	6.3 Technology as a Catalyst for Social Responsibility

Part D: Climate-related Disclosures		Reference Section
Governance	<p>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:</p> <ul style="list-style-type: none"> (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. 	<p>2.1 ESG Governance Structure</p> <p>5.1 Addressing Climate Change – Climate Governance</p>

Part D: Climate-related Disclosures		Reference Section
	<p>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:</p> <ul style="list-style-type: none"> (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. 	<p>2.1 ESG Governance Structure 5.1 Addressing Climate Change – Climate Governance</p>
<p>Strategy</p>	<p>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:</p> <ul style="list-style-type: none"> (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. 	<p>5.1 Addressing Climate Change – Strategy</p>

Part D: Climate-related Disclosures	Reference Section
<p>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:</p> <ul style="list-style-type: none"> (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). 	<p>5.1 Addressing Climate Change – Strategy</p>
<p>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:</p> <ul style="list-style-type: none"> (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; 	<p>5.1 Addressing Climate Change – Strategy</p>

Part D: Climate-related Disclosures	Reference Section
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).	5.1 Addressing Climate Change – Strategy
23. An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).	5.1 Addressing Climate Change – Strategy
24 (a). 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;	<p>For qualitative information: 5.1 Addressing Climate Change – Strategy</p> <p>For quantitative information: Given the high level of measurement uncertainty arising from data limitations, financial effect relief is adopted.</p>
24 (b). An issuer shall disclose qualitative and quantitative information about 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.	
<p>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:</p> <p>(i) its investment and disposal plans; and</p> <p>(ii) its planned sources of funding to implement its strategy;</p>	<p>For qualitative information: 5.1 Addressing Climate Change – Strategy</p> <p>For quantitative information: Given the high level of measurement uncertainty arising from data limitations, financial effect relief is adopted.</p>
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.	Given the high level of measurement uncertainty arising from data limitations, financial effect relief is adopted.

Part D: Climate-related Disclosures	Reference Section
<p>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:</p> <ul style="list-style-type: none"> (i) 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; (ii) the significant areas of uncertainty considered in the issuer’s assessment of its climate resilience; and (iii) the issuer’s capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term; 	<p>Adoption of reasonable information and capabilities relief. Company currently does not have the capability to conduct climate scenario analysis in a complete and accurate manner.</p>
<p>26 (b). An issuer shall disclose how and when the climate-related scenario analysis was carried out, including:</p> <ul style="list-style-type: none"> (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. 	<p>Adoption of reasonable information and capabilities relief. Company currently does not have the capability to conduct climate scenario analysis in a complete and accurate manner.</p>

Part D: Climate-related Disclosures		Reference Section
Risk Management	<p>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:</p> <ul style="list-style-type: none"> (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. 	5.1 Addressing Climate Change – Risk Management
	<p>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);</p>	5.1 Addressing Climate Change – Risk Management
	<p>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.</p>	5.1 Addressing Climate Change – Risk Management

Part D: Climate-related Disclosures		Reference Section
Metrics and Targets	<p>28. An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO2 equivalent, classified as:</p> <ul style="list-style-type: none"> (a) Scope 1 greenhouse gas emissions; (b) Scope 2 greenhouse gas emissions; and (c) Scope 3 greenhouse gas emissions. 	Key Performance Indicator
	<p>29. An issuer shall:</p> <ul style="list-style-type: none"> (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

Part D: Climate-related Disclosures	Reference Section
<p>30. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.</p>	<p>Reasonable Information Relief Adopted. We will enhance our methodology and processes for assessing the financial effect of climate related risks and opportunities in future.</p>
<p>31. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.</p>	<p>Reasonable Information Relief Adopted. We will enhance our methodology and processes for assessing the financial effect of climate related risks and opportunities in future.</p>
<p>32. An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.</p>	<p>Reasonable Information Relief Adopted. We will enhance our methodology and processes for assessing the financial effect of climate related risks and opportunities in future.</p>
<p>33. An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.</p>	<p>5.1 Addressing Climate Change – Metrics and Targets</p>
<p>34. An issuer shall disclose:</p> <ul style="list-style-type: none"> (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. 	<p>The Group did not implement internal carbon prices in decision-making during the Reporting Period.</p>

Part D: Climate-related Disclosures	Reference Section
<p>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).</p>	<p>The Group did not include climate-related considerations which are factored into remuneration policy during the Reporting Period.</p>
<p>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.</p>	<p>5.1 Addressing Climate Change – Metrics and Targets</p>
<p>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.</p>	<p>5.1 Addressing Climate Change – Metrics and Targets</p>
<p>38. An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:</p> <ul style="list-style-type: none"> (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. 	<p>5.1 Addressing Climate Change – Metrics and Targets</p>

Part D: Climate-related Disclosures	Reference Section
<p>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.</p>	<p>5.1 Addressing Climate Change – Metrics and Targets</p>
<p>40. For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose:</p> <ul style="list-style-type: none"> (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). 	<p>5.1 Addressing Climate Change – Metrics and Targets</p>
<p>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).</p>	<p>Key Performance Indicator</p>

Independent Auditor's Report



羅兵咸永道

**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF HORIZON ROBOTICS**
(incorporated in the Cayman Islands with limited liability)

OPINION

What we have audited

The consolidated financial statements of Horizon Robotics (the "Company") and its subsidiaries (the "Group"), which are set out on pages 139 to 241, comprise:

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

Our opinion

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

BASIS FOR OPINION

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

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

Independence

We are independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Hong Kong Institute of Certified Public Accountants (the "Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF HORIZON ROBOTICS (Continued)
 (incorporated in the Cayman Islands with limited liability)

KEY AUDIT MATTERS

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

Key audit matters identified in our audit are summarised as follows:

- Recognition of revenue from license and services of automotive solutions
- Valuation of the preferred shares
- Measurement of expected credit loss of trade receivables

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Recognition of revenue from license and services of automotive solutions</p> <p>Refer to note 6 to the consolidated financial statements</p> <p>One of the Group's major revenues was derived from license and services of automotive solutions. The Group recognised revenue from license and services of RMB1,934.9 million for the year ended December 31, 2025.</p> <p>We focused on this area as significant efforts were spent on auditing the revenues recognised from license and services of automotive solutions due to the variety of licenses and services offered by the Group, and the specific terms applied in the contracts, for which significant audit resources were allocated.</p>	<p>We have performed the following procedures to address this key audit matter:</p> <ul style="list-style-type: none"> • Evaluated the appropriateness of the revenue recognition policies as adopted by the Group against the prevailing requirements of accounting standards; • Understood and evaluated the Group's relevant internal controls over revenue recognition; • Inspected revenue contracts with the Group's customers, on a sample basis, and identified the commercial terms and conditions of the contracts to evaluate the recognition of revenue by management against the requirements of the prevailing accounting standards, including identification of performance obligations, determination of transaction price, and timing for which control of the promised products or services are transferred; • Tested, on a sample basis, revenue transactions by inspecting the relevant supporting evidence such as (i) customer acceptance for license revenue recognised at a point in time, (ii) service acceptance report for service revenues recognised at a point in time;

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF HORIZON ROBOTICS (Continued)
(incorporated in the Cayman Islands with limited liability)

Key Audit Matter	How our audit addressed the Key Audit Matter
	<ul style="list-style-type: none"><li data-bbox="782 495 1356 625">• Circulated confirmations to selected customers of the Group to confirm trade receivables balances as at December 31, 2025 and sales transactions for the year ended December 31, 2025; and<li data-bbox="782 657 1356 819">• Tested revenue transactions, on a sample basis, that took place before and after December 31, 2025 to assess whether these transactions were recognised in the appropriate reporting period based on the supporting documents obtained. <p data-bbox="790 851 1356 970">Based upon the above procedures performed, we considered that the recognition of revenue from license and services of automotive solutions were supported by the evidence obtained.</p>

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF HORIZON ROBOTICS (Continued)
 (incorporated in the Cayman Islands with limited liability)

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Valuation of the preferred shares</p> <p>Refer to note 3.3, 4(b) and 28 to the consolidated financial statements</p> <p>As at December 31, 2025, the Group's preferred shares and other financial liabilities at FVPL included preferred shares (the "Preferred Shares") issued by D-Robotics, a subsidiary of the Company and a convertible loan (the "Convertible Loan") issued by the Company.</p> <p>As at December 31, 2025, the preferred shares issued by D-Robotics (the "Preferred Shares"), classified as financial liabilities and measured at fair value through profit or loss, were RMB2,403.5 million. In addition, fair value losses on the Preferred Shares of RMB290.8 million was recognised in the statement of profit or loss for the year.</p> <p>The Preferred Shares were not traded in an active market as at December 31, 2025. Determination of their fair value requires the use of unobservable inputs and accordingly, these financial liabilities were classified as level 3 financial instruments as at December 31, 2025. Management used discounted cash flow method to determine the underlying equity value of D-Robotics and adopted equity allocation model to determine the fair value of this instrument.</p>	<p>We have performed the following procedures to address this key audit matter:</p> <ul style="list-style-type: none"> • Obtained an understanding of the management's internal controls and assessment process of determining the fair value of the Preferred Shares and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors, such as complexity, subjectivity, changes and susceptibility to management bias; • Examined the agreements and other relevant documents, and assessed the implications of the key terms as set out in these documents to the valuation; • Assessed the competence, capabilities and objectivity of the independent external valuation expert engaged by the Group; • With the assistance of our internal valuation experts, tested the accuracy of mathematical calculations applied in the valuation models, assessed and challenged the appropriateness of the valuation techniques used and the reasonableness of the significant assumptions, including discount rates, risk-free interest rates, DLOM and expected volatility by comparing with those as adopted by comparable companies in the industry and other external market data; • Evaluated the key assumptions applied by management in the cashflow forecast, with reference to historical business performance, and our understanding of the D-Robotics' business, management's financial forecast, and available market data;

**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF HORIZON ROBOTICS (Continued)**
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Key Audit Matter	How our audit addressed the Key Audit Matter
<p>The determination of fair value of the Preferred Shares required significant judgments by management on the data inputs including discount rates, risk-free interest rates, discount for lack of marketability ("DLOM"), expected volatility, and the relevant underlying assumptions used in the cashflow forecast, and the engagement of an independent external valuation expert by management in assisting them in the determination of fair value of these Preferred Shares.</p> <p>We focused on this area due to the significant judgments and assumptions made by management in determining the fair value of the Preferred Shares as at December 31, 2025.</p>	<ul style="list-style-type: none"> • Checked the data inputs used in the determination of the fair value to supporting documents; and • Assessed the disclosures related to valuation of the Preferred Share. <p>Based upon the above procedures performed, we considered that the key assumptions and judgments applied by management in the valuation of the Preferred Shares was supported by the evidence obtained.</p>
<p>Measurement of expected credit loss ("ECL") of trade receivables</p> <p>Refer to note 3.1(b), 4(c) and 20 to the consolidated financial statements</p> <p>There were trade receivables carried at a net carrying amount of RMB1,760.0 million as at December 31, 2025. In addition, an ECL of RMB8.6 million was charged in the consolidated statement of profit or loss for the year ended December 31, 2025.</p> <p>The Group applied the simplified approach to determine the amounts of ECL of trade receivables. In measuring the ECL, trade receivables have been grouped based on the shared credit risk characteristics. The expected loss rates are determined with reference to historical payments profiles, adjusted to reflect certain current and forward-looking information on macroeconomic factors affecting the customers' ability to settle the receivables.</p>	<p>We have performed the following procedures to address this key audit matter:</p> <ul style="list-style-type: none"> • Obtained an understanding of management's internal controls and assessment process of ECL of trade receivables, and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors, such as complexity, subjectivity, changes and susceptibility to management bias; • With the assistance of our internal valuation expert: <ul style="list-style-type: none"> (i) Evaluated the appropriateness of the valuation model used in the ECL measurement and the reasonableness of grouping of trade receivables against their nature and risk characteristics; (ii) Assessed the reasonableness of the expected loss rates by considering the relevant supporting documents such as historical payments profiles and aging analysis of trade receivables;

INDEPENDENT AUDITOR'S REPORT
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Key Audit Matter	How our audit addressed the Key Audit Matter
<p>We focused on this area due to the key assumptions and judgments applied by management in the measurement of ECL of trade receivable as mentioned above.</p>	<p>(iii) Evaluated the appropriateness of forward-looking factors with reference to our understanding of the Group's business, industry and external macroeconomic data; and</p> <p>(iv) Performed sensitivity analysis of the assumptions adopted by management in the assessment of forward-looking information to assess the potential impact on the measurement of ECL on trade receivables in the event of a reasonable and probable change in the relevant key assumptions happened;</p> <ul style="list-style-type: none"> • Tested, on a sample basis, the accuracy of ageing analysis of trade receivables prepared by management to the related supporting documents; • Checked the mathematical accuracy of the ECL calculation for the loss allowance on trade receivables; and • Assessed the disclosures related to ECL of trade receivables. <p>Based upon the above procedures performed, we considered that the key assumptions and judgments applied by management in the measurement of ECL of trade receivables were supported by the evidence obtained.</p>

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF HORIZON ROBOTICS (Continued)

(incorporated in the Cayman Islands with limited liability)

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the Company's 2025 annual report (the "annual report") (but does not include the consolidated financial statements and our auditor's report thereon), which is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will 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 identified above when it becomes available 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.

When we read the other information to be included in the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Audit Committee and take appropriate action considering our legal rights and obligations.

RESPONSIBILITIES OF DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The Audit Committee is responsible for overseeing the Group's financial reporting process.

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

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF HORIZON ROBOTICS (Continued)

(incorporated in the Cayman Islands with limited liability)

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 PAI, Hung On, Hendry.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, March 19, 2026

Consolidated Statement of Profit or Loss

	Notes	Year ended December 31,	
		2025 RMB'000	2024 RMB'000
Revenue from contracts with customers	6	3,758,268	2,383,554
Cost of sales	9	(1,332,588)	(542,200)
Gross profit		2,425,680	1,841,354
Research and development expenses	9	(5,153,708)	(3,156,055)
Administrative expenses	9	(725,964)	(637,615)
Selling and marketing expenses	9	(631,924)	(409,853)
Net impairment losses on financial assets	3.1(b)	(9,575)	(51,249)
Other income	7	335,183	195,875
Net other gains	8	421,517	73,303
Operating loss		(3,338,791)	(2,144,240)
Finance income	10	403,938	383,231
Finance costs	10	(14,089)	(7,413)
Net finance income		389,849	375,818
Share of results of investments accounted for using the equity method	13	(853,054)	(557,287)
Fair value changes of preferred shares and other financial liabilities	28	(6,664,051)	4,676,724
(Loss)/Profit before income tax		(10,466,047)	2,351,015
Income tax expense	14	(3,319)	(4,507)
(Loss)/Profit for the year		(10,469,366)	2,346,508
(Loss)/Profit is attributable to:			
Owners of Horizon Robotics		(10,469,012)	2,346,580
Non-controlling interests		(354)	(72)
(Loss)/Earnings per share for (loss)/profit attributable to the ordinary equity holders of the Company (expressed in RMB per share):			
Basic (loss)/earnings per share	15	(0.81)	0.51
Diluted loss per share	15	(0.81)	(0.17)

Consolidated Statement of Comprehensive Income

	Notes	Year ended December 31,	
		2025 RMB'000	2024 RMB'000
(Loss)/Profit for the year		(10,469,366)	2,346,508
Other comprehensive loss			
<i>Items that will not be reclassified to profit or loss</i>			
Currency translation differences		(85,222)	(195,638)
Effects of changes in credit risk for financial liabilities designated as at fair value through profit or loss	28	90,411	(76,226)
Other comprehensive loss for the year, net of nil tax		5,189	(271,864)
Total comprehensive (loss)/income for the year		(10,464,177)	2,074,644
Total comprehensive (loss)/income for the year is attributable to:			
Owners of Horizon Robotics		(10,463,891)	2,074,716
Non-controlling interests		(286)	(72)

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

Consolidated Statement of Financial Position

	Notes	As at December 31,	
		2025 RMB'000	2024 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment	16	1,052,700	773,972
Right-of-use assets	17	177,353	211,517
Deferred tax assets	30	105,613	106,911
Intangible assets	18	239,109	320,251
Investments accounted for using the equity method	13	1,297,284	1,038,161
Financial assets at fair value through profit or loss	3.3	3,502,634	629,638
Restricted cash	19, 23	5,379	8,141
Prepayments and other non-current assets	21	112,914	94,803
Total non-current assets		6,492,986	3,183,394
Current assets			
Inventories	22	1,069,224	585,414
Prepayments and other current assets	21	456,174	533,589
Trade receivables	20	1,760,048	678,770
Financial assets at fair value through other comprehensive income	20	5,000	26,900
Term deposits	23	636,922	–
Restricted cash	19, 23	2,712	–
Cash and cash equivalents	23	20,188,070	15,370,925
Total current assets		24,118,150	17,195,598
Total assets		30,611,136	20,378,992
LIABILITIES			
Non-current liabilities			
Lease liabilities	17	42,659	81,539
Preferred share and other financial liabilities at FVPL	28	–	6,383,299
Borrowings	29	507,998	392,605
Deferred tax liabilities	30	16	1,626
Other non-current liabilities	27	545,058	327,289
Total non-current liabilities		1,095,731	7,186,358

Consolidated Statement of Financial Position

	Notes	As at December 31,	
		2025 RMB'000	2024 RMB'000
Current liabilities			
Trade payables	27	234,391	14,552
Contract liabilities	6	265,565	248,693
Borrowings	29	20,000	14,667
Lease liabilities	17	74,669	71,751
Employee benefit obligations		458,663	416,898
Accruals and other payables	27	914,655	306,851
Preferred shares and other financial liabilities at FVPL	28	14,907,698	204,410
Total current liabilities		16,875,641	1,277,822
Total liabilities		17,971,372	8,464,180
Net current assets		7,242,509	15,917,776
Net assets		12,639,764	11,914,812
EQUITY			
Equity attributable to owners of Horizon Robotics			
Share capital	24	242	205
Share premium	24	45,704,716	34,087,735
Treasury Stock		(73,124)	–
Other reserves	25	268,599	616,784
Accumulated losses		(33,261,189)	(22,790,718)
		12,639,244	11,914,006
Non-controlling interests		520	806
Total equity		12,639,764	11,914,812

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

The consolidated statement of financial position was approved by the Board of Directors on March 19, 2026 and were signed on its behalf:

