Application Proof of

Changzhou Xingyu Automotive Lighting Systems Co., Ltd.
常州星宇車燈股份有限公司

(the "**Company**")

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

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Changzhou Xingyu Automotive Lighting Systems Co., Ltd.
常州星宇車燈股份有限公司

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

[REDACTED]

Number of [REDACTED] under the [REDACTED]	:	**[REDACTED] H Shares (subject to the [REDACTED])**
Number of [REDACTED]	:	**[REDACTED] H Shares (subject to [REDACTED])**
Number of [REDACTED]	:	**[REDACTED] H Shares (subject to [REDACTED] and the [REDACTED])**
Maximum [REDACTED]	:	**[REDACTED] per H Share (payable in full in Hong Kong dollars on application plus brokerage of 1%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and the Stock Exchange trading fee of 0.00565%, and subject to refund)**
Nominal value	:	**RMB1.00 per H Share**
[REDACTED]	:	**[REDACTED]**

***Sole Sponsor,* [REDACTED] *and* [REDACTED]**

华泰国际
HUATAI INTERNATIONAL

The **[REDACTED]** is expected to be fixed by agreement between the **[REDACTED]** (for itself and on behalf of the **[REDACTED]**) and our Company on the **[REDACTED]** or such later date as may be agreed by the **[REDACTED]** (for itself and on behalf of the **[REDACTED]**) and our Company but in any event no later than 12:00 noon on **[REDACTED]**. The **[REDACTED]** will be not more than HK$**[REDACTED]** per **[REDACTED]** and is currently expected to be not less than HK$**[REDACTED]** per **[REDACTED]**. Applicants for **[REDACTED]** are required to pay, on application (subject to application channel), **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]** together with brokerage of 1%, SFC transaction levy of 0.0027%, the Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%, subject to refund if the **[REDACTED]** should be less than HK$**[REDACTED]** per **[REDACTED]**. If, for any reason, the **[REDACTED]** is not agreed between the **[REDACTED]** (for itself and on behalf of the **[REDACTED]**) and our Company by 12:00 noon on **[REDACTED]**, the **[REDACTED]** (including the **[REDACTED]**) will not proceed and will lapse.

The **[REDACTED]** (for itself and on behalf of the **[REDACTED]**) may, with our consent, reduce the number of **[REDACTED]** being offered under the **[REDACTED]** and/or the indicative **[REDACTED]** range below as stated in this Document at any time on or prior to the morning of the last day for lodging applications under the **[REDACTED]**. In such a case, notices of the reduction in the number of **[REDACTED]** being **[REDACTED]** under the **[REDACTED]** and/or the indicative **[REDACTED]** range will be published on the websites of our Company at **www.xyl.cn** and the Stock Exchange at **www.hkexnews.hk** as soon as practicable but in any event not later than the morning of the day which is the last day for lodging applications under the **[REDACTED]**. Details of the arrangement will then be announced by us as soon as practicable. For further information, see "Structure of the **[REDACTED]**" in this Document.

The obligations of the [REDACTED] under the Hong Kong [REDACTED] are subject to termination by the [REDACTED] (for itself and on behalf of the [REDACTED]) if certain grounds arise prior to 8:00 a.m. on [REDACTED]. Further details of such circumstances are set out in [REDACTED].

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IMPORTANT

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EXPECTED TIMETABLE

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EXPECTED TIMETABLE

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This summary aims to give you an overview of the information contained in this Document and should be read in conjunction with the full text of this Document. As this is only a summary, it does not contain all the information that may be important to you. You should read this Document in its entirety before you decide to **[REDACTED]**. *There are risks associated with any* **[REDACTED]**. *Some of the particular risks in* **[REDACTED]** *are set out in "Risk Factors." You should read that section carefully before you decide to* **[REDACTED]**. *Various expressions used in this section are defined or explained in "Definitions" and "Glossary of Technical Terms" in this Document.*

OVERVIEW

We are the largest provider of automotive lighting products in China and one of the leading participants in the global automotive lighting market by sales revenues in 2024. We supply automotive lighting products and related electronic components to automotive manufacturers worldwide, leveraging our capabilities in technology innovation and intelligent manufacturing. As of the Latest Practicable Date, we had established business relationships with nine of the world's top ten global automotive manufacturers by vehicle sales volume calculated on a group level in 2024, demonstrating our leading market position in the global automotive lighting industry. According to Frost & Sullivan, based on sales revenue in 2024, we ranked first in China and seventh globally in the overall automotive lighting market, with market shares of 11.0% in China and 4.2% globally, respectively. We have an even stronger market competitiveness and a larger market share in OEM original equipped market of the passenger vehicle with a retail price of RMB200,000 and above, ranking first in China with a 22.1% market share. According to Frost & Sullivan, based on sales revenue in 2024, we also ranked first both globally and in China in the intelligent automotive lighting market, with a market share of 70.2% in China, significantly ahead of our competitors.

Guided by our mission of "Xingyu Lighting, Brighten the World (星宇車燈，照亮世界)", we are committed to advancing the globalization of our R&D, sales and manufacturing operations. By building a robust talent ecosystem, continuously investing in technology innovation, and driving digital and intelligent transformation, we have continued to strengthen our competitive advantages in the automotive lighting market. Leveraging our accumulated capabilities across optics, mechanics, electronics, software and materials, we are also actively expanding into emerging fields such as embodied intelligence. As of September 30, 2025, we operated 12 manufacturing facilities in China and Serbia and maintained 15 R&D centers worldwide, serving automotive customers across major markets in Asia, Europe and Americas.

The following diagram presents our market-leading position and key business highlights:

Notes:

(1) According to Frost & Sullivan, the ranking is based on sales revenue in 2024.

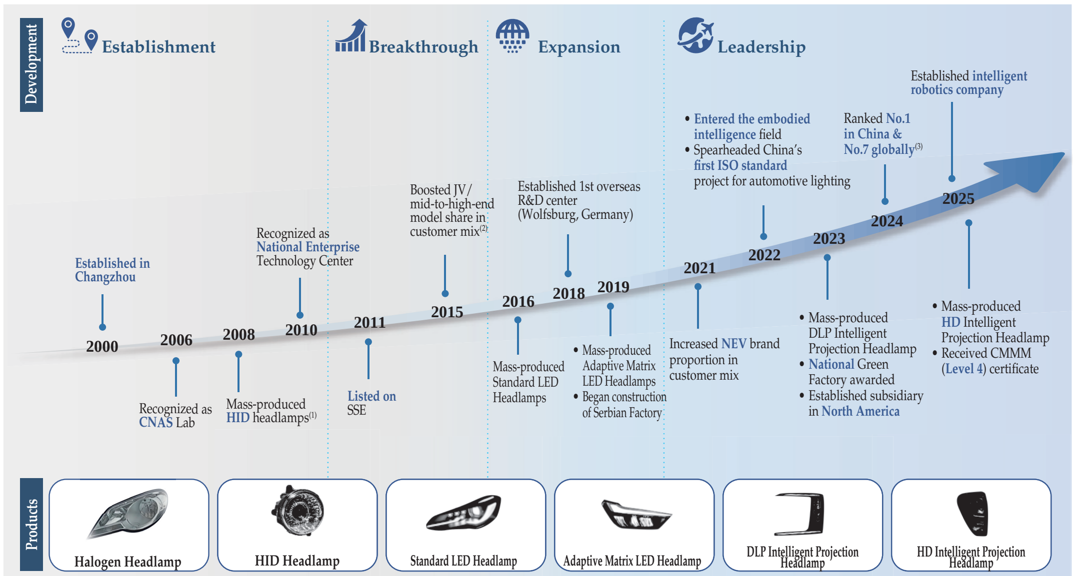
(2) As of September 30, 2025.

(3) As of September 30, 2025, we held more than 2,800 granted patents worldwide. We also led and formulated the ISO/TS 5385:2022 standards in 2022, which became the first ISO standard approved in China's automotive lighting industry.

(4) According to our A-share annual reports published on the Shanghai Stock Exchange, our revenue grew at a CAGR of 21.1% from 2011 to 2024, while our net profit grew at a CAGR of 17.8% over the same period. Such figures have not been audited or reviewed by the Reporting Accountants.

OUR KEY MILESTONES

The following diagram illustrates our key milestones since our establishment:



Notes:

(1) Refers to the mass production of our first HID headlamp.

(2) Refers to the continuous increase in the proportion of joint-venture brands/mid-to-high-end vehicle models within our customer mix.

(3) Calculated based on revenue from the automotive lighting business in 2024, according to Frost & Sullivan.

OUR BUSINESS AND PRODUCTS

We focus on the design, development, manufacturing and sales of automotive lighting products. Centered on automotive lighting, we have expanded into intelligent automotive visual systems and are exploring the application of our intelligent manufacturing capabilities in the field of embodied intelligence.

Automotive lighting is an important upgrade option in vehicle iteration and one of the few highly recognizable components in the era of intelligent vehicles. It is also a key factor considered by consumers in vehicle purchase decisions. Our automotive lighting product portfolio encompasses front lighting, rear lighting, other lighting and controllers, designed to deliver safety-oriented, interactive and intelligent user experiences while supporting diverse in-vehicle applications and customized functions.

SUMMARY

Our core product matrix is set out below:

The following table sets forth a breakdown of revenue, gross profit and gross profit margin by product category for the years/periods indicated.

	Year ended December 31,								Nine Months ended September 30,							
	2023				2024				2024				2025			
	Revenue		Gross profit	Gross margin	Revenue		Gross profit	Gross margin	Revenue		Gross profit	Gross margin	Revenue		Gross profit	Gross margin
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
									(unaudited)							
Automotive Lighting Products																
Front lighting	5,242,916	51.2	1,111,770	21.2	7,223,256	54.5	1,502,923	20.8	5,000,691	54.2	1,010,291	20.2	5,544,821	51.8	1,210,917	21.8
Rear lighting	3,433,768	33.5	770,897	22.5	4,442,853	33.5	842,900	19.0	3,078,189	33.4	611,765	19.9	3,986,092	37.2	721,781	18.1
Other lighting	904,826	8.8	137,279	15.2	757,737	5.7	105,860	14.0	549,281	6.0	61,770	11.2	482,597	4.5	50,829	10.5
Controllers	34,503	0.3	8,918	25.8	76,854	0.6	28,913	37.6	58,997	0.6	10,507	17.8	177,848	1.7	46,113	25.9
Sub-total	**9,616,013**	**93.8**	**2,028,864**	**21.1**	**12,500,700**	**94.3**	**2,480,596**	**19.8**	**8,687,158**	**94.2**	**1,694,333**	**19.5**	**10,191,358**	**95.2**	**2,029,640**	**19.9**
Others[1]	632,433	6.2	67,470	10.7	752,234	5.7	48,737	6.5	538,310	5.8	37,016	6.9	518,597	4.8	36,275	7.0
Total	**10,248,446**	**100.0**	**2,096,334**	**20.5**	**13,252,934**	**100.0**	**2,529,333**	**19.1**	**9,225,468**	**100.0**	**1,731,349**	**18.8**	**10,709,955**	**100.0**	**2,065,915**	**19.3**

Notes:

(1) Others mainly represent sales of raw materials, warning triangles and other automotive components.

For details in relation to the changes in our revenue, gross profit and gross margin by product category during the Track Record Period, see "Financial Information — Results of Operations."

The following table sets forth a breakdown of our sales volume and average selling price of our key products by product category for the years/periods indicated:

	Year ended December 31,				Nine Months ended September 30,			
	2023		2024		2024		2025	
	Sales volume (units (in millions))	*Average selling price [1] (RMB/ unit)*	*Sales volume (units (in millions))*	*Average selling price [1] (RMB/ unit)*	*Sales volume (units (in millions))*	*Average selling price [1] (RMB/ unit)*	*Sales volume (units (in millions))*	*Average selling price [1] (RMB/ unit)*
					(unaudited)			
Automotive Lighting Products								
Front lighting	11.0	473.6	12.7	573.6	9.1	549.6	9.4	582.2
Rear lighting	15.9	216.5	17.5	254.0	12.8	239.7	13.6	293.3
Other lighting	43.0	21.0	37.7	20.1	27.3	20.1	25.2	19.2
Controllers[2]	0.1	320.2	0.5	143.4	0.4	164.9	0.9	207.1
Total	**70.0**		**68.4**		**49.6**		**49.1**	

Note:

(1) Average selling price is stated net of taxes.

(2) We provide a variety of controllers across a wide price range.

For details in relation to the changes in our sales volume and average selling price by product category during the Track Record Period, see "Financial Information — Description of Major Components of Our Results of Operations" and "Financial Information — Results of Operations."

The following table sets forth our revenue by geographic location for the years/periods indicated:

	Year ended December 31,				Nine Months ended September 30,			
	2023		2024		2024		2025	
	RMB'000	%	*RMB'000*	%	*RMB'000*	%	*RMB'000*	%
					(unaudited)			
The PRC	9,902,650	96.6	12,733,379	96.1	8,831,955	95.7	10,221,872	95.4
Others [(1)]	345,796	3.4	519,555	3.9	393,513	4.3	488,083	4.6
Total	**10,248,446**	**100.0**	**13,252,934**	**100.0**	**9,225,468**	**100.0**	**10,709,955**	**100.0**

Note:

(1) Others comprise Europe, Americas and Asia (excluding the PRC).

We are actively exploring opportunities in the field of embodied intelligence, with the objective of leveraging and transferring our comprehensive R&D capabilities in intelligent automotive lighting optics, intelligent manufacturing technologies and vertically integrated resources. We are focusing on the R&D and manufacturing of core components, as well as the deployment of embodied intelligent robots in industrial application scenarios, in order to pursue growth opportunities in this emerging sector. We have completed the development and validation of the structural components of head modules, joint modules, controllers and related components, and have provided systematic optical technology solutions for "lighting", "projection" and "display". The first batch of embodied intelligence interaction modules and related samples is expected to be delivered in 2026.

OUR STRENGTHS

We believe that the following strengths contribute to our success:

- Largest Automotive Lighting Products Provider in China with a Leading Global Market Position;
- Innovation-Driven Development and the Creation of Industry-Model Products;
- Strong End-to-end Proprietary Development Capabilities, Supported by Sustained R&D Investment and Consistent Innovation Outputs;
- Driving Efficiency, Quality Improvement and Cost Control Through Vertical Integration;
- Digital Intelligence Capabilities Deeply Empowering Our Operations and Management;
- Globalized R&D, Sales and Manufacturing Network Serving Customers Worldwide; and
- Established Corporate Culture and an Experienced Management Team.

OUR STRATEGIES

We plan to focus on the following key strategies to realize our mission of "Xingyu Lighting, Brighten the World":

- Consolidating Our Leading Position in the Domestic Market and Expanding Our Global Market Share;
- Deepening Our Global Footprint and Enhancing International Competitiveness;
- Driving Innovation in Cutting-Edge Automotive Lighting Technologies;
- Continuously Enhancing Our Digital Intelligence Capabilities Across the Entire Value Chain; and
- Advancing the Development and Innovation of Embodied Intelligence Businesses.

PRODUCTION

As of September 30, 2025, we operated three major manufacturing bases globally, comprising 12 manufacturing facilities, of which 11 were located in the PRC and one in Serbia, forming a robust global manufacturing network that enables us to efficiently supply key automotive markets in Asia, Europe and the Americas. In 2025, we initiated construction of our planned Chongqing Manufacturing Base, primarily intended to serve customers in southwestern China, with a focus on producing front and rear lighting products.

RAW MATERIALS AND SUPPLIERS

Our principal raw materials include electronic components (such as LEDs, chips, PCBs, capacitors and resistors), automotive lighting electronic components (such as wiring harnesses), and resin materials (such as PC, PMMA and PP). As our procurement of raw materials from suppliers is highly correlated with and subject to fluctuations in international commodity prices, including crude oil and semiconductor silicon wafers/non-ferrous metals, we have implemented comprehensive risk management strategies to mitigate the impact of such volatility.

We have established stringent supplier selection, evaluation and management procedures to ensure that all suppliers meet our quality and performance standards. During the Track Record Period, our principal suppliers primarily consisted of raw material and component suppliers. In each of the relevant years/periods during the Track Record Period, the aggregate purchases from our five largest suppliers accounted for approximately 22.5%, 23.4% and 24.7% of our total purchases, respectively, while purchases from our largest supplier accounted for approximately 9.6%, 7.8% and 8.5% of our total purchases, respectively. All of our five largest suppliers in each year/period during the Track Record Period are Independent Third Parties. As of the Latest Practicable Date, none of our Directors, their associates or any of our Shareholders (who owned or, to the knowledge of Directors, had owned more than 5% of our issued share capital) had any interest in any of our five largest suppliers in each year/period during the Track Record Period.

SALES AND MARKETING

We consistently adhere to a customer-oriented direct sales model, which enables us to more accurately forecast and meet customer demand and to provide each customer with comprehensive and attentive service. During the Track Record Period, all of our revenue was generated from direct sales, and our customers primarily include automotive manufacturers.

We are committed to providing comprehensive and high-quality solutions to global automotive manufacturers by closely tracking industry development trends, actively pursuing technology innovation, and responding swiftly to customer needs. Through long-term, in-depth engagement in the automotive lighting industry, we have achieved comprehensive customer coverage, spanning Chinese domestic automotive brands, renowned global automotive brands and both conventional vehicle brands and new energy vehicle brands. With respect to Chinese domestic automotive brands, we maintain close relationships with automotive manufacturers including FAW Hongqi, Chery, Seres, Geely, JAC, BAIC New Energy, Li Auto, NIO and XPeng, contributing to the continuous development of China's automotive industry. With respect to internationally renowned automotive brands, we work with BMW, Volkswagen, Toyota, Nissan, Honda, Bentley and a well-known North American new energy vehicle manufacturer, and have received awards from customers worldwide. According to Frost & Sullivan, we have established business relationships with nine of the world's top ten automotive manufacturers by vehicle sales volume calculated on a group level in 2024, demonstrating our leading market position in the global automotive lighting industry.

For the years ended December 31, 2023 and 2024 and the nine months ended September 30, 2025, our five largest customers accounted for approximately 68.2%, 69.5% and 66.7% of our total revenue, respectively, while sales to our largest customer accounted for approximately 36.6%, 23.3% and 20.1% of our total revenue, respectively. All of our five largest customers in each year/period during the Track Record Period are Independent Third Parties. As of the Latest Practicable Date, none of our Directors, their associates or any of our Shareholders (who owned or to the knowledge of Directors had owned more than 5% of our issued share capital) had any interest in any of our five largest customers in each year/period during the Track Record Period.

OUR INDUSTRY AND COMPETITIVE LANDSCAPE

We mainly operate in the automotive lighting industry, which is relatively competitive. As technological barriers and economies of scale in the automotive lighting industry become increasingly pronounced, the global market has continued to consolidate. Leading automotive lighting manufacturers have continuously strengthened their dominant positions through technological advancement, superior product quality and cost efficiency. In contrast, smaller component manufacturers, due to limited technological reserves, smaller production scale and relatively weaker supply chain integration capabilities, may face challenges in competing with leading manufacturers.

Our competitive edge is attributable to factors such as extensive industry experience, leading market position and our ability to offer comprehensive solutions to our customers. Our market leadership has been further solidified by our international presence, diverse product portfolio, high-quality customer relations, robust R&D capabilities, technical expertise and our visionary management team. Therefore, we believe that we are well-positioned to maintain our leadership position and to capture future opportunities in the automotive lighting industry.

See "Industry Overview" for details.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables present our summary of consolidated financial information as of and for the years ended December 31, 2023 and 2024 and the nine months ended September 30, 2024 and 2025. We have derived this summary from our financial information set forth in the Accountants' Report set out in Appendix I to this document.

The summary financial data set forth below should be read together with our consolidated financial information and the related notes, as well as the section headed "Financial Information".

Consolidated Statements of Profit or Loss

	Year ended December 31,				Nine Months ended September 30,			
	2023		2024		2024		2025	
	RMB'000	%	*RMB'000*	%	*RMB'000*	%	*RMB'000*	%
					(unaudited)			
REVENUE	**10,248,446**	**100.0**	**13,252,934**	**100.0**	**9,225,468**	**100.0**	**10,709,955**	**100.0**
Cost of sales	(8,152,112)	(79.5)	(10,723,601)	(80.9)	(7,494,119)	(81.2)	(8,644,040)	(80.7)
GROSS PROFIT	**2,096,334**	**20.5**	**2,529,333**	**19.1**	**1,731,349**	**18.8**	**2,065,915**	**19.3**
Other income	145,988	1.4	196,758	1.5	132,781	1.4	127,425	1.2
Other gains and losses, net	(5,933)	(0.1)	(28,237)	(0.2)	(19,932)	(0.2)	4,154	0.0
Investment income	56,388	0.6	47,201	0.4	36,364	0.4	32,677	0.3
(Allowance for)/reversal of expected credit loss ("ECL") on financial assets at amortized cost	(98,501)	(1.0)	(56,957)	(0.4)	(30,308)	(0.3)	36,391	0.3
Selling expenses	(46,828)	(0.5)	(55,787)	(0.4)	(35,162)	(0.4)	(46,790)	(0.4)
Administrative expenses	(332,760)	(3.2)	(377,980)	(2.9)	(254,813)	(2.8)	(303,964)	(2.8)
Research and development expenses	(610,244)	(6.0)	(655,493)	(4.9)	(463,103)	(5.0)	(640,602)	(6.0)
Finance costs	(1,352)	0.0	(6,410)	0.0	(4,145)	0.0	(6,492)	(0.1)
PROFIT BEFORE TAX	**1,203,092**	**11.7**	**1,592,428**	**12.0**	**1,093,031**	**11.8**	**1,268,714**	**11.8**
Income tax expenses	(100,961)	(0.9)	(184,145)	(1.4)	(115,828)	(1.2)	(127,685)	(1.1)
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR/PERIOD	**1,102,131**	**10.8**	**1,408,283**	**10.6**	**977,203**	**10.6**	**1,141,029**	**10.7**

Since our listing on the Shanghai Stock Exchange in 2011, our revenue has consistently recorded growth. From 2011 to 2024, our operating revenue grew at a CAGR of 21.1%. During the Track Record Period, both our revenue and profit achieved sustained growth. Our revenue increased by 29.3% from RMB10,248.4 million in 2023 to RMB13,252.9 million in 2024. For the nine months ended September 30, 2025, our revenue totaled RMB10,710.0 million, representing a 16.1% increase compared to the corresponding period in 2024. Our net profit amounted to RMB1,102.1 million and RMB1,408.3 million in 2023 and 2024, and RMB977.2 million and RMB1,141.0 million for the nine months ended September 30, 2024 and 2025, respectively.

Our results of operations and, financial condition have been, and are expected to continue to be, affected by the following key factors: (i) the development of the industries where we operate; (ii) ability to maintain and engage customers and seize market opportunities; (iii) R&D capabilities and product upgrades; (iv) our ability to control costs and improve operational efficiency; (v) our management of trade and bills receivables; and (vi) inventory management. Our profit for the year/period increased throughout the Track Record Period, primarily driven by our revenue growth. The increase in revenues during the Track Record Period were primarily because of growths in sales volume and average selling price in intelligent automotive lighting products, and in particular, our front and rear lighting products during the Track Record Period. The aggregate contribution of intelligent front lighting products and the intelligent rear lighting products in our total automotive lighting products by revenue also significantly increased from 0.3% in 2023 to 13.6% in 2024 and from 13.6% in the nine months ended September 30, 2024 to 16.2% in the nine months ended September 30, 2025. These were primary driven by (i) the sustained growth of NEV market which drove an explosive growth in demand for intelligent lighting products; (ii) our continuous efforts in technology and product innovation and upgrading, and in particular, our strengthened and in-depth cooperation with both existing and new customers in the PRC and worldwide through participation in the early development stages (such as design and R&D) of the automotive lighting products for their vehicle models; and (iii) our enhanced ability to quickly integrate our production capabilities to fit in more comprehensive production demands of intelligent automotive lighting products. See "Financial Information — Key Factors Affecting Our Results of Operations" and "Financial Information — Results of Operations" for details.

Summary of Consolidated Statements of Financial Position

The following table sets forth a summary of our consolidated statements of financial position as of the dates indicated:

	As of December 31,		As of September 30,
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000* *(unaudited)*
Non-current assets	4,473,515	4,633,530	4,851,259
Current assets	10,300,903	12,310,537	13,374,339
Current liabilities	4,895,781	6,080,830	6,488,168
Net current assets	**5,405,122**	**6,229,707**	**6,886,171**
Total assets less current liabilities	9,878,637	10,863,237	11,737,430
Non-current liabilities	742,433	685,972	667,487
Total equity	**9,136,204**	**10,177,265**	**11,069,943**

For details of our fluctuation in key items of our consolidated statements of financial position and net current assets during the Track Record Period, see "Financial Information — Discussion of Certain Components of Consolidated Statements of Financial Position."

We had net current assets positions as of December 31, 2023, 2024 and September 30, 2025. Our net current assets increased from RMB6,229.7 million as of December 31, 2024 to RMB6,886.2 million as of September 30, 2025, primarily due to: (i) an increase of RMB330.0 million in financial assets at FVTPL related to the changes in group structured deposits and investment products, (ii) an increase of RMB388.5 million in cash and cash equivalents and restricted bank deposits, (iii) an increase of RMB189.7 million in financial assets at FVTOCI, and (iv) an increase of RMB141.1 million in trade and bills receivables, partially offset by an increase of RMB447.3 million in trade and bills payables reflecting our business expansion.

Our net current assets increased from RMB5,405.1 million as of December 31, 2023 to RMB6,229.7 million as of December 31, 2024, primarily due to: (i) an increase of RMB1,710.8 million in trade and bills receivables reflecting our business expansion, and (ii) an increase of RMB383.8 million in inventory, mainly finished products as a result of production volume increase and related to new projects, partially offset by (i) an increase of RMB1,199.8 million in trade and bills payables reflecting our business expansion, and (ii) an decrease of RMB81.1 million in cash and cash equivalents and restricted bank deposits.

Summary of Consolidated Statements of Cash Flows

The following table sets forth a summary of our cash flows for the years/periods indicated:

	Year ended December 31,		Nine Months ended September 30,	
	2023	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000* (*unaudited*)	*RMB'000*
Net cash flows from operating activities	665,791	818,750	380,918	1,792,120
Net cash flows from/ (used in) investing activities	447,940	(585,255)	205,572	(1,011,616)
Net cash used in financing activities	(550,628)	(377,027)	(355,460)	(388,756)
Net increase/ (decrease) in cash and cash equivalents	563,103	(143,532)	231,030	391,748
Cash and cash equivalents at the beginning of the year/ period	**1,407,872**	**2,014,837**	**2,014,837**	**1,925,079**
Effect of foreign exchange rate changes	43,862	53,774	47,826	44,931
Cash and cash equivalents at the end of the year/ period	**2,014,837**	**1,925,079**	**2,293,693**	**2,361,758**

Key Financial Ratios

The following table sets forth our key financial ratios as of/for the year/period indicated:

	As of/For the year ended December 31,		As of/For the nine months ended September 30,
	2023	2024	2025
			(unaudited)
Gross profit margin[1]	20.5%	19.1%	19.3%
EBITDA margin[2]	16.2%	16.3%	16.3%
Net profit margin[3]	10.8%	10.6%	10.7%
Return on equity (ROE)[4]	12.1%	13.8%	10.3%

Notes:

(1) Gross profit margin equals gross profit for the year/period divided by revenue for the year/period and multiplied by 100%.

(2) EBITDA margin equals profit before deducting interest, income tax, depreciation and amortization for the year/period divided by the revenue for the year/period and multiplied by 100%.

(3) Net profit margin equals net profit for the year/period divided by revenue for the year/period and multiplied by 100%.

(4) Return on equity equals net profit for the year/period divided by total equity as of the year/period end and multiplied by 100%.

[REDACTED]

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, Ms. Zhou directly held 42.00% of the total issued share capital of our Company and indirectly held 6.19% of the total issued share capital of our Company through Xingyu Investment. Ms. Sun Exiao (孫娥小) also directly held 6.11% interest of our Company.