Kai Yu
Director

Chang Huang
Director

Consolidated Statement of Changes in Equity

Equity attributable to owners of Horizon Robotics								
	Notes	Share capital RMB'000	Share premium RMB'000	Other reserves RMB'000	Accumulated losses RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at January 1, 2024		39	146,257	759,842	(25,571,415)	(24,665,277)	(107)	(24,665,384)
Profit for the year		-	-	-	2,346,580	2,346,580	(72)	2,346,508
Effects of changes in credit risk for financial liabilities designated as at fair value through profit or loss	28	-	-	(76,226)	-	(76,226)	-	(76,226)
Currency translation differences		-	-	(195,638)	-	(195,638)	-	(195,638)
Total comprehensive loss for the year		-	-	(271,864)	2,346,580	2,074,716	(72)	2,074,644
Transactions with owners in their capacity as owners:								
Conversion of preferred shares to ordinary shares	28	139	28,550,014	-	-	28,550,153	-	28,550,153
Transfer of accumulated changes in fair value due to own credit risk upon derecognition of preferred shares	28	-	-	(434,117)	434,117	-	-	-
Issuance of ordinary shares relating to the Hong Kong public offering and international offering, netting of underwriting commissions and other issuance costs	27	5,391,464	-	-	-	5,391,491	-	5,391,491
Share-based payments	26	-	-	550,761	-	550,761	-	550,761
Deemed investment arising from share-based payments	13	-	-	12,162	-	12,162	-	12,162
Capital contributions from non-controlling interests shareholders		-	-	-	-	-	985	985
Balance at December 31, 2024		205	34,087,735	616,784	(22,790,718)	11,914,006	806	11,914,812

Consolidated Statement of Changes in Equity

		Equity attributable to owners of Horizon Robotics						Non-	Total
		Share	Share	Other	Treasury	Accumulated	Total	controlling	equity
Notes		capital	premium	reserves	Stock	losses		interests	
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	Balance at January 1, 2025	205	34,087,735	616,784	-	(22,790,718)	11,914,006	806	11,914,812
	Loss for the year	-	-	-	-	(10,469,012)	(10,469,012)	(354)	(10,469,366)
	Effects of changes in credit risk for financial liabilities designated as at fair value through profit or loss	28	-	90,351	-	-	90,351	60	90,411
	Currency translation differences	-	-	(85,230)	-	-	(85,230)	8	(85,222)
	Total comprehensive loss for the year	-	-	5,121	-	(10,469,012)	(10,463,891)	(286)	(10,464,177)
	Transactions with owners in their capacity as owners:								
	Placing of ordinary shares	24	10,062,582	-	-	-	10,062,606	-	10,062,606
	Share-based payments	-	-	965,773	-	-	965,773	-	965,773
	Exercise and settle of options and share awards	13	1,554,399	(1,488,493)	-	-	65,919	-	65,919
	Repurchase of own shares	-	-	-	(73,124)	-	(73,124)	-	(73,124)
	Share of other equity movements of joint ventures	-	-	140,884	-	-	140,884	-	140,884
	Deemed investment arising from share-based payments	-	-	27,071	-	-	27,071	-	27,071
	Appropriations to PRC statutory reserves	-	-	1,459	-	(1,459)	-	-	-
	Balance at December 31, 2025	242	45,704,716	268,599	(73,124)	(33,261,189)	12,639,244	520	12,639,764

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

Consolidated Statement of Cash Flows

	Notes	Year ended December 31,	
		2025 RMB'000	2024 RMB'000
Cash flows from operating activities			
Cash used in operating activities		(2,505,052)	(356,235)
Interest received		399,608	383,231
Income taxes paid		(608)	(9,393)
Net cash (outflow)/inflow from operating activities		(2,106,052)	17,603
Cash flows from investing activities			
Payments for property, plant and equipment		(471,590)	(534,724)
Payments for intangible assets		(229,649)	(377,193)
Purchase of investments accounted for using the equity method		(1,074,582)	(546,080)
Payments for financial assets at fair value through profit or loss		(31,630,880)	(20,887,517)
Placement of term deposits		(2,182,049)	–
Proceeds from sale of property, plant and equipment		509	3,997
Proceeds from sale of financial assets at fair value through profit or loss		29,103,888	20,409,425
Proceeds from sale of investment accounted for using the equity method	13	4,981	–
Term deposits matured		1,549,457	–
Net cash outflow from investing activities		(4,929,915)	(1,932,092)
Cash flows from financing activities			
Proceeds from issuance of ordinary shares	24	10,062,606	5,403,665
Proceeds from issuance of preferred shares and other financial liabilities	28	2,023,776	192,332
Payments for share repurchase to settle employee tax		(73,124)	–
Capital contributions from non-controlling interests shareholders		–	985
Proceeds from exercising option		65,919	–
Payment for transaction cost for issuance of preferred shares liabilities		(4,264)	–
Payment for non-recurring capital rising expense		(616)	(11,623)
Principal elements of lease payments		(77,150)	(57,226)
Interest elements of lease payments	17	(6,981)	(7,413)
Proceeds from borrowings	29	120,726	294,428
Net cash inflow from financing activities		12,110,892	5,815,148
Net increase in cash and cash equivalents			
Cash and cash equivalents at the beginning of the year		15,370,925	11,359,641
Effects of exchange rate changes on cash and cash equivalents		(257,780)	110,625
Cash and cash equivalents at the end of the year		20,188,070	15,370,925

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

Notes to the Consolidated Financial Statements

1 GENERAL INFORMATION

Horizon Robotics (the “Company”) was incorporated in the Cayman Islands on July 21, 2015, as an exempted company with limited liability under the Companies Act (Cap. 22, Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The address of the Company’s registered office is Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as the “Group”) are principally engaged in providing automotive solutions for passenger vehicles with proprietary software and hardware. The Group also provides non-automotive solutions to enable device manufacturers to design and manufacture devices and appliances with enhanced levels of intelligence.

The Company completed the initial public offering (the “IPO”) and had its shares listed on the Main Board of The Stock Exchange of Hong Kong Limited on October 24, 2024.

The Company’s principal subsidiaries for the years ended December 31, 2025 and 2024 are set out in Note 12.

Dr. Kai Yu is the ultimate controlling shareholder of the Company as of the date of approval of these consolidated financial statements.

The consolidated financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand (RMB’000) except when otherwise indicated.

2 BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with all applicable IFRS Accounting Standards issued by the International Accounting Standards Board ("IFRS Accounting Standards"). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of convertible redeemable preferred shares, other financial liabilities at fair value through profit or loss, and financial assets at fair value through profit or loss ("FVPL").

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

Standards and amendments to standards that have been issued but not yet effective and not been early adopted by the Group during the year ended December 31, 2025 are as follows:

Standards and amendments	Effective for accounting periods beginning on or after
Amendments to IFRS 9 and IFRS 7, 'Amendments to the Classification and Measurement of Financial Instruments'	1 January 2026
Annual Improvements – Volume 11 IFRS accounting standards	1 January 2026
IFRS 18, 'Presentation and Disclosure in Financial Statements'	1 January 2027
IFRS 19, 'Subsidiaries without Public Accountability: Disclosures'	1 January 2027

The Group is in the process of assessing potential impact of the above new standards and amendments. According to the preliminary assessment, the above new standards and amendments are not expected to have any significant impact on the financial performance and positions of the Group when they become effective. The Group plans to adopt these new standards and amendments when they become effective.

3 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out by the senior management of the Group.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors

(a) Market risk

(i) Foreign exchange risk

Foreign exchange risk arises when future commercial transactions or recognized assets and liabilities are denominated in a currency that is not the respective functional currency of the Group's subsidiaries. The functional currency of the Company and its subsidiaries outside Chinese Mainland are US\$ whereas functional currency of the subsidiaries operate in Chinese Mainland is RMB. The Group manages its foreign exchange risk by performing regular reviews of the Group's net foreign exchange exposures and tries to minimize these exposures through natural hedges, wherever possible.

The foreign currency assets and liabilities of the Group entities are certain cash and cash equivalents and receivables and payables denominated in foreign currencies of respective group entities that are exposed to foreign currency risk. The foreign exchange risk the Group is facing mainly comes from movements in the USD/RMB and USD/HKD. During the years ended December 31, 2025 and 2024, the Group did not have any derivative financial instrument for which hedging accounting was applied.

If USD had strengthened by 5% against RMB with all other variables held constant, loss before income tax for the year would have been approximately RMB50,790,000 higher for the year ended December 31, 2025 (2024: profit before income tax for the year would have been approximately RMB17,500,000 higher).

(ii) Interest rate risk

Except for cash and cash equivalents, term deposits, restricted cash and borrowings, the Group has no significant interest-bearing assets and borrowings.

The directors of the Company do not anticipate significant impact to interest-bearing assets and borrowings resulted from the changes in interest rate because the interest rates of the above-mentioned interest-bearing assets and borrowings are not expected to change significantly.

(iii) Price risk

The Group's exposure to equity securities price risk arises from investments in unlisted companies and an investment in listed companies held by the Group and classified in the statement of financial position as financial assets at fair value through profit or loss.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

(iii) Price risk (continued)

To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Each investment is managed by senior management of the Group individually. The sensitivity analysis is performed by management, see Note 3.3 for details.

The Group also mainly invests in low-risk wealth management products and the proposed investment must not interfere with the Group's daily operation and business prospects. The Group makes investment decisions related to wealth management products on a case-by-case basis after thoroughly considering a number of factors, including but not limited to macroeconomic environment, general market conditions and the expected profit or potential loss of the investment.

(b) Credit risk

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

(i) Risk management

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

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

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

(ii) Impairment of financial assets

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

- Cash and cash equivalents, term deposits, and restricted cash;
- Trade receivables; and
- Other receivables.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

(ii) Impairment of financial assets (continued)

Cash and cash equivalents, term deposits, and restricted cash are mainly placed with reputable Chinese and international financial institutions. There has been no recent history of default in relation to these financial institutions. The expected credit loss was not material.

Credit risk of trade receivables

The Group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days outstanding of the trade receivables.

The expected loss rates are based on the historical payment profiles of sales over a period of 63 months and 75 months before January 1, 2024 and 2025 respectively and the corresponding historical credit losses experienced within these periods. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the Gross Domestic Products ("GDP") of the People's Republic of China ("PRC") to be the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes in this factor.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and indicators of severe financial difficulty.

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

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

(ii) Impairment of financial assets (continued)

Credit risk of trade receivables (continued)

As at December 31, 2025, the loss allowance of individually impaired trade receivables and grouped trade receivables are determined as follows:

Individual	Trade receivables RMB'000	Expected credit loss rate	Loss allowance RMB'000	Reason
Trade receivables	36,406	100.00%	(36,406)	The likelihood of recovery

As at December 31, 2025	Up to 3 months RMB'000	3 to 6 months RMB'000	6 to 9 months RMB'000	9 to 12 months RMB'000	Over 12 months RMB'000	Total RMB'000
Expected loss rate	1.72%	3.41%	7.31%	11.24%	30.77%	–
Gross carrying amount - trade receivables	1,513,625	129,814	75,264	26,316	89,128	1,834,147
Loss allowance	(26,023)	(4,429)	(5,504)	(2,957)	(27,422)	(66,335)

As at December 31, 2024, the loss allowance of individually impaired trade receivables and grouped trade receivables are determined as follows:

Individual	Trade receivables RMB'000	Expected credit loss rate	Loss allowance RMB'000	Reason
Trade receivables	35,693	100.00%	(35,693)	The likelihood of recovery

As at December 31, 2024	Up to 3 months RMB'000	3 to 6 months RMB'000	6 to 9 months RMB'000	9 to 12 months RMB'000	Over 12 months RMB'000	Total RMB'000
Expected loss rate	2.20%	4.63%	8.40%	13.04%	32.53%	–
Gross carrying amount - trade receivables	355,571	166,861	121,535	27,127	91,625	762,719
Loss allowance	(7,830)	(7,730)	(10,214)	(3,537)	(29,808)	(59,119)

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

(ii) Impairment of financial assets (continued)

Credit risk of trade receivables (continued)

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

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Opening loss allowance	(94,169)	(43,353)
Increase in the loss allowance recognised in profit or loss during the year	(8,572)	(51,459)
Receivables written off during the year as uncollectible	–	643
Closing loss allowance	(102,741)	(94,169)

Credit risk of other receivables

Other receivables at the end of each of the periods are mainly comprised of rental and other deposits, amounts due from related party and others. The Group considers the probability of default upon initial recognition of asset and whether there has been significant increase in credit risk on an ongoing basis throughout each of the periods. To assess whether there is a significant increase in credit risk, the Group compares risk of a default occurring on the assets as of the reporting date with the risk of default as of the date of initial recognition. Especially the following indicators are incorporated:

- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations;
- actual or expected significant changes in the operating results of the debtor; and
- significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtor.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

(ii) Impairment of financial assets (continued)

Credit risk of other receivables (continued)

If the credit risk of the asset is in line with original expectations, the Group categorizes the asset as performing and recognizes 12 month expected credit losses (Stage 1). If a significant credit risk of the asset has occurred compared to original expectations or the credit is impaired, the asset is categorized as underperforming or non-performing and lifetime expected credit losses are recognised (Stages 2 and 3):

On that basis, the loss allowances of other receivables as at December 31, 2025 and 2024 were determined as follows:

	Internal credit rating	Expected credit loss rate	Gross carrying amount RMB'000	Loss allowance RMB'000
December 31, 2025	Performing	1.01%	114,981	(1,162)
December 31, 2024	Performing	0.49%	26,818	(131)

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

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Opening loss allowance	(131)	(341)
(Increase)/Reverse in the allowance recognised in profit or loss during the period	(1,031)	210
Closing loss allowance	(1,162)	(131)

(c) Liquidity risk

The Group intends to maintain sufficient cash and cash equivalents. Due to the dynamic nature of the underlying business, the policy of the Group is to regularly monitor the Group's liquidity risk and to maintain adequate liquid assets such as cash and cash equivalents and term deposits or to retain adequate financing arrangements to meet the Group's liquidity requirements.

The tables below analyse the Group's financial liabilities that will be settled into relevant maturity groupings based on the remaining period at each balance sheet date to their contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months approximate equal their carrying balances as the impact of discounting is not significant.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (continued)

(c) Liquidity risk (continued)

	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
At December 31, 2025					
Trade payables	234,391	–	–	–	234,391
Accruals, other payables and other non-current liabilities (excluding non-financial liabilities)	808,803	16,910	–	–	825,713
Lease liabilities	77,917	36,036	7,698	121,651	243,302
Borrowings	29,557	29,177	144,396	365,659	568,789
Preferred shares (i)	–	–	3,610,449	–	3,610,449
Convertible loan (ii)	7,216,343	–	–	–	7,216,343
Total	8,367,011	82,123	3,762,543	487,310	12,698,987

	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
At December 31, 2024					
Trade payables	14,552	–	–	–	14,552
Accruals, other payables and other non-current liabilities (excluding non-financial liabilities)	272,561	31,673	–	–	304,234
Lease liabilities	77,166	65,370	25,243	–	167,779
Borrowings	22,801	27,752	110,706	297,539	458,798
Preferred shares (i)	–	–	312,660	–	312,660
Convertible loan (ii)	–	7,380,201	–	–	7,380,201
Total	387,080	7,504,996	448,609	297,539	8,638,224

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (continued)

(c) Liquidity risk (continued)

- (i) The liquidity risk of preferred shares issued by the Company is the original issue price of those preferred shares plus the respective predetermined interest (the "Redemption Amount"), assuming that no consummation of a qualified initial public offering of the Company's shares before December 31, 2026, and the holders of the preferred shares request the Company to redeem all of the preferred shares (the "redemption event"). In October 2024, the Company successfully completes the IPO. All the 7,798,405,226 convertible redeemable preferred shares of the Company were converted into 7,798,405,226 ordinary shares at the offering price HK\$3.99 per share upon the completion of the IPO and were reclassified from liabilities to equity accordingly. For preferred shares issued by D-Robotics, the amount subject to liquidity risk is the Redemption Amount of these preferred shares, assuming that no consummation of a qualified initial public offering of D-Robotics' shares before October 13, 2030, and the holders of these preferred shares request D-Robotics to redeem all of these preferred shares.
- (ii) The liquidity risk of convertible loan is the principal amount of the convertible loan plus the respective predetermined interest, which are expected to be settled on December 7, 2026.

3.2 Capital management

(a) Risk management

The Group's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

The Group monitors capital (including share capital, other reserves, preferred shares and other financial liabilities on an as-if-converted basis) by regularly reviewing the capital structure. The Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or repurchase the Company's shares. In the opinion of the directors of the Company, the Group's capital risk is low.

3.3 Fair value estimation

(a) Financial instruments carried at fair value

(i) Fair value hierarchy

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

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3 Fair value estimation (continued)

(a) Financial instruments carried at fair value (continued)

(i) Fair value hierarchy (continued)

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

At December 31, 2025	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Financial assets				
<i>Financial assets at FVPL</i>				
Investment in listed companies	1,063,871	–	–	1,063,871
Investments in unlisted companies	–	–	2,438,763	2,438,763
<i>Financial assets at FVOCI</i>				
Note receivables classified as financial assets at FVOCI	–	–	5,000	5,000
Total financial assets	1,063,871	–	2,443,763	3,507,634
Financial liabilities				
<i>Preferred shares and other financial liabilities at FVPL</i>				
Preferred shares	–	–	2,403,463	2,403,463
Convertible loan	–	–	12,504,235	12,504,235
Total financial liabilities	–	–	14,907,698	14,907,698
At December 31, 2024				
	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Financial assets				
<i>Financial assets at FVPL</i>				
Investment in a listed company	12,483	–	–	12,483
Investments in unlisted companies	–	–	617,155	617,155
<i>Financial assets at FVOCI</i>				
Note receivables classified as financial assets at FVOCI	–	–	26,900	26,900
Total financial assets	12,483	–	644,055	656,538
Financial liabilities				
<i>Preferred shares and other financial liabilities at FVPL</i>				
Preferred shares	–	–	204,410	204,410
Convertible loan	–	–	6,383,299	6,383,299
Total financial liabilities	–	–	6,587,709	6,587,709

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3 Fair value estimation (continued)

(a) Financial instruments carried at fair value (continued)

(i) Fair value hierarchy (continued)

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

There were no transfers between levels 1 and 2 for recurring fair value measurements during the period presented.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The level 3 instruments mainly include investment in unlisted companies, notes receivables measured at fair value through other comprehensive income, wealth management products, as well as financial liabilities at fair value through profit or loss, including preferred shares and the convertible loan. As these instruments are not traded in an active market, their fair values have been determined using various applicable methodologies.