Ms. Zhou is the only child of Ms. Sun Exiao, which causes Ms. Sun Exiao to be presumed as the person acting in concert with Ms. Zhou under the Takeovers Code. Consequently, Ms. Zhou, Xingyu Investment and Ms. Sun Exiao, are regarded as a group of controlling shareholders of our Company. As of the Latest Practicable Date, Ms. Zhou and other controlling shareholders, directly and indirectly, controlled 54.3% of the voting rights of our Company.

Immediately following the completion of [**REDACTED**] (assuming the [**REDACTED**] is not exercised), Ms. Zhou and other controlling shareholders will, directly and indirectly continue to control [**REDACTED**] of the voting rights of our Company.

For further details about our Controlling Shareholders, please see the section headed "Relationship with Our Controlling Shareholders" in this document.

CONTINUING CONNECTED TRANSACTIONS

We have entered into, and expect to continue, certain transactions that will constitute fully-exempt continuing connected transactions of our Company under Chapter 14A of Listing Rules upon [**REDACTED**]. See "Connected Transactions" for details in this document.

DIVIDENDS AND DIVIDEND POLICY

Our Company declared dividends of RMB314.2 million, RMB397.3 million and RMB426.5 million in respect of the financial years ended December 31, 2023 and 2024 and the nine months ended September 30, 2025. After completion of the [**REDACTED**], our Shareholders will be entitled to receive any dividends we declare. We may distribute dividends by way of shares, cash or a combination of both shares and cash. Pursuant to our Articles of Association, our Board may declare dividends in the future after taking into account our results of operations, financial condition, cash requirements and availability and other factors as it may deem relevant at such time and subject to the approval at Shareholders' meeting. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents, applicable PRC and Hong Kong laws and regulations and approval by our Shareholders.

We intend to distribute cash dividends to our Shareholders at least on an annual basis, subject to the discretion of our Directors in accordance with our Articles of Association and the applicable laws and regulations in the PRC and Hong Kong. Subject to applicable laws and regulations and our Articles of Association, our dividend policy is to typically distribute cash dividends to our Shareholders of no less than 30% of our distributable profits for any particular year. Our Company may distribute dividends in cash, stocks or a combination of cash and stocks, and give priority to profit distribution in cash, where eligible. Our Company mainly adopts a profit distribution policy of cash dividends. When distributing dividends, the Board shall take into account factors such as the characteristics of the industry we are engaged in, the stage of development, our business model, the level of profitability, the ability to repay debts, whether there are arrangements for major capital expenditures and returns to investors. The Board should assess the stage of development that we are in and the arrangements for significant capital expenditure and, in accordance with the procedures stipulated in the Articles of Association of our Company, put forward a differentiated cash dividend policy.

RISK FACTORS

Our business and the [**REDACTED**] involved certain risks, which are set out in the section headed "Risk Factors" in this Document. You should read that section in its entirety before you decide to [**REDACTED**] in the [**REDACTED**]. Some of the major risks we face include:

- Our business relies on automotive manufacturers. Any downturns or material changes in the automotive industry and macroeconomic environment as well as other factors outside of our control could negatively affect our business and financial performance;

- We operate in a relatively competitive industry, and we may be unable to continually maintain our market position;

- If we fail to keep up with the evolution of technologies or adapt our products and technology to emerging industry standards, or if our investments in new technologies prove unsuccessful or ineffective, our business may be materially and adversely affected;

- If our investments in new products and technologies prove unsuccessful or ineffective, our business may be materially and adversely affected;

- We currently may be exposed to customer concentration risk. Failure to retain our existing customers or attract new ones could materially and adversely impact our business, financial condition and results of operations;

- Our business depends substantially on the expertise and dedication of our management team and highly skilled personnel on a global scale. We may face challenges in recruiting and retaining such individuals, which could impede our technological advancement and business growth;

- Our historical results may not be indicative of our future business, financial condition and results of operations, and we may not be able to manage future growth effectively;

- As our global business expands, we face various risks associated with our international operations and compliance, and our inability to effectively manage and contain them could adversely affect our business and performance;

- We rely on the stability of our supply chain as well as a number of suppliers; and

- Pricing pressure from our customers may materially and adversely affect our business, financial condition and results of operations.

[REDACTED] EXPENSES

[REDACTED] expenses represent professional fees, **[REDACTED]** and other fees incurred in connection with the **[REDACTED]**. We estimate that our total **[REDACTED]** expenses (including **[REDACTED]**) will be approximately RMB**[REDACTED]** million, accounting for approximately **[REDACTED]**% of the gross **[REDACTED]** from the **[REDACTED]** (assuming an **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]**, being the mid-point of the indicative **[REDACTED]** range stated in this Document and the **[REDACTED]** is not exercised). During the Track Record Period, we incurred no **[REDACTED]** expense. The estimated **[REDACTED]** expenses of approximately RMB**[REDACTED]** million are expected to be charged to our consolidated statements of profit or loss, and approximately RMB**[REDACTED]** million are expected to be deducted from equity upon **[REDACTED]**. The **[REDACTED]** expenses consist of RMB**[REDACTED]** million **[REDACTED]**-related expenses and RMB**[REDACTED]** million non-**[REDACTED]**-related expenses (including fees and expenses of legal advisors and the reporting accountant of RMB**[REDACTED]** million and other fees and expenses of RMB**[REDACTED]** million). Our Directors do not expect such expenses to have a material adverse impact on our financial results in 2025. The **[REDACTED]** expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

[REDACTED]

The net **[REDACTED]** from the **[REDACTED]** that we will receive, after deducting the **[REDACTED]** and other estimated expenses paid and payable by us in connection with the **[REDACTED]** is estimated to be approximately HK$**[REDACTED]** million, assuming an **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]**, being the mid-point of the **[REDACTED]**. We currently intend to apply these net **[REDACTED]** for the following intended purposes in the amounts set forth below:

- approximately HK$**[REDACTED]** million, representing **[REDACTED]**% of the net **[REDACTED]**, is expected to be used to enhance our global manufacturing footprint, including primarily the construction of:

  (i) our intelligent automotive electronics and vision systems industrial center project in Changzhou;

  (ii) the phase II of our Serbia Manufacturing Base; and

  (iii) our planned Chongqing Manufacturing Base.

- approximately HK$**[REDACTED]** million, representing **[REDACTED]**% of the net **[REDACTED]**, is expected to be used for our R&D projects;

- approximately HK$[**REDACTED**] million, representing [**REDACTED**]% of the net [**REDACTED**], is expected to be used to enhance our digital infrastructure;

- approximately HK$[**REDACTED**] million, representing [**REDACTED**]% of the net [**REDACTED**], is expected to be used to further enhance our R&D in embodied intelligence; and

- the remaining balance of approximately HK$[**REDACTED**] million, representing [**REDACTED**]% of the net [**REDACTED**], is expected to be used as working capital and general corporate purposes.

For further details, see "Future Plans and [**REDACTED**]" in this Document.

OUR LISTING ON THE SHANGHAI STOCK EXCHANGE AND REASONS FOR THE [REDACTED] ON THE STOCK EXCHANGE

Since 2011, our Company has been listed on the Shanghai Stock Exchange. Since our listing on the Shanghai Stock Exchange and as of the Latest Practicable Date, we had no instances of material non-compliance with the rules of the Shanghai Stock Exchange and other applicable securities laws and regulations of the PRC in any material respects, and, to the best knowledge of our Directors having made all reasonable enquiries, there was no material matter that should be brought to the investors' attention in relation to our compliance record on the Shanghai Stock Exchange. Our PRC Legal Advisor is of the view that during the Track Record Period, we have not been subject to any material administrative penalties or regulatory measures imposed by CSRC or the Shanghai Stock Exchange. Based on the independent due diligence conducted by the Sole Sponsor, nothing has come to the Sole Sponsor's attention that would cause them to disagree with the Directors' confirmation with regard to the compliance records of the Company on the Shanghai Stock Exchange.

Our Company seeks to be [**REDACTED**] on the Stock Exchange in order to advance our globalization strategy, enhance the international influence of our brand, leverage international capital markets, diversify financing channels and support our high-quality development. For details, see "Business — Our Strategies" and "Future Plans and [**REDACTED**]."

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Our Directors have confirmed that up to the date of this document there has been no material adverse change in our financial or trading position or prospects since September 30, 2025, being the end date of the years/periods reported in the Accountants' Report in Appendix I to this document, and there is no event since September 30, 2025 that would materially affect the information as set out in the Accountants' Report in Appendix I to this document.

In this Document, unless the context otherwise requires, the following terms shall have the following meanings. Certain technical terms are explained in the section headed "Glossary of Technical Terms" in this Document.

"A Share(s)"	ordinary share(s) issued by our Company, with a nominal value of RMB1.00 each, which are listed on the Shanghai Stock Exchange and traded in Renminbi
"A Share Listing"	As approved by the CSRC, our Company completed the initial public offering and listing of our A Shares on the Shanghai Stock Exchange (601799.SH) in February 2011
"Accountants' Report"	the Accountants' Report for the years ended December 31, 2023 and 2024 and the nine months ended September 30, 2025, the text of which is set out in Appendix I to this Document
"Affiliate"	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
"AFRC"	the Accounting and Financial Reporting Council of Hong Kong
"Articles" or "Articles of Association"	the articles of association of our Company, conditionally adopted on January 15, 2026 with effect from the [**REDACTED**], and as amended from time to time, a summary of which is set out in the section headed "Summary of the Articles" in Appendix III to this Document
"Associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Audit Committee"	the audit committee of the Board
"Board" or "Board of Directors"	the board of directors of our Company
"Board Diversity Policy"	the policy on setting out the approach to achieve diversity of the Board
"Business day"	any day (other than a Saturday, Sunday or public holiday in Hong Kong) on which banks in Hong Kong are generally open for normal banking business

"CAGR"	compound annual growth rate

[REDACTED]

"Chairperson of Our Board"	The chairperson of our Board
"China" or "PRC"	the People's Republic of China (中華人民共和國) and for the purposes of this Document only, except where the context requires otherwise, excluding Hong Kong, Macau and Taiwan
"Chongqing Xingyu"	Chongqing Xingyu Automotive Lighting Systems Co., Ltd.* (重慶星宇車燈有限公司), a limited liability company established in the PRC on September 16, 2025, our wholly owned subsidiary
"CNAS"	China National Accreditation Service for Conformity Assessment (中國合格評定國家認可委員會)
"Companies Ordinance"	the Companies Ordinance (Cap. 622), as amended, supplemented or otherwise modified from time to time
"Companies (Winding Up and Miscellaneous Provisions) Ordinance"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32), as amended, supplemented or otherwise modified from time to time
"Company" or "our Company"	Changzhou Xingyu Automotive Lighting Systems Co., Ltd. (常州星宇車燈股份有限公司), a joint stock company with limited liability established in the PRC on May 18, 2000, the A Shares of which have been listed on the Shanghai Stock Exchange (601799.SH)
"Connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Connected transaction(s)"	has the meaning ascribed to it under the Listing Rules

"Controlling Shareholders"	has the meaning ascribed to it under the Listing Rules and unless the context otherwise requires, refers to Ms. Zhou Xiaoping (周曉萍), Xingyu Investment and Ms. Sun Exiao (孫娥小). For further details, see "Relationship with our Controlling Shareholders"
"Corporate Governance Code"	the Appendix C1 to the Listing Rules
"CPA"	Certified Public Accountant
"CSRC"	China Securities Regulatory Commission (中國證券監督管理委員會)
"Data Security Measures"	the Administrative Measures for Data Security in Industry and Information Technology Sectors (for Trial Implementation) (《工業和信息化領域數據安全管理辦法(試行)》)
"Deputy Chairperson of Our Board"	The deputy chairperson of our Board
"Director(s)"	the director(s) of our Company
"EIT"	the PRC enterprise income tax
"EIT Law"	Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》)
"Employee Stock Scheme"	A Share Employee Stock Ownership Scheme
"Encouraging List"	the Catalog of Industries for Encouraging Foreign Investment (2022 version) (《鼓勵外商投資產業目錄(2022年版)》)
"ESG"	Environment, social and governance
"Extreme Conditions"	extreme conditions caused by a super typhoon or other natural disaster of a substantial scale seriously affects the working public's ability to resume work or brings safety concern for a prolonged period as announced by the government of Hong Kong
"Filing Rules"	the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》)

[REDACTED]

"Foreign Trade Law"	the Foreign Trade Law of the PRC (《中華人民共和國對外貿易法》)
"Foshan Xingyu"	Xingyu Foshan Automotive Lighting Systems Co., Ltd.* (佛山星宇車燈有限公司), a limited liability company established in the PRC on January 16, 2013, our wholly owned subsidiary
"Frost & Sullivan"	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.
"Frost & Sullivan Report"	the independent industry report prepared by Frost & Sullivan as commissioned by us

[REDACTED]

"Group", "our Group", "we" or "us"	the Company and its subsidiaries from time to time or, where the context so requires, in respect of the period prior to our Company becoming the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant time
"Guide for New Listing Applicants" or "Listing Guide"	the Guide for New Listing Applicants issued by the Hong Kong Stock Exchange as amended, supplemented or otherwise modified from time to time
"H Share(s)"	ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each, which are to be **[REDACTED]** for and **[REDACTED]** in HK dollars, and for which an application has been made for **[REDACTED]** and permission to **[REDACTED]** on the Stock Exchange

[REDACTED]

"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the People's Republic of China
"Hong Kong dollars" or "HK dollars" or "HK$"	Hong Kong dollars, the lawful currency of Hong Kong

[REDACTED]

[REDACTED]

"IFRS Accounting Standards"	IFRS Accounting Standards, as issued from time to time by the International Accounting Standards Board
"Independent Third Party(ies)"	any entity or person who is not a connected person of our Company within the meaning ascribed thereto under the Listing Rules

[REDACTED]

[REDACTED]

"Jilin Xingyu"	Jilin Xingyu Automotive Lighting Systems Co., Ltd.* (吉林省星宇車燈有限公司), a limited liability company established in the PRC on April 23, 2013, our wholly owned subsidiary
"Latest Practicable Date"	January 20, 2026, being the latest practicable date for ascertaining certain information in this document before its publication

[REDACTED]

"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with GEM of the Stock Exchange
"MIIT"	the Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部)
"MOFCOM"	the Ministry of Commerce of the PRC (中華人民共和國商務部)
"Ms. Zhou"	Ms. Zhou Xiaoping (周曉萍), an Executive Director, Chairperson of our Board and General Manager of our Company

"NDRC"	the National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)
"Negative List"	the Special Administrative Measures (Negative List) for Access of Foreign Investment (2024 version) (《外商投資准入特別管理措施(負面清單)(2024年版)》)
"Non-Competition Undertaking"	the Non-Competition Undertakings executed by Ms. Zhou in January 2011
"Nomination Committee"	the nomination committee of the Board
"NPC"	the National People's Congress (全國人民代表大會)

[REDACTED]

"PBOC"	People's Bank of China (中國人民銀行), the central bank of the PRC

"PRC Legal Advisor"	JunHe LLP (北京市君合律師事務所), our legal advisor as to PRC laws

[REDACTED]

"Production Safety Law"	the Production Safety Law of the PRC (《中華人民共和國安全生產法》)

[REDACTED]

"Remuneration and Evaluation Committee"	the remuneration and evaluation committee of the Board
"Renminbi" or "RMB"	Renminbi, the lawful currency of the PRC
"Reporting Accountants"	HLB Hodgson Impey Cheng Limited
"RSD"	Serbian Dinar, the lawful currency of the Republic of Serbia
"SAFE"	State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
"SAMR"	State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局)
"SAT"	State Administration of Taxation of the PRC (中華人民共和國國家税務總局)
"SCNPC"	the Standing Committee of the National People's Congress (全國人民代表大會常務委員會)
"Somerley"	Somerley Capital Limited

"Securities and Futures Ordinance" or "SFO"	the Securities and Futures Ordinance (Cap. 571), as amended, supplemented, or otherwise modified from time to time
"SFC"	the Securities and Futures Commission of Hong Kong
"Share(s)"	ordinary share(s) of our Company with a nominal value of RMB1.00 each, comprising A Shares and H Shares
"Shareholder(s)"	holder(s) of our Share(s)

[REDACTED]

"Sole Sponsor" or "Sponsor"	Huatai Financial Holdings (Hong Kong) Limited
"State Council"	State Council of the PRC (中華人民共和國國務院)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Strategy and ESG committee"	the strategy and ESG committee of the Board
"Subsidiary(ies)"	has the meaning ascribed thereto in section 15 of the Companies Ordinance
"Substantial shareholders"	has the meaning ascribed to it in the Listing Rules
"Takeovers Code"	the Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time

"Track Record Period"	the period comprising the two financial years ended December 31, 2024 and the nine months ended September 30, 2025

[REDACTED]

"UNECE"	The United Nations Economic Commission for Europe (UNECE) is a regional body of the UN that develops and harmonizes international technical regulations and standards. It was established in 1947 in order to promote economic cooperation and integration among its member states.
"United States" or the "U.S."	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"U.S. dollars" or "US$"	United States dollars, the lawful currency of the United States

[REDACTED]

"VAT"	value-added tax

[REDACTED]

"Xinghang Import & Export"	Changzhou Xinghang Import and Export Trading Co., Ltd.* (常州星航進出口貿易有限公司), a limited liability company established in the PRC on February 20, 2023, our wholly owned subsidiary
"Xinghui Digital Technology"	Changzhou Xinghui Digital Technology Co., Ltd.* (常州星輝數字技術有限公司), a limited liability company established in the PRC on October 31, 2024, our wholly owned subsidiary

"Xingyi Investment"	Changzhou Xingyi Investment Management Co., Ltd.* (常州星一投資管理有限公司), a limited liability company established in the PRC on November 4, 2010, wholly owned by Ms. Zhou Xiaoping
"Xingyu Delaware"	Xingyu Automotive Lighting Systems Delaware Corporation (星宇車燈(特拉華)有限公司)*, a limited liability company established in Delaware, US on January 5, 2026, our indirectly wholly owned subsidiary
"Xingyu EU"	Xingyu Automotive Lighting Systems Europe GmbH (星宇車燈(歐洲)有限公司)*, a limited liability company established in Munich, Germany on November 7, 2012, our wholly owned subsidiary
"Xingyu HK"	Xingyu Automotive Lighting (Hong Kong) Co., Ltd. (星宇車燈(香港)有限公司), a private company limited by shares incorporated in Hong Kong on November 6, 2013, our wholly owned subsidiary
"Xingyu Intelligent"	Changzhou Xingyu Intelligent Automotive Electronic Technology Co., Ltd.* (常州星宇智能汽車電子科技有限公司), a limited liability company established in the PRC on June 30, 2016, our wholly owned subsidiary
"Xingyu Investment"	Changzhou Xingyu Investment Management Co., Ltd.* (常州星宇投資管理有限公司), a limited liability company established in the PRC on February 25, 2010, wholly owned by Ms. Zhou Xiaoping
"Xingyu Japan"	Xingyu Automotive Lighting Systems Japan Corporation* (星宇車燈日本株式會社), a limited liability company established in Japan on August 19, 2019, our wholly owned subsidiary
"Xingyu Mexico"	Xingyu Automotive Lighting Systems Mexico, S. de R.L. de C.V. (星宇車燈(墨西哥)有限公司)*, a limited liability company established in Coahuila, Mexico on August 8, 2023, our indirectly wholly owned subsidiary

"Xingyu North Carolina"	Xingyu Automotive Lighting Systems North Carolina LLC (星宇車燈(北卡羅萊納)有限公司)*, a limited liability company established in North Carolina, USA on January 12, 2026, our indirectly wholly owned subsidiary
"Xingyu Robot"	Changzhou Xingyu Intelligent Robot Co., Ltd.* (常州星宇智能機器人有限公司), a limited liability company established in the PRC on October 10, 2025, a subsidiary 70% owned by us
"Xingyu Serbia"	Xingyu Automotive Lighting Systems d.o.o. Niš (星宇車燈(塞爾維亞)有限公司)*, a limited liability company established in Serbia on October 30, 2019, our wholly owned subsidiary
"Xingyu USA"	Xingyu Automotive Lighting Systems USA Co., Ltd. (星宇車燈(美國)有限公司)*, a limited liability company established in Texas, US on November 3, 2023, our indirectly wholly owned subsidiary
"Xingyu Zhixing"	Shanghai Xingyu Intelligent Mobility Technology Co., Ltd.* (上海星宇智行技術有限公司), a limited liability company established in the PRC on February 16, 2023, our wholly owned subsidiary
"%"	Percent

In this document, the terms "associate," "close associate," "connected person," "core connected person," "connected transaction," "controlling shareholder" and "substantial shareholder" shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

Certain amounts and percentage figures included in this Document have been subject to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them. Any discrepancies in any table or chart between the total shown and the sum of the amounts listed are due to rounding.

In this Document, "" denotes translation of certain natural persons, legal persons, enterprises, governmental authorities, institutions, entities, organizations, departments, facilities, laws and regulations into Chinese or English (as the case maybe), etc., or another language included in this Document for identification purposes only. In the event of any inconsistency, the Chinese names or the names in their original languages prevail.*

This glossary contains definitions of certain terms used in this Document in connection with our Company and our business. Some of these may not correspond to standard industry definitions or usage of these terms.

"Adaptive Matrix/ADB"	Adaptive Matrix/Adaptive Driving Beam (ADB) systems automatically adjust the beam pattern and brightness of the high beams in real time based on road conditions, vehicles ahead, oncoming traffic and traffic signs
"ADAS"	Advanced Driver Assistance Systems (ADAS) are vehicle systems that use sensors, controllers and algorithms to provide perception, warnings and driving assistance, thereby enhancing driving safety and comfort
"ADS"	Automated Driving System (ADS) refers to vehicle automation systems that, under specified operating conditions, are capable of continuously performing all or part of the driving task, without requiring continuous human driver super vision
"AFS"	Adaptive Frontlight System (AFS) is an adaptive headlighting system that automatically adjusts the direction and range of the light beam based on information such as steering angle and vehicle speed
"AGV"	Automated Guided Vehicle (AGV) is a mobile robot used for material handling that navigates along predefined paths or guidance systems
"Air-leakage Test"	a critical test used to verify whether the sealing performance of a lamp assembly meets required standards, preventing the ingress of water and dust
"ALS"	Automatic Headlamp Leveling System (ALS) automatically adjusts the headlamp beam height in response to changes in vehicle load, ensuring adequate road illumination while preventing glare to other drivers
"APS"	Advanced Planning and Scheduling (APS) is a system used to optimize production planning and scheduling based on resource availability, capacity constraints and demand requirements

GLOSSARY OF TECHNICAL TERMS

"ASIL-B"	Automotive Safety Integrity Level B (ASIL-B) is a functional safety classification level defined under automotive safety standards, indicating a medium level of safety integrity requirement
"BI"	Business Intelligence (BI) aggregates data from multiple systems to provide real-time dashboards and multi-dimensional analysis, supporting data-driven decision-making and performance optimization
"CMMM"	Maturity Model of Intelligent Manufacturing Capability (CMMM) is a national standard formulated by the National Information Technology Standardization Technical Committee of China, used to help enterprises establish, evaluate and continuously improve data management capabilities by applying advanced data management concepts and methods, thereby promoting development toward informatization, digitalization and intelligent manufacturing
"C-NCAP"	China New Car Assessment Program (C-NCAP) provides authoritative safety ratings based on comprehensive evaluations of active safety, driver assistance systems and intelligent safety features
"CRM"	Customer Relationship Management (CRM) is a system that centralizes customer, order and after-sales information to support rapid customer response, sales lead management and closed-loop requirement tracking, enhancing service quality and customer retention
"DFM/DFA"	Design for Manufacturing/Design for Assembly (DFM/DFA) are two design methodologies focused on optimizing cost, quality and efficiency by considering manufacturability and assembly requirements at the product design stage
"DLP"	Digital Light Processing (DLP) is a projection display technology based on Digital Micromirror Device (DMD) technology

"EDO"	Equipment Digital Operation (EDO) manages production equipment throughout its lifecycle, supporting preventive maintenance and fault handling to ensure equipment reliability and reduce downtime
"embodied intelligence"	refers to intelligence that emerges from the integration of perception, cognition and action within a physical body, enabling systems to learn from and adapt to real-world interactions with their environment
"EMC"	Electromagnetic Compatibility (EMC) is the ability of electrical and electronic equipment to operate properly in its electromagnetic environment without causing or suffering unacceptable electromagnetic interference
"EMS"	Energy Management System (EMS) monitors and analyzes facility energy consumption to support refined energy management, cost control and low-carbon manufacturing
"E-NCAP"	European New Car Assessment Programme (E-NCAP) provides authoritative safety ratings based on comprehensive evaluations of active safety, driver assistance systems and intelligent safety features
"ERP"	Enterprise Resource Planning (ERP) integrates sales, supply chain, production, inventory and finance to enable end-to-end resource coordination, order-to-production linkage and automated financial accounting, supporting efficient operations and management decision-making
"fog lamp"	a lamp designed to improve short-range illumination in low-visibility conditions such as fog, rain or snow
"friction welding"	a solid-state joining process that uses frictional heat generated by relative motion between workpieces, combined with pressure, to create a high-strength bond without melting the materials

"Grille Lamp"	a lighting or display lamp installed in the front grille area of a vehicle, primarily used for styling expression, brand identification or information indication
"HCM"	refers to Headlamp Control Module (HCM), a control module used to manage and control front headlamp functions
"HD"	High Definition (HD) refers to lighting systems with high-resolution light distribution and precise beam control, enabling sharper illumination patterns and enhanced visibility
"HID"	High-Intensity Discharge (HID) is a lighting technology in which an electric arc passes through a gas-filled chamber to produce high-intensity light, commonly used in automotive headlamps and industrial lighting
"high-reliability electronic control"	an electronic control technology system that, through hardware and software design optimization, enables long-term operation with low failure rates and strong anti-interference performance, suitable for automotive applications
"IML"	In-Mold Labeling (IML) is an in-mold decoration technology used to manufacture automotive lamp lenses or decorative components with complex patterns or textures
"injection molding"	a forming process in which molten plastic material is injected into a closed metal mold cavity under high pressure and, after cooling and solidification, produces plastic products consistent with the cavity shape
"intelligent automotive lighting"	intelligent automotive lighting achieves adaptive illumination, beam pattern control and information display through the integration of advanced optical hardware and intelligent software algorithms

"Intelligent Light Carpet"	Intelligent Light Carpet is an intelligent lighting function that dynamically adjusts the illuminated area in front of a vehicle to form a band-shaped light zone capable of guiding driving paths or adapting to road conditions
"intelligent projection headlamp"	a headlamp that, based on information identified by sensors and decisions made by specialized algorithms within the lighting control system, automatically projects different lighting effects
"ISA"	International SSL Alliance (ISA), an international industry organization in the field of solid-state lighting
"ISD"	refers to Interactive Signal Display (ISD), generally used for information communication and interaction between vehicles and the external environment or other road users
"ISO"	International Organization for Standardization (ISO) is an independent, non-governmental international body that develops and publishes international standards to ensure quality, safety, efficiency and interoperability across products and services
"ISS"	Intelligent Security System (ISS) integrates video surveillance and access control to enable continuous monitoring and early warning in key production areas, enhancing factory safety and operational stability
"lane-change light-carpet"	a lighting function in which the light carpet dynamically extends or flows toward the target lane during a lane-change manoeuvre, providing visual assistance to the driver through dynamic lighting cues
"laser engraving"	using a high-intensity focused laser beam to etch the substrate surface or vaporise surface coatings at the focal point, thereby producing the required patterns or text