(ii) Valuation techniques used to determine fair values and process

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments;
- the discounted cash flow model and unobservable inputs mainly including assumptions of expected future cash flows and discount rate;
- the latest round financing, i.e. the prior transaction price or the third-party pricing; and
- a combination of observable and unobservable inputs, including risk-free rate, expected volatility, discount rate for lack of marketability ("DLOM"), market multiples, etc.

The Group has a team that manages the valuation exercise of level 3 instruments for financial reporting purposes. The team manages the valuation exercise of the financial instruments on a case-by-case basis. At least once every year, the team would use valuation techniques to determine the fair value of the Group's level 3 instruments. External valuation experts will be involved when necessary.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3 Fair value estimation (continued)

(a) Financial instruments carried at fair value (continued)

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

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

The Group

	Investments in unlisted companies RMB'000	Wealth management products RMB'000	Notes receivables RMB'000
Balance as at January 1, 2025	617,155	–	26,900
Acquisitions	1,819,216	29,006,537	13,867
Disposal	(5,000)	(29,086,325)	(35,767)
Changes in fair value	36,709	98,006	–
Foreign currency translation recorded in other comprehensive loss	(29,317)	(18,218)	–
Balance as at December 31, 2025	2,438,763	–	5,000
Includes unrealised gains recognised in profit or loss attributable to balances held at the end of the reporting period	36,709	–	–
Balance as at January 1, 2024	80,825	–	–
Acquisitions	545,213	20,335,130	32,233
Disposal	–	(20,409,425)	(5,333)
Changes in fair value	(9,334)	74,278	–
Foreign currency translation recorded in other comprehensive loss	451	17	–
Balance as at December 31, 2024	617,155	–	26,900
Includes unrealised gains recognised in profit or loss attributable to balances held at the end of the reporting period	(9,334)	–	–

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3 Fair value estimation (continued)

(a) Financial instruments carried at fair value (continued)

(iii) Fair value measurements using significant unobservable inputs (level 3) (Continued)

The Company

	Investments in unlisted companies RMB'000	Wealth management products RMB'000
Balance as at January 1, 2025	30,520	–
Acquisitions	–	9,901,949
Disposal	(20,782)	(9,934,914)
Changes in fair value	5,151	47,357
Foreign currency translation recorded in other comprehensive loss	(510)	(14,392)
Balance as at December 31, 2025	14,379	–
Includes unrealised gains recognised in profit or loss attributable to balances held at the end of the reporting period	2,592	–
Balance as at January 1, 2024	33,183	–
Acquisitions	–	6,774,358
Disposal	–	(6,807,207)
Changes in fair value	(3,111)	32,837
Foreign currency translation recorded in other comprehensive loss	448	12
Balance as at December 31, 2024	30,520	–
Includes unrealised gains recognised in profit or loss attributable to balances held at the end of the reporting period	(3,111)	–

The changes of preferred shares and other financial liabilities at FVPL and the valuation techniques and significant unobservable inputs for the years ended December 31, 2025 and 2024 have been disclosed in Note 28.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3 Fair value estimation (continued)

(a) Financial instruments carried at fair value (continued)

(iv) Valuation inputs and relationships to fair value of financial assets

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value:

Description	Fair Value		Significant unobservable inputs	Range of inputs		Relationship of unobservable inputs to fair values
	As at December 31, 2025	As at December 31, 2024		As at December 31, 2025	As at December 31, 2024	
	RMB'000	RMB'000				
Investments in unlisted companies	2,438,763	617,155	DLOM	5.5%-23.0%	5.0%-27.0%	The higher the DLOM, the lower the fair value
			Volatility	45.01%-100.37%	37.2%-89.4%	The higher the volatility, the higher the fair value
Notes receivables measured at FVOCI	5,000	26,900	Discount Rate	-	1.3%-1.8%	The higher the discount rate, the lower the fair value

If the fair values of the investments in unlisted companies held by the Group had been 10% higher/lower, loss for the year ended December 31, 2025 would have been approximately RMB238,645,000 higher/lower (2024: profit for the year would have been approximately RMB61,429,000 higher/lower).

(b) Financial instruments carried at other than fair value

The carrying amounts of the Group's financial assets carried at other than fair value, including cash and cash equivalents, restricted cash, term deposits, trade receivables, and other receivables, and the Group's financial liabilities carried at other than fair value, including trade payables, other payables and accruals, borrowings and lease liabilities, approximate to their fair values as of December 31, 2025 and 2024.

4 CRITICAL ESTIMATES AND JUDGMENT

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

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

4 CRITICAL ESTIMATES AND JUDGMENT (CONTINUED)

(a) Fair value of financial assets at FVPL

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. For details of the key assumptions used and the impact of changes to these assumptions see Note 3.3.

(b) Fair value of financial liabilities at FVPL

Preferred shares and other financial liabilities at FVPL are not traded in an active market and the respective fair value is determined by using valuation techniques. The discounted cash flow method was used to determine the fair value of the convertible loan, the total equity value of the Company prior to the IPO and the total equity value of D-Robotics. The equity allocation model is adopted to determine the fair value of preferred shares. Key assumptions such as bond yield, discount rate, risk-free interest rate, DLOM and expected volatility based on the Group's best estimates are disclosed in Note 28.

(c) Credit loss allowances for receivables

The expected credit loss of trade receivables, and other receivables are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to calculate the loss allowances, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in Note 3.1.

(d) Share-based payment expenses

The Group granted options and restricted share units ("RSU") to employees. The fair value of the options is determined using the binomial option pricing model at the grant date, and is expected to be expensed over the respective vesting periods. Significant assumptions, including, underlying equity value, risk-free interest rate, expected volatility, dividend yield, and terms, are made by the directors with reference to valuation reports prepared by a third-party valuer (Note 26).

The fair value of RSUs at the grant date was determined by reference to the fair value of the underlying ordinary shares on the dates of grant. Prior to the IPO of the Company's ordinary shares, the discounted cash flow method was used to determine the total equity value of the Company and the equity allocation model was adopted to determine the fair value of the ordinary shares. Key assumptions, such as discount rate, risk-free interest rate, volatility and DLOM are disclosed in Note 26.

(e) Current and deferred income tax

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

5 SEGMENT INFORMATION

The Group's business activities, for which discrete financial statements are available, are regularly reviewed and evaluated by the chief operating decision maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer of the Group that makes strategic decisions.

The CODM reviews the Group's internal reporting in order to assess performance, allocate resources, and determine the operating segments based on these reports. The Group has the following reportable segments for the years ended December 31, 2025 and 2024:

- Automotive solutions; and
- Non-Automotive solutions

The CODM assesses the performance of the operating segments mainly based on segment revenue and gross profit of each operating segment. The research and development expenses, administrative expenses and selling and marketing expenses are common costs incurred for these operating segments as a whole and therefore, they are not included in the measure of the segments' performance which is used by the CODM as a basis for the purpose of resource allocation and assessment of segment performance. Net impairment losses on financial assets, other income, other losses, net, finance income, finance cost, share of results of investments accounted for using the equity method, fair value losses of preferred shares and other financial liabilities and income tax expense are not allocated to individual operating segment, either.

There were no material inter-segment sales during the years ended December 31, 2025 and 2024. The revenues from external customers reported to the CODM are measured in a manner consistent with that applied in the consolidated statement of profit or loss.

Other information, together with the segment information, provided to the CODM, is measured in a manner consistent with that applied in this consolidated statement of financial position. There was no segment assets or segment liabilities information provided to the CODM.

5 SEGMENT INFORMATION (CONTINUED)

The segment information provided to the CODM for the reportable segments for the years ended December 31, 2025 and 2024 is as follows:

	Year ended December 31, 2025		
	Automotive solutions RMB'000	Non-Automotive solutions RMB'000	Total RMB'000
Segment revenue	3,557,187	201,081	3,758,268
Cost of sales	(1,167,863)	(164,725)	(1,332,588)
Gross profit	2,389,324	36,356	2,425,680

	Year ended December 31, 2024		
	Automotive solutions RMB'000	Non-Automotive solutions RMB'000	Total RMB'000
Segment revenue	2,311,703	71,851	2,383,554
Cost of sales	(487,164)	(55,036)	(542,200)
Gross profit	1,824,539	16,815	1,841,354

As at December 31, 2025 and 2024, substantially all of the non-current assets of the Group were primarily located in the Chinese Mainland. Therefore, no geographical segments are presented.

6 REVENUE FROM CONTRACTS WITH CUSTOMERS

(a) Disaggregation of revenue from contracts with customers

In the following table, revenue of the Group from contracts with customers is disaggregated by revenue source and by timing of revenue recognition. The table also includes a reconciliation to the segment information (Note 5).

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Automotive solutions		
Product solutions	1,622,274	664,237
License and services	1,934,913	1,647,466
	3,557,187	2,311,703
Non-Automotive solutions	201,081	71,851
Total Revenue	3,758,268	2,383,554

6 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONTINUED)

(a) Disaggregation of revenue from contracts with customers (continued)

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Automotive solutions		
At a point in time	3,419,283	2,111,420
Over time	137,904	200,283
	3,557,187	2,311,703
Non-Automotive solutions		
At a point in time	201,081	71,851
Total Revenue	3,758,268	2,383,554

No geographical segment information is presented as the majority of the revenue and operating losses of the Group are derived within Chinese Mainland and the majority of the operating assets of the Group are located in the Chinese Mainland, which is considered as one geographic location with similar risks and returns.

The major customers which contributed more than 10% of total revenue of the Group for the years ended December 31, 2025 and 2024 are listed as below:

	Year ended December 31,	
	2025	2024
Percentage of revenue from the major customers to the total revenue of the Group		
Customer A	18.11%	31.50%
Customer B	14.58%	2.60%
Customer C	12.45%	17.40%
Customer D	10.87%	0.99%

6 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONTINUED)

(b) Contract liabilities

During the years ended December 31, 2025 and 2024, the additions to the contract liabilities were primarily due to cash collections in advance of fulfilling performance obligations, while the reductions to the contract liabilities were primarily due to the recognition of revenues upon fulfilment of performance obligations.

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Contract liabilities	265,565	248,693

The following table shows how much of the revenue, which was included in the contract liabilities at the beginning of the period, recognized during the years ended December 31, 2025 and 2024 relates to carried-forward contract liabilities:

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Revenue recognized that was included in the contract liability balance at the beginning of the period	244,159	19,650

(c) Transaction price allocated to the unsatisfied performance obligations

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Aggregate amount of transaction price allocated to contracts that are partially or fully unsatisfied	1,011,788	1,066,368

Management expects that the unsatisfied obligations of RMB1,000,273,000 as of December 31, 2025 (2024: RMB1,035,060,000) will be recognised as revenue during the next twelve months. The remaining unsatisfied obligations will be recognized in one to two year(s).

6 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONTINUED)

(d) Accounting policies and significant judgments

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e., when control of the goods or services underlying the particular performance obligation is transferred to the customer.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates and enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the goods and services transfers over time, revenue is recognized over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognized at a point in time when the customer obtains control of the goods and services.

Contracts with customers may include multiple performance obligations. For such arrangements, at the contract inception date, the Company allocates revenue to each performance obligation based on its relative standalone selling price. The Company determines standalone selling prices based on the prices charged to customers if it is directly observable. If the standalone selling price is not directly observable, the contractually stated price is believed to best reflect the relative standalone selling price of performance obligations in a contract considering the Company's customary business practices. Assumptions and estimations have been made in estimating the relative selling price of each distinct performance obligation, and changes in judgments on these assumptions and estimates may impact the revenue recognition.

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

A contract asset is the Company's right to consideration in exchange for goods and services that the Company has transferred to a customer. A receivable is recorded when the Company has an unconditional right to consideration. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due.

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

6 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONTINUED)

(d) Accounting policies and significant judgments (continued)

Revenue is recorded net of value-added taxes. During the years ended December 31, 2025 and 2024, the Group generated revenues mainly from sales of automotive product solutions, license arrangements and provision of design and technical services to customers in automotive business and provision of non-automotive solutions.

(i) *Automotive solutions – product solutions*

The Group sells automotive product solutions, which combines its self-developed processing hardware with proprietary algorithms and software.

Revenue from sales of automotive product solutions is recognized upon the acceptance of promised product solutions by customers in an amount that reflects the consideration the Group expects to receive in exchange for those product solutions. Revenue is recognized net of discounts and any taxes collected from customers.

The Group generally offers assurance-type warranties to customers and such warranties are not considered a distinct performance obligation to customers. The Group accounts for the warranty in accordance with IAS 37 and the estimated warranty cost was not material for the years ended December 31, 2025 and 2024. (Note 27)

(ii) *Automotive solutions – license and services*

The Group licenses its customers with a right to use its algorithms and software. Licenses are at times sold along with training services and post-contract service (“PCS”). The training services and the PCS each is considered as a distinct performance obligation and they are not material during the years ended December 31, 2025 and 2024.

The licenses granted by the Group are right to use licenses. Therefore revenue from license arrangements is recognized when the algorithms, or the software is made available to the customer and the customer is able to use and benefit from the license. Revenue from training services is recognized over the training period. PCS revenue is recognized rateably over the service period.

The Group provides customers design and technical services to help them integrate the Group’s solutions into their vehicles and design specific features.

For contracts pursuant to which the Group has an enforceable right to payment for performance completed to date, or when the customer simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs, design and technical services revenue is recognized over a period of time based on the progress towards complete satisfaction in the contracts using either the input method or output method, depending on which method most faithfully depicts the Group’s performance in transferring control of services to the customer. Revenue is recognized to the extent that the amount can be measured reliably and its recovery is considered probable. For other design and technical services contracts, revenue is recognized upon customers’ acceptance of the service outcome.

6 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONTINUED)

(d) Accounting policies and significant judgments (continued)

(iii) *Non-automotive solutions*

The Group also offers non-automotive product solutions that combine the Group's processing hardware and algorithms. Related revenues are recognized upon the acceptance of promised product solutions by customers.

(iv) *Practical expedients and exemptions*

The effect of a significant financing component has not been adjusted for in contracts where the Group expects, at contract inception date, that the period between when the Group transfers a promised good or service to the customer and when the customer pays for that good or service will be one year or less.

The Group elected to expense the incremental costs of obtaining a contract with a customer as incurred when the expected amortization period is one year or less.

7 OTHER INCOME

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Financial subsidies	312,417	182,196
Tax refund	22,766	13,679
Total	335,183	195,875

8 NET OTHER GAINS

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Fair value changes of financial assets at FVPL	402,351	66,658
Net foreign exchange differences	17,288	7,750
Donations	–	(3,038)
Others	1,878	1,933
Total	421,517	73,303

9 EXPENSES BY NATURE

The expenses charged to cost of sales, selling and marketing expenses, administrative expenses and research and development expenses are analyzed below

	Notes	Year ended December 31,	
		2025 RMB'000	2024 RMB'000
Employee benefit expenses	11	2,917,714	2,447,526
Depreciation and amortization		440,045	435,417
Cost of inventories sold	22	1,225,321	427,258
Technical service fee		2,292,265	726,411
Professional service, outsourcing fee and other consulting fee		311,784	333,487
Marketing, conference and traveling expenses		253,015	132,958
Tape-out fee and consumables used		281,674	80,954
Utilities, property management and administrative expenses		57,675	41,431
Non-recurring capital rising expense		695	86,138
Auditors' remuneration			
– Audit services		9,465	1,100
– Non-audit services		2,164	1,169
Other expenses		52,367	31,874
Total		7,844,184	4,745,723

10 NET FINANCE INCOME

	Notes	Year ended December 31,	
		2025 RMB'000	2024 RMB'000
<i>Finance income</i>			
Interest income from financial assets held for cash management purposes		403,938	383,231
Finance income		403,938	383,231
<i>Finance costs</i>			
Interest for lease liabilities	17	(6,981)	(7,413)
Finance charges paid/payable for issuance of Preferred Shares		(7,108)	–
Finance cost		(14,089)	(7,413)
Net finance income		389,849	375,818

Interest income on financial assets at amortised cost held for cash management purposes is calculated using the effective interest method.

11 EMPLOYEE BENEFIT EXPENSE (INCLUDING DIRECTORS' REMUNERATIONS)

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Wages, salaries and bonuses	1,595,856	1,540,911
Share-based payments	965,773	550,761
Pension costs – defined contribution plans	132,614	130,867
Housing fund, medical insurance and other social insurance	179,798	175,505
Other employee benefits	43,673	49,482
Total employee benefit expenses	2,917,714	2,447,526

(a) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year ended December 31, 2025 include 1 director (2024: 1), whose emoluments are disclosed in the Note 35. The emoluments payable to the remaining 4 (2024: 4) individuals during the respective period are as follows:

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Wages and salaries	11,820	13,374
Bonuses	30,280	30,559
Share-based payments (i)	126,154	90,960
Pension costs – defined contribution plans	273	260
Housing fund, medical insurance and other social insurance	426	358
Other employee benefits	1,799	1,079
Total employee benefit expense	170,752	136,590

11 EMPLOYEE BENEFIT EXPENSE (INCLUDING DIRECTORS' REMUNERATIONS) (CONTINUED)

(a) Five highest paid individuals (Continued)

The emoluments fell within the following bands:

	Number of individuals Year ended December 31,	
	2025	2024
Emolument bands (in HK\$)		
HK\$17,000,001 – HK\$17,500,000	–	1
HK\$20,500,001 – HK\$21,000,000	–	1
HK\$32,000,001 – HK\$32,500,000	1	–
HK\$37,000,001 – HK\$37,500,000	1	–
HK\$53,500,001 – HK\$54,000,000	1	1
HK\$55,500,001 – HK\$56,000,000	–	1
HK\$65,500,001 – HK\$66,000,000	1	–
	4	4

- (i) Represents the amount recognised as an expense during the years ended December 31, 2025 and 2024 in accordance with IFRS 2 Share-based Payment.

12 SUBSIDIARIES

The Company's principal subsidiaries during the years ended December 31, 2025 and 2024 are set out below. Unless otherwise stated, they have share capital solely held by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country/region of incorporation or registration is also their principal place of business.

Name of entity	Effective interest held		As at the date of this report	Date and place of incorporation/ establishment and kind of legal entity	Issued/ registered share capital	Principal activities	Place of Operation
	As at December 31, 2025	2024					
Directly held by the Company:							
Horizon Robotics Holdings Limited	100	100	100	August 6, 2015/ Hong Kong, PRC/ limited liability company	HK\$1	Holding company	Hong Kong, PRC
Horizon Together Holding Ltd. ("Horizon Together")	100	100	100	August 29, 2022/ Cayman Islands/ limited liability company	US\$4	Holding company	Cayman Islands
Indirectly held by the Company:							
Beijing Horizon Information Technology Co., Ltd. (北京地平線信息技術有限公司)	100	100	100	December 28, 2015/PRC/ limited liability company	US\$1,500,000,000	Development of software products and provision of related services	Beijing, PRC
Shanghai Anting Horizon Zhineng Transportation Technology Co., Ltd. (上海安亭地平線智能交通技術有限公司)	100	100	100	March 24, 2017/PRC/limited liability company	US\$220,000,000	Development of software products and provision of related services	Shanghai, PRC
Nanjing Horizon Information Technology Co., Ltd. (南京地平線信息技術有限公司)	100	100	100	March 30, 2017/PRC/limited liability company	US\$220,000,000	Development of software products and provision of related services	Nanjing, PRC
Beijing Horizon Robotics Technology Research and Development Co., Ltd. (北京地平線機器人技術研發有限公司)	100	100	100	July 14, 2015/PRC/limited liability company	RMB8,000,000,000	Sales of software products and provision of related services	Beijing, PRC
Shenzhen Horizon Robotics Technology Co., Ltd. (深圳地平線機器人科技有限公司)	100	100	100	July 2, 2015/PRC/limited liability company	RMB1,500,000,000	Sales of software products and provision of related services	Shenzhen, PRC
Horizon Journey (Shanghai) Technology Co., Ltd. (地平線征程(上海)科技有限公司)	100	100	100	March 26, 2018/PRC/limited liability company	RMB6,000,000,000	Research and development of technology	Shanghai, PRC
D-Robotics*	99.93	99.93	99.93	September 27, 2023/ Cayman Islands/limited liability company	US\$1	Holding company	Cayman Islands

* As of December 31, 2025, D-Robotics, which was set up to streamline and operates the Group's non-automotive business, issued the following shares (the "D-Robotics Financing"):

12 SUBSIDIARIES (CONTINUED)

- 43,940,218 class A ordinary shares of D-Robotics to three entities controlled by the three founders of the Company (Note 26(b));
- 140,960,836 class A ordinary shares of D-Robotics to D-GUA Brother LP (the “D-Robotics ESOP Platform”), the employee stock ownership platform of D-Robotics’ with D-GUA Brother, Inc. a company solely owned by Dr. Kai Yu, as the general partner;
- 43,940,218 series A1 preferred shares of D-Robotics to D-Gua International Limited (the “D-Robotics Employee Trust”), a company of which the Company’s CEO Dr. Kai Yu is the sole director;
- Several preferred shares of D-Robotics to investors (Note 28 (a));

Prior to and after the D-Robotics Financing, the Company, through its directly owned subsidiary Horizon Together, holds 600,000,000 class B ordinary shares of D-Robotics.

Concurrently with the D-Robotics Financing, D-Robotics also adopted the weighted voting rights (“WVR”) structure with each class A ordinary share entitling the holder to exercise ten votes and each class B ordinary share and preferred share entitling the holder to exercise one vote on any resolutions tabled at D-Robotics’ general meetings.

According to the acknowledgement letter issued respectively by D-Robotics ESOP Platform and D-Robotics Employee Trust, the aforementioned shares of D-Robotics issued to D-Robotics ESOP Platform and D-Robotics Employee Trust are reserved for future share-based payment arrangements of D-Robotics. D-Robotics ESOP Platform and D-Robotics Employee Trust are only holding and managing these instruments on behalf of D-Robotics and the related instruments are within the D-Robotics’ control until they are granted and vested unconditionally according to D-Robotics’ future approved share-based payment arrangements. Moreover, according to the Amended and Restated Memorandum and Articles of Association of D-Robotics, shares issued to D-Robotics ESOP Platform shall bear no economic rights and interests until they are granted and shares issued to D-Robotics Employee Trust are not entitled to any economic rights and interests until they are fully paid.

On June 25, 2024, Horizon Together entered into an Acting-in-Concert Agreement with D-GUA Brother LP, pursuant to which, D-GUA Brother LP shall act in accordance with the instructions of Horizon Together with regard to any matter that is submitted to vote by shareholders of D-Robotics. The Acting-in-Concert Agreement shall take effective from June 25, 2024, and remain in full force and effect unless terminated in writing by Horizon Together and D-GUA Brother LP. Together with the voting rights directly held through Horizon Together, the Company controls over 70% of the shareholder voting rights of D-Robotics.

According to the Amended and Restated Memorandum and Articles of Association of D-robotics, the founders of the Company have the right to appoint 4 out of 7 directors. Concurrently, the founders of the Company jointly granted Horizon Together power of attorney and appointed Horizon Together as their attorney-in-fact to appoint 4 directors in the board of directors of D-Robotics. The Power of Attorney shall remain in full force and effect unless Horizon Together’s shareholding in D-Robotics is reduced to less than 50% or earlier revoked pursuant to applicable laws. As a result, the Company has the right to appoint the majority of the board members of D-Robotics.

12 SUBSIDIARIES (CONTINUED)

Based on the above arrangements, following the D-Robotics Financing, the Group continues to control D-Robotics as it is exposed to and has the rights to the variable return from D-Robotics through its legally holding of 99.93% of equity interests, and the ability to affect D-Robotics' return through its power by controlling over 70% of the shareholder voting rights and right to appoint the majority of the board members of D-Robotics.

The English names of certain subsidiaries referred herein represent the directors' best effort at translating the Chinese names of these companies as no English names have been registered.

13 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

The amounts of investments accounted for using the equity method recognized in the consolidated statement of financial position are as follows:

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Joint ventures	1,252,879	962,263
Associates	44,405	75,898
	1,297,284	1,038,161

The movements of investments in associates and joint ventures during the years ended December 31, 2025 and 2024 are as below:

	Years ended December 31,	
	2025 RMB'000	2024 RMB'000
At the beginning of the year	1,038,161	1,107,659
Additions	1,101,653	558,242
Disposal	(4,981)	–
Share of results of associates and joint ventures	(853,054)	(557,287)
Share of other changes in net assets of associates and joint ventures	140,884	–
Elimination of profits and losses from downstream transactions	(104,386)	(80,830)
Currency translation differences	(20,993)	10,377
At the end of the year	1,297,284	1,038,161

The associates and joint ventures of the Group are accounted for using the equity method based on the financial information of the associates and joint ventures prepared under the accounting policies consistent with the Group.

13 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED)

The Company grants RSUs to the employees of its associates and joint ventures and does not charge the relevant costs to these associates and joint ventures. In the separate financial statement, the Company capitalizes the grant date fair value of related RSUs as additional cost of investment in these joint ventures (2025: RMB27,071,000; 2024: RMB12,162,000). In consolidated financial statements, as other joint venturers do not provide an equivalent contribution into the joint venture, the Company records all related share-based payment expenses when applying equity method accounting during the year ended December 31, 2025.

(i) Commitments in respect of associates and joint ventures:

	As at December 31,	
	2025 RMB'000	2024 RMB'000
<i>Commitments – joint ventures</i>		
Commitment to provide funding for joint ventures' capital commitments,	1,159,891	1,513,049
<i>Commitments – associates</i>		
Commitment to provide funding for associates' capital commitments	200,000	500
	1,359,891	1,513,549

Besides the above-mentioned commitments, there are no commitments and contingent liabilities relating to the Group's interests in associates and joint ventures.

(ii) Summarised financial information of material joint venture:

In November 2023, Carizon (Beijing) Technology Co., Ltd ("CARIZON") was established pursuant to a joint venture agreement (the "Joint Venture Agreement") entered into between CARIAD Estonia AS ("CARIAD"), an affiliate of Volkswagen Group ("Volkswagen") and Horizon Together Holding Ltd. ("Horizon Together"), a subsidiary of the Company, dated November 17, 2022. Pursuant to the Joint Venture Agreement, Horizon Together and CARIAD holds 40% and 60% of the equity interest in CARIZON, respectively. The total registered capital of CARIZON is RMB7,432,500,000, of which Horizon Together shall contribute RMB2,973,000,000. As at December 31, 2025, Horizon Together has contributed share capital of RMB2,629,952,000. And it shall pay the remaining share capital of RMB73,048,000 and RMB270,000,000 by November 20, 2028 and October 9, 2030, respectively. Neither CARIAD or Horizon Together may transfer equity interests in CARIZON without the other party's prior written consent, subject to customary right of first offer, right of first refusal and transfer among affiliates conditions. At any time after January 1, 2027, CARIAD has the right but not the obligation, at its discretion, to make an offer to Horizon Together to purchase all but not less than all of the equity interest held by Horizon Together as of the date of the offer at fair market value.

CARIZON engages in the business of research and development, manufacture of autonomous driving application software and self-driving systems, and it also provides aftersales services, training, consulting, testing and technical services relating to its products.

13 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED)

(ii) Summarised financial information of material joint venture: (Continued)

As decisions about activities significantly affecting CARIZON's returns require the unanimous consent of Horizon Together and CARIAD, CARIZON is jointly controlled by both parties and therefore the Group applied equity method to account for its investment in CARIZON.

During the years ended December 31, 2025 and 2024, the Group entered into agreements with CARIZON to provide various IP licenses, technical services, and product solutions. The licenses were recognized as intangible assets at cost by CARIZON and are being amortized on straight-line basis over its estimated useful life of three years, while the technical services are recorded as research and development expenses in its statement of profit or loss by CARIZON. The product solutions were recognized as equipment at cost by CARIZON and are being depreciated on straight-line basis over its estimated useful life of two years. Unrealised gains from the downstream transactions with CARIZON, being 40% of the change in net carrying amount of relevant intangible assets and equipment on the statement of financial position of CARIZON are eliminated.

The tables below provide the details of transactions and elimination of gains from downstream transactions with CARIZON:

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Revenues from CARIZON before elimination		
<i>License and services</i>	782,719	810,897
<i>Product solutions</i>	8,425	3,583
	791,144	814,480
Unrealised gains from the transactions with CARIZON		
<i>License and services</i>	110,115	63,429
<i>Product solutions</i>	429	164
	110,544	63,593

In addition to the registered capital of CARIZON, Horizon Together and CARIAD each undertakes to make further contributions (the "Further Contributions") to CARIZON by instalment in accordance with the Joint Venture Agreement. The amount of the Further Contributions that Horizon Together undertakes to pay is calculated based on the actual receipts by the Group for specified IPs licensed to CARIZON multiplied by specific ratios. And CARIAD shall further contribute such amounts proportionately to keep relative shareholding percentage between the two parties unchanged. As of December 31, 2025, the Group's commitment of the Further Contributions is RMB790,374,000.

13 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED)

(ii) Summarised financial information of material joint venture: (Continued)

The tables below provide summarised financial information of CARIZON. The information disclosed reflects the amounts presented in the financial statements of CARIZON. They have been amended to reflect adjustments made by the Company when using the equity method before inter-company eliminations.

Summarised statement of financial position of the material joint venture	As at December 31,	
	2025 RMB'000	2024 RMB'000
Current assets		
Cash and cash equivalents	1,686,153	1,123,722
Other current assets	116,614	371,802
Total current assets	1,802,767	1,495,524
Non-current assets	2,876,768	1,902,209
Current liabilities		
Lease liabilities	(50,788)	(24,690)
Other current liabilities	(593,482)	(317,680)
Total current liabilities	(644,270)	(342,370)
Non-current liabilities		
Lease liabilities	(93,929)	(106,645)
Other Non-current liabilities	(2)	–
Total non-current liabilities	(93,931)	(106,645)
Net assets	3,941,334	2,948,718

13 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED)

(ii) Summarised financial information of material joint venture: (Continued)

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Revenue	40,914	266
Interest income	12,425	27,599
Depreciation and amortization	(660,424)	(436,555)
Loss for the year	(1,543,423)	(1,221,344)
Total comprehensive loss	(1,543,423)	(1,221,344)
Reconciliation to carrying amount:		
Opening net assets at 1 January	2,948,718	3,156,512
Capital injection	2,536,039	1,013,550
Loss for the year	(1,543,423)	(1,221,344)
Closing net assets	3,941,334	2,948,718
Group's share in %	40%	40%
Group's share in RMB	1,576,534	1,179,487
Elimination of unrealized profits or losses from downstream transactions	(470,549)	(360,297)
Currency translation differences	(10,296)	10,377
Carrying amount	1,095,689	829,567

(iii) Individually immaterial associates and joint ventures

In addition to the interests in joint ventures disclosed above, the group also has interests in a number of individually immaterial associates and joint ventures that are accounted for using the equity method.

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Aggregate carrying amount of individually immaterial associates and joint ventures	201,595	208,594
Aggregate amounts of the Group's share of loss for the year	(223,289)	(61,655)

14 INCOME TAX EXPENSE

The income tax of the Group during the years ended December 31, 2025 and 2024 are analysed as follows:

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Current income tax	(3,631)	(9,825)
Deferred income tax (Note 30)	312	5,318
Income tax expense	(3,319)	(4,507)

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

(i) Cayman Islands

Under the current laws of the Cayman Islands, the Company is not subject to tax on income or capital gain. Additionally, upon payments of dividends by the Company in the Cayman Islands to its shareholders, no Cayman Islands withholding tax will be imposed.

(ii) Hong Kong

Under the current Hong Kong Inland Revenue Ordinance, from the year of assessment 2018/2019 onwards, the subsidiaries in Hong Kong are subject to profits tax at the rate of 8.25% on assessable profits up to HK\$2 million, and 16.5% on any part of assessable profits over HK\$2 million. The payments of dividends by these companies to their shareholders are not subject to any Hong Kong withholding tax.

(iii) PRC corporate income tax

Under the PRC Enterprise Income Tax Law ("EIT Law"), the standard enterprise income tax rate is 25%. Preferential tax treatments are granted to entities qualify as "Software Enterprises", "Key Software Enterprises" and/or "High and New Technology Enterprises" ("HNTEs"). These preferential tax rates are subject to annual review by the relevant tax authorities in Chinese Mainland, and HNTEs status shall be re-applied every three years.

Certain subsidiaries of the Company were entitled to a preferential corporate income tax rate of 15% for the years ended December 31, 2025 and 2024. The Company will apply for the renewal of the HNTE status for all of these subsidiaries, and the Company believes it is more likely than not that each of these subsidiaries will continue to qualify as a HNTE after the three-year period. Therefore, deferred tax of these entities are calculated at a rate of 15% starting from the year when they were accredited as HNTE.

All other major Chinese Mainland incorporated entities of the Company were subject to a 25% income tax rate for all the years presented.

14 INCOME TAX EXPENSE (CONTINUED)

(iii) PRC corporate income tax (Continued)

According to the relevant laws and regulations promulgated by the State Taxation Administration of the PRC, enterprises engaging in research and development activities are entitled to claim 200% from 2022 onwards of their research and development expenses incurred as tax deductible expenses when determining their assessable profits for that year (the "Super Deduction").

The income tax on the Group's (loss)/profit before income tax differs from theoretical amount that would arise using the enacted tax rate applicable to (losses)/profits of the subsidiaries as follows:

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
(Loss)/Profit before income tax	(10,466,047)	2,351,015
Income tax calculated at PRC statutory income tax rate (25%)	(2,616,512)	587,754
Tax effect of:		
– Effect of different tax rates in other jurisdictions	1,842,261	(1,009,612)
– Preferential income tax rates applicable to subsidiaries	335,974	186,497
– Expense not deductible for tax purposes (b)	159,606	88,284
– Tax losses and other temporary difference not recognized as deferred tax assets (a)	491,241	414,837
– Super deduction for research and development	(209,251)	(263,253)
Income tax expense	3,319	4,507

(a) The Group only recognizes deferred income tax assets for cumulative tax losses if it is probable that future taxable amounts will be available to utilize those tax losses. The Company anticipated that it was more likely than not that RMB14,930,906,000 net operating losses from PRC entities would not be utilized based on its estimate of the operating performance of these PRC entities. RMB203,428,000 net operating losses of entities not qualified as HNTEs are expected to expire during years between the year ended December 31, 2025 and the year ending December 31, 2030. And RMB14,727,478,000 net operating losses of those of entities qualified as HNTEs are expected to expire during years between the year ended December 31, 2025 and the year ending December 31, 2035.

(b) The "expense not deductible for tax purpose" mainly comprise share-based payment expenses relating to the share-based awards granted by the Company to the employees of the Company's PRC subsidiaries. These share-based payment expenses were non-deductible for tax purpose during the years ended December 31, 2025 and 2024 according to the applicable tax regulations.

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

15 (LOSS)/EARNINGS PER SHARE

The basic (loss)/earnings per share is calculated by dividing the (loss)/profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the years ended December 31, 2025 and 2024. Basic (loss)/earnings per ordinary share is computed using the weighted average number of ordinary shares outstanding during the year. Class A ordinary shares, Class B ordinary shares and vested RSUs are included in the calculation of the weighted average number of ordinary shares outstanding.

The Group has several categories of dilutive potential ordinary shares: preferred shares issued by the Company, preferred shares issued by D-Robotics, convertible loan, unvested RSU, and share options. As the Group incurred losses for the year ended December 31, 2025, the dilutive potential ordinary shares were not included in the calculation of diluted loss per share as their inclusion would be anti-dilutive. Accordingly, diluted loss per share for the year ended December 31, 2025 was the same as basic loss per share. For the year ended December 31, 2024, share options, unvested RSUs, preferred shares issued by the Company and Class B ordinary shares as if converted from the convertible loan were included in the calculation of diluted earnings per share as their inclusion could be dilutive effect.