"laser welding"	an advanced welding technology that uses a high-energy-density laser beam as a heat source to melt and join two or more workpieces under precise control
"Level 2 ADAS" or "L2-level intelligent driving" or "L2 driver assistance"	refers to a system that can simultaneously control steering and acceleration/deceleration under certain conditions, while the driver must continuously monitor the driving environment and remain responsible for the vehicle at all times
"LCU"	refers to Lighting Control Unit (LCU), a lighting control module used to manage vehicle lighting functions
"LED"	Light-Emitting Diode, a semiconductor diode that emits light when current flows through it
"Lens"	the transparent or semi-transparent front cover of an automotive lamp assembly and a key component of the optical system
"LiDAR"	Light Detection and Ranging (LiDAR) is a sensing technology that uses laser pulses to measure distances and generate precise three-dimensional representations of the surrounding environment
"light guide"	a transparent plastic component that transmits light based on the principle of total internal reflection and is a core optical element for achieving uniform, elongated and dynamic lighting effects in modern automotive lamps
"Lighting sub-assembly"	the process of assembling individual lamp components into a complete lighting sub-assembly unit
"LIMS"	Laboratory Information Management System (LIMS) standardizes testing and validation processes through automated data collection, traceability and report management, improving data accuracy and reducing product quality risks

"MES"	Manufacturing Execution System (MES) connects production planning with shop-floor execution, enabling real-time production monitoring, process control and quality assurance to support lean manufacturing
"Micro-LED"	Micro Light-Emitting Diode (Micro-LED) is a technology that uses micro-sized LED chips, where each pixel is made of an independent LED chip. It offers extremely high brightness, contrast and energy efficiency and is widely used in high-precision displays, smart projection systems and automotive lighting applications
"Mini-LED"	Mini Light-Emitting Diode (Mini-LED) is a technology with smaller-sized LEDs typically used for backlighting or display systems, offering higher pixel density and more precise local dimming capabilities, which improve brightness, contrast and color accuracy of displays
"monocular vision perception algorithm"	a perception algorithm based on input from a single camera, enabling detection, recognition and understanding of road environments, vehicles, pedestrians and traffic signs through image analysis
"multi-color injection molding"	an injection molding process that injects different colors or materials simultaneously or sequentially to directly produce multi-colored or composite-structure products
"nano-micro engraving"	a precision manufacturing process that creates micro- and nano-scale surface structures to control optical, functional or decorative properties of a component
"NEV"	New Energy Vehicle
"nomination"	refers to the automotive manufacturer's selection of suppliers to supply components for integration into specific vehicle models, and the result is typically confirmed in the form of nomination letter
"OEM original equipped market"	the market where automotive lighting products uniformly procured by automotive manufacturers (OEMs) and installed during vehicle assembly, distinct from post-sales aftermarket for retrofitting or modification

"OLED"	Organic Light-Emitting Diode (OLED) is a display technology in which organic materials emit light directly when an electric current is applied, enabling thin, flexible, high-contrast screens without the need for a backlight
"optical film"	Optical Film refers to thin-film materials used in optical systems to regulate optical properties such as light transmission, reflection, diffusion or polarization
"OTA"	Over-the-Air (OTA) refers to the wireless delivery of software, firmware or configuration updates to devices or vehicles without requiring physical connections
"OTS"	refers to Off-tooling Samples, are samples manufactured using formal production tooling (including molds, fixtures and inspection tools), which are subject to systematic testing to verify compliance with design specifications and mass production requirements
"PCB"	Printed Circuit Board (PCB) is a board that mechanically supports and electrically connects electronic components using conductive pathways etched or printed on an insulating substrate
"PLM"	Product Lifecycle Management (PLM) supports end-to-end digital collaboration and data control across the automotive lighting R&D lifecycle, enabling centralized management of requirements, design, processes and projects, improving R&D efficiency, design accuracy and R&D-to-production transition
"PPAP"	refers to Production Part Approval Process, the formal approval procedure for production parts before the mass-production
"precise optics"	a field that study and manufacture high-precision optics components and assemblies, involving the design, process testing, and application of various optical elements such as lenses, prisms and modules

"QA Inspection – AOI & ICT"	a quality assurance process that uses Automated Optical Inspection (AOI) to identify appearance and assembly defects, together with In-Circuit Testing (ICT) to verify electrical continuity, functionality and detect open or short circuits
"QA Inspection – Electrical Test"	a quality assurance process that verifies the electrical functionality and performance of electronic components or assemblies
"QA Inspection – Optical Testing"	a quality assurance step that inspects products using optical inspection equipment
"QMS"	Quality Management System (QMS) is a structured and documented management framework designed to ensure that an organization's products and services consistently meet customer requirements and applicable laws and regulations
"RCM"	refers to Rearlamp Control Module (RCM), a control module used to manage and control rear lamp functions
"RCS"	Robot Control System (RCS) is a control and scheduling system for coordinating and managing mobile robot fleets
"SCADA"	Supervisory Control and Data Acquisition (SCADA) collects real-time equipment and environmental data to enable transparent production monitoring and provide foundational data support for other systems
"SMT"	Surface Mount Technology (SMT) is a technology used to mount electronic components directly onto the surface of printed circuit boards
"software algorithm platform"	a platform that supports the development and operation of software algorithms
"SRM"	Supplier Relationship Management (SRM) manages supplier onboarding, procurement collaboration and performance evaluation through digital interaction, improving supply chain transparency, cost efficiency and supply stability

"stacker crane"	a core storage and retrieval device used in automated warehouses that operates along rails within high-bay racking aisles to store and retrieve palletized goods
"stepless brightness control"	Stepless Brightness Control refers to the capability of a lighting system to adjust brightness smoothly and continuously rather than switching between predefined discrete levels, enabling finer atmosphere creation and visual adaptation
"surface treatment"	a collective term for processes that form functional or decorative coatings/plating layers on the substrate surface of automotive lamp components, or directly modify the microstructure of the substrate surface, through physical, chemical or physicochemical methods
"third space"	In automotive design, third space refers to the concept of transforming the vehicle interior into a comfortable, personalized and lifestyle-oriented space beyond the home (the first space) and the workplace (the second space)
"WCS"	Warehouse Control System (WCS) is a control system that manages and coordinates warehouse automation equipment
"WMS"	Warehouse Management System (WMS) is a system used to manage and control warehouse operations, including inventory, storage and logistics activities

FORWARD-LOOKING STATEMENTS

Certain statements in this Document are forward-looking statements that are, by their nature, subject to significant risks and uncertainties. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as "will," "expect," "anticipate," "estimate," "believe," "going forward," "ought to," "may," "seek," "should," "intend," "plan," "projection,", "forecast," "could," "vision," "goals," "objective," "target," "schedule," "predict," "project," "aim," "intend", "consider," "would," "continue" and "outlook") are not historical facts, but are forward-looking and may involve estimates and assumptions and are subject to risks (including the risk factors detailed in this Document), uncertainties and other factors some of which are beyond our control and which are difficult to predict. Accordingly, these factors could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements.

Our forward-looking statements have been based on assumptions and factors concerning future events that may prove to be inaccurate. Those assumptions and factors are based on information currently available to us about the businesses that we operate. The risks, uncertainties and other factors, many of which are beyond our control, that could influence actual results include, but are not limited to:

- future developments, trends and conditions in the industry and markets in which we operate or into which we intend to expand;
- changes in local economic and political conditions and changes in compliance with international laws and regulations in the countries and regions where we operate;
- our ability to successfully implement our business plan and strategies; our planned projects and goals;
- changes in our customers' demands and expectations;
- our ability to control costs, as well as to achieve and maintain operational efficiency;
- our ability to control our risks;
- our ability to maintain good relationships with business partners;
- our financial condition and performance, debt levels and capital needs;
- our dividend policy;
- various business opportunities that we may pursue;
- the actions and developments of our competitors;
- changes or volatility in interest rates, foreign exchange rates, equity prices or other rates or prices, including those pertaining to the PRC and other countries and regions, and the industry and markets in which we operate; and

- all other risks and uncertainties described in the section headed "Risk Factors" in this Document.

Since actual results or outcomes could differ materially from those expressed in any forward-looking statements, we strongly caution **[REDACTED]** against placing undue reliance on any such forward-looking statement. Any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by the Listing Rules, we undertake no obligation to update any forward-looking statement or statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. Statements of or references to our intentions or those of any of our Directors are made as of the date of this Document. Any such intentions may change in light of future developments.

All forward-looking statements in this Document are expressly qualified by reference to this cautionary statement.

An **[REDACTED]** *in* **[REDACTED]** *involves significant risks. You should carefully consider all the information in this document, including the risks and uncertainties described below, before making an* **[REDACTED]** *in* **[REDACTED]**. *The following is a description of what we consider to be material risks to us, any of which could have a material adverse effect on our business, financial condition and results of operations. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also be detrimental to our business, financial condition and results of operations. You should consider our business and prospects in light of the challenges we face, including those discussed in this section. The trading price of* **[REDACTED]** *may decline due to any of these risks, and you may lose all or part of your* **[REDACTED]**.

These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given is as of the Latest Practicable Date unless otherwise stated, will not be updated after the date hereof, and is subject to the cautionary statements in the section "Forward-looking Statements" in this document.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

Our business relies on automotive manufacturers. Any downturns or material changes in the automotive industry and macroeconomic environment as well as other factors outside of our control could negatively affect our business and financial performance.

Our primary customers are automotive manufacturers. We are highly dependent on the growth and overall performance of the industries in which our customers operate. Our future financial performance largely depends on the continued growth of the automotive industry. The automotive industry has been characterized by shorter time in new car models launch, continuous technological advancement, evolving industry standards and changing customer needs, all of which indicate a trend of shorter product life cycles and faster upgrades and iterations. Sales of our products to a particular automotive manufacturer are influenced by the overall sales performance of that automotive manufacturer, as well as the sales performance of particular car models to which our products relate. In particular, the relevant automotive manufacturer's ability to anticipate changes in consumer tastes, preferences and requirements, its capability to design and manufacture cars to meet such consumer tastes, preferences and requirements, its sales and marketing capabilities, after-sales services and its competitiveness as compared with other competitors in the market, may affect the sales performance of particular car models to which our products relate. Undesirable sales performance of any particular automotive manufacturer and/or particular car model to which our products relate may adversely affect our sales of the relevant products. At the same time, as the automotive industry is relatively competitive and driven by end-user demands, our customers face persistent pricing pressure and ongoing requirements to reduce production costs and increase efficiency, which can translate into fluctuations in or lower average selling prices for our products.

In addition, the automotive industry is sensitive to general economic conditions, including interest rates, inflation, consumer demand and spending levels, and geopolitical issues. Automotive sales and production can also be affected by the age of the vehicles and related scrappage rates, labor relations issues, labor shortages, energy prices, regulatory requirements, government initiatives and incentives, trade agreements, sanctions, tariffs and other non-tariff trade barriers, more stringent environment protection laws, the availability and cost of credit, the availability and cost of raw materials and critical components and logistics issues, as well as vehicle affordability and consumer preferences regarding vehicle powertrains, size, configuration and features, among other factors. In case the automotive industry, globally or in any particular region to which our products are related to, is affected negatively, it may also cause adverse effect to our performance. Our sales and production may be further affected by new entrants to the industry, including domestic automotive manufacturers in certain regions and NEV automotive manufacturers.

Meanwhile, adverse changes in economic conditions of the countries and regions where we sell our products to, significant downturns in our industry, regulatory changes impacting our supply chain and the purchasing patterns of vehicles, including the ability to trade across borders and import and export our products, and changes in the local economies of the countries or regions in which we sell our products, such as changes in consumer confidence, increases in interest rates, inflation and increases in unemployment or the financial distress of one or more of our major customers could result in a decline in the production levels of our major customers, particularly with respect to models for which we are a significant supplier, which could negatively affect demand for our products, reduce our sales or otherwise adversely affect our financial condition, operating results and cash flows.

We operate in a relatively competitive industry, and we may be unable to continually maintain our market position.

We primarily operate in the automotive lighting market, which are relatively competitive. We compete with a number of other PRC or international companies that produce and sell similar products. Among other factors, our products compete on the basis of price, quality, technological innovation, design and performance, manufacturing and sales capability, delivery and customer services. Some of our competitors are larger and have greater financial and other resources than us. Some of our competitors may also have a competitive advantage in particular products or as a result of long-term relationships or ownership interests with certain customers. Our ability to compete successfully depends largely on our ability to maintain our advantages in areas such as technological advancement, quality and services, and to differentiate and stay ahead of our competitors with respect to our products. We continue to invest in technology and innovation which are critical to our long-term growth. Our ability to maintain advanced R&D ability and improve existing products, while successfully developing and introducing distinctive new and enhanced products that anticipate changing customer and consumer preferences and capitalize upon emerging technologies, is also important for us to remain competitive. If we are unsuccessful or are less successful than our competitors in predicting the course of market development, developing innovative products, processes or use of materials or adapting to new technologies or evolving regulatory, industry or customer requirements, we may be placed at a competitive disadvantage.

In addition, competition may make it more difficult for us to secure new projects, which may in turn put pressure on our revenue and profits and adversely affect our profit margins. Therefore, the ability to stay ahead of our competitors will be fundamental to our future success. If we do not continue to keep our existing production and quality leverage, continuously innovate to develop new and compelling products that effectively compete with our competitors, our business, financial condition and results of operations may be materially and adversely affected.

If we fail to keep up with the evolution of technologies or adapt our products and technology to emerging industry standards, or if our investments in new technologies prove unsuccessful or ineffective, our business may be materially and adversely affected.

The automotive industry and automotive intelligence technologies are rapidly evolving. Our business and prospects will depend on our ability to effectively identify consumer needs, develop and introduce new products, cost-effectively enhance current products and the adoption of automotive intelligence products in the market by factors such as comprehensiveness of functionalities, cost considerations, driver and passenger preferences, and consumers' awareness of automotive intelligence products.

The revolution of technologies and the emergence of new industry standards also pose significant challenges. If we fail to keep up with these changes or adapt our technology accordingly, our competitive position could be compromised. This may necessitate additional investments in technology upgrades and process improvements to align with industry standards. Failure to do so could result in our products becoming obsolete, leading to a potential loss of market share and adversely affecting our business operations.

Our R&D efforts cover the intelligent upgrade of our core automotive lighting products and have also been expanded into our strategic emerging businesses. In respect of intelligent automotive lighting products, based on our existing technologies, we intend to focus our expansion on intelligent lighting products, including intelligent projection headlamps, display and interactive lamps, intelligent projection small lamps, intelligent cockpit lighting products and automotive lighting controllers. In respect of new products and business expansion, the new products we are actively developing include domain controllers, CMS (camera monitoring system) and components of embodied intelligent robots. Although we believe that the intelligent upgrade of our products and the development of new technologies and new products will enable us to remain at the forefront of industry technology and meet the evolving needs of our customers, the development of such new products and new technologies involves technological challenges and risks and requires substantial capital investment and expertise. We cannot assure that our R&D approach will always align with market and customer demand, nor can we assure that such efforts will ultimately result in commercially viable products. In addition, with the rapid upgrading and innovation of the automotive industry, the automotive lighting sector is also facing rapid technological advancements and evolving industry standards, which may render our current development obsolete, require us to continuously adjust and modify our technologies and R&D direction or even abandon certain projects in progress, and may require significant additional investment for us to remain competitive.

If our investments in new products and technologies prove unsuccessful or ineffective, our business may be materially and adversely affected.

Technology innovation is key to our success. During the Track Record Period, we made substantial R&D investments, which we believe are crucial factors for our future growth and prospects. For 2023 and 2024 and the nine-month period ended September 30, 2024 and September 30, 2025, our research and development expenses amounted to RMB610.2 million, RMB655.5 million, RMB463.1 million and RMB640.6 million, respectively, accounting for 6.0%, 4.9%, 5.0% and 6.0% of our total revenue in the respective years/periods.

However, there can be no assurance that our R&D projects will yield the expected outcome or be completed within the anticipated time frame and budget. If we fail to commercialize our R&D efforts, we may incur significant sunk costs. Even if the newly developed products can be launched as we expected, there can be no assurance that they will be accepted by our customers and achieve the anticipated sales target or profit. In addition, a portion of our research and development expenses are allocated to developing general technologies rather than specific products. While this investment is important for long-term innovation and capability building, it may not immediately enhance the competitiveness of our products in the market or produce the expected benefits or returns. Furthermore, there can be no assurance that our existing or potential competitors will not develop products which are similar or superior to our products or are more competitively priced. In such cases, we may lose market share. Due to uncertainties in the time frame for developing new products and the duration of market windows for these products, there is a risk that we may have to abandon a product that is no longer commercially viable, even after we have invested significant resources in the development of such product.

During any operating period, if our R&D and technology investments lead to increased costs due to market conditions or competitive pressure, or if our R&D fails to achieve the expected results, our financial performance may be adversely affected.

We currently may be exposed to customer concentration risk. Failure to retain our existing customers or attract new ones could materially and adversely impact our business, financial condition and results of operations.

In order to increase our revenue and maintain our growth, we are committed to retaining existing customers, especially key customers, and attracting new customers. Automotive lights are products specifically designed for different vehicle models, and our customers primarily consist of automotive manufacturers that purchase our products for their vehicle models. Since the automotive manufacturing industry (particularly passenger vehicles) is relatively concentrated with a relatively limited number of large-scale enterprises, a high level of customer concentration is also the characteristic of the automotive lighting industry, which is the major production area engaged by us. In 2023, 2024 and the nine months ended September 30, 2025, revenue generated from our five largest customers in aggregate for each year/period respectively was RMB6,989.0 million, RMB9,199.1 million and RMB7,144.7 million, representing 68.2%, 69.5% and 66.7% of our total revenue, respectively. See "Business — Sales and Marketing — Our Customers" for details.

Enlargement of our PRC and international customer group and expanding our customer categories are the continuous efforts we have persisted since our establishment. The stable relationship with our key existing customers and consistent demands are crucial to our business. Their business conditions, liquidity and solvency may have a significant impact on our business dealings. Any disruption in our business relationship with our key customers could have a material adverse effect on our business, financial condition and results of operations.

However, we cannot guarantee that our existing key customers will continue to procure our products for their new vehicle models at a consistent or even increasing level or will maintain their partnerships with us for our ongoing projects or future projects. Our ability to retain key existing customers or attract new customers depends on the following factors, some of which are out of our control:

- the competitiveness of our pricing and payment terms for our customers, which may, in turn, be constrained by our capital and financial resources;
- the market acceptance of our new products, services and functionalities;
- our ability to continue investing in R&D to accommodate our customers' need;
- mergers and acquisitions among market players; and
- the effects of domestic and global economic conditions on the development of the automotive industry generally.

Accordingly, the demand for our products may be affected by our ability to maintain our relationships with our key existing customers and attract new customers. Although, after years of development, we have broaden our customer base to both major Chinese passenger vehicle manufacturers and international ones, with well built-up long-term strategic alliances, there can be no assurance that we will be able to maintain our relationships with them in the future. Demand from our key existing customers may fall short of our estimates due to changes in our major customers' business models, strategies or financial condition, preferences or policies incentivizing the purchase of alternative products, or changes in the automotive lighting market environment and macroeconomic conditions, among other things. If we experience a significant decline in sales order and demand from our existing customers and unable to acquire new customers that may procure similarly or even more for our products, our business, financial condition and results of operations may be materially and adversely affected.

Our business depends substantially on the expertise and dedication of our management team and highly skilled personnel on a global scale. We may face challenges in recruiting and retaining such individuals, which could impede our technological advancement and business growth.

We have been, and will continue to be, substantially dependent on the continued services of our management team and skilled personnel. Retaining talent in a global business operation involves navigating challenges, including cultural differences that affect employee engagement and satisfaction and intense competition for skilled professionals. Additionally, legal and regulatory compliance varies by country, complicating employment contracts and benefits. We also endeavor to keep communication and integration within our global teams with the implementation of nuanced retention strategies that balance global consistency with local adaptation.

However, we cannot assure you that we will continue to successfully retain our management team and skilled personnel. If we lose the services of any key member of them, we may not be able to find suitable replacements in a timely manner, at acceptable cost or at all, and our business, financial condition, results of operations and prospects could be materially and adversely affected. The shortage of skilled professionals could lead to delays in product development, hinder our ability to respond to market demands, and affect our capacity to manage and integrate our international operations effectively.

As our business continues to grow globally, the demand for skilled R&D and international management personnel has significantly increased. Our ability to innovate and maintain a competitive advantage relies heavily on attracting and retaining highly qualified professionals in fields where we operate to continuously innovate and iterate our existing products and expand our emerging business. However, the competition for such talent is intense, and there is a risk that we may not be able to recruit or retain the necessary personnel to support our growth and international expansion strategies.

Additionally, our key management and employees are subject to confidentiality terms and non-compete arrangements. However, we cannot guarantee that such terms or arrangements can be fully and legally enforced. The loss of key personnel or the inability to attract new talent could result in a loss of institutional knowledge and expertise, adversely affecting our business operations and future prospects. Failure to address these challenges may negatively impact our business performance, financial condition and our ability to achieve strategic objectives in the rapidly evolving technology sector.

Our historical results may not be indicative of our future business, financial condition and results of operations, and we may not be able to manage future growth effectively.

The historical financial information included in this document is not expected to be indicative of our future financial results. Such financial information is not intended to represent or predict the results of operations of any future years/periods. Our future growth is, to a certain extent, based upon our forward-looking assessment of market prospects. We cannot guarantee that our assessment will always turn out to be correct or that we can grow our business as planned. Our expansion plans may be affected by a number of factors beyond our control. Such factors include changes in the general economic conditions and the competitive landscape of the industries where we operate, as well as the relevant regulations and policies and the supply and demand for our products.

Managing our growth will require significant expenditures and allocation of resources. We need to effectively manage our growth and maintain profits as we expect our costs and expenses may possibly continue to increase in the future. We will also need to expand, train, manage and motivate our workforce and manage our relationships with suppliers, customers and other business partners. We also expect to continue to invest in our current and planned production expansion projects as well as R&D activities. All these endeavors entail risks and demand considerable management efforts, skills and significant additional expenditures, which could strain our capacity to enhance our operational, auditing, human resources, financial and management controls. If we fail to achieve the necessary level of efficiency in our organization as we grow, our business, financial condition, results of operations and prospects may be materially and adversely affected.

As our global business expands, we face various risks associated with our international operations and compliance, and our inability to effectively manage and contain them could adversely affect our business and performance.

We have established a global manufacturing and sales network. Our global sales and marketing network spans across Europe, Americas and Asia. We have set up our major overseas manufacturing base in the Republic of Serbia. As of the Latest Practicable Date, we also had overseas subsidiaries located in Germany, the Republic of Serbia, Japan, Mexico and United States. In line with our strategies, we intend to continue to expand our international operations in the coming years. The demand for and market acceptance of our products marketed and sold abroad are subject to uncertainty and can be heavily influenced by local conditions and customs tariff policies. In addition, overseas investments by PRC companies are also subject to various approvals, filings, reports, registrations or other procedures from the NDRC, the MOFCOM, the SAFE and other PRC regulatory authorities. The following sets forth some of the risks associated with our international operations:

- difficulties in dealing with regulatory regimes, regulatory bodies and government policies, in order to obtain or maintain permits, licenses, approvals and filings/registrations necessary to manufacture, market and sell our products in or to various countries or jurisdictions;

- challenges in commercializing our products in new markets where we have limited experience with the local market dynamics and no existing or developed sales and marketing infrastructure;

- challenges in providing products and customer support, in recruiting personnel in international markets and in managing sales channels effectively;

- adverse changes in, our potential failure or the potential failure of our suppliers or customers to comply with customs laws, regulations, tariffs, trade policies and quotas set by the local government when we import raw materials and components or export our products among the different countries or jurisdictions where we do business;

- potentially reduced protection for our intellectual property rights and potential breach of third-party intellectual property rights;

- differences in accounting treatment in different countries and jurisdictions, uncertainties in interpretation and application of tax laws and regulations, more onerous tax obligations and unfavorable tax conditions and foreign exchange losses;

- exposure to litigation or third-party claims in different jurisdictions and inability to effectively enforce contractual or legal rights;

- changes in laws, regulations and policies as well as political, economic and market instability, geopolitical risks or civil unrest in the relevant countries and jurisdictions; and

- unfavorable market conditions, intense competition, unattractive products and services, downward pressure on our selling price and any other inherent risks associated with our international business operations.

Failure to timely address any of the foregoing risks or timely complete such procedures with respect to overseas operations in the course of our overseas expansion may adversely affect our business, financial condition, operations and prospects. Especially, our operations are governed by relevant laws and regulations in the PRC and other jurisdictions where we operate relating to production safety, product quality and environmental protection, among other things.

In addition, we may be subject to anti-corruption, anti-bribery, anti-money laundering, financial and economic sanctions, governmental import or export controls and similar laws and regulations in various jurisdictions in which we conduct activities. Our policies and procedures instituted may not be sufficient and if any of our directors, officers, employees, representatives, consultants, agents and business partners engaged in any improper conduct, we may be held responsible. Non-compliance with anti-corruption, anti-bribery, anti-money laundering, financial and economic sanctions laws or governmental import or export controls could subject us to whistleblower complaints, adverse media coverage, investigations and severe administrative, civil and criminal sanctions, collateral consequences, remedial measures and legal expenses, all of which could materially and adversely affect our business, reputation, financial condition and results of operations.

We rely on the stability of our supply chain as well as a number of suppliers.

Our success depends in part on our ability to manage our supply chain to manufacture and deliver our products in a timely manner and with quality. We source the raw materials and components for our products from third-party suppliers. In 2023 and 2024 and the nine months ended September 30, 2024 and September 30, 2025, our raw materials and consumables used were RMB6,626.8 million, RMB8,901.8 million, RMB6,162.3 million and RMB7,259.3 million, respectively, representing 81.3%, 83.0%, 82.2% and 84.0% of our total cost of sales, respectively. See "Financial Information — Description of Major Components of Our Results of Operations — Cost of Sales." As a result, our production volume and production costs depend on our ability to source raw materials and components at competitive prices. However, the raw materials and components we use are subject to price volatility caused by external factors, such as commodity price fluctuations, changes in supply and demand, logistics and processing costs, our bargaining power with suppliers, inflation, governmental regulations and policies, geopolitical tensions or health epidemics. There can be no assurances that the price of our raw materials will not significantly increase or fluctuate in the future. Therefore, we might fail to secure an adequate supply of such raw materials and components under favorable business conditions as required by us, if at all, which could prevent us from meeting our customer demand. Moreover, such shortage could lead to increases in material cost and negatively impact our future profitability.

In addition, our suppliers could fail to meet our needs for various reasons beyond our control, including fires, natural disasters, extreme weather, manufacturing problems, epidemic, strikes, transportation interruptions or governmental regulation. A failure of supply could also occur due to suppliers' financial difficulties, including bankruptcy. Changing suppliers may require a long lead time. We may not be able to locate alternative suppliers in sufficient quantities, of suitable quality or at an acceptable price within a reasonable period of time, or at all. As a result, our business, financial condition and results of operations could be materially and adversely affected.

Pricing pressure from our customers may materially and adversely affect our business, financial condition and results of operations.

We design, develop and manufacture complex and quality products, and primarily supply to automotive manufacturers in automotive industry. It's a common practice in the industry for automotive manufactures to renegotiate a lowered price for existing vehicle models annually with their suppliers, and the competition in our industry will also affect our bargaining power on pricing. Our customers' purchase orders generally require step-downs in component pricing over the period of production, and the pricing scheme is normally renegotiated annually, which will reflect the pricing trends in the industry. Our automotive manufacturer customers also have significant leverage over their suppliers, including us, because our industry is relatively competitive. Prices may also be adjusted to reflect changes in product content/costs and other commercial factors. If automotive manufacturers continue to implement cost-reduction measures, the pricing pressure on us as their supplier may intensify beyond our expectations. Our financial performance is largely dependent on our ability to adjust our pricing model accordingly and achieve product cost controls through product design enhancements, supply chain management and manufacturing efficiencies actions. We also seek to enhance our financial performance by investing in product development, design capabilities and new product initiatives that respond to and anticipate the needs of our customers and consumers. We continually evaluate operational and strategic alternatives to improve our business structure and align our business with the changing needs of our customers and major industry trends affecting our business. Our inability to maintain our gross margin and achieve product cost controls that offset customer-imposed or market influenced price reductions could adversely affect our financial condition, operating results and cash flows.