	Year ended December 31,	
	2025	2024
Basic (loss)/earnings per share:		
(Loss)/profit attributable to equity holder of the Company (RMB'000)	(10,469,012)	2,346,580
Weighted average number of ordinary shares outstanding (in "000")	12,923,911	4,576,138
Basic (loss)/earnings per share (expressed in RMB per share)	(0.81)	0.51
Diluted loss per share:		
(Loss)/profit attributable to equity holder of the Company (RMB'000)	(10,469,012)	2,346,580
Adjustment for fair value change of the Company's redeemable convertible preferred shares and other financial liabilities through profit or loss	–	(4,686,938)
Net loss attributable to the equity holders of the Company	(10,469,012)	(2,340,358)
Weighted average number of shares (in "000"):		
Weighted average number of ordinary shares outstanding	12,923,911	4,576,138
Adjustment for preferred shares issued by the Company	–	6,345,552
Adjustment for convertible loan of the Company	–	2,011,075
Adjustment for share options and unvested RSU	–	480,052
Weighted average number of ordinary shares used as the denominator in calculating diluted loss per share (in "000")	12,923,911	13,412,817
Diluted loss per share (expressed in RMB per share)	(0.81)	(0.17)

16 PROPERTY, PLANT AND EQUIPMENT

	Computers and electronic equipment RMB'000	Leasehold improvements RMB'000	Vehicles and vehicle devices RMB'000	Office furniture and equipment RMB'000	Construction in progress RMB'000	Total RMB'000
At January 1, 2024						
Cost	378,116	54,867	48,499	9,185	197,298	687,965
Accumulated depreciation	(199,443)	(35,735)	(14,114)	(5,412)	–	(254,704)
Net book amount	178,673	19,132	34,385	3,773	197,298	433,261
Year ended December 31, 2024						
Opening net book amount	178,673	19,132	34,385	3,773	197,298	433,261
Additions	153,140	11,883	59,065	308	234,033	458,429
Increase in capitalized interest	–	–	–	–	5,835	5,835
Disposals	(2,933)	–	(6,146)	(82)	–	(9,161)
Depreciation charge	(86,653)	(13,710)	(12,886)	(1,195)	–	(114,444)
Currency translation differences	39	7	5	1	–	52
Closing net book amount	242,266	17,312	74,423	2,805	437,166	773,972
At December 31, 2024						
Cost	522,110	66,758	97,260	9,241	437,166	1,132,535
Accumulated depreciation	(279,844)	(49,446)	(22,837)	(6,436)	–	(358,563)
Net book amount	242,266	17,312	74,423	2,805	437,166	773,972
Year ended December 31, 2025						
Opening net book amount	242,266	17,312	74,423	2,805	437,166	773,972
Additions	201,476	8,936	64,852	313	138,979	414,556
Increase in capitalized interest	–	–	–	–	8,141	8,141
Disposals	(1,044)	–	(5,420)	(51)	–	(6,515)
Depreciation charge	(98,895)	(12,969)	(24,553)	(895)	–	(137,312)
Currency translation differences	(85)	(53)	(2)	(2)	–	(142)
Closing net book amount	343,718	13,226	109,300	2,170	584,286	1,052,700
At December 31, 2025						
Cost	710,730	75,642	152,025	9,245	584,286	1,531,928
Accumulated depreciation	(367,012)	(62,416)	(42,725)	(7,075)	–	(479,228)
Net book amount	343,718	13,226	109,300	2,170	584,286	1,052,700

16 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

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

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements, the shorter lease term as follows:

- Computer and electronic equipment 3-5 years
- Leasehold improvements Shorter of the lease terms or 5 years
- Vehicles and vehicle devices 3-5 years
- Office furniture and equipment 3-5 years

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

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

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in consolidated statement of profit or loss.

17 LEASES

This note provides information for leases where the Group is a lessee.

(i) Amounts recognised in the consolidated statement of financial position

The consolidated statement of financial position shows the following amounts relating to leases:

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Right-of-use assets		
Land-use right	64,121	65,519
Office buildings	54,653	108,172
Others	58,579	37,826
	177,353	211,517
Lease liabilities		
Current	74,669	71,751
Non-current	42,659	81,539
	117,328	153,290

Additions to office buildings leases during the year ended December 31, 2025 were RMB6,339,000 (2024: RMB41,855,000). Additions to others during the year ended December 31, 2025 were RMB47,432,000 (2024: RMB35,156,000).

Modifications to office buildings leases during the year ended December 31, 2025 was RMB3,008,000 (2024: RMB8,775,000).

17 LEASES (CONTINUED)

(ii) Amounts recognized in the consolidated statement of profit or loss

The consolidated statement of profit or loss and the consolidated statement of cash flows contain the following amounts relating to leases:

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Depreciation charge of right-of-use assets		
Land-use right	1,396	1,396
Office buildings	49,088	46,600
Others	26,679	10,543
	77,163	58,539

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Interest expense (included in finance cost)	6,981	7,413
Expense relating to short-term leases not included in lease liabilities	19,753	19,734

The total cash outflows for lease payments during the year ended 31 December 2025 were RMB104,978,000 (2024: RMB86,511,000).

(iii) The Group's leasing activities and how these are accounted for

The Group leases properties, offices, land-use right and automobiles as lessee. Lease contracts are typically made for fixed periods from 1 to 50 years. They are stated at cost less accumulated depreciation and accumulated impairment losses.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

17 LEASES (CONTINUED)

(iii) The Group's leasing activities and how these are accounted for (Continued)

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received, and
- any initial direct costs

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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

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

The Group's lease payments are deductible upon payment for tax purposes. In accounting for the deferred tax relating to the lease, the Group separately accounts for the deferred taxation on the taxable temporary difference and the deductible temporary difference, which upon initial recognition are equal and offset to zero. Deferred tax is recognised on subsequent changes to the taxable and temporary differences.

18 INTANGIBLE ASSETS

	Licensed technology RMB'000	Computer software RMB'000	Total RMB'000
At January 1, 2024			
Cost	674,153	250,364	924,517
Accumulated amortization	(448,403)	(173,208)	(621,611)
Net book amount	225,750	77,156	302,906
Year ended December 31, 2024			
Opening net book amount	225,750	77,156	302,906
Additions	165,494	117,335	282,829
Amortization charge	(197,774)	(67,710)	(265,484)
Closing net book amount	193,470	126,781	320,251
At December 31, 2024			
Cost	839,647	367,699	1,207,346
Accumulated amortization	(646,177)	(240,918)	(887,095)
Net book amount	193,470	126,781	320,251
Year ended December 31, 2025			
Opening net book amount	193,470	126,781	320,251
Additions	61,368	84,456	145,824
Amortization charge	(148,887)	(78,079)	(226,966)
Closing net book amount	105,951	133,158	239,109
At December 31, 2025			
Cost	901,015	452,155	1,353,170
Accumulated amortization	(795,064)	(318,997)	(1,114,061)
Net book amount	105,951	133,158	239,109

18 INTANGIBLE ASSETS (CONTINUED)

Amortization expenses have been charged to the consolidated statement of profit or loss as follows:

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Research and development expenses	226,395	264,529
Administrative expenses	400	948
Selling and marketing expense	171	7
Total amortization expenses charged to profit or loss	226,966	265,484

(i) Licensed technology

Separately acquired licensed technologies are shown at historical cost. They have limited useful lives and are subsequently carried at cost less accumulated amortisation and impairment losses.

(ii) Computer software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire the specific software.

(iii) Research and development

Research expenditure is recognized as an expense as incurred. Costs incurred on development projects (relating to the design and testing of new and improved products) are recognized as intangible assets when the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use;
- Management intends to complete the software product and use or sell it;
- There is an ability to use or sell the software product;
- It can be demonstrated how the software product will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- The expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

19 FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Financial liabilities		
Financial liabilities at amortised cost:		
Trade payables and accruals and other payables (excluding non-financial liabilities)	1,060,103	318,786
Lease liabilities	117,328	153,290
Borrowings	527,998	407,272
Financial liabilities at fair value through profit or loss:		
Preferred shares	2,403,463	204,410
Convertible loan	12,504,235	6,383,299
	16,613,127	7,467,057

20 TRADE RECEIVABLES AND FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Non-current:		
Trade receivables		
Third party debtors	8,412	26,303
Total trade receivables, gross	8,412	26,303
Less: Credit loss allowance	(648)	(1,473)
Total non-current trade receivables, net	7,764	24,830
Current:		
Trade receivables		
Third party debtors	1,757,787	704,819
Related parties	104,354	66,647
Total trade receivables, gross	1,862,141	771,466
Less: Credit loss allowance	(102,093)	(92,696)
Total current trade receivables, net	1,760,048	678,770
Total trade receivables, net	1,767,812	703,600
Financial assets at FVOCI		
Note receivables classified as financial assets at FVOCI	5,000	26,900
Total trade-related receivables	1,772,812	730,500

Note receivables are bank acceptance notes received from the Group's customers. Starting from year 2024, the Group holds note receivables for both collection of contractual cash flows and for sale. Consequently, all note receivables are classified and measured as financial assets at fair value through other comprehensive income. The maturity date of all note receivables as at December 31, 2025 are within one year.

20 TRADE RECEIVABLES AND FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONTINUED)

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

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Up to 3 months	1,513,625	355,571
3 to 6 months	129,814	166,861
6 to 9 months	75,264	123,491
9 to 12 months	26,316	27,127
Over 12 months	125,534	124,719
Total	1,870,553	797,769

The Group's credit risk management is disclosed in Note 3.1 to the consolidated statement of financial position.

21 PREPAYMENTS, OTHER CURRENT ASSETS AND OTHER NON-CURRENT ASSETS

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Non-current:		
Trade receivables	8,412	26,303
Prepayments for intangible assets	33,450	3,271
Rental and other deposits	18,451	18,260
Prepayments for property, plant and equipment	9,971	9,033
Prepayments for construction in progress	4,443	13,501
Prepaid bonuses	–	25,233
Others	38,835	675
Less: Credit loss allowance	(648)	(1,473)
Total prepayments and other non-current assets	112,914	94,803
Current:		
Prepayments to suppliers	187,600	434,528
Input VAT to be deducted	147,973	64,264
Loan to a related party	64,132	–
Prepaid bonuses	25,233	26,370
Rental and other deposits	1,000	424
Other receivables	31,398	8,134
Less: Credit loss allowance	(1,162)	(131)
Total prepayments and other current assets	456,174	533,589
Total prepayments, other current assets and other non-current assets	569,088	628,392

Total other current assets and other non-current assets are mainly denominated in RMB.

22 INVENTORIES

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Finished goods	304,596	239,466
Working in progress	640,832	332,706
Raw materials	83,130	9,193
Contract fulfilment costs	74,503	20,103
Inventories, gross	1,103,061	601,468
Less: allowance for impairment	(33,837)	(16,054)
	1,069,224	585,414

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Cost of inventories sold	1,192,983	409,293
Provision for impairment of inventories	32,338	17,987
Reversal of provision for impairment of inventories	–	(22)
Total	1,225,321	427,258

Inventories are stated at the lower of cost and net realisable value. Cost mainly comprises bill of materials for processing hardware. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

23 CASH AND CASH EQUIVALENTS, RESTRICTED CASH AND TERM DEPOSITS

The Group

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Cash at banks	20,833,083	15,379,066
Less: restricted cash	(8,091)	(8,141)
Less: term deposits with initial term of over three months	(636,922)	–
Cash and cash equivalents	20,188,070	15,370,925
Balances per consolidated statement of cash flows	20,188,070	15,370,925

Cash and cash equivalents are denominated in:

	As at December 31,	
	2025 RMB'000	2024 RMB'000
RMB	5,355,758	5,193,256
US\$	14,784,995	10,065,726
EUR	14,089	–
HK\$	33,228	111,943
	20,188,070	15,370,925

Restricted cash is denominated in:

	As at December 31,	
	2025 RMB'000	2024 RMB'000
RMB	5,424	5,423
US\$	2,667	2,718
	8,091	8,141

Term deposits is denominated in:

	As at December 31,	
	2025 RMB'000	2024 RMB'000
US\$	636,922	–
	636,922	–

24 SHARE CAPITAL AND SHARE PREMIUM

Share capital

	Class A ordinary shares		Class B ordinary shares	
	Number	Nominal value USD	Number	Nominal value USD
Authorised, US\$0.0000025 each:				
At January 1, 2024	2,350,582,688	5,876	9,271,123,237	23,178
At December 31, 2024	2,124,389,270	5,311	17,875,610,730	44,689
At December 31, 2025	2,124,389,270	5,311	17,875,610,730	44,689

	Class A ordinary shares		Class B ordinary shares	
	Number	Amount RMB'000	Number	Amount RMB'000
Issued, US\$0.0000025 each:				
At January 1, 2024	2,305,932,525	38	125,471,515	1
Conversion of preferred shares to ordinary shares	–	–	7,798,405,226	139
Issuance of ordinary shares relating to the IPO and exercise of over-allotment options	–	–	1,525,534,200	27
Issuance of ordinary shares reserved for 2018 share incentive plan (a)	–	–	1,444,950,216	–
Shares re-designation	(181,543,255)	(3)	181,543,255	3
At December 31, 2024	2,124,389,270	35	11,075,904,412	170
Placing of ordinary shares (b)	–	–	1,320,028,800	24
Exercise and settle of options and share awards	–	–	–	13
Issuance of ordinary shares reserved for Post-IPO share incentive plan (a)	–	–	131,562,503	–
At December 31, 2025	2,124,389,270	35	12,527,495,715	207

24 SHARE CAPITAL AND SHARE PREMIUM (CONTINUED)

Share premium:

	RMB'000
At January 1, 2024	146,257
Conversion of preferred shares to ordinary shares	28,550,014
Issuance of ordinary shares relating to the IPO and exercise of over-allotment options, netting of underwriting commissions and other issuance costs	5,391,464
At December 31, 2024	34,087,735
Placing of shares, netting of underwriting commissions and other issuance costs	10,062,582
Exercise and settle of options and share awards	1,554,399
At December 31, 2025	45,704,716

- (a) On August 10, 2024, the Company issued an aggregate of 1,444,950,216 Class B ordinary shares to its employee shareholding platforms, namely Pirates Gold Holding Limited, Pirates Silver Holding Limited and Pirates Bronze Holding Limited for the 2018 Share Incentive Plan. On October 9, 2025, the Company issued an aggregate of 131,562,503 Class B ordinary shares to its employee shareholding platforms, namely Pirates Silver Holding Limited and Pirates Bronze Holding Limited for the Post-IPO Share Incentive Plan. As at December 31, 2025, 737,023,178 Class B ordinary shares related to exercised options and settled RSUs are considered outstanding from accounting perspective.
- (b) On June 23, 2025, the Company allotted and issued 681,000,000 Class B ordinary shares to the existing shareholders at HK\$6.93 per share. The issuance of these Class B ordinary shares, net of underwriting commission and other issuance cost, resulting in an increase of share capital and share premium by RMB12,209 and RMB4,269,775,000, respectively. On October 9, 2025, the Company allotted and issued 639,028,800 Class B ordinary shares to the existing shareholders at HK\$9.99 per share. The issuance of these Class B ordinary shares, net of underwriting commission and other issuance cost, resulting in an increase of share capital and share premium by RMB11,359 and RMB5,792,807,000, respectively.

25 OTHER RESERVES

	Share-based payments RMB'000	Changes in the fair value attributable to credit risk changes RMB'000	Share of other equity movements of joint ventures RMB'000	Statutory reserve RMB'000	Currency translation differences RMB'000	Repurchase of non-controlling interests RMB'000	Total RMB'000
As at January 1, 2024	852,764	510,343	–	1,464	(597,986)	(6,743)	759,842
Share-based payments – share incentive plans (Note 26(a))	537,855	–	–	–	–	–	537,855
Share-based payments to joint ventures' employees (Note 13)	12,162	–	–	–	–	–	12,162
Share-based payments – warrant of D-Robotics issued to founders (Note 26(c))	12,906	–	–	–	–	–	12,906
Fair value changes of preferred shares due to own credit risk (Note 28)	–	(76,226)	–	–	–	–	(76,226)
Transfer of accumulated changes in fair value due to own credit risk upon conversion of preferred shares issued by the Company	–	(434,117)	–	–	–	–	(434,117)
Currency translation differences	–	–	–	–	(195,638)	–	(195,638)
As at December 31, 2024	1,415,687	–	–	1,464	(793,624)	(6,743)	616,784
Share-based payments – share incentive plans (Note 26(a))	965,773	–	–	–	–	–	965,773
Share-based payments to joint ventures' employees (Note 13)	27,071	–	–	–	–	–	27,071
Exercise and settle of share-based awards	(1,488,493)	–	–	–	–	–	(1,488,493)
Fair value changes of preferred shares due to own credit risk (Note 28)	–	90,351	–	–	–	–	90,351
Share of other equity movements of joint ventures	–	–	140,884	–	–	–	140,884
Currency translation differences	–	–	–	–	(85,230)	–	(85,230)
Appropriations to PRC statutory reserves	–	–	–	1,459	–	–	1,459
As at December 31, 2025	920,038	90,351	140,884	2,923	(878,854)	(6,743)	268,599

26 SHARE-BASED PAYMENTS

Total expenses arising from share-based payment transactions recognised during the years ended December 31, 2025 and 2024 were as follows:

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Share Incentive Plans (a)	933,494	537,855
Share Incentive Plans of D-Robotics (b)	32,279	–
Warrant of D-Robotics issued to founders (c)	–	12,906
	965,773	550,761

(a) Share Incentive Plans

In November 2015, the Company adopted the 2015 share incentive plan (the “2015 Share Incentive Plan”). On November 16, 2018, the 2018 share incentive plan (the “2018 Share Incentive Plan”) was adopted by the Company to replace the 2015 Share Incentive Plan.

On October 8, 2024, the Company adopted the Post-IPO share incentive plan. As of December 31, 2025, a total of 235,317,403 share awards have been granted in accordance with the terms of the Post-IPO Share Incentive Plan.

Under the 2018 Share Incentive Plan and the Post-IPO Share Incentive Plan, the Company have granted share options and RSUs to relevant directors, employees and service providers of the Company. The fair value of the services received in exchange for the grant of equity instruments (share options and RSUs) is recognised as an expense in the consolidated statement of profit or loss with a corresponding increase in other reserve.

The total amount to be expensed is determined by reference to the fair value of the options and RSUs granted:

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

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the Group revises its estimates of the number of shares that are expected to vest based on the service conditions. The expected retention rate of grantees was 89% and 88% respectively in the year ended December 31, 2025 and 2024. The Company recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

26 SHARE-BASED PAYMENTS (CONTINUED)

(a) Share Incentive Plans (Continued)

Most of options and RSUs vest over a one-year or four-year requisite service period, depending on the terms of each award agreement. And granted options and RSUs generally follow one of the three vesting schedules ("Schedule A", "Schedule B", "Schedule C") below:

- Schedule A: 25% of the awards vest upon each of the four anniversaries of vesting commencement date;
- Schedule B: 50% of the awards vest upon the second anniversary of vesting commencement date, and 25% of the awards vest upon the third and fourth anniversary respectively;
- Schedule C: 100% of the awards vest on the first anniversary of vesting commencement date.