We may not be successful in implementing our business plans and strategies effectively or at all, which could materially and adversely affect our business, financial condition and results of operations.

Our business plans and strategies are based on our assumptions of future events which may entail certain risks and are inherently subject to uncertainties. These assumptions may not be correct, which could affect the commercial viability of our business plans and strategies. As such, we cannot guarantee that our business plans and strategies will be implemented successfully as scheduled or at all.

We may seek to expand our business through cooperation, strategic investments, mergers and acquisitions and partnership in the future. The success of these endeavors depends on the availability of, and competition for, suitable targets and opportunities, as well as financial resources, including available cash and financing capacity. If we fail to implement our business plans and strategies effectively and efficiently, we may be unable to expand our operations, manage our growth, take advantage of market opportunities as expected or remain competitive in the industry. Moreover, future cooperations, strategic investments, mergers and acquisitions and partnerships may expose us to potential risks, including the diversion of management attention and resources from our existing business and the inability to generate sufficient income to offset the costs and expenses. These endeavors may also result in an increased leverage, sharing of potential legal liabilities in respect of the target businesses, and increased impairment charges related to goodwill and other intangible assets. As a result, we cannot assure you that we will be able to achieve the strategic purpose of any investment, partnership or cooperation, the desired level of control in management decisions of the partnership or our anticipated investment return from such business expansion. If we are unable to implement our expansion plans effectively, our business, financial condition and results of operations may be materially and adversely affected.

Changes in regulations, international trade policies, tariffs and rising political tensions, may adversely impact our business and operating results.

Due to the interconnectedness of the global economy, policy changes in one area of the world can have an immediate and material adverse impact on markets around the world. Significant political, trade or regulatory changes in the jurisdictions in which we operate or sell products, such as those stemming from the current U.S. federal administration, are difficult to predict and may have a material adverse effect on us. For example, changes to tariff policy implemented by the U.S. Congress, the Trump administration or any new administration have impacted and may in the future impact, among other things, the U.S. and global economy, international trade relations, the U.S. regulatory environment, inflation and other areas; the European Union has also implemented certain tariffs on Chinese-made electronic vehicles, which could adversely impact the competitiveness of our customers in the EU market.

Rising political tensions as a result of trade policies could reduce trade volume, investment and other economic activities between major international economies. These developments, or the perception that any of them could occur, may have a material adverse effect on global economic conditions and the stability of global financial markets, which in turn can significantly impact our business and results of operations. Consequently, such developments necessitate our increased investments in monitoring policy developments and exploring strategies to mitigate the impact on our operations. Economic sanctions and trade restriction measures (including tariffs) taken by government authorities or other trade tensions or unfavorable trade policies may affect the costs and/or marketability of our products, as, without the impact of additional tariffs, the peers in other countries and regions which are not subject to such tariffs, could potentially gain market share and improve their price competitiveness. The current international trade tensions and political tensions and any escalation of such tensions, may have a material negative impact on our ability to continue to sell to global customers and further grow our customer base. In addition, as our business is closely interrelated with the performance of our customers' end-use products in the marketplace, if our customers are impacted by restrictive measures of trade protection or export control, our performance and income will be adversely affected. Geopolitical conditions may also lead to heightened restrictions on foreign investments, technological exchange, introducing increased compliance requirements and uncertainty for investors. Any of these factors could have a material adverse effect on our and our customers' business, prospects, financial condition and results of operations.

Our manufacturing processes are potentially vulnerable to disruptions that can increase our production costs. There are uncertainties and risks on whether we may maintain optimal utilization of our production facilities and to expand our production capacity in a cost-effective manner.

We produce many products and components of products at our production facilities. We plan to continuously adjust our manufacturing capacity to market demand and to improve our productivity. Our production operations involve mainly the coordination of raw materials, inventory management, internal production processes, logistics and external sales processes. We may experience difficulties in coordinating the various aspects of our production processes, thereby causing downtime and delays. We produce and store almost all our products, as well as conduct our development activities, at our own facilities. A delay or stoppage of production caused by mechanical fault, adverse weather, natural disaster or other unanticipated catastrophic event, could significantly impair our ability to produce our products and operate our business. For example, defaults or defects related to our facilities or machineries and equipment may result in difficulties to replace with appropriate alternative solutions, catastrophic events may also destroy any inventory stored in our facilities. The occurrence of any production interruption or incident may affect our business materially and adversely. Any stoppage in production, even if temporary, or delay in delivery to our customers could adversely affect our business, financial condition and results of operations.

Our continued success is attributable to our ability to manufacture products in a cost-effective manner, which in turn depends on our ability to accurately forecast customer demand and maintain optimal utilization of our production facilities, as well as to effectively expand our production capacity to achieve economies of scale and enhance production efficiency. Our ability in optimizing our production capacity, however, is subject to risks and uncertainties which are beyond our control, including fluctuations in market demand for our products, rise in cost of establishment of manufacturing bases and delays in construction schedule. Failure in mitigating such risks may incur additional production costs and lead to an increase in our operation costs. In addition, our expansion in production capacity requires substantial capital investments and time costs, which may affect our liquidity and hinder our ability to deliver products in a timely manner.

In addition, there are risks that an accident may occur in any one of our facilities. An accident may result in destruction of property or equipment, environmental damage, manufacturing or delivery delays, or may lead to suspension of our operations and imposition of liabilities. Any such accident may result in litigation, the outcome of which is difficult to assess or quantify, and the cost to defend such litigation can be significant. As a result, the costs to defend any action, or the potential liability resulting from any such accident or arising out of any other litigation and any negative publicity associated therewith, may have an adverse effect on our business, financial condition and results of operations.

If we fail to maintain an effective quality management system, particularly during the production expansion, our business, reputation, financial condition and results of operations may be adversely affected.

Our product quality is critical to our success. Although we have established a stringent quality management system, it may not always identify latent product defects, which could lead to failures during assembly or use, resulting in safety hazards or operational issues for our customers. The effectiveness of our quality management system depends on a number of factors, including the design of the system, the machineries used, the quality of our staff and related training programs and our ability to ensure that our employees adhere to our quality management policies and guidelines. In the event that the use of end-products that adopt our products results in an unsafe condition or injury as a result of, among other factors, our component failures, manufacturing flaws, design defects or inadequate disclosure of product-related risks or information, it could result in product liability or warranty claims; we could be named as a defendant in such claims, and any insurance that we carry may not be sufficient or it may not apply to all situations. Similarly, our customers could be subjected to claims as a result of such accidents and bring claims against us to hold us accountable. In addition, in the event that our products fail to perform as expected or such failure of our products results in a recall, our reputation may be damaged, which could make it more difficult for us to sell our products to existing and prospective customers and could materially and adversely affect our business, results of operations and financial condition.

We are required to comply with specific guidelines based on product safety and restricted and hazardous materials laws and regulations that are applicable in the jurisdictions into which our customers sell their products. Our safety standards for the inspection of our products are also based on relevant national and industry standards. There can be no assurance that our quality management system will continue to be effective and in compliance with relevant laws, regulations and standards. Any significant failure in, or deterioration of the efficacy of, our quality management system could result in us losing accreditations and requisite certifications or qualifications, which could in turn have a material adverse effect on our reputation, business and results of operations.

The scale up in our production to meet increasing demand can put pressure on our quality assurance processes. For example, it may stretch existing resources, including personnel and equipment, beyond their optimal capacity, leading to potential oversights or errors. Bottlenecks may occur as quality assurance processes struggle to handle higher volumes without delays or rushed evaluations. Increased production can also cause accelerated wear and tear on equipment, affecting product quality. Scaling up may involve process changes or new technologies, introducing unforeseen quality issues. Additionally, sourcing additional materials or components to meet higher demand can result in variability in quality, impacting the final product. These challenges collectively increase the risk of defects or non-compliance with standards.

Undetected defects, errors or bugs of our products could adversely affect our business, financial condition and results of operations.

Most of our products are sold to automotive manufacturers for deployment in their specific vehicle models. The products we develop are technical and complex, requiring rigorous standards. They may contain errors, defects, security vulnerabilities or software issues difficult to detect and correct. Any real or perceived error, defect, security vulnerability, service interruption or software issue in our products may weaken customer confidence and trust in our products and result in even losses to our automotive manufacturer customers. Our product quality programs and processes may not be sufficient to avoid product failures, which could cause us to lose operating revenue, incur increased costs such as warranty expenses and costs associated with customer support, experience delays, cancellations or rescheduling of orders for our products, experience increased product returns or discounts, or damage our reputation. Our efforts to address the issues identified in our products may not be timely to meet our automotive manufacturer customers' expectations and may disrupt our production. In such an event, we may be required, or may choose, for customer relations or other reasons, to allocate additional resources to correct the problem. Furthermore, these issues could potentially lead to complaints, liability claims or lawsuits, including those filed against us by automotive manufacturer and users or other parties, exposing us to potential liabilities and damages. There may also be subsequent negative publicity associated with litigation or negative user experience, regardless of whether the allegations are valid or whether we are ultimately found liable. As a result, our customer satisfaction could be diminished, our reputation and brand could be significantly harmed, and our business, financial condition and results of operations may be materially and adversely affected.

Potential flaws and defects in our design and production processes, or in those of our suppliers, as well as unsatisfactory performance of our products, could give rise to product recall incidents. We cannot guarantee that we will not experience any material losses or expenses related to product liability or product recall incidents or that we will not incur significant costs to defend any such claims. These actions and incidents could also expose us to adverse publicity, which might adversely affect our brand, reputation and customers' preference for our products. Certain product liability claims may be the result of defects from component and parts from our suppliers, in the event of which, our attempt to enforce our rights against such suppliers and manufacturers may be extensive and time-consuming. For example, a successful product liability claim against us could require us to pay substantial monetary compensation and may generate substantial negative publicity about our business. Any insurance coverage might not be sufficient to cover all potential claims.

In addition, if flaws in either the design or manufacture of our products were to occur, we could experience a rate of failure in our products that could result in significant delays in delivery and product rework or replacement costs. Any recall claim brought against us arising from our products due to a long product life cycle, or any product liability claim brought against us in excess of our available insurance may have a material adverse effect on our business, financial condition and results of operations.

There is no assurance that we will be able to obtain, maintain, update or renew all the requisite licenses, permits, certificates and approvals required under the regulatory environment applicable to our business.

In accordance with the laws and regulations applicable to our operation, we have obtained and maintained various approvals, licenses, permits and certifications in order to operate our business. See "Business — Licenses and Approvals" for details. Complying with such laws and regulations may require substantial expense and impose burdens to us, while any non-compliance may expose us to liability. Furthermore, with the introduction and enactment of new laws and regulations, as well as the refinement of interpretations and applications of existing ones, we cannot guarantee that we will always be able to maintain or obtain all requisite approvals, licenses, permits and certifications in a timely manner.

In addition, in the event that we are required to renew our certain existing licenses or permits or acquire new ones, whether as a result of the promulgation of new laws and regulations or otherwise, there is no assurance that we will be able to meet the requisite conditions and requirements, or obtain all requisite approvals, licenses, permits and certifications in a timely manner. Furthermore, due to the evolving interpretation and implementation of existing laws and the adoption of additional laws and regulations, the licenses, permits, qualifications, registrations or filings we hold may be deemed insufficient by the competent government authorities. If we are unable to obtain, or experience material delays in obtaining, necessary government approvals, our operations may be substantially disrupted, and we may be subject to fines or penalties from local authorities, which could materially and adversely affect our business, financial condition and results of operations.

Maintaining our brand image is critical to our success, and any failure to do so could severely damage our reputation and brands, which would have a material adverse effect on our business, financial condition and results of operations.

We believe that maintaining and enhancing our brands is of significant importance to the success of our business. Well-recognized brands are important to enhancing our attractiveness to our customers. Since we operate globally in a relatively competitive market, brand maintenance and enhancement directly affect our ability to maintain our market position. The successful promotion of our brand will depend on the effectiveness of our marketing efforts and amount of word-of-mouth referrals we received from satisfied customers. We may incur extra expenses in promoting our brand. However, we cannot guarantee that these activities are and will be successful or that we can achieve the brand promotion effect we expect.

Our brands, reputation and product sales could be harmed if, for example, our products fail to meet the expectations of our customers or contain defects or fail. In addition, adverse publicity about regulatory or legal action against us could damage our reputation and brand image, undermine customer confidence in us and reduce long-term demand for our products.

In addition, negative publicity and allegations involving us, our shareholders, Directors, officers, employees and business partners, or the industry in which we operate as a whole may materially and adversely harm our brand image and reputation and cause deterioration in the level of market recognition of and trust in the products provided by us, thereby resulting in reduced sales volumes and revenues, potential loss of business partners as well as the loss of highly qualified personnel with specialized skills. In addition, such negative publicity may come from malicious harassment or unfair competition acts by third parties, which are beyond our control. Such negative publicity may also result in the diversion of management's attention, and governmental investigations or other forms of scrutiny, which may have a material and adverse effect on our business, financial condition and results of operations.

The development cycles of our products can be long and we are subject to risks relating to the planning and implementation of complex projects.

Our planning and implementation process is complex and run throughout the entire vehicle development cycle, covering numerous stages such as styling design, digital modelling, tooling and mould development, prototype trial production, testing and validation, OTS approval, trial production and PPAP. The development cycles of our products can be lengthy with significant upfront investment. The development cycle for single project normally vary between 12 to 30 months. In addition, there may be various challenges during our development process, including, in particular, technical or process handling issues. As a result, we may face additional expenses and increased quality risks. If we are unable to resolve these issues, the development of that product may fail and our business, financial condition and results of operations may be adversely affected.

Further, even where we are nominated as a supplier for a particular vehicle model and undertake project development accordingly automotive manufacturer generally do not commit to minimum purchase quantities from their suppliers, nor do they commit that the products under the relevant R&D projects will ultimately be commercialized. Whether such projects can be commercialized and mass-produced is often subject to the automotive manufacturer's commercialization plans for the relevant vehicle model and changes in its practical requirements. As such, we cannot guarantee that we may successfully commercialize such development results of each project on a timely basis, nor can we guarantee that such commercialization will achieve favourable profit margins, failure of which may adversely affect on our profitability, and there is a risk that the initial investment for development cannot be recouped.

We may not be able to adequately protect or enforce our intellectual property rights or prevent unauthorized parties from copying or reverse engineering our products, and such efforts to defend and protect our intellectual property may be costly.

The success of our products and our business depends in part on our ability to obtain patents and other intellectual property rights and maintain adequate legal protection for our products in the jurisdictions where we operate. We rely on a combination of patent, trademark, trade secret and laws related to intellectual property in China and other countries to establish and protect our proprietary rights, and yet all of which may provide only limited protection.

We cannot assure you that patents will be granted with respect to our currently pending patent applications in a manner that gives us adequate defensive protection or competitive advantages, or that any patent granted to us will not be challenged, invalidated or circumvented. Our currently granted patents and any patents that may be granted or registered in the future may not provide sufficiently broad protection or may not prove to be enforceable in actions against alleged infringers. We cannot assure you that the steps we have taken will prevent unauthorized use of our technology or the reverse engineering of our technology. The confidentiality procedures and contractual restrictions implemented by us may not be sufficient or effective.

Protecting against the unauthorized use of our intellectual property and other proprietary technology is expensive and difficult, particularly internationally. Unauthorized parties may attempt to copy or reverse engineer our technologies or certain aspects of our products that we consider proprietary. Litigation may be necessary in the future to enforce or defend our intellectual property rights, to prevent unauthorized parties from copying or reverse engineering our products, to determine the validity and scope of our proprietary rights or to block infringing products where we operate. Any such litigation, whether initiated by us or a third party, could result in substantial costs and diversion of management resources, either of which could adversely affect our business, operating results and financial condition. Even if we obtain favorable outcomes in litigation, we may not be able to obtain adequate remedies.

We may face claims of infringement on know-how and intellectual property rights by third parties which, if resolved unfavorably, could result in adverse effect to our business.

The industry in which our business operates is characterized by a large number of patents, some of which may be of questionable scope, validity or enforceability. We have established dedicated intellectual property management mechanisms and internal controls to minimize the risk of non-compliance and infringement in our use of intellectual property. However, there is a significant amount of uncertainty in the industry regarding patent protection and infringement, and we cannot be certain that the mechanisms we have adopted will eliminate all intellectual property risks, nor can we be certain that the conduct of our business does not and will not infringe, misappropriate or otherwise violate intellectual property or proprietary rights of third parties. We could become subject to claims and litigation alleging infringement by us of third-party patents, copyrights or trade secrets. For example, in the event that our employees, due to their individual non-compliant conduct, actually use unauthorized software, or in the event that we recruit employees from other technology companies, including certain potential competitors, and these employees used or alleged to have used certain know-how, technology or contents, or the participation by such employees in our research and development, we may become subject to claims. These claims and any resulting lawsuits, if resolved adversely to us, could subject us to significant liability for damages, impose temporary or permanent injunctions against the portions of our business operations that are subject to the relevant infringement disputes, or invalidate or render unenforceable our intellectual property rights. An adverse judgment could also result in loss of reputation or may force us to take costly remediation actions, such as redesigning our products. In addition, because patent applications can take many years until the patents issue, there may be applications now pending of which we are unaware, possibly resulting in accidental infringement. If we infringes a valid and enforceable patent, or if we wish to avoid potential intellectual property litigation on any alleged infringement of our solutions, we could be prevented from selling, or elect not to sell, our products unless we obtain a license, which may be unavailable or be available only at commercially unreasonable, unfavorable or otherwise unacceptable terms. Alternatively, we could be forced to pay substantial royalties or to redesign one or more of our solutions to avoid any infringement or allegations thereof. Additionally, we may face liability to our customers, business partners or third parties for indemnification or other remedies in the event that they are sued for infringement in connection with their use of our solutions.

We also may not be successful in any attempt to redesign our products to avoid any alleged infringement. A successful claim of infringement against us, or our failure or inability to develop and implement non-infringing technology, or license the infringed technology, on acceptable terms and on a timely basis, could materially adversely affect our business and results of operations. Furthermore, such lawsuits, regardless of their success, could likely be time consuming and expensive to resolve and may divert management's time and attention from our business, which could seriously harm our business. Also, such lawsuits, regardless of their success, could seriously harm our reputation with our suppliers and in the industry at large.

Our patent applications may not be issued as patents, which may have a material adverse effect on our ability to prevent others from commercially exploiting solutions similar to ours.

We cannot be certain that we are the first inventor of the subject matter for which we have filed a particular patent application, or if we are the first party to file such a patent application. If another party has filed a patent application covering the same subject matter as we have developed, and such application has priority against our patent application, we may not be entitled to the protection sought by our patent application, including preventing third parties from commercializing the same or similar technologies. Further, the scope of protection of patent claims may be limited or narrowed if the examining authority determines there is cause to do so, such as if claims included in the patent application cover subject matter that is ineligible for patent protection or is obvious, or are deemed to lack sufficient detail to enable practicing the invention or in the event of the existence of prior art. As a result, we cannot be certain that the patent applications that we file will result in issued patents, or that our issued patents will be broad enough to protect our technology or otherwise afford protection against competitors with similar technology. In addition, the issuance of a patent is not conclusive as to its inventorship, scope, validity or enforceability. Our competitors may challenge or seek to invalidate our issued patents, or design around our issued patents, which may adversely affect our business, prospects, financial condition or operating results. Also, the costs associated with enforcing patents, confidentiality and invention agreements or other intellectual property rights may make aggressive enforcement impracticable.

Changes in patent law and regulations could diminish the value of patents in general, thereby impairing our ability to protect our technologies.

The scope of patent protection in various jurisdictions is uncertain. Changes in either the patent laws or their interpretation in countries and regions where we operate may diminish our ability to protect our inventions, obtain, maintain, defend and enforce our intellectual property rights and, more generally, could affect the value of our intellectual property or narrow the scope of our patent rights. We cannot predict whether the patent applications we are currently pursuing and may pursue in the future will issue as patents in any particular jurisdiction or whether the claims of any future granted patents will provide sufficient protection from competitors. The coverage claimed in a patent application can be significantly reduced before the patent is issued, and its scope can be reinterpreted after issuance.

Even if patent applications that we own currently or in the future issue as patents, they may not issue in a form that will provide us with any meaningful protection, prevent competitors or other third parties from competing with us, or otherwise provide us with any competitive advantage. As a result, the issuance, scope, validity, enforceability and commercial value of our patent rights are highly uncertain.

In addition to patented technology, we rely on our unpatented proprietary technology, trade secrets, processes and know-how as well as our copyrights in our production and operation process.

We generally seek to protect our proprietary information (such as trade secrets, know-how and confidential information) by entering into confidentiality agreements, or consulting, services or employment agreements that contain non-disclosure and non-use provisions with our employees, consultants, contractors, scientific advisers and third parties. However, we may fail to enter into the necessary protective agreements, and even if entered into, these agreements may be breached or may otherwise fail to prevent disclosure, third-party infringement or misappropriation of our proprietary information, may be limited as to their term and may not provide an adequate remedy in the event of unauthorized disclosure or use of proprietary information. We have limited control over the protection of trade secrets used by our third-party manufacturers and partners and could lose future trade secret protection if any unauthorized disclosure of such information occurs. In addition, our proprietary information may otherwise become known or be independently developed by our competitors or other third parties. To the extent that our employees, consultants, contractors, scientific advisers and other third parties use intellectual property owned by others in their work for us, disputes may arise as to the rights in related or resulting know-how and inventions. Costly and time-consuming litigation could be necessary to enforce and determine the scope of our proprietary rights, and failure to obtain or maintain protection for our proprietary information could adversely affect our competitive business position.

However, we cannot assure you that such measures will be effective in mitigating the relevant risks or completely preventing intellectual property disputes or competition from arising.

We also rely on physical and electronic security measures to protect our proprietary information, but we cannot provide assurance that these security measures will not be breached or provide adequate protection for our property. There is a risk that third parties may obtain and improperly utilize our proprietary information to our competitive disadvantage. We may not be able to detect or prevent the unauthorized use of such information or take appropriate and timely steps to enforce our intellectual property rights.

We rely on our business partners and other industry participants and the business collaboration with them is subject to various risks.

Strategic business relationships are, and will continue to be, an important factor in the growth and success of our business. We have alliances and partnerships with other industry participants, such as research centers. If we are unable to maintain the existing relationships with our business partners, or if we fail to identify and negotiate additional relationships that are essential to our future expansion or success on commercially acceptable terms or at all, we may incur increased costs to develop and provide these capabilities on our own, and our business, financial condition and results of operations could be materially and adversely affected. We could experience delays in the development or delivery of our products to the extent our partners do not meet agreed timelines or experience capacity constraints. We could also experience disagreement in budget or funding for any joint development project. There is also risk of potential disputes with partners in the future, including with respect to intellectual property rights. Moreover, if our existing partner agreements were to be terminated, we may be unable to timely secure alternative agreements on terms and conditions commercially acceptable to us. Any of the foregoing could materially and adversely affect our business, financial condition and results of operations.

We are exposed to credit risks related to our trade and bills receivables, deposits and other receivables.

We face credit risks attributable to our trade and bills receivables, deposits and other receivables. Our trade and bills receivables in 2023, 2024 and the nine months ended September 30, 2025 amounted to RMB4,398.1 million, RMB6,108.9 million and RMB6,250.0 million, respectively. In the relevant years/periods, our average trade receivable turnover days were 77 days, 103 days and 105 days respectively.

The fluctuation and extension of trade and bills receivables turnover may have a material and adverse effect on our cash flow and liquidity position. See "Financial Information — Discussion of Certain Components from our Consolidated Statements of Financial Position — Trade and Bills Receivables" for details. Additionally, our deposits and other receivables, less allowance for credit loss in 2023 and 2024 and the nine months ended September 30, 2025, amounted to RMB3.6 million, RMB2.2 million and RMB5.0 million, respectively. We have dedicated personnel responsible for trade and bills receivables, as well as deposits and other receivables. We cannot assure you that all of our counterparties will not default on us in the future, despite our efforts to conduct credit assessments on them. As a result, we are exposed to risks that our counterparties may fail to fulfill their obligations to us under our contracts.

We are exposed to inventory management risks.

Our inventories primarily consist of raw materials, work in progress and finished goods. As of December 31, 2023 and 2024 and September 30, 2025, our inventories were RMB2,245.4 million, RMB2,629.3 million and RMB2,653.1 million, respectively, of which finished goods accounted for 64.9%, 75.4% and 75.7%, respectively. Our inventory turnover days for the relevant years/periods was 101 days, 82 days and 82 days, respectively.

If we fail to manage our inventory effectively, we may be subject to increased inventory storage costs, a heightened risk of inventory obsolescence, a decline in inventory value and significant inventory write-offs. We cannot guarantee that our inventory levels will be able to swiftly meet the demands of customers, which may adversely affect our revenue. We also cannot guarantee that all of our inventory can be sold as products within a reasonable period of time. Any of the above may materially and adversely affect our results of operations and financial condition. On the other hand, if we underestimate demand for our products, or if our suppliers fail to supply in a timely manner, we may experience inventory shortages, which might result in a diminished customer base and a decrease in revenue, any of which could harm our business, financial condition and results of operations.

We have implemented an inventory management system that requires close internal coordination to ensure that our inventory levels are sufficient to satisfy demand and do not cause any disruptions in production while minimizing carrying costs. In the event of any damage or deterioration caused by factors beyond our control, including catastrophic events such as outbreak of fire or explosion, we may suffer from losses and such losses may not be compensated in a timely and adequate manner. Our business performance and financial position may thereby be adversely affected.

Work stoppages, increases in labor costs and other labor-related matters may adversely affect our business operations.

We believe that we have a good working relationship with our employees. We have not experienced any material work stoppages, strikes or other major labor problems for the years ended December 31, 2023 and 2024 and the nine months ended September 30, 2025. However, there can be no assurance that any of such events will not arise in the future. If our employees were to engage in a strike or other work stoppage, we could experience significant disruption of our operations and/or higher ongoing labor costs, which may have an adverse effect on our business, financial condition and results of operations.In addition, labor costs in regions where we operate have been increasing in recent years and could potentially continue to increase, which may further increase our manufacturing costs. Factors contributing to rising labor costs include inflationary pressures, changes in minimum wage laws and increased demand for skilled workers. Additionally, regulatory changes or enhanced employee benefits mandated by law could further exacerbate these costs. The competition for skilled labor in our industry is intense and we may be required to offer more attractive compensation packages to retain and attract qualified personnel. We may not be able to pass on these increased costs to customers by increasing the selling prices of our products in light of competitive pressure in the markets where we operate. In such circumstances, our profit margin may decrease and our financial condition and results of operations may be materially and adversely affected.

Pursuant to the Labor Contract Law, dispatched labor is intended to be a supplementary form of employment and the fundamental form should be direct employment by enterprises and organizations that hire employees. Further, it is stated in the Interim Provisions on Labor Dispatch (《勞務派遣暫行規定》) that became effective on March 1, 2014 that the number of dispatched workers an employer uses may not exceed 10% of its total labor force. During the Track Record Period, dispatched workers of our Company and certain PRC subsidiaries exceeded 10% of the total labor force. During the Track Record Period and up to the Latest Practicable Date, we had not received any notice of rectification from, or been imposed any administrative penalty by, the relevant governmental authorities in this regard. However, we cannot assure you that the competent authorities will not request us to rectify such arrangements within a prescribed period. If we fails to rectify within the prescribed period, it may be subject to a fine ranging from RMB5,000 to RMB10,000 per excess dispatched worker.

Failure to pay social insurance and housing provident funds for our employees in accordance with applicable laws and regulations may subject us to penalties.