(i) 2018 Share Incentive Plan

Set out below are summaries of options granted under the 2018 Incentive Plan:

	Weighted Average exercise price per share option US\$	Number of options	Weighted- average remaining contract life	Weighted average fair value of options granted /exercised during the period US\$
Outstanding at January 1, 2024	0.13	399,534,475	3.74	
Granted	0.47	300,000		0.29
Forfeited	0.43	(1,150,000)		
Outstanding at December 31, 2024	0.13	398,684,475	2.73	
Exercisable as of December 31, 2024	0.13	398,236,975		
Exercised	0.13	(81,567,573)		1.03
Forfeited	0.17	(3,787,500)		
Outstanding at December 31, 2025	0.13	313,329,402	1.99	
Exercisable as of December 31, 2025	0.13	313,329,402		

26 SHARE-BASED PAYMENTS (CONTINUED)

(a) Share Incentive Plans (Continued)

(i) 2018 Share Incentive Plan (Continued)

Share options outstanding at the end of the years have the following expiry date and exercise prices:

Grant Date	Expiry date	Exercise price per share option US\$	Number of share options	
			December 31, 2025	December 31, 2024
2015	2026	0.000025	107,910,203	128,875,150
2016	2026	0.000025-0.0625	33,963,428	46,726,740
2017	2027	0.000025-0.09175	14,950,860	19,706,960
2018	2028	0.00025-0.302	68,335,751	88,972,415
2019	2029	0.001-0.3777	56,208,692	70,017,800
2020	2030	0.05408-0.3777	11,431,569	16,059,350
2021	2031	0.10249-0.4677	18,033,899	25,721,060
2022	2032	0.4677	2,195,000	2,305,000
2024	2034	0.4677	300,000	300,000
Total			313,329,402	398,684,475

Set out below are summaries of RSUs granted under the 2018 Incentive Plan:

	Number of RSUs	Weighted- average remaining contract life	Weighted average fair value of RSUs granted during the period US\$
Outstanding at January 1, 2024	660,561,776	7.58	
Granted	327,153,745		0.56
Forfeited	(54,588,668)		
Outstanding at December 31, 2024	933,126,853	7.53	
Exercisable as of December 31, 2024	480,736,309		
Forfeited	(21,137,991)		
Vested	(650,719,819)		
Outstanding at December 31, 2025	261,269,043	8.16	

26 SHARE-BASED PAYMENTS (CONTINUED)

(a) Share Incentive Plans (Continued)

(i) 2018 Share Incentive Plan (Continued)

RSUs outstanding at the end of the years have the following expiry date:

Grant Date	Expiry date	Number of RSUs	
		December 31, 2025	December 31, 2024
2016	2026	–	7,967,430
2017	2027	–	–
2018	2028	–	89,478,400
2019	2029	–	19,713,439
2020	2030	21,850	108,809,319
2021	2031	1,250,000	71,284,715
2022	2032	10,122,870	143,656,303
2023	2033	53,741,749	202,103,776
2024	2034	196,132,574	290,113,471
Total		261,269,043	933,126,853

(ii) Post-IPO Share Incentive Plan

Set out below are summaries of RSUs granted under the Post-IPO Share Incentive Plan:

	Number of RSUs	Weighted-average remaining contract life	Weighted average fair value of RSUs granted during the period US\$
Outstanding at January 1, 2025	–	–	
Granted	235,522,213		0.79
Forfeited	(7,511,753)		
Vested	(37,473,479)		
Outstanding at December 31, 2025	190,536,981	9.45	

26 SHARE-BASED PAYMENTS (CONTINUED)

(a) Share Incentive Plans (Continued)

(ii) *Post-IPO Share Incentive Plan (Continued)*

RSUs outstanding at the end of the years have the following expiry date:

Grant Date	Expiry date	Number of RSUs	
		December 31, 2025	December 31, 2024
2025	2035	190,536,981	–
Total		190,536,981	–

(b) Share Incentive Plans of D-Robotics

On March 26, 2025, the Company has adopted the D-Robotics 2025 Share Incentive Plan with the purpose of attracting, motivating, retaining and rewarding certain employees, directors and other eligible persons.

The total amount to be expensed is determined by reference to the fair value of the options and RSUs granted:

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

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, D-Robotics revises its estimates of the number of shares that are expected to vest based on the service conditions. The expected retention rate of grantees was 89% in the year ended December 31, 2025. D-Robotics recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Most of options vest over a four-year requisite service period: 50% of the awards vest upon the second anniversary of vesting commencement date, and 25% of the awards vest upon the third and fourth anniversary respectively.

26 SHARE-BASED PAYMENTS (CONTINUED)

(b) Share Incentive Plans of D-Robotics (Continued)

Set out below are summaries of options granted under the D-Robotics 2025 Share Incentive Plan:

	Weighted Average exercise price per share option US\$	Number of options	Weighted- average remaining contract life	Weighted average fair value of options granted during the period US\$
Outstanding at January 1, 2025	–	–	–	
Granted	0.0001	41,916,678		0.17
Forfeited	0.0001	(116,667)		
Outstanding at December 31, 2025	0.0001	41,800,011	9.31	
Exercisable as of December 31, 2025	0.0001	473,750		

Share options outstanding at the end of the year/period have the following expiry date and exercise prices:

Grant Date	Expiry date	Exercise price per share option US\$	Number of share options	
			December 31, 2025	December 31, 2024
2025	2035	0.0001	41,800,011	–
Total			41,800,011	–

26 SHARE-BASED PAYMENTS (CONTINUED)

(b) Share Incentive Plans of D-Robotics (Continued)

Fair value of options and RSUs granted

Prior to the IPO, the directors have used the discounted cash flow method to determine the underlying equity fair value of the Company and D-Robotics and adopted the equity allocation model to determine the fair value of the underlying ordinary shares. Key assumptions, such as projections of future performance, are determined by the directors with best estimate.

The fair value of the underlying ordinary shares of the Company and D-Robotics on the dates of grant are as follows:

The Company

	Year ended December 31,	
	2025	2024
Fair value of underlying ordinary shares (US\$)- under the Post-IPO Incentive Plan:	0.46~1.14	N/A
Fair value of underlying ordinary shares (US\$)- under the 2018 Incentive Plan:	N/A	0.47~0.58

D-Robotics

	Year ended December 31,	
	2025	2024
Fair value of underlying ordinary shares (US\$):	0.17~0.32	N/A

Key assumptions used by directors to estimate the underlying ordinary shares' fair value are set as below:

The Company

	Year ended December 31,	
	2025	2024
Discount rate	N/A	20%
Risk-free interest rate	N/A	4.45%-5.45%
DLOM	N/A	4%
Volatility	N/A	36.69%-41.72%

D-Robotics

	Year ended December 31,	
	2025	2024
Risk-free interest rate	3.60%~4.05%	N/A
DLOM	13%	N/A
Volatility	59.42%~60.83%	N/A

26 SHARE-BASED PAYMENTS (CONTINUED)

(b) Share Incentive Plans of D-Robotics (Continued)

Fair value of options and RSUs granted (Continued)

Based on fair value of the underlying ordinary shares, the directors use binomial model to determine the fair value of the share options as of the grant date.

The Company

	Year ended December 31,	
	2025	2024
Risk-free interest rate	N/A	4.09%
Volatility	N/A	39.71%
Expected dividend yield	N/A	0%

D-Robotics

	Year ended December 31,	
	2025	2024
Risk-free interest rate	4.05%~4.50%	N/A
Volatility	57.51%~60.95%	N/A
Expected dividend yield	0%	N/A

The fair value of RSUs at the grant date was determined by reference to the fair value of the underlying ordinary shares on the dates of grant.

(c) Warrant of D-Robotics issued to founders

On June 25, 2024, during the D-Robotics Financing, 43,940,218 class A ordinary shares of D-Robotics were issued to the three founders of the Company. Among the class A ordinary shares of D-Robotics issued to the three founders of the Company, 413,435 shares have been fully paid at price specified in the share purchase agreement dated June 25, 2024. For the remaining unpaid shares, founders have the right to pay the consideration for these shares at the same price specified in share purchase agreement at any time to entitle the economic rights and interests of these unpaid shares. Founders have been in-substance granted a warrant without any condition to buy 43,526,783 class A ordinary shares of D-Robotics at the predetermined subscription price on June 25, 2024. The Group recognized share-based payment expenses of RMB12,906,000 at the grant date fair value of the warrant which is derived using the Black-Scholes model. Significant assumptions, including 56.58% expected volatility and 4.25% risk-free interest rate, are made by the directors with reference to a third-party valuation report.

27 TRADE PAYABLES, ACCRUALS, OTHER PAYABLES AND OTHER NON-CURRENT LIABILITIES

The Group	As at December 31,	
	2025 RMB'000	2024 RMB'000
Current liabilities		
Trade payables (i)	234,391	14,552
Tax liabilities		
– Income tax payable	7	492
– Other taxes payable	96,238	29,627
Other payables		
– Payables for third-party service fees and deposit	691,752	167,414
– Payables for purchase of intangible assets	70,763	62,806
– Payables for construction in progress	3,915	17,669
– Payables for purchase of property, plant and equipment	6,272	–
– Accrued warranty liabilities	9,607	4,171
– Payables for an investment	3,514	3,594
– Accrued listing expenses	–	616
– Others	32,587	20,462
Total trade payables and accruals and other payables	1,149,046	321,403

(i) The aging analysis of the trade payables based on purchase date were as follows:

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Up to 3 months	178,817	13,670
3 to 6 months	10,560	458
6 months to 1 year	44,279	112
1 to 2 years	423	60
Over 2 years	312	252
Total trade payables	234,391	14,552

27 TRADE PAYABLES, ACCRUALS, OTHER PAYABLES AND OTHER NON-CURRENT LIABILITIES (CONTINUED)

The Group

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Other non-current liabilities		
Payables for purchase of intangible assets	16,910	31,673
Deferred income in relation to financial subsidies	528,148	295,616
Total other non-current liabilities	545,058	327,289

28 PREFERRED SHARES AND OTHER FINANCIAL LIABILITIES AT FVPL

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Preferred shares (a)		
D-Robotics	2,403,463	204,410
Convertible loan (b)		
The Company	12,504,235	6,383,299
	14,907,698	6,587,709

(a) Preferred shares

Preferred shares of D-Robotics

Since 2024, the Company's subsidiary D-Robotics has completed several external financings by issuing preferred shares to investors.

The details of the issuance are set out in the table below:

	Issue Price per Share US\$	Number of shares as of January 1, 2025	Number of Shares as of December 31, 2025	Total consideration received by December 31, 2025 US\$'000
Series A1 Preferred Shares	0.33	80,706,526	83,695,656	28,000
Series A2 Preferred Shares	0.33	–	118,375,550	39,602
Series B1 Preferred Shares	0.46	–	91,613,032	41,650
Series B2 Preferred Shares	0.49	–	155,725,588	76,290
Series B3 Preferred Shares	0.61	–	90,594,775	55,478
Series B4 Preferred Shares	0.73	–	96,549,247	70,410
		80,706,526	636,553,848	311,430

28 PREFERRED SHARES AND OTHER FINANCIAL LIABILITIES AT FVPL (CONTINUED)

(a) Preferred shares (Continued)

Preferred shares of D-Robotics (Continued)

The details of the movements of number of preferred shares issued by D-Robotics during the year ended December 31, 2025 are as follows:

D-Robotics	Number of shares
Opening as of January 1, 2025	80,706,526
Issuance of Series A1 preferred shares	2,989,130
Issuance of Series A2 preferred shares	118,375,550
Issuance of Series B1 preferred shares	91,613,032
Issuance of Series B2 preferred shares	155,725,588
Issuance of Series B3 preferred shares	90,594,775
Issuance of Series B4 preferred shares	96,549,247
Outstanding as of December 31, 2025	636,553,848

The key terms of the preferred shares issued by D-Robotics are as follows:

Conversion rights

Unless converted earlier pursuant to the provisions with respect to automatic conversion as set out below, preferred shares shall be convertible, at the option of the holder thereof, at any time into such number of fully paid Class B ordinary shares at an initial conversion ratio of 1:1, and thereafter shall be subject to adjustment and readjustment from time to time for (a) share splits and combinations, (b) ordinary share dividends and distributions, (c) other dividends, (d) reorganizations, mergers, consolidations, reclassifications, exchanges, substitution, and (e) dilutive issuance.

Each preferred share shall automatically be converted, based on then-effective conversion price, without the payment of any additional consideration, into fully-paid Class B ordinary shares upon the earlier of (i) the consummation of the qualified initial public offering of D-Robotics ("Qualified IPO of D-Robotics"), or (ii) the date specified by the written consent or agreement of at least two-thirds (2/3) of the voting power of then outstanding preferred shares.

Redemption rights

Preferred shareholders may redeem of all or any part of then outstanding shares held, at any time after the occurrence of (i) the failure by D-Robotics to consummate a Qualified IPO prior to October 28, 2030, (ii) any occurrence of a material breach or violation of the transaction documents or relevant laws, (iii) occurrence of any other factors, which has resulted in the Kai Yu losing control of D-Robotics, or (iv) any share required to be redeemed by any preferred shareholders of D-Robotics.

The redemption price of each share to be redeemed shall equal to (i) 100% of each series stated issue price with a compounded rate of ten percent (10%) per annum return, plus (ii) any accrued or declared but unpaid dividends on each applicable preferred shares.

28 PREFERRED SHARES AND OTHER FINANCIAL LIABILITIES AT FVPL (CONTINUED)

(a) Preferred shares (Continued)

Preferred shares of D-Robotics (Continued)

Voting rights

Each preferred share has voting rights equivalent to the number of Class B ordinary shares into which such preferred shares could be then convertible.

Dividend rights

Each preferred shareholder shall be entitled to receive, when, as and if declared by the Board of D-Robotics, out of any assets of D-Robotics legally available therefor, such dividends as may be declared from time to time by the Board of D-Robotics.

Liquidation preference

In the event of any liquidation or deemed liquidation, dissolution, termination or winding up of D-Robotics, whether voluntary or involuntary, all assets and funds of D-Robotics legally available for distribution to shareholders in the following manner and order:

Each preferred shareholder shall be entitled to receive, prior and in preference to any distribution of any of the assets or funds of the D-Robotics to the holders of any ordinary shares, the amount equal to one hundred and ten percent (110%) of the original issue price on each preferred share, plus all declared but unpaid dividends thereon up to the date of liquidation. The liquidation preference amount will be paid firstly to holders of preferred shares. After distributing or paying in full the liquidation preference amount to all of the preferred shareholders, the remaining assets of the D-Robotics available for distribution, if any, shall distributed to the holders of ordinary shares and the preferred shareholders on a pro rata basis, based on the number of ordinary shares then held by each shareholder on an as-converted basis. If the value of the remaining assets of the D-Robotics is less than aggregate liquidation preference amount payable to the holders of series A preferred shares, then the remaining assets of the D-Robotics shall be distributed pro rata amongst the holders of all outstanding preferred shares of that series.

Deemed Liquidation Event

Deemed Liquidation Events (as defined in the D-Robotics' memorandum and articles of association) include: (1) any consolidation, amalgamation, scheme of arrangement or merger of any D-Robotics or its subsidiaries with or into any other Person or other reorganization in which the shareholders of D-Robotics immediately prior to such consolidation, amalgamation, merger, scheme of arrangement or reorganization own less than fifty percent (50%) of D-Robotics' voting power in the aggregate immediately after such consolidation, merger, amalgamation, scheme of arrangement or reorganization, or any transaction or series of related transactions to which D-Robotics is a party in which in excess of fifty percent (50%) of D-Robotics' voting power is transferred; or (2) a sale, transfer, lease or other disposition of all or substantially all of the assets of the Company and/or its subsidiaries; or (3) exclusive and irrevocable licensing of all or substantially all of the Company and/or its subsidiaries' intellectual property to a third party.

The preferred shares issued by D-Robotics have been presented as current liabilities as the preferred shares may be converted into ordinary shares at the option of the preferred shareholders at any time, and the conversion option doesn't meet the definition of equity instrument.

28 PREFERRED SHARES AND OTHER FINANCIAL LIABILITIES AT FVPL (CONTINUED)

(a) Preferred shares (Continued)

Preferred shares of D-Robotics (Continued)

The movements of the preferred shares carrying amount are set out as below:

D-Robotics	RMB'000
At January 1, 2024	–
Issuance of Series A1 preferred shares	192,332
Change in fair value through profit or loss	10,214
Currency translation differences	1,864
At December 31, 2024	204,410
At January 1, 2025	204,410
Issuance of Series A1 Preferred Shares	7,171
Issuance of Series A2 preferred shares	283,048
Issuance of Series B1 preferred shares	297,605
Issuance of Series B2 preferred shares	543,833
Issuance of Series B3 preferred shares	393,165
Issuance of Series B4 preferred shares	498,954
Change in fair value through profit or loss	290,786
Change in fair value through other comprehensive income	(85,961)
Currency translation differences	(29,548)
At December 31, 2025	2,403,463

28 PREFERRED SHARES AND OTHER FINANCIAL LIABILITIES AT FVPL (CONTINUED)

(b) Convertible loan

In November 2022, the Company entered into an agreement to issue a convertible loan with the principal amount of US\$924,855,000 with CARIAD, which is also a Series D preferred share investor. The convertible loan has a repayment term of three years from the closing date ("Maturity date") and with an interest rate of 2% for the first two annum and a 5% for the remaining annum.

Pursuant to the agreement, at any time after the date of closing and prior to the repayment in full, the convertible loan shall be automatically and mandatorily converted into the relevant equity interests in the Company when any of the following events occurs:

- In the event the Company consummates a Qualified IPO prior to the Maturity Date, upon the closing of the Qualified IPO, all the principal amount and accrued interest (the "Conversion Amount") shall be automatically and mandatorily converted into Class B Ordinary shares of the Company at a conversion price equal to the final per share offer price for the Qualified IPO, subject to the total beneficial interests cap of CARIAD in the Company being 9.90% upon Listing. The Company will repay the remaining Conversion Amount by cash on the Listing date, if any.
- In the event the Company fails to consummate a Qualified IPO but one or more rounds of Qualified Financing occurs prior to the Maturity Date, on the Maturity Date, the convertible loan shall be automatically and mandatorily converted into the same class of shares issued by the Company to the investors in the Qualified Financing at a conversion price equal to the price per share for the relevant class of shares.
- In the event neither a Qualified IPO nor a Qualified Financing occurs prior to the Maturity Date, on the Maturity Date, the convertible loan shall be automatically and mandatorily converted into the most senior series shares at a conversion price which implies a pre-determined valuation agreed by both parties.

Qualified Financing means a bona fide equity financing of the Company that takes place after the closing of the share purchase transaction under the Series D Preferred Share Purchase Agreement, the amount of total proceeds to the Company from which shall be no less than US\$350,000,000 and at least US\$100,000,000 of such total proceeds shall be invested by a single external investor.

On October 11, 2024, an amendment agreement was entered into between the Company and CARIAD to mainly amend arrangements with respect to the settlement of the convertible loan and the interest rate. According to the amendment agreement, Conversion Amount shall be automatically and mandatorily converted into Class B ordinary shares at the Company's IPO offering price HK\$3.99 per share upon maturity of the convertible loan on December 7, 2026 subject to a 9.9% shareholding threshold of CARIAD in the Company's then issued share capital.