We are subject to PRC labour laws and regulations and are required to make contributions for our employees to various social welfare schemes, including the housing provident fund, pension insurance, medical insurance, unemployment insurance, maternity insurance and work-related injury insurance. The relevant authorities may inspect an employer's compliance, and any failure to make full contributions in accordance with applicable requirements may result in administrative penalties. During the Track Record Period, we did not make full social insurance and housing provident fund contributions for certain employees in accordance with applicable local requirements, or arranged for certain employees' contributions to be made through third-party agencies. During the Track Record Period and up to the Latest Practicable Date, we had not received any warning notice from the relevant authorities in this regard, nor were we subject to any administrative penalties or other disciplinary actions, and none of our employees had made or brought any collective complaints or whistleblowing reports. As advised by our PRC legal advisor, assuming there are no material changes in the applicable policies, laws and regulations and local enforcement requirements relating to social insurance and housing provident fund contributions, and there are no employee collective complaints or reports, the risk of us being subject to centralized collection of contributions payment or material administrative penalties in respect of the above matters is relatively low. However, we cannot assure you that the competent authorities will not require us to pay any underpaid contributions and impose late payment surcharges or fines. If we are investigated or subject to material administrative penalties, or incur material legal costs, due to non-compliance with relevant PRC laws and regulations, our business, financial condition and results of operations could be adversely affected.

Our production is dependent on the stable, timely and adequate supply of energy at reasonable prices.

We depend on a stable supply of energy, mainly including electricity and water, to maintain production. Our production volume and manufacturing costs are affected by the price and supply of energy. The prices of energy are subject to a number of factors which may be beyond our control, including inflation, supplier capacity constraints, general economic conditions, commodity price fluctuations, demand from other industries for energy and local and national regulatory requirements. Furthermore, there can be no assurance that unexpected and serious shortages of energy will not occur in the future or that we will be able to pass on any cost increases to our customers. Adverse changes in power consumption policies, particularly those leading to higher energy prices, could negatively impact our business, financial condition, operational results and prospects. Significant fluctuations in these costs could materially affect our profitability if we are unable to adjust our product prices accordingly, potentially undermining our competitive advantages. Failure to pass increased costs onto our customers may lead to a reduction in our profit margins. If the supply of energy is affected by natural disasters, adverse weather conditions, equipment failures, disruptions in transport or other inclement factors, we may not be able to locate alternative sources of supply at commercially reasonable prices or maintain the full energy supply required for production, resulting the reduction or cessation of production capacity. Any such events may have a material adverse effect on our business, financial condition and results of operations.

Our existing automotive manufacturer customers may not purchase our products in any certain quantity or at any certain price.

Upon obtaining nomination from certain automotive manufacturer, we develop customized solutions to be equipped on specific vehicle models of automotive manufacturer customers. We generally enter into procurement general terms or master contracts with our automotive manufacturer customers, which set forth the general and salient terms such as general product range, individual contract and/or order placement principals, technology standards, qualification and warranty requirements, delivery principals, indemnifications and general terms. For details such as purchasing quantity, pricing, our automotive manufacturer customers may provide estimations based on their production plan of relevant vehicle models, and will enter into individual contracts or place procurement orders specifying the pricing with us from time to time, and the automotive manufacturer may reserve the right of potential adjustment of the purchase volumes and delivery arrangement, which may result in uncertainty to our revenue. Additionally, automotive manufacturer may experience delays or cancellations in the development of the models, which may result in extended timelines or even the abandonment of certain models. As a result, in case actual production orders from the automotive manufacturer customers are not consistent with their projections, or even if mass production commences but the orders placed with us and the prices offered to us differ materially, we could realize less revenue than our expectation. If actual production orders or sales volumes are lower than estimated, we may not cancel excess supplies in a timely manner, or at all, and the inventory may accumulate, leading to increased storage costs and potential obsolescence, which may materially and adversely affect our business, financial condition and results of operations.

We have certain construction projects which require substantial upfront investment and involve long construction years/periods. Without prudent project selection and effective risk management, our business, financial condition and results of operations may be adversely affected.

We currently have several construction in process projects, such as the electronics facility of the Intelligent Manufacturing Industrial Park and the intelligent automotive electronics and vision systems industrial center project. The construction and operation of such projects may require substantial upfront capital and resources during the early stages of project development. The successful completion of such projects is subject to several factors beyond our control, including but not limited to regulatory approval, climate conditions, and supply chain condition. Any delay or disruption in these processes may result in cost overruns, project postponements or cancellations, which could adversely affect our business, financial condition and results of operations. Furthermore, the long payback period associated with these capital-intensive projects may impact our liquidity and profitability. We cannot assure you that we will always accurately assess project feasibility, manage construction risks or respond promptly to market changes, which may adversely affect our business, financial condition and results of operations.

Any failure to offer high-quality maintenance and after-sales support services for our customers may harm our relationships with them and, consequently, our business.

As we continue to grow our operations and support our customer base, we need to be able to continue to provide efficient after-sales support and effective maintenance that meets our customers' needs at scale. We may not be able to recruit or retain sufficient qualified support personnel with experiences in supporting customers of our products. As a result, we may be unable to respond quickly enough to accommodate short-term increases in customer demand for technical support or maintenance assistance. We also may be unable to modify the future scope and delivery of our maintenance services and technical support to compete with changes in the technical services provided by our competitors.

If we experience increased customer demand for after-sales support and maintenance, we may face increased costs that may harm our results of operations. In particular, we may expand to countries and regions where the costs of providing maintenance and after-sales support services are higher as a result of more stringent consumer protection regulations and market practices. If we are unable to provide efficient customer maintenance and after-sales support, our business may be harmed. Our ability to attract new end customers is highly dependent on our business reputation and on positive recommendations from our existing customers. Any actual or perceived failure to maintain high-quality maintenance and after-sales support services would harm our business.

Our employees and business partners may engage in intentional or negligent misconduct, or violate our internal policies and laws, which could impair the quality of our service, cause us to lose customers or subject us to liabilities.

We risk compromising the quality of our products if our employees and business partners do not perform in accordance with our standards. We have internal policies and guidelines to monitor and ensure the products delivered to our customers are of satisfactory standard. In addition, we have adopted and strictly implemented a series of procedures designed to verify the integrity and qualifications of our employees before they are engaged, and of partners prior to any cooperation. Nevertheless, we cannot guarantee that our employees and business partners will not engage in any intentional or negligent misconduct.

Furthermore, we may be exposed to the risks of fraud or other unlawful activities committed by our employees and business partners. Fraud or other unlawful activities by our employees and business partners may include making unauthorized misrepresentation to our customers, misappropriating third-party intellectual property and other proprietary rights, misusing sensitive customer information and engaging in bribery or other unlawful payments. In any such event, we could incur liability to our customers or any other third parties.

Any claims could subject us to costly litigation and affect our business, financial condition and results of operations, and may distract the attention of our management regardless of whether the claims have merit. Any claims could result in complaints from our customers or other third parties, regulatory or legal liabilities or damages to our reputation.

Any discontinuation, reduction or delay in payment of any government grants, tax refund or preferential tax treatments may have a material and adverse impact on our business, financial condition and results of operations.

During the Track Record Period, we benefited from certain government grants and subsidies. In 2023, 2024 and the nine months ended September 30, 2024 and 2025, we recognized government grants of RMB118.2 million, RMB175.0 million, RMB114.4 million and RMB117.7 million, respectively. In addition, we and some of our subsidiaries are entitled to preferential tax treatment. For example, the Company has been accredited as High and New Technology Enterprises and were subject to a preferential enterprise income tax rate of 15% during the Track Record Period. Pursuant to the Serbian Corporate Income Tax Law and based on the scale of our Group's investment in the Republic of Serbia, our subsidiary in Serbia will be entitled to a 10-year corporate income tax exemption commencing from its first profit-making year. See "Financial Information — Description of Major Components of Our Results of Operations — Income Tax Expenses." Preferential tax treatments granted to us by PRC governmental authorities and the governmental authorities in other jurisdictions are subject to review and may be adjusted or revoked in the future. We cannot guarantee that the preferential tax treatments to which our we are currently entitled will be successfully renewed.

We cannot guarantee that the local governments and tax authorities will not, in the future, change their position and discontinue any of the grants and subsidies, or our current tax treatments. The discontinuation of governmental grants and/or any of our current tax treatments could adversely impact our net profit.

Our results of operations were and may continue to be subject to period-to-period fluctuations.

We have experienced and may continue to experience period-to-period fluctuations in our results of operations. Historically, we had more sales and production volumes in the fourth quarter of a given year as compared to the rest of year because our automotive manufacturer customers tended to deliver more products during the fourth quarter of the year. In addition, we cannot guarantee against any delay in completion of inspection and acceptance by our customers. Any slight delays in the customer acceptance of our products may cause substantial changes in proportion of operational results over different quarters of the year or even different year. As a result of such fluctuations in our revenue recognition from period to period, comparisons of revenue and our operating results between different years/periods within a single financial year are not necessarily meaningful, nor can these comparisons be relied upon in assessing or predicting our future financial performance in a particular year or period.

We may incur significant capital expenditures for our business operations and expansion plans, which may adversely affect our short-term cash flow, liquidity and profitability.

We may incur significant capital expenditures in connection with our business operations and expansion plans, including investments in our manufacturing bases to expand our offerings and upgrade our production technologies. See "Financial Information — Capital Expenditures." In 2023 and 2024 and the nine months ended September 30, 2025, our capital expenditures amounted to RMB1,040.6 million, RMB679.1 million and RMB666.0 million, respectively. Inherent risk exists for such significant capital expenditures as our investments may not succeed or generate the benefits that we expect, which could materially affect our profitability. Even if we achieve our goals for such investments, our short-term cash flow and liquidity may be adversely affected. While we intend to explore alternative arrangements to reduce the capital intensity of any future expansion, there is no assurance this will be successful. The markets for certain of our offerings remain relatively new, and it is uncertain whether our efforts, and related investments, will result in adequate financial returns for us. Further, our technological adjustments and upgrades, as well as new products and services, may not be successful. Any early-stage investments and development of such new products may not result in long-term success or financial returns for us.

We face certain risks in relation to our leases.

As of the Latest Practicable Date, certain of our lease agreements had not been registered and filed with the relevant real estate administration bureaus in the PRC. Although failure to do so does not in itself invalidate the leases, the lessors and the lessees may be exposed to potential fines if they fail to rectify such non-compliance within the prescribed time frame after receiving notice from the relevant PRC government authorities. The relevant government authorities may impose a fine ranging from RMB1,000 to RMB10,000 for each unregistered lease. We cannot assure you that the lessors will cooperate and complete the registration in a timely manner once we are required to do so.

We, our Directors, management, employees and shareholders and their affiliates may be subject to lawsuits, contract disputes, employment-related controversies, and other legal and administrative proceedings or fine.

As of the Latest Practicable Date, we were not a party to any material legal or administrative proceedings. However, we may in the future be subject to or involved in lawsuits, contract disputes, employment-related controversies and other legal and administrative proceedings or fines relating to our business operations. Lawsuits and other administrative or legal proceedings that may arise during our operations can involve substantial costs, including the costs associated with investigation, litigation and possible settlement, judgment, penalty or fine. Lawsuits and other legal and administrative proceedings may be costly and time consuming and may require a commitment of management and personnel resources that will be diverted from our normal business operations. There may also be negative publicity associated with litigation that could decrease consumer acceptance of our products, regardless of whether the allegations are valid or whether we are ultimately found liable. If any of these happens, our business, financial condition, results of operations or liquidity could be materially and adversely affected. In addition, our Directors, management, shareholders and employees and their affiliates may from time to time be subject to litigation, regulatory investigations, proceedings and/or negative publicity or otherwise face potential liability and expense in relation to commercial, labor, employment, securities or other matters, which could adversely affect our reputation and results of operations.

We or certain of our Directors or officers may be a target for lawsuits, including putative class action lawsuits brought by shareholders and lawsuits against our Directors and officers as a result of their position in other public companies. We cannot assure you that we or our Directors or officers will be able to prevail in their defense or reverse any unfavorable judgment on appeal, and we and our Directors or officers may decide to settle lawsuits on unfavorable terms. Any adverse outcome of these cases, including any plaintiffs' appeal of the judgment in these cases, could result in payments of substantial monetary damages or fines, or changes to our business practices and thus materially and adversely affect our business, financial condition, results of operations, cash flows and reputation. Moreover, even if we or our Directors or officers eventually prevail in these matters, we could incur significant legal fees or suffer significant reputational harm. We also may be subject to claims for indemnification related to these matters, and we cannot predict the impact that indemnification claims may have on our business or financial performance.

We face inherent risks related to patent disputes and litigation in our business. Such disputes can divert management's focus, incur substantial legal costs and damage our reputation. Unfavorable outcomes could result in financial liabilities, operational disruptions or restrictions on the use of certain technologies, adversely affecting our business, financial condition and operational results.

We are subject to environmental, fire control and health and safety laws, regulations and requirements.

We are subject to a number of environmental, fire control and health and safety laws and regulations, including, but not limited to, the treatment and discharge of pollutants into the environment during our business operations. In addition, our production facilities and production lines can only be put into operation after the relevant administrative authorities in charge of environmental protection, fire control have examined and approved the relevant facilities in China or other jurisdictions.

We may not be fully compliant with these requirements and may experience several isolated immaterial incidents, and we cannot guarantee that we will be able to comply with all regulations and obtain all the regulatory approvals required for our production in a timely manner, or at all. Delays or failures in obtaining all the requisite regulatory approvals of such facilities may affect our ability to develop, manufacture and commercialize our products in line with our plans. As requirements imposed by such laws and regulations may change and more stringent laws or regulations adopted, we may not be able to comply with, or accurately predict any potential substantial cost of complying with, these laws and regulations. If we fail to comply with relevant laws and regulations, we may be subject to rectification orders, substantial fines, potentially significant monetary damages or production suspensions in our business operations. In addition, we cannot fully eliminate the risk of accidental contamination, biological or chemical hazards or personal injury at our facilities during the process of testing, developing and manufacturing our products. In the event of an accident involving a breach of any of these laws and regulations, we could be held liable for damages and clean-up costs which, to the extent not covered by existing insurance or indemnification, could harm our business, financial condition and results of operations. Other adverse effects could result from such liability, including reputational damage.

Our risk management and internal control systems may not be adequate or effective.

We seek to improve and update our risk management and internal control systems on a regular basis. See "Business — Risk Management and Internal Control" for details. However, there is no assurance that they will be effective in safeguarding our risk management and internal control functions and fulfilling their purposes by ensuring, among other things, accurate reporting of our financial results and the prevention of fraud. Since our risk management and internal control systems depend on effective implementation by our employees, and even though we provide relevant internal trainings in this regard, we cannot assure you that our employees are sufficiently or fully trained to implement these systems or that their implementation will be free from error or mistakes. If we fail to timely update, implement, modify, or fail to deploy sufficient human resources to maintain our risk management policies and internal control procedures, our business, financial condition results of operations and prospects could be materially and adversely affected.

In addition, our success depends on our ability to effectively utilize our standardized management system, information systems, resources and internal controls. As we continue to expand, we will need to modify and improve our financial and managerial controls, reporting systems and procedures and other internal controls and compliance procedures to meet our evolving business needs. If we are unable to improve our internal controls, systems and procedures, they may become ineffective and adversely affect our ability to manage our business and cause errors, information lapses or production breakdown that affect our business. If we are not successful in identifying and overcoming weaknesses in our internal controls, our business, financial condition and results of operations could be materially and adversely affected.

Further, there can be no assurance that our employees will not engage in misconducts or omissions that could materially and adversely affect our business, financial condition and results of operations. In addition, although we maintain strict standards in choosing our business partners, there is no assurance that our business partners will not engage in misconducts or omissions. Any misconduct by our business partners may affect our operations and reputation, which may in turn affect our business, results of operations and financial condition.

We may not have sufficient insurance coverage to cover our business risks.

We have obtained insurance to cover certain potential risks and liabilities, such as property insurance and employers' insurance. For further details, see "Business — Insurance." However, insurance companies in the PRC and other jurisdictions in which we operate may offer limited business insurance products. As a result, we may not be able to acquire any insurance for all types of risks we face in our operations in the PRC and overseas, and our coverage may not be adequate to compensate for all losses that may occur, particularly with respect to loss of business or operations. This potentially insufficient coverage could expose us to potential claims and losses. Any business disruption, litigation, regulatory action, outbreak of epidemic disease, adverse weather conditions or natural disasters could also expose us to substantial costs and diversion of resources. There can be no assurance that our insurance coverage will be sufficient to cover us for any loss or that we will be able to successfully claim our losses under our current insurance policy on a timely basis, or at all. If we incur any loss that is not covered by our insurance policies, or the compensation amount is significantly less than our actual loss, our business, financial condition and results of operations could be materially and adversely affected.

We may be subject to applicable laws and regulations relating to cyber security and data privacy.

We may be subject to laws and regulations relating to cyber security and data privacy, including restrictions on the collection, usage and storage of confidential information. In addition, we may be influenced by misconduct of our employees or third parties, such as improperly using information obtained in our operations, misappropriating or illegally disclosing confidential information obtained in our business operations. As a result, we may be required to invest significant resources to develop our security measures against cyber security and data privacy issues caused by potential breaches.

In addition, regulatory requirements on cyber security and data privacy are constantly evolving and can be subject to varying interpretations or significant changes, resulting in uncertainties about the scope of our responsibilities in that regard. We cannot guarantee that relevant interpretation or implementation of the laws or regulations will not adversely affect us. We may also become subject to new laws and regulations regarding cyber security and data privacy matters. Failure to comply with the applicable laws and regulations or effectively address data privacy and protection concerns could subject us to legal proceedings, regulatory actions or penalties, which may further adversely affect our business, financial condition and results of operations.

Failure or disruption of our information technology systems could endanger the trust of our customers and adversely affect our business, financial condition and results of operations.

We have implemented various information technology systems to cover key areas of our operations. We rely on our information technology systems for the timely delivery of our products to customers. However, any failure or disruption in the operation of these systems or the loss of data due to such failure or disruption, including due to human error, sabotage, cyber attack or any actual or perceived security breach that leads to leakage of our confidential information, may interrupt our operations, temporarily or permanently disable our platform, result in fraudulent transfer of funds, damage our relationships with our customers and other business partners, and subject us to high cost and damages, legal liabilities, regulatory sanctions, financial exposure and reputational damages, any of which may materially and adversely affect our business, financial condition and results of operations.

Furthermore, the unavailability of, or failure to retain, well-trained employees capable of constantly servicing our information technology systems may lead to inefficiency or disruption of information technology systems, thereby adversely affecting our ability to operate efficiently.

To address any ESG risks, we may incur additional costs, which may materially and adversely affect our financial performance.

To identify, manage and mitigate ESG risks, we may incur additional costs and expenses which could impact our financial performance. Nonetheless, we monitor ESG risks that may impact on our business, strategy and financial performance and evaluate the magnitude of the resulting impact over the short-, medium- and long-term horizons. We monitor a wide range of indicators to manage our environmental and climate-related risks arising from our operations and are committed to providing adequate support to our employees to nurture a friendly and inspirational corporate culture. This commitment may entail incurring substantial additional costs and would potentially impact our profitability. See "Business — Environmental, Social and Governance" for details.

In addition, the increasing ESG-related regulatory requirements, including various ESG disclosure mandates in the jurisdictions where we operate, may lead to rising compliance costs. Failure to adapt to new regulations or meet evolving industry expectations and standards could result in customers choosing products from other companies, which may materially and adversely affect our results of operations and financial conditions.

Any future occurrence of force majeure events, such as natural disasters, wars or outbreaks of contagious diseases may materially and adversely affect our business, financial condition and results of operations.

Our business could be adversely affected by natural disasters such as floods, earthquakes, sandstorms, snowstorms, fire or drought, the outbreak of a widespread health epidemic or any severe epidemic disease such as SARS, Ebola, Zika or the COVID-19, acts of war, riots, terrorism or other force majeure events beyond our control. Any of the foregoing events may give rise to interruptions, damage to our property, delays in production, breakdowns, system failures, technology platform failures or internet failures, all of which could adversely affect our business, results of operations, financial condition and prospects. In particular, these natural disasters, outbreaks of contagious diseases and other adverse public health developments could severely disrupt our business operations by damaging our technology infrastructure or information technology system or impacting the productivity of our workforce, which may adversely affect our financial condition and results of operations.

RISKS RELATING TO DOING BUSINESS IN THE COUNTRIES WHERE WE OPERATE

Uncertainties embedded in the legal systems in the countries and regions where we operate could affect our business, financial condition and results of operations.

We conduct our business primarily through our entities in China. Our operations in China are governed by PRC laws and regulations. And we have set up our major overseas manufacturing base in the Republic of Serbia. As of the Latest Practicable Date, we had overseas subsidiaries located in Germany, the Republic of Serbia, Japan, Mexico and United States. We also have a subsidiary in Hong Kong. Legal systems of the geographic markets where we operate vary significantly from jurisdiction to jurisdiction. Some jurisdictions have a civil law system based on written statutes and others are based on common law. Unlike the common law system, prior court decisions under the civil law system may be cited for reference but have limited precedential value.

The legal systems of some geographic markets where we operate are consistently evolving. Laws and regulations that are recently enacted may not sufficiently cover all aspects of economic activities in such markets. In particular, the interpretation and enforcement of these laws and regulations are subject to future implementations, and the application of some of these laws and regulations to our businesses is not settled. Since local administrative and court authorities are authorized to interpret and implement statutory provisions and contractual terms, it may be difficult to evaluate the outcome of administrative and court proceedings and the level of legal protection we have in many of the geographic markets where we operate. Local courts may have discretion to reject enforcement of foreign awards or arbitration awards. These uncertainties may affect our judgment on the relevance of legal requirements and our ability to enforce our contractual rights or claims. In addition, the regulatory uncertainties may be exploited through unmerited or frivolous legal actions, claims concerning the conduct of third parties, or threats in attempt to extract payments or benefits from us.

Furthermore, many of the legal systems in the geographic markets where we operate are based in part on their respective government policies and internal interpretations, some of which are not published on a timely basis or at all and may have retroactive effects. There are other circumstances where key regulatory definitions are unclear, imprecise or missing, or where interpretations that are adopted by regulators are inconsistent with interpretations adopted by a court in analogous cases. As a result, we may not be aware of our violation of certain policies or rules until sometime after the violation. In addition, administrative and court proceedings in certain of our geographic markets may be protracted, resulting in substantial costs and diversion of resources and management attention.

It is possible that a number of laws and regulations may be adopted or construed to be applicable to us in our geographic markets and elsewhere that could affect our businesses and operations. Scrutiny and regulations of the industries in which we operate may further increase, and we may be required to devote additional legal and other resources to addressing these regulations. Changes in current laws or regulations or the imposition of new laws and regulations in our geographic markets may slow the growth of our industries and affect our business, financial condition and results of operations.

We may be subject to the approval, filing or other requirements of the CSRC or other PRC governmental authorities in connection with overseas offerings and future capital raising activities.

On February 17, 2023, the CSRC promulgated the Filing Rules and their implementation guidelines. The Filing Rules, which came into effect on March 31, 2023, mainly provide the scope of activities subject to the filing requirement, the entities subject to filing obligations and the filing procedures. We are required to file with the CSRC in accordance with the Filing Rules after our application for the offering is submitted, and there is uncertainty as to whether we will be able to complete the filing procedures or obtain approval for this offering in a timely manner or at all.

If the CSRC or other PRC regulatory authorities in the future promulgate new rules or explanations imposing further requirements that we obtain their approvals or complete the required filing or other regulatory procedures for this offering or future capital raising activities, there can be no assurance that we will be able to obtain a waiver of such approval requirements, if and when procedures are established to obtain such a waiver. Any unforeseen situations or negative publicity regarding such approval, filing or other requirements could materially and adversely affect our business, financial condition, results of operations and the trading price of our Shares.

[REDACTED] may experience difficulties in effecting service of legal process or enforcing foreign judgments against us and our Directors and management.

We are a company incorporated under the laws of the PRC and some of our assets and subsidiaries are located in the PRC and Serbia. The majority of our Directors and senior management resides within the PRC. The assets of these Directors and senior management also may be located within the PRC. Neither the PRC nor Serbia have treaties providing for the reciprocal recognition and enforcement of judgments of courts of most other jurisdictions. As a result, recognition and enforcement in the PRC or Serbia of judgments of a court in any of these jurisdictions outside the PRC or Serbia may be difficult. It may be also difficult and time-consuming to effect service of process upon our Directors and senior management outside the PRC or Serbia.

We are subject to the currency exchange regulatory system.

The conversion of RMB is subject to applicable laws and regulations in the PRC. It cannot be guaranteed that under a certain exchange rate, we will have sufficient foreign exchange to meet our foreign exchange requirements. Under the current PRC foreign exchange control system, foreign exchange transactions under the current account conducted by us, including the payment of dividends, do not require advance approval from the SAFE, but we are required to present documentary evidence of such transactions and conduct such transactions at designated foreign exchange banks within China that have the licenses to carry out foreign exchange business. Foreign exchange transactions under the capital account, however, normally need to be approved by or registered with the SAFE or its local branch unless otherwise permitted by law.

Accordingly, following the completion of the [**REDACTED**], under existing foreign exchange regulations, there is no assurance that we may obtain sufficient foreign currencies to satisfy all of our foreign currency demands. Any insufficiency of foreign exchange may restrict our ability to obtain sufficient foreign exchange for dividend payments to shareholders or to satisfy any other foreign exchange requirements, or to capitalize our capital expenditure plans, and even our business, operating results and financial condition, may be affected. Further, we cannot guarantee that new regulations will not be promulgated by Chinese or foreign authorities in the future that would have the effect of further restricting the remittance of RMB into or out of China.

We could be subject to changes in our tax rates, the adoption of new local or overseas tax legislation or exposure to additional tax liabilities.

As a company incorporated in the PRC, we are subject to PRC tax laws and regulations. We cannot assure you that we will be able to fully comply with the relevant tax laws and regulations. Any violation of such laws and regulations may result in fines, other penalties, actions or litigation, which could adversely affect our business, financial condition and results of operations.

We also operate in countries and regions overseas and are subject to various taxes and may be entitled to preferential tax treatment in such jurisdictions. For example, based on the Corporate Income Tax of Serbia and the investment scale by our Group in the Republic of Serbia, our subsidiary in Serbia will be entitled to a 10-year exemption of corporate income tax from the initial profitable year. Due to the fact that the tax environment and legal framework can vary significantly across jurisdictions and that regulations regarding various taxes, including but not limited to corporate income tax and import duties, are highly complex, our overseas operations and expansion may expose us to risks associated with overseas tax laws, regulations and policies, and there are no guarantee on continuous preferential tax treatment in different jurisdictions. Additionally, as we sell our products to various non-domestic markets, the intricacies of import duty regulations can lead to disputes when exporting products, as interpretations and applications of such rules may differ between countries. In such cases, we will be subject to fines or other penalties, which may not always have merit. Due to economic and political conditions, tax rates in various jurisdictions may be subject to significant change. Our effective tax rates could be affected by changes in the mix of earnings in countries with differing statutory tax rates, changes in the valuation of deferred tax assets and liabilities or changes in tax laws or their interpretation. Dealing with such regulatory complexities and changes may require us to divert more managerial and financial resources, which in turn could affect our results of operations.

We are also subject to the examination of our tax returns and other tax matters by local and overseas tax authorities and governmental bodies. We regularly assess the likelihood of an adverse outcome resulting from these examinations to determine the adequacy of our provision for taxes. There can be no assurance as to the outcome of these examinations. If our effective tax rates were to increase, or if the ultimate determination of our taxes owed is for an amount in excess of amounts previously accrued, our financial condition, operating results and cash flows could be adversely affected.

We are a PRC enterprise and we are subject to PRC tax on our global income. [REDACTED] may be subject to PRC income taxes for any gains on the sales of H Shares and dividends on the H Shares.

Under the PRC EIT Law and Implementation Regulation of the EIT Law, subject to any applicable tax treaty or similar arrangement between PRC and a non-PRC investor's jurisdiction of residence that provides for a different income tax arrangement, PRC withholding tax at the rate of 10% is normally applicable to dividends from PRC sources payable to investors that are non-PRC resident enterprises which do not have an establishment or place of business in PRC, or which have an establishment or place of business in PRC but the relevant income is not effectively connected with such establishment or place of business. Any gains realized on the transfer of Shares by such investors are subject to a 10% PRC income tax rate if such gains are regarded as income from sources within PRC unless a treaty or similar arrangement provides otherwise.

Under the PRC Individual Income Tax Law (《中華人民共和國個人所得稅法》) and its implementation rules, dividends from sources within PRC paid to foreign individual investors who are not PRC residents are generally subject to a 20% PRC withholding tax rate, and gains from PRC sources realized by such investors on the transfer of shares are generally subject to a 20% PRC income tax rate, in each case, subject to any reduction or exemption under applicable tax treaties and laws in PRC. Pursuant to the Notice on the Issues Concerning Individual Income Tax Collection and Management after the Repeal of Guo Shui Fa [1993] No. 045 (《關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》) (Guo Shui Han [2011] No. 348) (國稅函[2011]348號) dated June 28, 2011, issued by the SAT, dividends paid to non-PRC resident individual holders of H Shares are generally subject to the individual income tax of PRC at a withholding tax rate of 10%, depends on whether there are tax arrangements between the jurisdictions where the individual holders reside, as well as the tax arrangements between PRC and Hong Kong. Non-PRC resident individual holders who reside in jurisdictions that have not entered into tax treaties with PRC are subject to a 20% withholding tax on dividends received from us.

If PRC income tax is imposed on gains realized from the transfer of **[REDACTED]** or on dividends paid to our non-PRC resident **[REDACTED]**, the value of your **[REDACTED]** in **[REDACTED]** may be affected. Furthermore, our Shareholders whose jurisdictions of residence have tax treaties or arrangements with PRC may not qualify for benefits under such tax treaties or arrangements.

RISKS RELATING TO THE [REDACTED]

We will be concurrently subject to [REDACTED] and regulatory requirements of PRC and Hong Kong and the two [REDACTED] markets have different characteristics.

As we are listed on the Shanghai Stock Exchange and will be **[REDACTED]** on the Main Board in Hong Kong, we will be required to comply with the **[REDACTED]** rules (where applicable) and other regulatory regimes of both jurisdictions, unless an exemption is available, or a waiver has been obtained. Accordingly, we may incur additional costs and resources in continuously complying with all sets of listing rules in the two jurisdictions. The characteristics of the A share and H share markets may differ. Our A Shares are listed and traded on the Shanghai Stock Exchange. Following **[REDACTED]**, our A Shares will continue to be traded on the Shanghai Stock Exchange and our H Shares will be **[REDACTED]** on the Stock Exchange. Under current laws and regulations of PRC, without the approval from the relevant regulatory authorities, our H Shares and A Shares are neither interchangeable nor fungible, and there is no **[REDACTED]** between the H Share and A Share markets. With different **[REDACTED]** characteristics, the H Share and A Share markets have divergent **[REDACTED]** volumes, liquidity and **[REDACTED]** bases, as well as different levels of retail and institutional **[REDACTED]** participation. As a result, the trading performance of our H Shares and A Shares may not be comparable. Nonetheless, fluctuations in the price of our A Shares may adversely affect the price of our H Shares, and vice versa. Due to the different characteristics of the H Share and A Share markets, the historical prices of our A Shares may not be indicative of the performance of our H Shares. You should therefore not place undue reliance on the trading history of our A Shares when evaluating the **[REDACTED]** decision **[REDACTED]**.

There has been no prior [REDACTED] for our H Shares, and an active [REDACTED] for our H Shares may not develop or be sustained.

Prior to the **[REDACTED]**, there was no public market for our H Shares. We cannot assure you that a **[REDACTED]** for our H Shares with adequate liquidity and **[REDACTED]** volume will develop and be sustained following the completion of the **[REDACTED]**. In addition, the **[REDACTED]** of our H Shares is the result of negotiations between the **[REDACTED]** (for itself and on behalf of the **[REDACTED]**) and us, and may not be an indication of the **[REDACTED]** at which our H Shares will be traded following the completion of the **[REDACTED]**. If an active **[REDACTED]** for our H Shares does not develop following the completion of the **[REDACTED]**, the **[REDACTED]** and liquidity of our H Shares may be materially and adversely affected.

The liquidity, [REDACTED] volume and [REDACTED] of our H Shares following the [REDACTED] may be volatile, which could result in substantial losses to you.

The **[REDACTED]** of our H Shares may be subject to significant volatility in response to various factors beyond our control, including the general market conditions of the securities in Hong Kong and elsewhere in the world. The Stock Exchange and other securities markets have, from time to time, experienced significant **[REDACTED]** and **[REDACTED]** volume volatility that are not related to the operating performance of any particular company. The business and performance and the [**REDACTED**] of the shares of other companies engaging in similar business may also affect the [**REDACTED**] and [**REDACTED**] volume of our H Shares. In addition to market and industry factors, the [**REDACTED**] and [**REDACTED**] of our H Shares may be highly volatile for specific business reasons, such as fluctuations in our revenue, earnings, cash flows, investments, expenditures, relationships with our business partners, movements or activities of key personnel, actions taken by competitors or regulatory developments. Moreover, shares of other companies [**REDACTED**] on the Stock Exchange have experienced price volatility in the past, and it is possible that our H Shares may be subject to changes in price not directly related to our business performance.

Future [REDACTED] or perceived [REDACTED] of our H Shares in the [REDACTED] could have a material adverse effect on the [REDACTED] of our H Shares and our ability to raise additional capital in the future, or may result in dilution of your shareholding.

The [**REDACTED**] of our H Shares and our ability to raise equity capital in the future at a time and price that we deem appropriate could be negatively impacted as a result of future [**REDACTED**] of our H Shares or other securities relating to our H Shares in the [**REDACTED**] by our Shareholders, or the issuance of new shares or other securities, or the perception that such [**REDACTED**] or issuances may occur. In addition, our Shareholders may experience dilution in their holdings if we issue more securities in the future. Furthermore, we may issue shares pursuant to any existing or future share option incentive schemes, which would further dilute our Shareholders' interests in our Company. New shares or equity-linked securities issued by us may also confer rights and privileges that take priority over those conferred by the H Shares. Market [**REDACTED**] of Shares by such Shareholders and the availability of these Shares for future sale may have a negative impact on the [**REDACTED**] of our H Shares.

In addition, while [**REDACTED**] in the [**REDACTED**] are not subject to any restrictions on the disposal of the H Shares they [**REDACTED**], they may have existing arrangements or agreement to dispose part or all of the H Shares they hold immediately or within certain period upon completion of the [**REDACTED**] for legal and regulatory, business and market, or other reasons. Such disposal may occur within a short period or any time or period after the [**REDACTED**]. Any [**REDACTED**] of the H Shares [**REDACTED**] by such [**REDACTED**] pursuant to such arrangement or agreement could adversely affect the [**REDACTED**] of our H Shares and any sizeable [**REDACTED**] could have a material and adverse effect on the [**REDACTED**] of our H Shares and could cause substantial volatility in the [**REDACTED**] of our H Shares.

If our resources are insufficient to satisfy our cash requirements, we may seek additional financing through selling debt securities or obtaining a credit facility. The incurrence of indebtedness would result in increased debt service obligations and could result in operating and financing covenants that may, among other things, restrict our operations or our ability to pay dividends. Servicing such debt obligations could also be burdensome to our operations. If we fail to service the debt obligations or are unable to comply with such debt covenants, we could be in default under the relevant debt obligations and our liquidity and financial conditions may be materially and adversely affected.

[REDACTED] decisions in our H Shares should not be based on any information released by us in connection with the listing of our A Shares on the Shanghai Stock Exchange, which were prepared based on regulatory requirements.

As our A Shares are listed on the Shanghai Stock Exchange, we have been subject to periodic reporting and other information disclosure requirements in PRC. As a result, from time to time, we publicly release information relating to us on the Shanghai Stock Exchange or other media outlets designated by the CSRC. However, the information announced by us in connection with our A Shares listing is based on regulatory requirements of the securities authorities, industry standards and market practices in PRC, which are different from those applicable to the [**REDACTED**]. The presentation of financial and operational information for the Track Record Period disclosed on the Shanghai Stock Exchange or other media outlets may not be directly comparable to the financial and operational information contained in this document. As a result, prospective [**REDACTED**] in our H Shares should be reminded that, in making their [**REDACTED**] decisions as to whether to [**REDACTED**] our H Shares, they should rely only on the financial, operating and other information included in this document. By applying to [**REDACTED**] our H Shares in the [**REDACTED**], you will be deemed to have agreed that you will not rely on any information other than that contained in this document and any formal announcements made by us in Hong Kong with respect to the [**REDACTED**].

Certain facts, forecasts and other statistics contained in this results of operations are derived from publicly available official sources.

Certain facts, forecasts and statistics in this results of operations relating to the PRC and global economy and the industry in which we operate are obtained from official government publications or publicly available sources that we believe are reliable. However, we cannot guarantee the quality or reliability of these sources. Our Directors believe that the sources of the information are appropriate and have taken reasonable care in extracting and reproducing such information. They do not believe that such information is false or misleading or that any material fact has been omitted that would render such information false or misleading. The information from official government sources has not been independently verified by our Group, the Sole Sponsor or any other party involved in the [**REDACTED**] and no representation is given as to its accuracy or completeness. Due to possibly flawed or ineffective sampling or discrepancies between published information and market practice and other problems, the statistics in this results of operations relating to the PRC and the global economy and the industry in which we operate may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Moreover, these facts, forecasts and statistics involve risk and uncertainties and are subject to change based on various factors and should not be unduly relied upon. You should consider how much weight or importance such facts or statistics carry and should not place undue reliance on them.

Our historical dividends may not be indicative of our future dividend policy, and there can be no assurance whether and when we will pay dividends in the future.

We have declared dividends in the past. Our Company declared dividends of RMB314.2 million, RMB397.3 million and RMB426.5 million in respect of the financial years ended December 31, 2023 and 2024 and the nine months ended September 30, 2025.

However, there is no assurance that dividends of any amount will be declared or distributed by us in any year in the future. Under the applicable laws and regulations of the PRC, the payment of dividends may be subject to certain limitations, and the calculation of our profit under the Accounting Standards for Business Enterprises may differ in certain respects from the calculation under the IFRS Accounting Standards. The declaration, payment and amount of any future dividends are subject to the discretion of our Board of Directors, after taking into account various factors, including but not limited to our results of operations, financial condition, cash flows, capital expenditure requirements, market conditions, our strategic plans and prospects for business development, regulatory restrictions on the payment of dividends and other factors as our Board of Directors may deem relevant, and subject to the approval at Shareholders' meeting. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and the applicable laws and regulations of the PRC and Hong Kong. For details, see "Financial Information — Dividends and Dividend Policy." No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. Our historical dividends should not be taken as indicative of our dividend policy in the future.

You should read the entire results of operations carefully and we strongly caution you not to place any reliance on any information contained in press articles or other media regarding us, our Shares or the [REDACTED].

You are strongly advised to read the entire document carefully and are cautioned against placing any reliance on the information in any press article or any other media coverage which contains information not disclosed or not consistent with the information included in our results of operations. Prior to the completion of the **[REDACTED]**, there may be press and media coverage regarding our Group and the **[REDACTED]**. Such press and media coverage may include references to certain information that does not appear in this document, including certain operating and financial information and projections, valuations and other information. Our Directors would like to emphasize to prospective **[REDACTED]** that we do not accept any responsibility for the accuracy or completeness of such information, and such information is not sourced from or authorized by our Directors or our management team. Our Directors make no representation as to the appropriateness, accuracy, completeness and reliability of any information or the fairness or appropriateness of any forecast, view or opinion expressed by the press or other media regarding our Group or our H Shares. To the extent that any such information is inconsistent or conflicts with the information contained in this document, we disclaim responsibility for it and our **[REDACTED]** should not rely on such information.

Forward-looking statements contained in this document are subject to risks and uncertainties.

This document contains forward-looking statements with respect to our business strategies, operating efficiencies, competitive positions, growth opportunities for existing operations, plans and objectives of management, certain **[REDACTED]** information and other matters. The words "aim", "anticipate", "believe", "could", "predict", "potential", "continue", "expect", "intend", "may", "might", "plan", "seek", "will", "would", "should" and the negative of these terms and other similar expressions identify a number of these forward-looking statements. These forward-looking statements, including, amongst others, those relating to our future business prospects, capital expenditure, cash flows, working capital, liquidity and capital resources are necessarily estimates reflecting the best judgment of our Directors and management and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. As a consequence, these forward-looking statements should be considered in light of various important factors, including those set out in this section. Accordingly, such statements are not a guarantee of future performance and **[REDACTED]** should not place undue reliance.

In preparation for the [**REDACTED**], we have sought the following waivers from strict compliance with the Listing Rules.

WAIVER IN MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 of the Listing Rules, our Company must have sufficient management presence in Hong Kong, which normally means that at least two executive directors must be ordinarily resident in Hong Kong. Pursuant to Rule 19A.15 of the Listing Rules, the requirement in Rule 8.12 may be waived by having regard to, among other considerations, the applicant's arrangements for maintaining regular communication with the Stock Exchange.

Given that (i) most of the business operations of our Group are managed and conducted outside of Hong Kong; and (ii) our Executive Directors and senior management principally were not reside in Hong Kong, our Company considers that it would not be in the best interests of our Company and Shareholders to arrange for two Executive Directors to be ordinarily resident in Hong Kong, either by means of relocation of existing Executive Directors or appointment of additional Executive Directors. Therefore, our Company does not, and for the foreseeable future will have sufficient management presence in Hong Kong for the purpose of satisfying the requirements under Rule 8.12 of the Listing Rules.

Accordingly, pursuant to Rule 19A.15 of the Listing Rules, we have applied for, and the Stock Exchange [has granted], a waiver from strict compliance with Rule 8.12 and Rule 19A.15 of the Listing Rules subject to the following conditions. We will ensure that there is a regular and effective communication between the Stock Exchange and us by way of the following arrangements:

(i) **Authorized Representatives:** we have appointed Mr. Li Shujun and Mr. Au Wai Keung ("**Mr. Au**") as the authorized representatives (the "**Authorized Representatives**") for the purpose of Rule 3.05 of the Listing Rules. Both of our Company's authorized representatives, Mr. Li Shujun, an Executive Director, and Mr. Au, a joint company secretary, will act as our Company's principal channels of communication with the Stock Exchange. Accordingly, the authorized representatives of our Company will be able to meet with the relevant members of the Stock Exchange on reasonable notice and will be readily contactable by telephone and/or email.

Each of the authorized representatives of our Company has means of contacting all Directors (including our Independent Non-Executive Directors) promptly at all times as and when the Stock Exchange proposes to contact a Director with respect to any matter. We will also inform the Stock Exchange promptly in respect of any change in the Authorized Representatives;

(ii) **Directors:** each Director has provided their mobile phone number, office phone number and e-mail address to the authorized representatives of our Company and the Stock Exchange, and in the event that any Director expects to travel or otherwise be out of the office, they will provide the phone number of the place of their accommodation to the authorized representatives pursuant to Rule 3.20 of the Listing Rules.

Each of our Directors not ordinarily residing in Hong Kong possesses or can apply for valid travel documents to visit Hong Kong and will be able to meet with the relevant members of the Stock Exchange within a reasonable period of time;

(iii) **Compliance Advisor:** we have appointed Somerley as our Compliance Advisor (the "**Compliance Advisor**"), in compliance with Rule 3A.19 of the Listing Rules. The Compliance Advisor will, among other things and in addition to the Authorized Representatives and our Directors, also act as an additional channel of communication with the Stock Exchange from the [**REDACTED**] to the date when our Company complies with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year immediately following the [**REDACTED**]. We shall ensure that there are adequate and efficient means of communication among our Company, our authorized representatives, our Directors, and other officers and the Compliance Advisor, and will keep the Compliance Advisor fully informed of all communications and dealings between the Stock Exchange and us pursuant to the Note of Rule 3A.23.

Any meeting between the Stock Exchange and our Directors will be arranged through the authorized representatives or the Compliance Advisor or directly with our Directors within a reasonable time frame. We will inform the Stock Exchange promptly in respect of any changes in our authorized representatives and/or our Compliance Advisor; and

(iv) **Legal advisors:** we will also retain Hong Kong legal advisors to advise on on-going compliance requirements as well as other issues arising under the Listing Rules and other applicable laws and regulations of Hong Kong after the [**REDACTED**].

WAIVER IN APPOINTMENT TO JOINT COMPANY SECRETARIES

Pursuant to Rules 3.28 and Rule 8.17 of the Listing Rules, the company secretary must be an individual who, by virtue of his/her academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of the company secretary. Note 1 to Rule 3.28 of the Listing Rules provides that the Stock Exchange considers the following academic or professional qualifications to be acceptable:

(i) a member of The Hong Kong Chartered Governance Institute;

(ii) a solicitor or barrister (as defined in the Legal Practitioners Ordinance); and

(iii) a certified public accountant (as defined in the Professional Accountants Ordinance).

For Note 2 to Rule 3.28 of the Listing Rules, the Stock Exchange will consider the individual's relevant experience for the following aspects:

(i) length of employment with the issuer and other issuers and the roles he/she played;

(ii) familiarity with the Listing Rules and other relevant laws and regulations including the Securities and Futures Ordinance, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code;

(iii) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and

(iv) professional qualifications in other jurisdictions.

Pursuant to Chapter 3.10 Listing Guide, the Stock Exchange will consider a waiver application by an issuer in relation to Rules 3.28 and Rule 8.17 of the Listing Rules based on the specific facts and circumstances. Factors that will be considered by the Stock Exchange include:

(i) whether the issuer has principal business activities primarily outside Hong Kong;

(ii) whether the issuer was able to demonstrate the need to appoint a person who does not have the Acceptable Qualification nor Relevant Experience as a company secretary; and

(iii) why the directors consider the individual to be suitable to act as the issuer's company secretary.

Further, pursuant to Chapter 3.10 of the Listing Guide, such waiver, if granted, will be for a fixed three years of time (the "**Waiver Period**") and on the following conditions:

(i) the proposed company secretary must be assisted by a person who possesses the qualifications or experience as required under Rule 3.28 of the Listing Rules and is appointed as a joint company secretary throughout the Waiver Period; and

(ii) the waiver will be revoked if there are material breaches of the Listing Rules by the issuer.

Our Company considers that while it is important for the company secretary to be familiar with the relevant securities regulation in Hong Kong, they also need to have experience relevant to our Company's operations, nexus to the Board and close working relationship with the management of our Company in order to perform the function of a company secretary and to take the necessary actions in the most effective and efficient manner. It is for the benefit of our Company to appoint a person who is familiar with our Company's business and affairs as company secretary.

We have appointed Mr. Gao Peng (**"Mr. Gao"**) as our joint company secretary. As he has extensive experience in accounting and finance but presently does not possess any of the qualification required under Rules 3.28 and 8.17 of the Listing Rules, we have appointed Mr. Au to assist with Mr. Gao. Mr. Au is a fellow member of both the Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Accountants in England and Wales. Therefore, he meets the qualification requirements under Note 1 to Rule 3.28 of the Listing Rules and complies with Rule 8.17 of the Listing Rules. Mr. Gao and Mr. Au will be jointly discharging the duties and responsibilities of a company secretary. Mr. Au will be assisting Mr. Gao in gaining the relevant experience required under Rules 3.28 and 8.17 of the Listing Rules.

Accordingly, we have applied for, and the Stock Exchange [has granted], a waiver from strict compliance with the requirements under Rules 3.28 and Rule 8.17 of the Listing Rules in relation to the appointment of Mr. Au as our joint company secretary. Pursuant to the Chapter 3.10 of the Listing Guide, such waiver [has been granted on the conditions that:

(i) Mr. Au is appointed as a joint company secretary to assist Mr. Gao in discharging his functions as a company secretary and in gaining the relevant experience under Rule 3.28 of the Listing Rules;

(ii) our Company will further ensure that Mr. Gao has access to the relevant training and support to enable him to familiarize himself with the Listing Rules and the duties required of a company secretary of an issuer listed on the Stock Exchange. Our Hong Kong legal advisors have provided training to Mr. Gao on the principal requirements of the Listing Rules and the Hong Kong laws and regulations applicable to our Company after the [**REDACTED**]. In addition, Mr. Gao will endeavor to familiarize himself with the Listing Rules, including any updates thereto, during the three-year period from the [**REDACTED**];

(iii) Mr. Gao has confirmed that he will attend no less than 15 hours of training courses on the Listing Rules, corporate governance, information disclosure, investor relations as well as the functions and duties of a company secretary of a Hong Kong listed issuer during each financial year as required under Rule 3.29 of the Listing Rules;

(iv) before the expiry of Mr. Gao's initial term of appointment as the company secretary of our Company, our Company will evaluate his experience in order to determine if he has acquired the qualifications required under Rule 3.28 of the Listing Rules; and

(v) this waiver will be revoked immediately if and when Mr. Au ceases to provide such assistance during the three-year period, and we undertake to re-apply to the Stock Exchange for a waiver in the event that Mr. Au ceases to meet the requirements under Rule 3.28 of the Listing Rules or otherwise ceases to serve as a joint company secretary of our Company. In addition, this waiver is subject to revocation in the event of any material breaches of the Listing Rules by our Company.

Prior to the end of the three-year period, we will demonstrate and seek the confirmation from the Stock Exchange that Mr. Gao, having had the benefit of the assistance from Mr. Au during the three years, has attained the relevant experience under Note 2 to Rule 3.28 of the Listing Rules and is capable of discharging the functions of our company secretary so that a further waiver would not be necessary.

For further information regarding the qualifications of Mr. Gao and Mr. Au, see "Directors and Senior Management — Joint Company Secretaries" of the document.

[**REDACTED**]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

DIRECTORS

Name	Address	Nationality
Executive Directors		
Ms. Zhou Xiaoping (周曉萍)	Building 115-3 Cuizhu New Village Tianning District Changzhou City, Jiangsu Province PRC	Chinese
Mr. Zhou Yuheng (周宇恒)	Building 115-3 Cuizhu New Village Tianning District Changzhou City, Jiangsu Province PRC	Chinese
Mr. Li Shujun (李樹軍)	No. 243, Yard 22 South of Xini West Street Dalate Banner Shulinshao Town Ordos City, Inner Mongolia Autonomous Region PRC	Chinese
Mr. Xu Huiyi (徐惠儀)	Room 504, Unit B, Building 1 Xintiandi Huayuan Tianning District Changzhou City, Jiangsu Province PRC	Chinese
Non-Executive Director		
Mr. Wang Shihai (王世海)	Room 105, No. 8, 10 lanes Jinping Road Changning District Shanghai City PRC	Chinese

Name	Address	Nationality
Independent Non-Executive Directors		
Mr. Ma Peilin (馬培林)	Room 2502, Building 4 Huangshan Lake Apartment Jiangyin City, Jiangsu Province PRC	Chinese
Ms. Han Jian (韓踐).	Room 102, Unit 1, Building 27 Heshi Garden Haidian District Beijing City PRC	American
Mr. Li Xiang (李翔).	No. 22 Hankou Road Gulou District Nanjing City, Jiangsu Province PRC	Chinese
Ms. Ng Wing Yan Claudia (伍穎恩)	Flat G, 24/F, Block 21 South Horizons Aberdeen, Hong Kong Hong Kong	Chinese

PARTIES INVOLVED IN THE [REDACTED]

Sole Sponsor

Huatai Financial Holdings (Hong Kong) Limited
62/F, The Center
99 Queen's Road Central
Hong Kong

[REDACTED]

Legal Advisors to the Company

As to Hong Kong laws:
Jun He Law Offices
7/F AIA Central
1 Connaught Road Central
Hong Kong

	As to PRC law: **JunHe LLP** 20/F, China Resources Building 8 Jianguomenbei Avenue Beijing, PRC
Legal Advisors to the Sole Sponsor and [REDACTED]	*As to Hong Kong laws:* **Jingtian & Gongcheng LLP** Suites 3203-3209, 32/F Edinburgh Tower The Landmark 15 Queen's Road Central Hong Kong
	As to PRC law: **Jingtian & Gongcheng** 34/F, Tower 3 China Central Place 77 Jianguo Road Chaoyang District Beijing PRC
Auditors and Reporting Accountants	**HLB Hodgson Impey Cheng Limited** *Certified Public Accountants* *Registered Public Interest Entity Auditor* 31/F Gloucester Tower The Landmark 11 Pedder Street Central Hong Kong
Industry Consultant	**Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.** Room 2504, Wheelock Square 1717 West Nanjing Road Jing'an District Shanghai PRC

[REDACTED]

CORPORATE INFORMATION

Registered Office	No. 398 Hanjiang Road Xinbei District Changzhou City, Jiangsu Province PRC
Headquarters and Principal Place of Business in the PRC	No. 182 Qinling Road Xinbei District Changzhou City, Jiangsu Province PRC
Principal Place of Business in Hong Kong	Room A5, 7/F, China United Plaza 1008 Tai Nan West Street Cheung Sha Wan, Kowloon Hong Kong
Company's Website	www.xyl.cn *(The information contained in this website does not form part of this Document)*
Joint Company Secretaries	**Mr. Gao Peng (高鵬)** No. 182 Qinling Road Xinbei District Changzhou City, Jiangsu Province PRC **Mr. Au Wai Keung (區偉強)** Room A5, 7/F, China United Plaza 1008 Tai Nan West Street Cheung Sha Wan, Kowloon Hong Kong
Authorized Representatives	**Mr. Li Shujun (李樹軍)** No. 182 Qinling Road Xinbei District Changzhou City, Jiangsu Province PRC **Mr. Au Wai Keung (區偉強)** Room A5, 7/F, China United Plaza 1008 Tai Nan West Street Cheung Sha Wan, Kowloon Hong Kong
Audit Committee	Mr. Li Xiang (李翔) *(Chairperson)* Mr. Ma Peilin (馬培林) Mr. Wang Shihai (王世海)

Nomination Committee	Mr. Ma Peilin (馬培林) *(Chairperson)* Ms. Han Jian (韓踐) Mr. Xu Huiyi (徐惠儀)
Remuneration and Evaluation Committee	Ms. Han Jian (韓踐) *(Chairperson)* Mr. Li Xiang (李翔) Mr. Zhou Yuheng (周宇恆)
Strategy and ESG Committee	Ms. Zhou Xiaoping (周曉萍) *(Chairperson)* Mr. Wang Shihai (王世海) Ms. Han Jian (韓踐)

[REDACTED]

Principal Bank	**China Construction Bank Corporation Changzhou Xinbei Branch** No. 370 Hanjiang Road Xinbei District Changzhou City, Jiangsu Province PRC

The information and statistics set out in this section and other sections of this document were extracted from the Frost & Sullivan Report, which was commissioned by us, and from various official government publications and other publicly available publications. We engaged Frost & Sullivan to prepare the Frost & Sullivan Report, an independent industry report, in connection with the **[REDACTED]**. *The information from official government sources has not been independently verified by us, the Sole Sponsor,* **[REDACTED]**, *any of their respective directors and advisors, or any other persons or parties involved in the* **[REDACTED]**, *and no representation is given as to its accuracy.*

SOURCE OF INFORMATION

We have commissioned Frost & Sullivan, an independent market research company, to analyze the automotive lighting and embodied intelligence market and compile a report. The information disclosed in this document regarding Frost & Sullivan is extracted from the Frost & Sullivan Report. We have agreed to pay Frost & Sullivan a fee of RMB580,000 (tax inclusive) for the preparation of the Frost & Sullivan Report.

The payment of this fee is not contingent upon our successful **[REDACTED]** or the outcome of the report. The Frost & Sullivan Report is based on both primary and secondary research obtained from various sources. Primary research includes interviews with key industry participants in the automotive lighting and embodied intelligence market and other experts relevant to our business. Secondary research includes a review of company reports, independent research reports and data from Frost & Sullivan's proprietary research database as well as government databases.

In compiling and preparing this report, Frost & Sullivan has made the following assumptions:

- During the forecast period, the social, economic and political environments of the PRC, and other major global markets will remain stable, ensuring the continued and steady development of the related industry;

- Government policies on the automotive lighting and embodied intelligence market will not undergo significant changes. Frost & Sullivan believes that the fundamental assumptions used in preparing this report, including those for future projections, are factual, accurate and not misleading.

Frost & Sullivan has conducted an independent analysis of the data; however, the accuracy of its review conclusions largely depends on the accuracy of the collected information.