As the lender has rights to ask the Company to repay all outstanding and unpaid principal amount when some contingent events occur, the convertible loan is classified as a liability given the Company does not have the unconditional right to avoid delivering cash to settle the loan.

The Group does not bifurcate any embedded derivatives from the host instruments and designates the entire convertible loan as financial liabilities at fair value through profit or loss with the changes in the fair value recorded in the consolidated statement of profit or loss and the component of fair value changes relating to the Company's own credit risk is recognised in other comprehensive income.

28 PREFERRED SHARES AND OTHER FINANCIAL LIABILITIES AT FVPL (CONTINUED)

(b) Convertible loan (Continued)

In December 2023, the closing conditions of the convertible loan agreement have been satisfied and the Company received the total cash consideration of US\$800,000,000 from the lender.

The movements of the convertible loan carrying amount are set out as below:

	RMB'000
At January 1, 2024	5,729,904
Change in fair value through profit or loss	561,609
Currency translation differences	91,786
At December 31, 2024	6,383,299
At January 1, 2025	6,383,299
Change in fair value through profit or loss	6,373,265
Change in fair value through other comprehensive income	(4,450)
Currency translation differences	(247,879)
At December 31, 2025	12,504,235

(c) Fair value measurements

Fair value of the preferred shares

The Group applied the discounted cash flow method to determine the underlying equity value of D-Robotics and adopted equity allocation model to determine the fair value of the preferred shares. Key assumptions are set as below:

D-Robotics

	As at December 31,	
	2025	2024
Discount rate	20%	21%
Risk-free interest rate	3.71%	4.35%
DLOM	12.6%	12.5%
Volatility	59.07%	60.41%

Discount rate (post-tax) was estimated by weighted average cost of capital as at each valuation date. Management estimated the risk-free interest rate based on the yield to maturity of U.S. treasury bonds denominated in US\$ with maturity close to expected liquidation date/redemption date as at the valuation date. The DLOM was estimated based on the option-pricing method. Under option-pricing method, the cost of put option, which can hedge the price change before the privately held share can be sold, was considered as a basis to determine the lack of marketability discount. Volatility was estimated based on annualized standard deviation of the daily return embedded in historical stock prices of comparable companies with a time horizon close to the expected term. In addition to the assumptions adopted above, D-Robotics' projections of future performance were also factored into the determination of the fair value of preferred shares on each valuation date.

28 PREFERRED SHARES AND OTHER FINANCIAL LIABILITIES AT FVPL (CONTINUED)

(c) Fair value measurements (Continued)

Fair value of the preferred shares (Continued)

The Company performed sensitivity test to changes in unobservable inputs in determining the fair value of the preferred shares. When performing the sensitivity test, management applied an increase or decrease to each unobservable input, which represents management's assessment of reasonably possible change to these unobservable inputs.

If D-Robotics' key valuation assumptions used to determine the fair value of the preferred shares had increased/decreased certain percentage, the estimated fair value changes from carrying amount ended December 31, 2025 listed in below table (assuming the change of key assumptions would not have significant impact on fair value change attributable to credit risk).

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Risk-free interest rate +10%	(4,803)	(1,718)
Risk-free interest rate -10%	4,838	1,742

	As at December 31,	
	2025 RMB'000	2024 RMB'000
DLOM +10%	(34,682)	(2,890)
DLOM -10%	34,682	2,890

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Volatility +10%	(26,945)	(4,745)
Volatility -10%	27,590	4,170

28 PREFERRED SHARES AND OTHER FINANCIAL LIABILITIES AT FVPL (CONTINUED)

(c) Fair value measurements (Continued)

Fair value of the convertible loan

The Company estimated the fair value of the convertible loan using the scenario analysis method with key assumptions are as follows:

	As at December 31,	
	2025	2024
Bond yield	11.06%	11.30%

The changes in unobservable input including bond yield will result in a significantly higher or lower fair value measurement. If the bond yield had been 10% higher, loss for the year ended December 31, 2025 would have been approximately RMB21,444,000 lower (2024: profit for the year would have been approximately RMB49,789,000 higher). If the bond yield had been 10% lower, loss for the year ended December 31, 2025 would have been approximately RMB21,444,000 higher (2024: profit for the year would have been approximately RMB49,789,000 lower).

29 BORROWINGS

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Non-current		
Bank borrowing – secured (a)	507,998	392,605
Current		
Bank borrowing – discount note receivables	–	14,667
Bank borrowing – secured (a)	20,000	–
Total borrowings	527,998	407,272

- (a) On December 15, 2022, a subsidiary of the Company entered into a bank loan agreement, whereby a facility of up to RMB844,500,000 was granted for the financing of a construction project, with the relevant land use right mortgaged as the collateral for this loan (Note 17(i)). The Group is eligible to draw down any unutilised facility by December 14, 2025. The principal of the loan is repayable by instalments with effect from June 15, 2026 to December 14, 2037. The interest rate is charged from 2.0% to 2.6% and payable quarterly and resets on January 1 of each year during the loan period.

As at December 31, 2025, the weighted average effective interest rate for the borrowings was 1.98% per annum (2024: 2.34%).

29 BORROWINGS (CONTINUED)

As at the end of each reporting period, the Group's borrowings were repayable as follows:

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Less than 1 year	20,000	14,667
Between 1 and 2 years	20,000	20,000
Between 2 and 5 years	120,000	90,000
Over 5 years	367,998	282,605
	527,998	407,272

30 DEFERRED INCOME TAX

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax recoverable against current income tax liabilities and when the deferred income tax assets and liabilities relate to income tax levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

The following amounts, determined after appropriate offsetting, are shown in the consolidated statement of financial position:

(i) Deferred tax assets

The balance comprises temporary differences attributable to:

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Lease liabilities	19,582	20,998
Tax losses carried forward	105,923	106,911
Others	9,338	128
Total gross deferred tax assets	134,843	128,037
Deferred tax assets:		
– to be realized within 12 months	12,070	10,823
– to be realized after 12 months	122,773	117,214
Set-off of deferred tax assets pursuant to set-off provisions	(29,230)	(21,126)
Net deferred tax assets	105,613	106,911

30 DEFERRED INCOME TAX (CONTINUED)**(ii) Deferred tax liabilities**

The balance comprises temporary differences attributable to:

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Right-of-use assets	19,338	20,711
Financial assets measured at fair value	9,908	2,041
Total gross deferred tax liabilities	29,246	22,752
Set-off of deferred tax liabilities pursuant to set-off provisions	(29,230)	(21,126)
Net deferred tax liabilities	16	1,626

(iii) The movements of deferred income tax assets carrying value are as follows:

	Lease liabilities RMB'000	Tax losses carried forward RMB'000	Government grants RMB'000	Expected Credit Loss RMB'000	Total RMB'000
At January 1, 2024	18,941	99,537	–	–	118,478
Credited to profit or loss	2,057	7,374	87	41	9,559
At December 31, 2024	20,998	106,911	87	41	128,037
At January 1, 2025	20,998	106,911	87	41	128,037
(Charged)/credited to profit or loss	(1,416)	(988)	7,013	2,197	6,806
At December 31, 2025	19,582	105,923	7,100	2,238	134,843

30 DEFERRED INCOME TAX (CONTINUED)

(iv) The movements of deferred income tax liabilities carrying value are as follows:

	Right-of-use assets RMB'000	Financial assets measured at FVPL RMB'000	Total RMB'000
At January 1, 2024	17,173	1,338	18,511
Charged to profit or loss	3,538	703	4,241
At December 31, 2024	20,711	2,041	22,752
At January 1, 2025	20,711	2,041	22,752
(Credited)/Charged to profit or loss	(1,373)	7,867	6,494
At December 31, 2025	19,338	9,908	29,246

Deferred income tax assets are recognised for tax losses carried forward to the extent that the realization of the related tax benefit through the future taxable profits is probable.

31 DIVIDENDS

No dividend has been paid or declared by the Company during the years ended December 31, 2025 and 2024.

32 CASH FLOW INFORMATION

(a) Cash (used)/generated in operating activities

	Note	Year ended December 31,	
		2025 RMB'000	2024 RMB'000
(Loss)/Profit before income tax		(10,466,047)	2,351,015
Adjustments for			
Depreciation of property, plant and equipment	16	137,312	114,444
Amortisation of intangible assets	18	226,966	265,484
Depreciation of right-of-use assets	17	77,163	58,539
Provision for expected credit loss	3.1(b)	9,575	51,249
Provision for impairment of inventories	22	32,338	17,965
Share based payments	26	965,773	550,761
Fair value changes of financial assets at FVPL	8	(402,351)	(66,658)
Share of net losses of investments accounted for using the equity method	13	853,054	557,287
Elimination of unrealised profits and losses from downstream transactions with equity method investees	13	104,386	80,830
Fair value changes of preferred shares and other financial liabilities	28	6,664,051	(4,676,724)
Losses on disposal of property, plant and equipment		2,174	973
Finance costs	10	14,089	7,413
Net foreign exchange differences	8	(17,288)	(7,750)
Change in operating assets and liabilities:			
(Increase) in trade receivables		(1,068,815)	(215,445)
(Increase)/decrease in inventories		(516,148)	187,519
Decrease in restricted cash		50	709,673
Decrease/(increase) in other operating assets		197,965	(364,102)
Increase in trade payables		219,986	3,312
Increase/(decrease) in other payables and tax liabilities		571,029	(95,997)
Increase in contract liabilities		16,872	223,818
Increase in other operating liabilities		271,814	263,997
Cash (used)/generated in operating activities		(2,106,052)	17,603

(b) Non-cash investing activities

There were no material non-cash investing transactions for the years ended December 31, 2025 and 2024.

32 CASH FLOW INFORMATION (CONTINUED)

(c) Reconciliation of liabilities generated from financing activities

	Preferred shares RMB'000	Convertible loan RMB'000	Lease liabilities RMB'000	Borrowings RMB'000	Total RMB'000
Liabilities from financing activities as at January 1, 2024	33,509,674	5,729,904	164,356	112,844	39,516,778
Financing cash flows	192,332	–	(64,639)	294,428	422,121
Changes in fair values	(5,162,107)	561,609	–	–	(4,600,498)
Conversion of preferred shares issued by the Company	(28,550,153)	–	–	–	(28,550,153)
Other changes (i)	–	–	53,979	–	53,979
Currency translation differences	214,664	91,786	(406)	–	306,044
Liabilities from financing activities as at December 31, 2024	204,410	6,383,299	153,290	407,272	7,148,271
Financing cash flows	2,023,776	–	(84,131)	120,726	2,060,371
Changes in fair values	204,825	6,368,815	–	–	6,573,640
Conversion of preferred shares issued by the Company	–	–	–	–	–
Other changes (i)	–	–	47,802	–	47,802
Currency translation differences	(29,548)	(247,879)	367	–	(277,060)
Liabilities from financing activities as at December 31, 2025	2,403,463	12,504,235	117,328	527,998	15,553,024

(i) Other changes mainly include new leases, early termination and interest accruals.

33 COMMITMENTS

(a) Capital commitments

Significant capital expenditures contracted for at the end of the reporting period but not recognised as liabilities yet are as follows:

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Property, plant and equipment	166,113	96,273
Intangible assets	362,507	65,506
Total	528,620	161,779

(b) Operating commitments

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Processor and related purchases	505,474	619,308
Technical service fee	769,000	875,000
Others	107,957	50,011
Total	1,382,431	1,544,319

For commitments in respect of investments in associates and joint ventures please see Note 13 (i).

34 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operational decisions. Parties are also considered to be related if they are subjected to common control. Members of key management and their close family members of the Group are also considered as related parties.

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

34 RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Names and relationships with related parties

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

Name	Relationship
SAIC Motor Co., Ltd, and its subsidiaries ("SAIC")	Shareholder of the Group
Horizon Continental Technology Pte. Ltd. ("HCT")	An Associate of the Group
Nanjing Yuxin Technology Co., Ltd. ("NYX")	An Associate of the Group
Carizon (Beijing) Technology Co., Ltd. ("CARIZON")	A Joint venture of the Group
Chongqing Juchuangzhixing Technology Co., Ltd. ("JC")	An Associate of the Group
Dr. Kai Yu	Executive Director of the Group

(b) Significant transactions with related parties

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Sales to related parties		
Product solutions, license and services to SAIC	15,037	54,077
Product solutions, license and services to HCT	74,014	82,288
Product solutions, license and services to CARIZON	680,600	814,480
Property, plant and equipment to CARIZON	2,276	–
License and services to JC	–	1,805
Product solutions, license and services to NYX	–	280
Property, plant and equipment to HCT	–	3,877
Total	771,927	956,807

The transactions with HCT for the year ended December 31, 2025 and 2024 include RMB (6,958,000) and RMB17,237,000 profits from downstream transactions eliminated when applying equity method accounting.

The transactions with CARIZON for the year ended December 31, 2025 and 2024 include RMB110,544,000 and RMB63,593,000 profits from downstream transactions eliminated when applying equity method accounting.

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Purchases from related parties		
Services from NYX	42,924	36,434
Services from JC	23,027	30,375
Services from HCT	–	222
Total	65,951	67,031

34 RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Year end balances with related parties

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Account receivables due from related parties		
Due from SAIC	17,451	51,789
Due from HCT	8,096	8,623
Due from CARIZON	77,698	5,017
Due from JC	1,109	1,218
Total	104,354	66,647
Prepayments and other receivables due from related parties		
Due from CARIZON	3,071	–
Due from NYX	119	–
Due from Dr. Kai Yu	64,132	–
Total	67,322	–
Other payables due to related parties		
Due to NYX	5,323	6,266
Due to JC	2,645	3,641
Due to HCT	–	162
Total	7,968	10,069
Contract liabilities due to related parties		
Due to SAIC	–	576
Due to CARIZON	221,000	150,000
Total	221,000	150,576

34 RELATED PARTY TRANSACTIONS (CONTINUED)

(d) Key management personnel compensation

The compensations to key management personnel as directors are shown below:

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Director fees	1,784	738
Wages, salaries and bonuses	15,296	14,781
Share-based payments (i)	124,893	77,922
Pension costs-defined contribution plans	283	274
Housing fund, medical insurance and other social insurance	452	381
Other employee benefits	1,675	1,148
Total	144,383	95,244

(i) Represents the amount recognized as an expense during the years ended December 31, 2025 and 2024 in accordance with IFRS 2 Share-based Payment.

35 BENEFITS AND INTERESTS OF DIRECTORS

The remuneration of every director during the years ended December 31, 2025 and 2024 is set out below:

For the year ended December 31, 2025:

Name of Directors	Director fees RMB'000	Wages and salaries RMB'000	Discretionary bonuses RMB'000	Share-based payment expenses (a) RMB'000	Social security costs, housing benefits and other employee welfare RMB'000	Total RMB'000
Dr. Kai Yu (i)	–	2,651	637	107,151	641	111,080
Dr. Chang Huang (ii)	–	2,399	637	5,378	641	9,055
Ms. Feiwen Tao (iii)	–	2,503	1,200	2,330	662	6,695
Dr. Liming Chen (iv)	–	2,869	708	5,538	99	9,214
Mr. Jian Xu (v)	–	1,692	–	4,496	367	6,555
Mr. Liang Li (vi)	–	–	–	–	–	–
Mr. Qin Liu (vii)	–	–	–	–	–	–
Dr. André Stoffels (viii)	–	–	–	–	–	–
Dr. Juehui Zhang (ix)	–	–	–	–	–	–
Mr. Jianjun Zhang (x)	–	–	–	–	–	–
Dr. Ya-Qin Zhang (xi)	500	–	–	–	–	500
Dr. Jun Pu (xii)	428	–	–	–	–	428
Mr. Yingqiu Wu (xiii)	428	–	–	–	–	428
Dr. Katherine Rong XIN (xiv)	428	–	–	–	–	428
Total	1,784	12,114	3,182	124,893	2,410	144,383

35 BENEFITS AND INTERESTS OF DIRECTORS (CONTINUED)

For the year ended December 31, 2024:

Name of Directors	Director fees RMB'000	Wages and salaries RMB'000	Discretionary bonuses RMB'000	Share-based payment expenses (a) RMB'000	Social security costs, housing benefits and other employee welfare RMB'000	Total RMB'000
Dr. Kai Yu (i)	–	2,681	851	58,152	440	62,124
Dr. Chang Huang (ii)	–	2,373	610	2,919	481	6,383
Ms. Feiwen Tao (iii)	–	2,497	958	1,265	457	5,177
Dr. Liming Chen (iv)	–	1,789	557	4,771	–	7,117
Mr. Jian Xu (v)	–	–	–	–	–	–
Mr. Liang Li (vi)	–	–	–	–	–	–
Mr. Qin Liu (vii)	–	–	–	–	–	–
Dr. André Stoffels (viii)	–	–	–	–	–	–
Dr. Juehui Zhang (ix)	–	–	–	–	–	–
Mr. Jianjun Zhang (x)	–	–	–	–	–	–
Dr. Ya-Qin Zhang (xi)	498	–	–	93	–	591
Dr. Jun Pu (xii)	80	–	–	–	–	80
Mr. Yingqiu Wu (xiii)	80	–	–	–	–	80
Dr. Katherine Rong XIN (xiv)	80	–	–	–	–	80
Mr. Yufeng Zhang (xv)	–	1,985	480	10,722	425	13,612
Mr. Xin Zhang (xvi)	–	–	–	–	–	–
Total	738	11,325	3,456	77,922	1,803	95,244

35 BENEFITS AND INTERESTS OF DIRECTORS (CONTINUED)

- (a) Represents the amount recognized as expense during the years ended December 31, 2025 and 2024 in accordance with IFRS 2 Share-based Payment.
- (i) Dr. Kai Yu was appointed as a director of the Company on July 21, 2015 and re-designated as an executive director on March 18, 2024.
 - (ii) Dr. Chang Huang was appointed as a director of the Company on November 1, 2017 and re-designated as an executive director on March 18, 2024.
 - (iii) Ms. Feiwen Tao was appointed as a director of the Company on September 7, 2017, re-designated as an executive director on March 18, 2024 and resigned from directorship on August 27, 2025.
 - (iv) Dr. Liming Chen was appointed as an executive director of the Company on March 18, 2024.
 - (v) Mr. Jian Xu was appointed as an executive director of the Company on August 27, 2025.
 - (vi) Mr. Liang Li was appointed as a director of the Company on November 1, 2017 and re-designated as a non-executive director on March 18, 2024.
 - (vii) Mr. Qin Liu was appointed as a director of the Company on October 15, 2015 and re-designated as a non-executive director on March 18, 2024.
 - (viii) Dr. André Stoffels was appointed as a director of the Company on December 7, 2023 and re-designated as a non-executive director on March 18, 2024.
 - (ix) Dr. Juehui Zhang was appointed as a director of the Company on January 20, 2022 and re-designated as a non-executive director on March 18, 2024.
 - (x) Mr. Jianjun Zhang was appointed as a director of the Company on August 27, 2025.
 - (xi) Dr. Ya-Qin Zhang was appointed as a director of the Company on January 23, 2020 and re-designated as an independent non-executive director on March 18, 2024.
 - (xii) Dr. Jun Pu was appointed as an independent non-executive director on October 8, 2024.
 - (xiii) Mr. Yingqiu Wu was appointed as an independent non-executive director on October 8, 2024.
 - (xiv) Dr. Katherine Rong XIN was appointed as an independent non-executive director on October 8, 2024.
 - (xv) Mr. Yufeng Zhang was appointed as a director of the Company on May 20, 2020 and resigned from directorship on March 17, 2024.
 - (xvi) Mr. Xin Zhang was appointed as a director of the Company on February 8, 2021 and resigned on October 24, 2024.