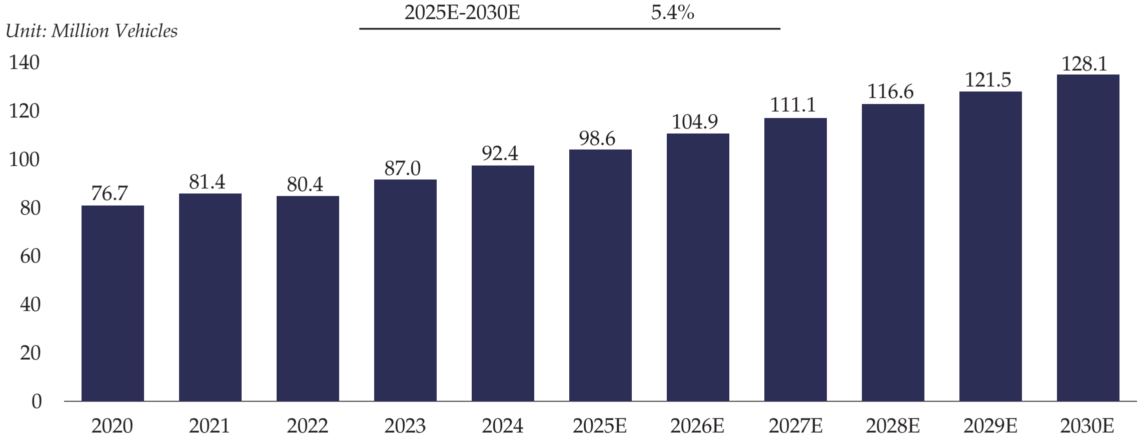
OVERVIEW OF THE AUTOMOTIVE INDUSTRY

Current Development Status of the Global Automotive Industry

From 2020 to 2024, global vehicle sales increased from 76.7 million units to 92.4 million units, representing a CAGR of 4.8%. Looking ahead to 2025 to 2030, driven by rising penetration of new energy vehicles (NEVs), product upgrades and consumption structure optimization enabled by intelligent and connected technologies, continued demand growth in emerging markets and improved supply chain resilience, global vehicle sales are projected to reach 128.1 million units, with a CAGR of 5.4%.

Market Size of the Global Automotive Industry by Sales Volume, 2020-2030E

Period	CAGR
2020-2024	4.8%
2025E-2030E	5.4%



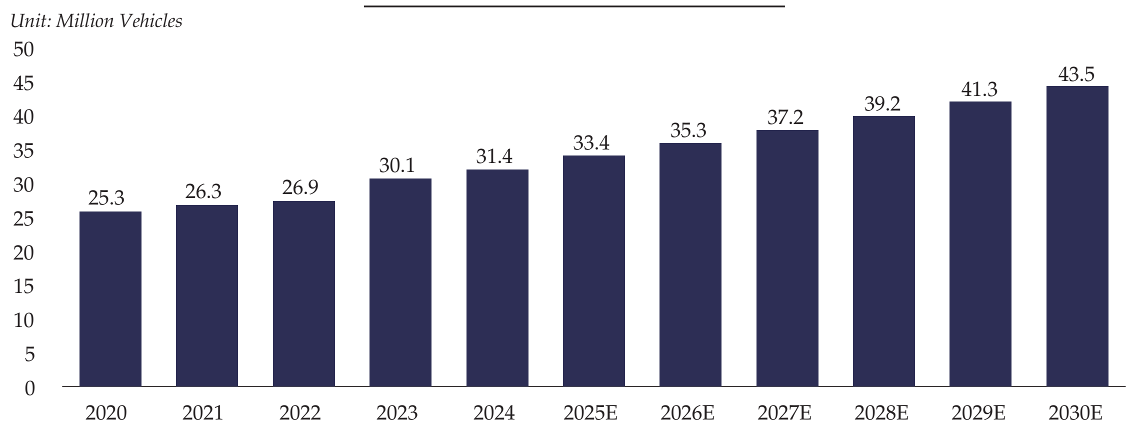
Source: Frost & Sullivan report

Current Development Status of China's Automotive Industry

From 2020 to 2024, China's vehicle sales increased from 25.3 million units to 31.4 million units, representing a CAGR of 5.6%. Looking ahead, with the accelerated penetration of NEVs, the concentrated release of replacement demand for the existing vehicle stock, consumption upgrades driven by vehicle intelligence and advanced driver-assistance systems and continued expansion in exports and overseas markets, China's vehicle sales are expected to reach 43.5 million units by 2030, with a projected CAGR of 5.4% from 2025 to 2030.

Market Size of Chinese Automotive Industry by Sales Volume, 2020–2030E

Period	CAGR
2020-2024	*5.6%*
2025E-2030E	*5.4%*



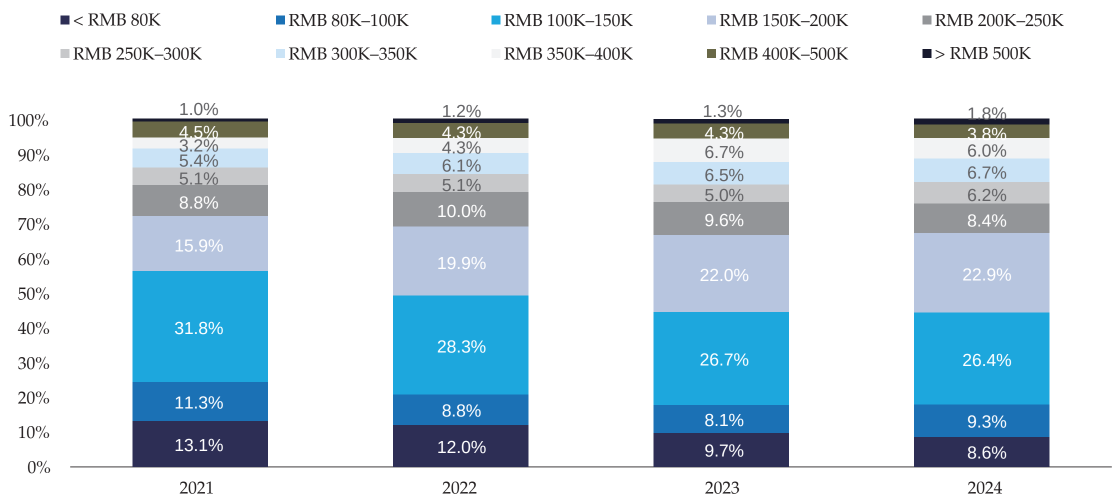
Source: CAAM, Frost & Sullivan report

Note: Includes export sales.

Since 2021, Chinese automotive brands have been continuously expanding into overseas markets, with export volumes rising rapidly and becoming a key driver of growth in China's overall vehicle sales. In 2024, China exported 5.9 million vehicles, an increase of 19.3% year-on-year. Chinese automotive brands are actively establishing their presence in international markets, not only advancing their whole-vehicle business but also effectively driving the coordinated global expansion of China's automotive components supply chain.

In terms of sales across different price segments of China's passenger vehicle market, vehicles priced above RMB200,000 have shown an overall upward trend in sales. Overall, the consumption structure of China's passenger vehicle market continues to shift toward higher-end segments, with demand for premium NEVs accelerating rapidly.

Share of Passenger Vehicle Sales by Price Segment in China (Unit: %), 2021–2024



Source: CAAM, Frost & Sullivan report

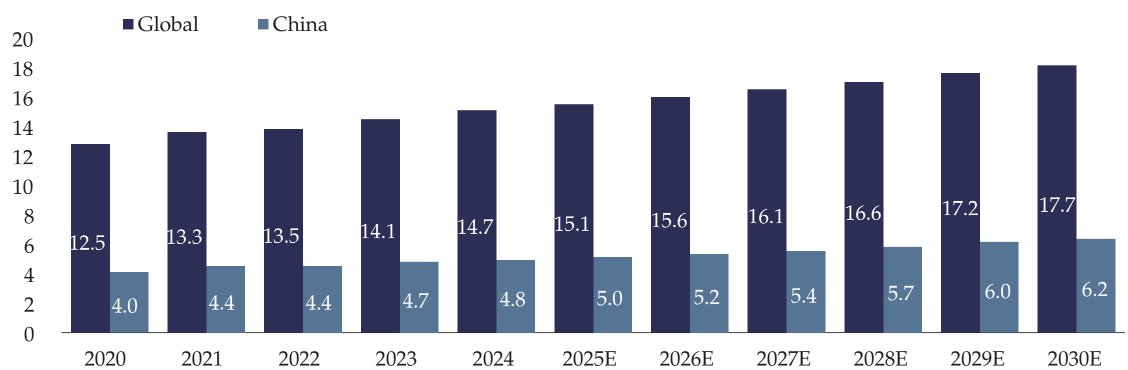
Automotive Components Industry Market Size

From 2020 to 2024, the global automotive components market expanded from RMB12.5 trillion to RMB14.7 trillion, representing a CAGR of 4.1%. During the same period, China's market grew from RMB4.0 trillion to RMB4.8 trillion, achieving a CAGR of 5.0%. Looking ahead, the global market is expected to reach RMB17.7 trillion by 2030, while China's market is projected to increase further to RMB6.2 trillion, with 2025–2030 CAGRs of 3.2% and 4.5%, respectively.

Global and Chinese Automotive Components Industry Market Size by Revenue, 2020–2030E

CAGR	2020-2024	2025E-2030E
Global	4.1%	3.2%
China	5.0%	4.5%

Unit: RMB Trillion



Source: CAAM, Frost & Sullivan report

Trends in the Automotive Components Industry

Deep Integration of Electrification and Intelligence

As the penetration rate of NEVs continues to rise and vehicle electronic/electrical (E/E) architectures rapidly evolve toward centralized, demand for core components including traction batteries, electric drive systems, motor controllers, thermal management systems, intelligent driving perception and actuation systems, and high-compute in-vehicle platforms is growing rapidly. Intelligent automotive lighting products equipped with capabilities such as environmental sensing, human–vehicle interaction and Vehicle-to-Everything communication are gradually becoming key functional carriers in intelligent vehicles. Against this backdrop, the rapid iteration of NEVs is continuously driving accelerated technological advancement in automotive components, fostering deep integration between electrification and intelligence across product design, system integration and functional coordination.

Significant Enhancement of Domestic Enterprises' Competitiveness

Driven by supportive government policies, backing from domestic automotive manufacturers, and accumulated technological expertise, Chinese automotive component brands are rising rapidly. They have achieved multiple breakthroughs in core areas such as electric motors and motor controllers, gradually challenging the long-standing dominance of foreign suppliers. Their product quality and performance now rival those of international brands. With more competitive pricing, agile responsiveness and a deep understanding of local market needs, these suppliers are steadily gaining market share in both passenger and commercial vehicle segments, significantly strengthening their industry influence.

Coordinated Development of Global Expansion and Localized Operations

Amid the accelerated restructuring of the global automotive supply chain, Chinese automotive component suppliers are expanding overseas by establishing localized production in key automotive regions and pursuing mergers and acquisitions, deepening their integration into the global supply system and steadily growing their international market share. At the same time, rising trade protectionism and geopolitical uncertainties are driving automotive manufacturers and suppliers to prioritize supply chain security and regional collaboration. Chinese automotive component suppliers are reducing cross-border trade and logistics risks by adopting localized production and service models near their overseas automotive manufacturer customers.

Expanding into Embodied Intelligence as a New Growth Trajectory

The embodied intelligence industry exhibits strong synergy with the automotive components sector in both hardware architecture and software systems, particularly in core requirements like high integration, safety and reliability — aligning closely with automotive-grade standards. This technological overlap is driving more automotive component suppliers to enter robotics-related fields, positioning embodied intelligence as a key "new growth curve" for the industry and unlocking cross-scenario, cross-industry opportunities.

Overview of the Automotive Lighting Industry

Automotive lighting products are devices installed on the exterior or interior of a vehicle that emit visible light to fulfill functions such as road illumination, vehicle identification, signaling driving status, assisting environmental perception and enabling information interaction. Automotive lighting products, as one of the core automotive components, have a relatively high per-vehicle value, and with the adoption of new lighting technologies such as HD and DLP, their technical complexity and per-vehicle value continue to rise. Amid the rapid rise of NEVs, automotive lighting products are evolving from conventional functional safety components into intelligent visual systems that enhance road illumination, signal communication, safety warnings and overall in-cabin experience. This transformation offers substantial room for technological advancement, continuously driving up the per-vehicle value of lighting products.

Automotive lighting products are categorized by intelligence level into conventional and intelligent systems. Intelligent automotive lighting products refer to automotive systems that, based on advanced optical hardware and intelligent software algorithms, realize adaptive illumination, light pattern control and information display through the coordinated operation of hardware and software. The functions of such products have gradually expanded to applications including intelligent lighting and interactive display, making them an important component in enhancing the intelligent mobility experience. At present, intelligent automotive lighting products mainly include HD and DLP front lighting systems with high-pixel light control capabilities, as well as OLED lamps and ISD lamps that support dynamic interaction and personalized lighting effects.

Overview of the Overseas Automotive Lighting Industry

North America and Europe, the world's 2nd and 3rd-largest automotive markets respectively, feature stable vehicle sales and mature automotive component supply chains — attracting global automotive lighting suppliers to establish regional operations.

In 2024, the North American automotive market is dominated by European, Japanese and Korean players, lacking prominent local lighting suppliers. By contrast, Europe's market is led by local leaders (e.g., Valeo, Marelli, Hella), which hold about 50% of the regional share. With the growing competitiveness of China's automotive supply chain, Chinese automotive lighting companies are stepping up expansion into these regions. Through localized supply integration and proactive customer development, they are gradually expanding their overseas footprint.

On product pricing, automotive lighting products in North America and Europe command higher overall per-vehicle value than those in China. For comparable configurations, European products typically fetch 15%–30% higher prices, while North American prices are usually over 50% higher. It reflects structural differences in product feature configurations and brand premiums within mature automotive markets.

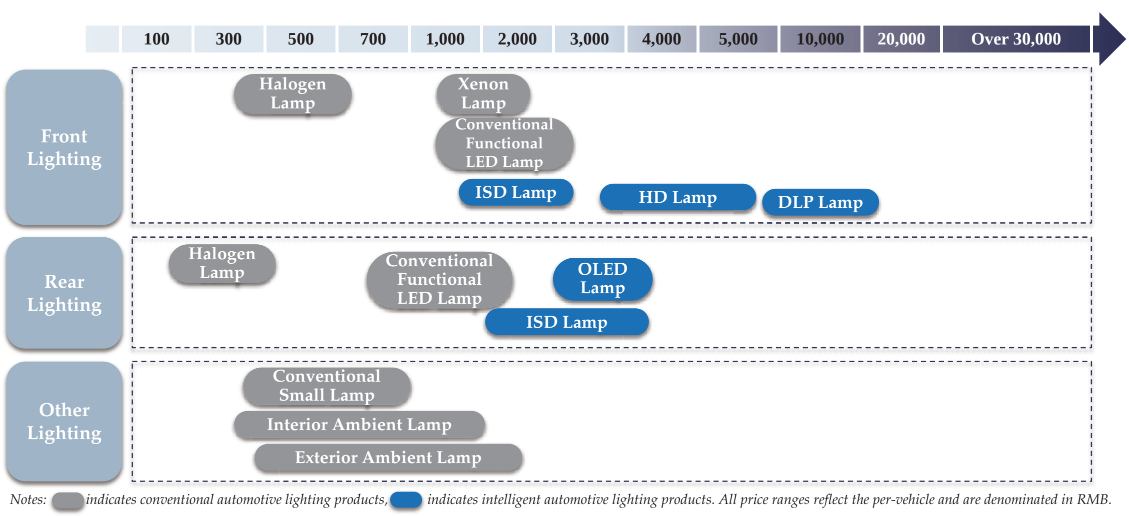
Given their high product value, these regions are highly attractive to Chinese automotive lighting suppliers. They serve as key strategic targets for Chinese players to expand global presence, diversify customer portfolios and improve earnings quality.

Overview of China's Automotive Lighting Industry

China is the world's largest automotive market, and its automotive lighting products are rapidly upgrading towards intelligentization. In 2025, the market size of intelligent automotive lighting products in China accounted for 8.6% of the total automotive lighting market. By 2030, this share is projected to rise sharply to 52.1%.

The per-vehicle value of automotive lighting products continues to rise with technological advancements. For front lighting, the industry is rapidly adopting LED light sources; functionally, they are evolving from conventional units to pixel-level intelligent headlights (e.g., HD, DLP), with value rising progressively with each tech upgrade. Rear lighting products are gradually shifting from halogen to LED and then OLED, steadily boosting per-unit value. For other lighting, besides basic illumination, adoption of functional features (e.g., ambient lamps, interactive signal lamps) is rising, further enhancing the overall value of the per-vehicle's lighting system.

Pricing of the Automotive Lighting Products in China, 2024



Source: Frost & Sullivan report

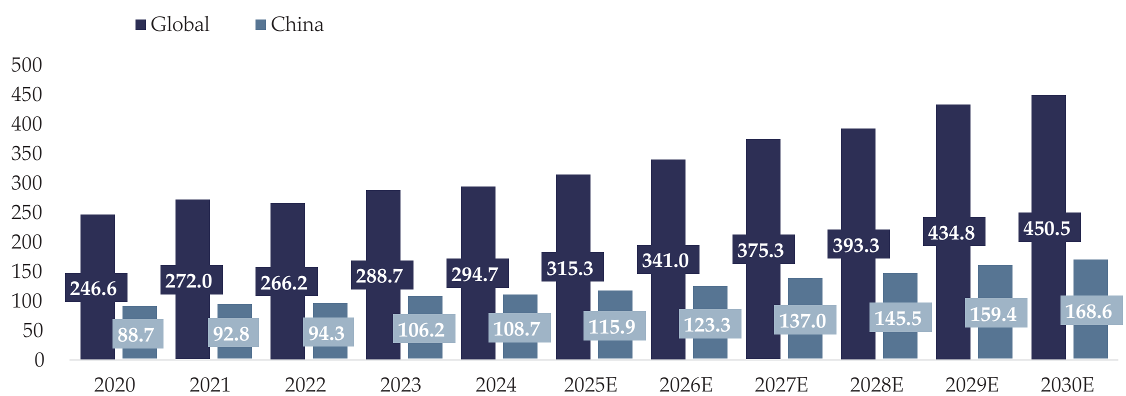
Market Size of the Automotive Lighting Industry

From 2020 to 2024, the global automotive lighting market expanded steadily from RMB246.6 billion to RMB294.7 billion, growing at a CAGR of 4.6%. This growth was primarily driven by the recovery in global vehicle sales, rising penetration of NEVs, and the accelerated adoption of LED lighting across vehicle segments. Over the same period, China's market increased from RMB88.7 billion to RMB108.7 billion — a CAGR of 5.2%, outpacing the global. Looking ahead, as electrification and intelligence deepen across the global and Chinese automotive sectors, intelligent lighting adoption is set to accelerate. The global and Chinese markets are projected to reach RMB450.5 billion and RMB168.6 billion by 2030, implying a CAGR of 7.4% and 7.8% during 2025–2030.

Global and Chinese Automotive Lighting Industry Market Size by Revenue, 2020–2030E

CAGR	2020-2024	2025E-2030E
Global	4.6%	7.4%
China	5.2%	7.8%

Unit: RMB Billion

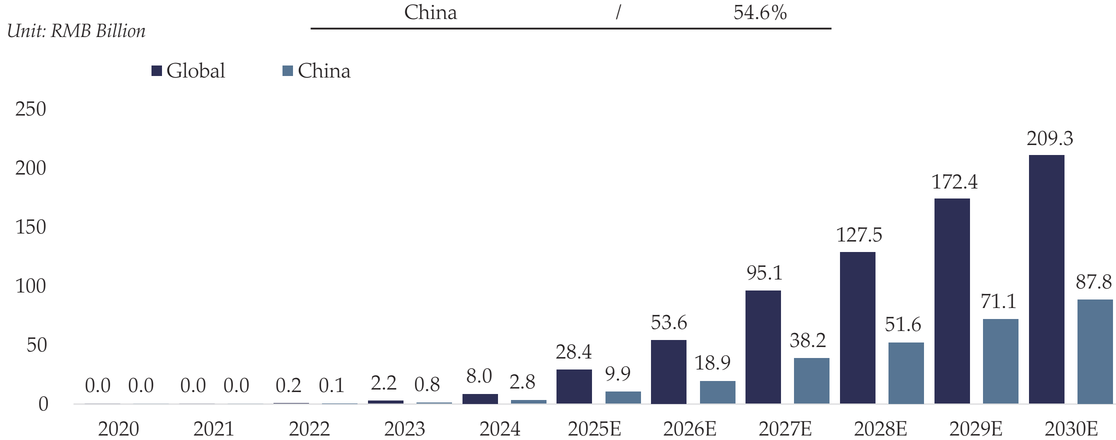


Source: OICA, CAAM, Frost & Sullivan report

From a structural evolution perspective, since 2022, the global and Chinese automotive lighting industries have been rapidly transitioning from a model dominated by conventional lighting products to one driven by intelligent lighting products. In the medium to long term, intelligent lighting products are expected to achieve rapid penetration across the automotive lighting sector. The global market for intelligent automotive lighting is projected to grow from RMB28.4 billion in 2025 to RMB209.3 billion by 2030, representing a CAGR of 49.1%. Meanwhile, China's intelligent automotive lighting market is forecast to expand from RMB9.9 billion in 2025 to RMB87.8 billion by 2030, at a CAGR of 54.6%, positioning it as the core driver of industry growth.

Global and Chinese Intelligent Automotive Lighting Market Size by Revenue, 2020–2030E

CAGR	2020-2024	2025E-2030E
Global	/	49.1%
China	/	54.6%



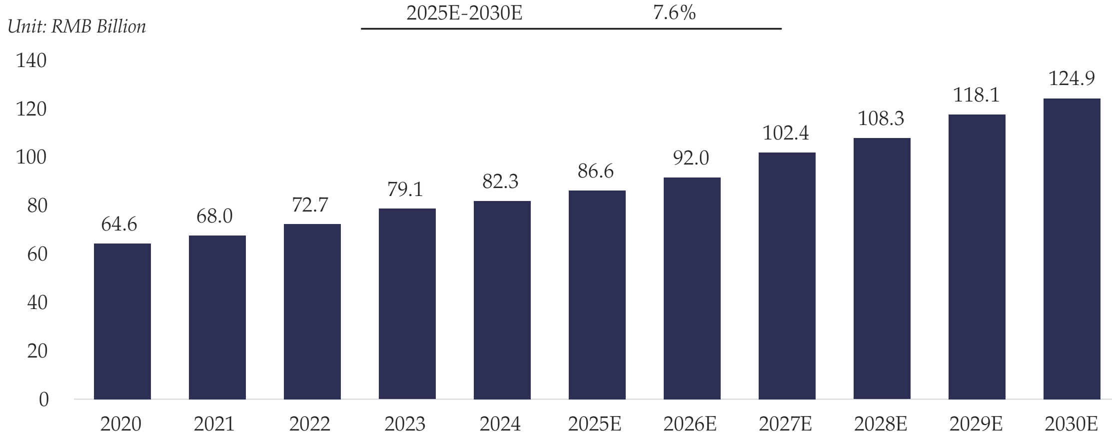
Source: OICA, CAAM, Frost & Sullivan report

Notes: Intelligent automotive lighting products include HD, DLP, ISD and OLED lighting.

The OEM original equipped automotive lighting refers to the lighting products uniformly procured by automotive manufacturers and installed during vehicle assembly, distinct from post-sales aftermarket for retrofitting or modification. This is the core market segment that automotive lighting suppliers primarily focus on. From 2020 to 2024, the Chinese passenger vehicle OEM original equipped automotive lighting market grew steadily from RMB64.6 billion to RMB82.3 billion, with a CAGR of 6.2% — higher than the 5.2% CAGR recorded by China's overall automotive lighting market during the same period. This stronger growth was primarily driven by the accelerated adoption of intelligent lighting products in front and rear lighting of passenger vehicles. By 2030, the market is projected to reach RMB124.9 billion, growing at a CAGR of 7.6% from 2025 to 2030.

Chinese Passenger Vehicle OEM Original Equipped Automotive Lighting Market Size by Revenue, 2020–2030E

Period	CAGR
2020-2024	6.2%
2025E-2030E	7.6%

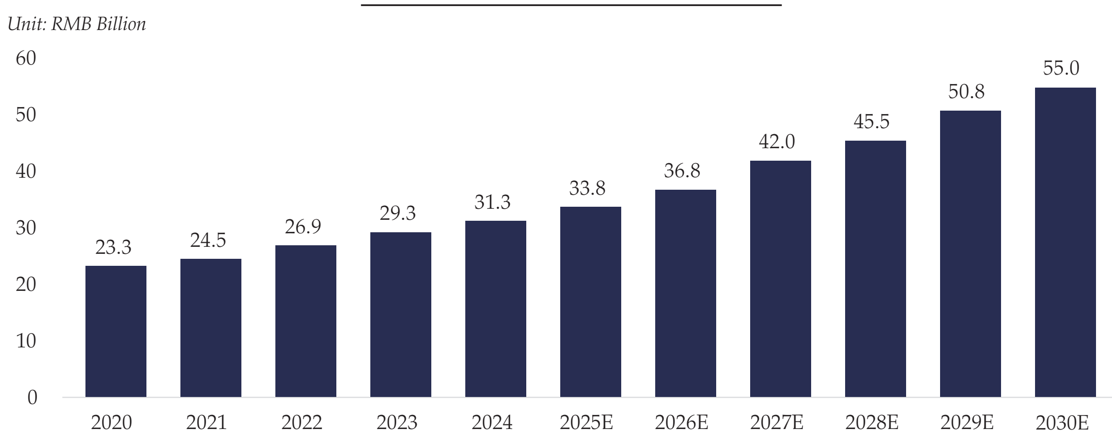


Source: CAAM, Frost & Sullivan report

From 2020 to 2024, the OEM original equipped automotive lighting market for passenger vehicles priced above RMB200,000 in China grew from RMB23.3 billion to RMB31.3 billion, with a CAGR of 7.7%. Looking ahead, driven by the continued ramp-up in sales of intelligent electric vehicles with mid-to-high-end specifications and the accelerated adoption of intelligent lighting technologies, the market is expected to expand further, reaching RMB55.0 billion by 2030 at a CAGR of 10.2% from 2025 to 2030.

Chinese OEM Original Equipped Automotive Lighting Market for Passenger Vehicles Priced above RMB200,000 by Revenue, 2020–2030E

Period	CAGR
2020-2024	7.7%
2025E-2030E	10.2%



Source: CAAM, Frost & Sullivan report

Competitive Landscape of the Automotive Lighting Industry

Ranking of Automotive Lighting Suppliers

In 2024, the top ten global automotive lighting companies collectively held a 72.9% market share, while the top five companies in the Chinese automotive lighting market accounted for 36.9%. The Company ranked seventh globally in the automotive lighting industry by revenue, with a market share of 4.2%, making it the highest-ranked Chinese enterprise worldwide. Domestically, it ranked first in China's automotive lighting market, holding an 11.0% market share.

Global Automotive Lighting Market Share by Revenue, 2024

Ranking	Company	Country	Market Share, 2024
1	Company A(1)	Japan	13.8%
2	Company B(2)	France	12.5%
3	Company C(3)	Germany	10.5%
4	Company D(4)	Italy	7.6%
5	Company E(5)	Japan	7.1%
6	Company F(6)	South Korea	7.1%
7	**The Company**	China	4.2%
8	Company G(7)	China	3.7%
9	Company H(8)	Austria	3.7%
10	Company I(9)	France	2.9%

Source: Annual reports of listed companies, Frost & Sullivan report

Chinese Automotive Lighting Market Share by Revenue, 2024

Ranking	Company	Country	Market Share, 2024
1	**The Company**	China	11.0%
2	Company G(7)	China	8.8%
3	Company B(2)	France	7.1%
4	Company C(3)	Germany	5.5%
5	Company D(4)	Italy	4.6%

Source: Annual reports of listed companies, Frost & Sullivan report

In 2024, the top five companies in the global intelligent automotive lighting market collectively held a 69.5% market share, while the top five companies in the Chinese intelligent automotive lighting market accounted for 79.9% of domestic sales. The Company ranked first both globally and in China by revenue, with market shares of 24.5% and 70.2%, respectively.