36 EVENTS OCCURRING AFTER THE REPORTING PERIOD

On March 19, 2026, the Company announced that D-GUA Brother LP intends to terminate the acting-in-concert agreement with the Group and the Company's founders intend to withdraw the power of attorney granted to the Group. The Board of the Company agreed with the termination. The above mentioned arrangement is subject to be materialized.

Except the above mentioned event, there have been no material events subsequent to the year ended December 31, 2025.

37 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

(a) Statement of financial position of the Company

	As at December 31,	
	2025 RMB'000	2024 RMB'000
ASSETS		
Non-current assets		
Investment in subsidiaries	30,784,394	23,911,812
Financial assets at fair value through profit or loss	14,379	30,520
Total non-current assets	30,798,773	23,942,332
Current assets		
Prepayments and other current assets	3,153	971
Term deposits	636,922	–
Cash and cash equivalents	8,467,395	5,406,669
Total current assets	9,107,470	5,407,640
Total assets	39,906,243	29,349,972
LIABILITIES		
Non-current liabilities		
Preferred shares and other financial liabilities at FVPL	–	6,383,299
Total non-current liabilities	–	6,383,299
Current liabilities		
Preferred shares and other financial liabilities at FVPL	12,504,235	–
Accruals and other payables	23,393	31,586
Total current liabilities	12,527,628	31,586
Total liabilities	12,527,628	6,414,885

37 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (CONTINUED)

(a) Statement of financial position of the Company (Continued)

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Net current (liabilities)/assets	(3,420,158)	5,376,054
Net assets	27,378,615	22,935,087
EQUITY		
Equity attributable to owners of Horizon Robotics		
Share capital	242	205
Share premium	45,704,716	34,087,735
Other reserves	373,777	1,386,258
Treasury stock	(73,124)	–
Accumulated losses	(18,626,996)	(12,539,111)
Total equity	27,378,615	22,935,087

The statement of financial position of the Company was approved by the Board of Directors on March 19, 2026 and was signed on its behalf:

Kai Yu
Director

Chang Huang
Director

37 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (CONTINUED)

(b) Reserve movement of the Company

	Share-based payments RMB'000	Changes in the fair value attributable to credit risk change RMB'000	Currency translation differences RMB'000	Total RMB'000
As at January 1, 2024	852,764	510,343	(78,699)	1,284,408
Share-based payments – share incentive plans (Note 26(a))	537,855	–	–	537,855
Share-based payments to joint ventures' employees (Note 13)	12,162	–	–	12,162
Fair value changes of preferred shares due to own credit risk (Note 28)	–	(76,226)	–	(76,226)
Transfer of accumulated changes in fair value due to own credit risk upon conversion of preferred shares issued by the Company	–	(434,117)	–	(434,117)
Currency translation differences	–	–	62,176	62,176
As at December 31, 2024	1,402,781	–	(16,523)	1,386,258
Share-based payments – share incentive plans (Note 26(a))	965,773	–	–	965,773
Share-based payments to joint ventures' employees (Note 13)	27,071	–	–	27,071
Exercise and settle of share-based awards	(1,488,493)	–	–	(1,488,493)
Fair value changes on convertible loan due to own credit risk (Note 28)	–	4,450	–	4,450
Currency translation differences	–	–	(521,282)	(521,282)
As at December 31, 2025	907,132	4,450	(537,805)	373,777

38 SUMMARY OF OTHER ACCOUNTING POLICIES

38.1 Principles of consolidation and equity accounting

(i) Subsidiaries

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

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

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

(ii) Associates

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

(iii) Joint ventures

Under IFRS 11 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has assessed the nature of its joint arrangement and determined it to be joint ventures. Interests in joint ventures are accounted for using the equity method (see (iv) below), after initially being recognised at cost in the consolidated statement of financial position.

38 SUMMARY OF OTHER ACCOUNTING POLICIES (CONTINUED)

38.1 Principles of consolidation and equity accounting (Continued)

(iv) Equity method

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

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

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

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 13.

38.2 Separate financial statements

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

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

38 SUMMARY OF OTHER ACCOUNTING POLICIES (CONTINUED)

38.3 Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group 's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The functional currency of the Company and its subsidiaries outside the Chinese mainland are US\$ as their key activities and transactions are denominated in US\$. The Company's primary subsidiaries are incorporated in the PRC Chinese mainland and for these subsidiaries, RMB is the functional currency. As the major operations of the Group during the years ended December 31, 2025 and 2024 are within the Chinese mainland, the Group determined to present its Consolidated financial statements in RMB (unless otherwise stated).

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are generally recognised in consolidated statement of profit or loss as part of the "Net other gains".

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

38 SUMMARY OF OTHER ACCOUNTING POLICIES (CONTINUED)

38.3 Foreign currency translation (Continued)

(iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income or loss.

The Group has monetary items that are receivables from or payables to foreign operations. The items for which settlements are neither planned nor likely to occur in the foreseeable future are, in substance, part of the Group's net investment in foreign operations. Such monetary items include long-term receivables or loans. They do not include trade receivables or trade payables. On consolidation, foreign exchange gains or losses arising from the exchange of any net investment in foreign entities, are recognised in the consolidated statement of comprehensive income. When a foreign operation is disposed, the related foreign exchange gains or losses are reclassified into consolidated statement of profit or loss as part of the "Net other gains". The accumulative translation adjustments related to subsidiaries with same functional currency as the Company are presented as part of items of other comprehensive income that will not be reclassified to profit or loss.

38 SUMMARY OF OTHER ACCOUNTING POLICIES (CONTINUED)

38.4 Impairment of non-financial assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

As of December 31, 2025 and 2024, non-financial assets of the Group mainly include leased office buildings, land use right, office building under construction, computer and electronic equipment, and licensed technologies and software. These non-financial assets are mainly used in or will be used in the Group's research and development activities and daily operations and do not generate independent cashflows by themselves. The Group operates the business as a whole, focusing on research and development of proprietary software and hardware and providing automotive solutions for passenger vehicles and non-automotive solutions, and does not maintain manufacturing facilities or develop manufacturing capacity by itself. There is significant vertical integration of the design, research and development, supply chain management, sales, supporting and other daily operation functions across the whole Group for optimizations, therefore, the Group is determined as one single cash generating unit ("CGU") for impairment testing purpose. As these non-financial assets are centralized managed at the Group level and cannot generate cash flow independently, they are considered at Group level for impairment testing. As the fair value less cost of disposal exceeds the carrying amount of the CGU with sufficient headroom at each year end of the years ended December 31, 2025 and 2024, no impairment of these non-financial assets is considered necessary.

38 SUMMARY OF OTHER ACCOUNTING POLICIES (CONTINUED)

38.5 Investments and other financial assets

(i) *Classification*

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

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

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

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

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

(ii) *Recognition and derecognition*

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

(iii) *Measurement*

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

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

38 SUMMARY OF OTHER ACCOUNTING POLICIES (CONTINUED)

38.5 Investments and other financial assets (Continued)

(iii) Measurement (Continued)

- *Debt instruments*

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

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

- *Equity instruments*

The Group subsequently measures all equity investments at fair value. Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the consolidated statement of profit or loss as applicable.

38 SUMMARY OF OTHER ACCOUNTING POLICIES (CONTINUED)

38.5 Investments and other financial assets (Continued)

(iv) Impairment

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

38.6 Trade receivables, net

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection of trade receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See Note 3.1(b) for a description of the Group's impairment policies.

38.7 Cash and cash equivalents and term deposits

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

Bank deposits with initial terms of over three months are presented as term deposits on the consolidated statement of financial positions.

38.8 Share capital

Ordinary shares are classified as equity.

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

Preferred shares are classified as financial liabilities based on the respective contract terms.

38 SUMMARY OF OTHER ACCOUNTING POLICIES (CONTINUED)

38.9 Trade, accruals and other payables

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

38.10 Current and deferred income tax

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

Current income tax

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

Deferred income tax

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

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

38 SUMMARY OF OTHER ACCOUNTING POLICIES (CONTINUED)

38.10 Current and deferred income tax (Continued)

Deferred income tax (Continued)

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

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

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

38.11 Employee benefits

(i) Short-term obligations

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

(ii) Pension obligations

The Group participates in various defined contribution retirement benefit plans which are available to all relevant employees. These plans are generally funded through payments to schemes established by governments. A defined contribution plan is a pension plan under which the Group pays contributions on a mandatory, contractual or voluntary basis into a separate fund. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee services in the current and prior years. The Group's contributions to the defined contribution plans are expensed as incurred and not reduced by contributions forfeited by those employees who leave the plans prior to vesting fully in the contributions.

38 SUMMARY OF OTHER ACCOUNTING POLICIES (CONTINUED)

38.11 Employee benefits (Continued)

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

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

(iv) Employee leave entitlement

Employee entitlement to annual leave is recognized when they have accrued to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the statement of financial position date. Employee entitlement to sick leave and maternity leave are not recognized until the time of leave.

(v) Bonus plans

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

(vi) Termination benefits

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

38.12 Borrowings

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

Covenants that the Group is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Group is required to comply with after the reporting period do not affect the classification.

38 SUMMARY OF OTHER ACCOUNTING POLICIES (CONTINUED)

38.13 Provisions

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

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

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

38.14 Government grants

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

Where the grants related to an expense item, it is recognised as income on a systematic basis over the period that the costs, which it is intended to compensate, are expensed. Where the grants related 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 on straight-line basis.

38.15 Interest income

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

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

Five-Year Financial Summary

CONSOLIDATED RESULTS

	For the Years Ended December 31				
	2025	2024	2023	2022	2021
	(RMB in thousands, except for percentages)				
Revenue from contracts with customers	3,758,268	2,383,554	1,551,607	905,676	466,720
Gross profit	2,425,680	1,841,354	1,094,310	627,713	330,986
Operating loss	(3,338,791)	(2,144,240)	(2,030,522)	(2,132,016)	(1,335,333)
(Loss)/Profit for the year	(10,469,366)	2,346,508	(6,739,053)	(8,720,428)	(2,063,550)
Non-IFRS Financial Measures:					
Adjusted operating loss	(2,372,323)	(1,495,179)	(1,686,991)	(1,958,318)	(1,138,964)
Adjusted net loss	(2,811,776)	(1,681,155)	(1,635,168)	(1,891,363)	(1,103,197)

CONSOLIDATED ASSETS AND LIABILITIES

	For the Years Ended December 31				
	2025 RMB'000	2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000
Non-current assets	6,492,986	3,183,394	2,335,798	1,091,548	683,445
Current assets	24,118,150	17,195,598	13,538,075	8,803,680	9,913,442
Total assets	30,611,136	20,378,992	15,873,873	9,895,228	10,596,887
Non-current liabilities	1,095,731	7,186,358	287,144	182,343	84,836
Current liabilities	16,875,641	1,277,822	40,252,113	27,151,422	18,905,972
Total liabilities	17,971,372	8,464,180	40,539,257	27,333,765	18,990,808
Net current assets/(liabilities)	7,242,509	15,917,776	(26,714,038)	(18,347,742)	(8,992,530)
Net assets/(liabilities)	12,639,764	11,914,812	(24,665,384)	(17,438,537)	(8,393,921)
Equity/(deficits) attributable to owners of Horizon Robotics	12,639,244	11,914,006	(24,665,277)	(17,438,462)	(8,394,171)
Non-controlling interests	520	806	(107)	(75)	250
Total equity/(deficits)	12,639,764	11,914,812	(24,665,384)	(17,438,537)	(8,393,921)

Definitions

“2018 Share Incentive Plan”	the share incentive plan adopted by the Company in 2015 and amended on November 16, 2018
“Articles of Association”	the articles of association of the Company, as amended from time to time
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Audit Committee”	the audit committee of the Board
“Auditor”	PricewaterhouseCoopers, the auditor of the Company
“Board”	the board of Directors
“CARIZON”	Carizon (Beijing) Technology Co., Ltd (酷睿程(北京)科技有限公司), the joint venture established by the Company through its wholly-owned subsidiary Horizon Together Holding Ltd. and CARIAD Estonia AS in the PRC on November 20, 2023
“China” or “the PRC”	the People’s Republic of China, unless the context requires otherwise, excluding, for the purposes of this annual report only, the regions of Hong Kong, Macau and Taiwan of the People’s Republic of China
“Class A Ordinary Share(s)”	class A ordinary share(s) in the share capital of the Company with a par value of US\$0.0000025 each, conferring weighted voting rights in the Company such that a holder of a class A ordinary share is entitled to 10 votes per Share on any resolution tabled at the Company’s general meetings, save for resolutions with respect to any Reserved Matters, in which case they shall be entitled to one vote per share
“Class B Ordinary Share(s)”	class B ordinary share(s) in the share capital of the Company with a par value of US\$0.0000025 each, conferring a holder of a class B ordinary share one vote per Share on any resolution tabled at the Company’s general meetings
“Companies Act”	the Companies Act (As Revised) of the Cayman Islands
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“close associate(s)”	has the meaning ascribed thereto under the Listing Rules
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“connected transaction(s)”	has the meaning ascribed thereto under the Listing Rules
“Controlling Shareholders”	has the meaning ascribed to it under the Listing Rules and refers to Dr. Kai Yu, Everest Robotics Limited and Horizon Robotics, Inc.
“Corporate Governance Code”	the Corporate Governance Code set out in Appendix C1 to the Listing Rules

Definitions

“Corporate Governance Committee”	the corporate governance committee of the Board
“Company”	Horizon Robotics, an exempted company incorporated in the Cayman Islands with limited liability on July 21, 2015 and whose Class B Ordinary Shares are listed on the Stock Exchange
“Director(s)”	the director(s) of the Company
“date of this annual report”	March 19, 2026
“ESG”	Environmental, Social and Governance
“Existing Shareholders”	Morningside China TMT Fund IV, L.P., Morningside China TMT Fund IV Co-Investment, L.P., Evolution Special Opportunity Fund I, L.P., Evolution Fund I Co-Investment, L.P., 5Y Capital Growth Fund I, L.P., 5Y Capital Growth Fund I Co-Investment, L.P. and HRRB Holdings Limited
“First Placing Announcement”	the announcement of the Company dated June 23, 2025
“First Top-up Placing”	the placement of 681,000,000 new Class B Ordinary Shares to the Existing Shareholders
“Group”	the Company and its subsidiaries, or any one of them as the context may require, and where the context requires, the businesses operated by our Company and/or its subsidiaries and their predecessors (if any)
“Global Offering”	the global offering of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“IPO”	the initial public offering of the Company
“IFRS”	the IFRS Accounting Standards, which include standards, amendments and interpretations promulgated by International Accounting Standards Board
“Independent Third Party(ies)”	any person(s) or entity(ies) who is not a connected person of the Company within the meaning of the Listing Rules
“Listing”	the listing of the Class B Ordinary Shares on the Main Board
“Listing Date”	October 24, 2024, the date on which the Class B Ordinary Shares were listed on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as amended, supplemented or otherwise modified from time to time)
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange

“Managers”	Goldman Sachs (Asia) L.L.C., Morgan Stanley Asia Limited and UBS AG Hong Kong Branch
“Memorandum”	the memorandum of association of the Company, as amended from time to time
“Memorandum and Articles”	the Memorandum and the Articles
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
“Nomination Committee”	the nomination committee of the Board
“OEM”	original equipment manufacturer
“Post-IPO Share Incentive Plan”	the share incentive plan adopted by the Company on October 8, 2024 and taking effect on the Listing Date
“Prospectus”	the prospectus of the Company dated October 16, 2024
“Remuneration Committee”	the remuneration committee of the Board
“Reporting Period”	the year ended December 31, 2025
“RMB”	the lawful currency of the PRC
“Reserved Matters”	those matters resolutions with respect to which each Share is entitled to one vote at general meetings of the Company pursuant to Rule 8A.24 of the Listing Rules, being: (i) any amendment to the Memorandum and Articles, (ii) the variation of the rights attached to any class of Shares, (iii) the appointment or removal of an independent non-executive Director, (iv) the appointment or removal of the Company’s auditors, and (v) the voluntary winding-up of the Company
“Revised Annual Caps”	the revised annual caps for the years ending December 31, 2025 and 2026 under the Supplemental Agreement
“R&D”	research and development
“Second Placing Announcement”	the announcement of the Company dated October 10, 2025
“Second Top-up Placing”	the placement of 639,028,800 new Class B Ordinary Shares to the Existing Shareholders
“SFO”	the Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Share(s)”	the Class A Ordinary Shares and/or Class B Ordinary Shares in the share capital of the Company, as the context so requires
“Shareholder(s)”	holder(s) of Share(s)

Definitions

“Share Incentive Plans”	the 2018 Share Incentive Plan and the Post-IPO Share Incentive Plan
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Supplemental Agreement”	the supplemental agreement to the Product Solutions Sales Framework Agreement dated August 27, 2025, entered into between the Company (for itself and on behalf of its subsidiaries other than D-Robotics Group) and D-Robotics
“treasury Shares”	has the meaning ascribed thereto under the Listing Rules
“US\$” or “USD”	United States dollars, the lawful currency of the United States of America
“weighted voting rights”	has the meaning ascribed thereto under the Listing Rules
“WVR Beneficiary(ies)”	has the meaning ascribed thereto under the Listing Rules and unless the context otherwise requires, refers to Dr. Kai Yu and Dr. Chang Huang, being the holders of Class A Ordinary Shares
“WVR structure”	has the meaning ascribed to it under the Listing Rules
“%”	per cent



Horizon Robotics