Global Intelligent Automotive Lighting Market Share by Revenue, 2024

Ranking	Company	Country	Market Share, 2024
1	**The Company**	China	24.5%
2	Company D(4)	Italy	22.3%
3	Company C(3)	Germany	10.1%
4	Company B(2)	France	7.6%
5	Company H(8)	Austria	5.0%

Source: Annual reports of listed companies, Frost & Sullivan report

Chinese Intelligent Automotive Lighting Market Share by Revenue, 2024

Ranking	Company	Country	Market Share, 2024
1	**The Company**	China	70.2%
2	Company B(2)	France	3.6%
3	Company D(4)	Italy	3.0%
4	Company J(10)	China	3.0%
5	Company G(7)	China	0.2%

Source: Annual reports of listed companies, Frost & Sullivan report

In 2024, the top five companies in China's passenger vehicle OEM original equipped automotive lighting market collectively held a 45.5% market share. The Company ranked first by revenue, with a 14.5% market share.

Chinese Passenger Vehicle OEM Original Equipped Automotive Lighting Market Share by Revenue, 2024

Ranking	Company	Country	Market Share, 2024
1	**The Company**	China	14.5%
2	Company G(7)	China	10.9%
3	Company B(2)	France	7.3%
4	Company C(3)	Germany	6.7%
5	Company D(4)	Italy	6.1%

Source: Annual reports of listed companies, Frost & Sullivan report

In 2024, the top five companies in China's OEM original equipped automotive lighting market for passenger vehicles priced above RMB200,000 accounted for 53.3% of the segment's total market share. The Company ranked first by revenue, capturing a 22.1% market share.

Chinese OEM Original Equipped Automotive Lighting Market Share by Revenue for Passenger Vehicles Priced above RMB200,000, 2024

Ranking	Company	Country	Market Share, 2024
1	**The Company**	China	22.1%
2	Company G(7)	China	14.4%
3	Company C(3)	Germany	6.4%
4	Company B(2)	France	5.8%
5	Company D(4)	Italy	4.6%

Source: Annual reports of listed companies, Frost & Sullivan report

Notes:

(I) Intelligent automotive lighting products primarily include HD, DLP, ISD and OLED lighting.

(II) In certain tables, the total figure may slightly differ from the sum of individual sub-items due to rounding of each component to a specified decimal precision. This discrepancy does not affect the authenticity, accuracy or completeness of the data.

(III) The country listed indicates the location of the company's headquarters.

(IV) The automotive lighting product revenue data for Companies A to J is estimated based on publicly available information such as revenue reports and other accessible resources, and has been verified to the best of our ability through consultations with industry professionals and experts. Therefore, discrepancies may exist between this data and the audited financial data of the aforementioned companies.

(V) Publicly available information includes financial reports of listed companies, public industry reports and similar documents.

Supplementary Notes:

(1) Company A was founded in 1915 and is headquartered in Japan. It is listed on the Tokyo Stock Exchange, with operations covering in automotive lighting products, automotive electronics, electronic control systems and sensor systems.

(2) Company B was founded in 1923 and is headquartered in France. It is listed on Euronext Paris, with operations covering automotive lighting products, powertrain systems and intelligent driving solutions.

(3) Company C was founded in 1899 and is headquartered in Germany and listed on Frankfurt Stock Exchange, with operations covering automotive lighting products, body electronics, energy management and sensor systems.

(4) Company D was founded in 1919 and is an unlisted company headquartered in Italy, with operations covering automotive lighting products, electronic systems and powertrain systems.

(5) Company E was founded in 1920 and is headquartered in Japan. It is listed on the Tokyo Stock Exchange, with operations covering automotive lighting products, electronic components and automotive electronics.

(6) Company F was founded in 1954 and is headquartered in South Korea. It is listed on the Korea Exchange, with operations covering automotive lighting products and body control modules.

(7) Company G was officially restructured as a state-owned enterprise in 2018 and is headquartered in China. It is a wholly owned subsidiary of a company listed on the Shanghai Stock Exchange, with operations covering automotive lighting products, lighting controllers and digital projection technologies.

(8) Company H was founded in 1938 and is an unlisted company headquartered in Austria, with operations covering automotive lighting products and lighting controllers.

(9) Company I was founded in 1946 and is headquartered in France. It is listed on Euronext Paris, with operations covering automotive lighting systems, automotive tooling/molds and powertrain systems.

(10) Company J was founded in 1956, launched its lighting brand in 1993, and is headquartered in China, specializing in automotive lighting products.

Supply Relationships Between Automotive Lighting Suppliers and Automotive Manufacturers

Automotive lighting suppliers typically establish deep collaborative relationships with automotive manufacturers through specific vehicle programs, covering the entire process from product development and validation and mass production to supply, ensuring long-term business stability and sustained growth. As of 2024, the Company had established stable supply relationships for automotive lighting products with nine of the world's top ten automotive manufacturers by vehicle sales volume calculated on a group level. These customers collectively accounted for approximately 56.8% of global vehicle sales in 2024, reflecting the Company's high-quality customer base and strong global automotive manufacturer supply capabilities, and further reinforcing its position as a core supplier in the global automotive lighting market.

The Impact of Raw Material Price Volatility on the Automotive Lighting Industry

The upstream raw materials for automotive lighting products primarily include electronic components, automotive lighting electronic components and resin materials, which collectively account for approximately 80%-85% of total product costs. The prices of these key raw materials are influenced by multiple factors, including the supply-demand cycles in the semiconductor industry, international crude oil prices (which affect petroleum-derived products like resin materials), fluctuations in non-ferrous and other metal commodity prices and changes in the global supply chain landscape — resulting in significant price uncertainty. Fluctuations in upstream raw material prices are transmitted to midstream manufacturers, thereby exerting a certain impact on their product cost control and profitability.

Entry Barriers in the Automotive Lighting Industry

Customer Barriers

As critical functional safety components and core elements of intelligent vehicle systems, automotive lighting products require deep integration with vehicle platforms, electronic/electrical (E/E) architecture and strict safety standards. This technical interdependence underpins long-term collaboration between lighting suppliers and automotive manufacturers, solidifying incumbents' market position. Amid faster vehicle development cycles, automotive manufacturers increasingly favor established partners to reduce coordination, communication and procurement costs. New entrants, typically lacking co-development experience, must complete a rigorous automotive manufacturer or third-party qualification process (2–3 years on average) to attain approved supplier status, creating substantial barriers to securing program nominations and ramping up mass production/delivery on schedule.

Technical Barriers

The technological scope of automotive lighting has expanded beyond conventional optical and structural design to a multidisciplinary integration of semiconductor light sources, precision optics, automotive-grade electronic control, thermal management, functional safety, software algorithms and system integration. Intelligent lighting products with pixel-level projection — such as HD and DLP lighting — demand high response speed, precise light control and robust reliability. They must also deeply coordinate with ADAS, the vehicle's electronic/electrical (E/E) architecture and SOA-based software platforms, while supporting OTA updates and scenario-based interactive functions. Building such a technology system requires sustained R&D investment, cross-domain expertise and extensive validation through real-world vehicle data — capabilities that new entrants cannot easily replicate in the short term.

Cost Barriers

The cost barriers in the automotive lighting industry primarily stem from high initial capital requirements and the need for economies of scale to absorb fixed costs. Manufacturing automotive lighting typically demands dedicated production lines for high-precision injection molding, vacuum coating, automated assembly and optical inspection, with each line often costing over RMB100 million level. Bringing a new product from development to mass production also incurs significant upfront expenses for molds, tooling, prototypes, reliability testing and functional safety certifications. These costs are incurred early and recovered over time. Only companies with stable order volumes and large-scale manufacturing can sufficiently spread these costs and achieve profitability. New entrants or smaller manufacturers, constrained by lower production volumes, generally cannot benefit from such economies of scale.

Product Certification Barriers

The product certification barriers in the automotive lighting industry mainly stem from quality certifications and automotive manufacturer supplier qualifications. As a critical component directly impacting driving safety, automotive lighting products must comply with mandatory technical regulations, industry standards, quality management systems and functional safety certifications across different markets. These processes are complex, time-consuming and costly. Additionally, automotive manufacturers impose stringent requirements on reliability, consistency and safety, requiring suppliers to pass rigorous assessments and audits before approval. Together, these certification and qualification hurdles significantly limit new entrants' ability to quickly establish themselves in the industry.

Drivers of the Automotive Lighting Market

Policy-Driven Factors

The global policy and regulatory environment is actively driving the accelerated technological upgrading of the automotive lighting industry. In Europe, the automotive lighting standard system centers on UN R48, UN R148 and UN R149, which incorporate proposals on front part light carpets, reversing lamps and turn signal projection. In North America, SAE standards framework specifies road test requirements for ADB functions and adds requirements for front, rear and side ADS marker lamps. China's automotive lighting standards, primarily GB 4785-2019, GB 4599-2024 and GB 5920-2024, explicitly support vehicle light carpets and optical signaling projection, and permit the use of laser headlights. Moreover, South America and other emerging automotive markets are continuously strengthening safety and energy efficiency regulations for automotive lighting, thereby providing an institutional foundation for product compliance and market expansion.

Rapid Growth in NEV Sales Drives Higher Lighting Value per Vehicle

With ongoing advances in automotive electrification and intelligence, China's NEV penetration rate has continued to rise, reaching 40.9% in 2024 and is expected to grow rapidly further. NEVs offer greater design freedom, more advanced electrical architectures and distinctive styling, making them more likely to adopt high-value lighting products such as ISD, HD and DLP lighting. As a result, NEVs have significantly higher lighting system value per vehicle than conventional vehicles. Looking ahead, with rising NEV sales and accelerating adoption of intelligent lighting products, the automotive lighting industry is well positioned for substantial growth and significant expansion.

Rapid Rise of Domestic Suppliers and Strengthening Industry Leadership

Historically, the high-end segment of China's automotive lighting market was dominated by foreign-invested enterprises. In recent years, however, domestic suppliers, with the Company as a representative example, have achieved sustained breakthroughs in optical design, electronic control and system integration, enabling them to enter the supply chains of premium Chinese NEV brands such as Seres, NIO and Li Auto. In advanced areas like high-end intelligent lighting and pixelated front lighting, the Company and other leading domestic players now surpass foreign competitors in mass production capability and application scale. Chinese suppliers are rising rapidly and playing an increasingly pivotal role in the mainstream automotive lighting ecosystem, as the industry shifts from scale-driven growth toward high-quality, technology-led development.

Intelligent and Software-Defined Vehicles Accelerate Adoption, creating a New Growth Arena in Intelligent Lighting

In China, the ADAS fitment rate has reached 65%, with L2-level intelligent driving rapidly rolling out across mainstream models, enabling deeper integration of automotive lighting with advanced driver assistance and cabin interaction functions. As a core visual interface for vehicle-environment interaction, intelligent lighting have evolved from standalone components into key elements of vehicle intelligence. With automotive manufacturers increasingly embedding lighting systems into centralized electronic/electrical (E/E) architectures and Service-Oriented Architecture (SOA) software platforms, intelligent lighting now supports OTA updates, context-aware "light language" and continuous feature iteration. Consequently, it is shifting from a premium optional feature on high-end models to a standard configuration across broader segments. By 2030, its market penetration is expected to grow significantly, positioning intelligent lighting as the next major growth frontier after powertrain electrification and the intelligentization of driving and cockpit systems.

Global automotive lighting market potential continues to unfold, overseas footprint steadily deepens

Leveraging China's mature ecosystem for new energy and intelligent connected vehicles, Chinese automotive lighting suppliers are actively expanding overseas by establishing production facilities abroad or acquiring overseas brands' automotive lighting businesses, to reduce trade barriers and better serve global customers. At the same time, global automotive manufacturers accelerating electrification is driving strong demand for cost-competitive, rapidly iterated intelligent lighting products, creating significant new market opportunities for Chinese suppliers to deepen their global footprint.

Development Trends in the Automotive Lighting Industry

Continuous Technological Advancement

Automotive lighting technology is undergoing rapid iteration. LED has largely replaced halogen lamps across the market, while emerging light sources such as Micro LED, laser and OLED are gradually entering mass production. Intelligent control capabilities continue to improve, and modular design is optimizing supply chain structures. In premium vehicles, DLP and HD lighting adoption is steadily rising, while ADB lighting is rapidly penetrating broader segments. Together, these advances are enhancing the functionality, safety and intelligence of automotive lighting systems.

Diverging Market Demand

With the rapid development of NEVs and intelligent connected vehicles, demand for automotive lighting products is exhibiting a clear bifurcation trend in the market. On one hand, conventional internal combustion engine vehicles and entry-level models continue to prioritize compliance with regulatory requirements and cost control, maintaining steady demand for conventional LED lighting that emphasize functional illumination, high maturity and strong cost-effectiveness. On the other hand, as consumer attention to the technological sophistication and intelligence level of automotive lighting intensifies, vehicles with mid-to-high-end specifications and NEVs increasingly value the integrated capabilities of lighting systems in terms of design expression, interactive experience and functional integration. This shift is continuously boosting the market penetration of intelligent lighting products such as HD, DLP and ISD lamps.

Domestic Suppliers Accelerate Entry into Mid- to High-End Automotive Manufacturer Supply Chains

Amid the rapid global expansion of Chinese-brand passenger vehicles, these automotive manufacturers are placing increasing demands on their supply chains with regard to security, responsiveness and customization capabilities. This trend is creating unprecedented opportunities for domestic automotive lighting suppliers. Leading Chinese suppliers, including the Company, are now accelerating their entry into the mid- to high-end automotive lighting segment, a domain long dominated by foreign players. This represents a strategic evolution from low-end substitution to high-end breakthrough and is further shifting Chinese suppliers' competitive focus from a follower role to technology leadership.

Manufacturing Model Upgrade

Chinese automotive lighting manufacturers are driving a fundamental upgrade of their manufacturing model by integrating MES, digital twin technology, robot clusters and AI-based visual inspection. This integration is enabling the establishment of intelligent factories and flexible production lines that can simultaneously manufacture lighting systems for multiple vehicle models and swiftly switch between them. This approach significantly improves capacity utilization and on-time delivery, reduces reliance on manual labor, minimizes quality variability, and delivers the scalability and consistent quality needed for mass-producing lighting products.

Deepening Vertical Integration

The automotive lighting industry in China is experiencing an accelerating trend of vertical integration. Leading companies are extending their operations upstream into key components such as light source modules, controllers and software algorithms to enhance cost control and delivery stability. Meanwhile, as automotive lighting systems become increasingly integrated with advanced driver-assistance systems and intelligent cockpit functions, lighting suppliers are transforming from conventional lamp suppliers into suppliers of intelligent lighting systems and automotive electronics solutions. Their business model is shifting from supplying standalone hardware to offering comprehensive solutions that encompass controllers, proprietary algorithms and system integration, representing higher-value-added segments of the automotive lighting value chain.

Embodied Intelligence Industry Overview

Background of Development

Intelligent vehicles and embodied intelligence exhibit a strong degree of correlation, with embodied intelligence representing one of the most compelling physical carriers of future Physical AI. Leveraging the automotive sector as an entry point to develop embodied intelligence has become an emerging industry trend, driven by both deep technological commonality and structural growth imperatives. Major automotive component suppliers are increasingly expanding into the robotics sector, seeking to systematically transfer core capabilities accumulated in the automotive industry — such as system engineering, reliability and large-scale manufacturing — into robotics, thereby creating new growth curves and differentiated competitive advantages.

The high-reliability standards, large-scale cost control capabilities and system-level engineering experience inherent to the automotive components industry are precisely what embodied intelligence requires to transition from demonstration to stable, scalable deployment. This convergence is expected to accelerate industry maturation and commercial adoption.

Current Development Status of Embodied Intelligence and Component Industries

Definition

Embodied intelligence is a frontier field formed through the interdisciplinary integration of artificial intelligence with multiple scientific domains. Its core lies in intelligent systems that achieve intelligent evolution through physical embodiment and real-world interaction. It emphasizes the deep integration of perception, action and cognition, enabling intelligent agents to interact with their environments — much like humans — learning and evolving through trial and error. Embodied intelligence relies not only on computing power, but also emphasizes real-time interaction between the "physical embodiment" and the environment, forming a closed-loop system of "perception-decision-action".

Application Landscape

In China, embodied intelligence applications span a wide range of scenarios, including industrial manufacturing, logistics and material handling, commercial services, household services, medical rehabilitation, special operations, education and training, scientific research and agriculture. Among these, industrial manufacturing and logistics represent the largest addressable markets due to their relatively structured environments and higher technological maturity, making them the earliest domains to achieve commercial deployment. Driven by e-commerce and new retail, logistics and material handling scenarios have already seen large-scale adoption. Commercial services — such as retail, catering and hospitality — are currently in a rapid penetration and scenario-validation phase, with embodied intelligence deployed in roles including shopping mall guidance, restaurant delivery and hotel reception. Household services remain in an early market-education stage. Medical rehabilitation, characterized by high value and high entry barriers, is undergoing technology integration and pilot deployment. In special operations, embodied intelligence demonstrates irreplaceable value. Meanwhile, education and training serve both as application tools and research carriers across scientific and basic education contexts.

Overall, embodied intelligence is accelerating its expansion from structured to unstructured environments, and from industrial to commercial and household applications. The industry has moved beyond proof-of-concept and entered a critical phase of scalable commercialization, with the next 3–5 years expected to represent a key window for exponential growth.

Key Development Challenges

At present, the optoelectronic segment of embodied intelligence faces challenges related to functional completeness and standardization gaps. Components must meet requirements for high-precision sensing, flexible interaction and safety protection, while also addressing aesthetic design and scenario adaptability. Demand for optoelectronic components in embodied intelligence is systemic and rigid, evolving from basic functionality toward enhanced safety and user experience. The entry of automotive lighting manufacturers into the embodied intelligence sector is therefore a natural result of demand alignment and capability matching.

Embodied intelligence and intelligent vehicles share highly homologous requirements and currently serve as the primary testing ground for innovation in optical perception and human–machine interaction. Both face similar technical challenges, including mobile perception, human–robot coexistence and emotional expression. Lighting standards are among the most critical mandatory national standards in the automotive industry and provide valuable reference for robots that likewise require "optical organs" for perception and interaction. Core competencies of automotive lighting suppliers — such as optical design, precision manufacturing, automotive-grade reliability and collaborative development with automotive manufacturers — directly address these challenges.

In the absence of mature industry standards, automotive lighting suppliers are well positioned to introduce high-reliability, high-safety system design philosophies and testing standards into robotics, potentially becoming key contributors to the future standardization of robotic "sensory systems."

Market Size of the Embodied Intelligence Components Industry

China's embodied intelligence industry has entered a phase of accelerated expansion, with humanoid robots emerging as a key sub-segment driving growth in the robotic platform ecosystem. The period from 2024 to 2025 represents a critical transition from technological validation to initial commercialization, characterized by a small base but extremely high growth rates. In 2025, humanoid robots are expected to experience comprehensive explosive growth, with shipments projected to reach 12,750 units, and some enterprises beginning small-batch mass production and delivery — marking the industry's transition from laboratory experimentation to industrial deployment.

From 2025 to 2030, China's humanoid robot market is expected to enter a phase of large-scale expansion. On one hand, accelerated domestic substitution of core components will significantly reduce production costs, enabling humanoid robots to move from high-cost pilot projects toward economically viable applications. On the other hand, application scenarios will expand from industrial environments into service and household domains. Furthermore, as industry standards improve and supply chains mature, leading enterprises are expected to establish scalable manufacturing capabilities, further amplifying shipment growth.

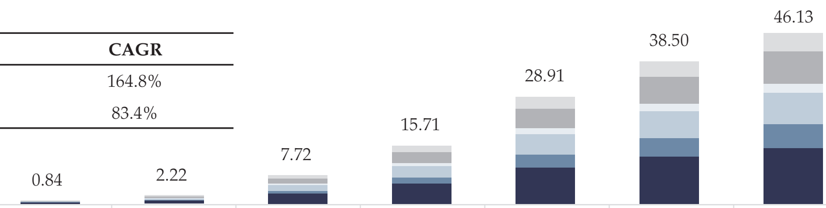
During 2025–2030, China's humanoid robot core components and modules market is projected to enter a phase of rapid scale expansion, deep technological advancement and substantial cost reduction, with market size expected to grow by more than 20× over five years. The market will shift from early-stage demand-driven growth to full-industry-chain coordination.

Key growth drivers include rising technological maturity and cost advantages of domestic core components, increasing demand for mass-produced humanoid robots, and accelerated iteration toward high performance, high reliability and low power consumption, enabling broader application scenarios.

Chinese Humanoid Robot Core Components and Modules Market Size by Revenue, 2024–2030E

Unit: RMB Billion

Period	CAGR
2024-2025E	164.8%
2025E-2030E	83.4%



	2024	2025E	2026E	2027E	2028E	2029E	2030E
System Modules	0.10	0.27	0.91	1.82	3.26	4.25	5.01
Structural Modules	0.15	0.40	1.39	2.87	5.29	7.16	8.65
Batteries and Wiring	0.05	0.13	0.46	0.91	1.63	2.13	2.50
Controllers	0.17	0.46	1.55	3.09	5.54	7.23	8.52
Sensors	0.05	0.16	0.68	1.57	3.42	4.97	6.42
Actuators	0.31	0.80	2.74	5.45	9.78	12.76	15.03
Overall Scale	0.84	2.22	7.72	15.71	28.91	38.50	46.13

Source: Interviews with industry experts, Frost & Sullivan report

Note: According to the standard system framework of the National Technical Committee for Robotics Standardization, core components include actuators, sensors, controllers, batteries and wiring; modules cover structural modules and system modules. Among these, actuators consist of reducers, lead screws and motors; sensors include visual, tactile, auditory and force sensors; controllers comprise chips, controllers and encoders. Structural modules include human head modules, electronic skin, dexterous hands, trunk structures and upper and lower limb structures; system modules cover basic software, application software, as well as development and testing phases.

Entry Barriers

The embodied intelligence and components industry has substantial entry barriers in technology, data and talent.

Technological barriers: The industry requires high interdisciplinary integration, long-term technology accumulation and stringent supply chain standards, with optics-vision-computing integrated perception systems as one of a key cross-domain challenges. Sustained R&D and robust patents are essential to build competitive moats, precluding short-term market entry.

Data barriers: High-quality real-world data acquisition is costly and complex, requiring extensive parameter and trajectory labeling. Data-driven closed-loop optimization is a core competitive barrier; leading players leverage large-scale manufacturing to accumulate proprietary datasets, iteratively enhancing algorithms and control strategies.

Talent barriers: There is a shortage of interdisciplinary professionals proficient in optics, mechanics, electronics, algorithms and control systems, who must also have strong full-lifecycle engineering capabilities from design to quality control.

Market Drivers and Development Trends

Market Drivers

The embodied intelligence and components industry is driven by the synergy of policy, technology, market demand and industrial chain. As a strategic emerging industry under the Recommendations for the 15th Five-Year Plan, it targets scale expansion, global enterprise incubation and industrial cluster formation.

Technologically, breakthroughs in large-scale models, perception-control technologies and core component localization underpin industrialization, bridging the AI-physical gap — core competitiveness lies in the co-evolution of AI "brain" and physical "body".

The industry is propelled by industrial cost-efficiency needs, public service gaps and special scenario rigid requirements, accelerating lab-to-practice translation.

As a multidisciplinary field, automotive technology transfer complements AI innovation, fostering a robust ecosystem. It also benefits from sustained capital input, talent aggregation and university embodied intelligence programs, securing long-term innovation support.

Development Trends

The embodied intelligence and components industry is trending toward technology convergence, application scaling, cost reduction and industrial chain advancement.

Technologically, AI foundation models and robotic hardware are moving from loose to deep integration, forming unified perception-decision-execution systems. World model and diffusion-policy breakthroughs will enable human-like reasoning for complex-environment autonomy; biomimetic hardware will deliver upgraded dexterity, precision and millisecond-level tactile sensing.

2025–2027 is the critical commercialization window, with applications expanding from labs to real-world scenarios. The industry is in a cost-scale positive feedback loop, with a 2027–2028 price inflection point; leading Chinese enterprises target 10,000-unit annual capacity by 2026, driving exponential cost declines. For the industrial chain, upstream core component localization will reduce import reliance; midstream integrators will become full-stack solution providers; downstream applications will deepen across agriculture, healthcare, education, industry, services and households, advancing self-reliance and ecosystem development.

THE PRC LAWS, REGULATIONS AND POLICIES

We are subject to various Chinese laws, rules and regulations that affect many aspects of our business. This section provides an overview of the main Chinese laws, regulations and important policies that we consider to be relevant to our business and operations.

MAJOR REGULATORS AND POLICIES RELATING TO THE AUTOMOTIVE LAMP MANUFACTURING INDUSTRY

Our implementation of business activities within the industry is mainly supervised and managed by the NDRC and MIIT.

According to the Guidance Catalog of Key Products and Services for Strategic Emerging Industries (2016 Version) (《戰略性新興產業重點產品和服務指導目錄(2016年版)》) promulgated and implemented by the NDRC on January 25, 2017, new-type LED lighting application products as well as organic light-emitting diode (OLED) materials and devices were included in the catalog.

In accordance with the Guidance Catalog for Industrial Structure Adjustment (2024 Version) (《產業結構調整指導目錄(2024年本)》), promulgated by the NDRC on December 27, 2023, and came into effect on February 1, 2024, key automotive components such as adaptive headlamp systems have been classified as encouraged items.

LAWS AND REGULATIONS RELATING TO ESTABLISHMENT OF COMPANIES AND FOREIGN INVESTMENT

In accordance with the Company Law of the PRC (《中華人民共和國公司法》) (the "**Company Law**"), which was latest amended by the SCNPC on December 29, 2023 and came into effect on July 1, 2024, the Law applies to the establishment, operation and administration of domestic companies and foreign-invested enterprises in the PRC; where the laws regarding foreign investment provide otherwise, such provisions shall prevail.

The Foreign Investment Law of the PRC (《中華人民共和國外商投資法》), which was promulgated by the NPC) on March 15, 2019, and came into effect on January 1, 2020, specifies that the state shall implement the management system of pre-entry national treatment and the Negative List for foreign investment. Pre-entry national treatment refers to the treatment accorded to foreign investors and their investments at the stage of investment entry which is no less favorable than the treatment accorded to domestic investors and their investments; The Negative List refers to a special administrative measure for the entry of foreign investment in specific sectors as imposed by the state. The state provides national treatment to foreign investments outside the Negative List. In addition, the Regulations on Implementing the Foreign Investment Law of the PRC (《中華人民共和國外商投資法實施條例》), which was promulgated by the State Council on December 26, 2019 and came into effect on January 1, 2020, further stipulate that the state shall, in accordance with the needs of the national economy and social development, formulate a catalog of industries for encouraging foreign investment, setting out the specific industries, fields and regions in which foreign investors will be encouraged and induced to invest.

The Measures on Reporting of Foreign Investment Information (《外商投資信息報告辦法》) was released by MOFCOM and the SAMR on December 30, 2019, and came into effect on January 1, 2020. Foreign investors directly or indirectly conducting investment activities within the territory of China shall submit the investment information through submission of initial reports, change reports, deregistration reports, annual reports etc. to the competent commerce authorities in accordance with the measures.

Investment activities in the PRC by foreign investors are principally governed by the Negative List, which was promulgated by the MOFCOM and the NDRC on September 6, 2024 and came into effect on November 1, 2024, as well as the Encouraging List, which was promulgated on October 26, 2022, and came into effect on January 1, 2023. The Negative List sets out special administrative measures (restricted or prohibited) in respect of the access to foreign investment in a centralized manner, and the Encouraging List sets out the encouraged industries for foreign investment. The Negative List covers 11 industries, and any field not falling in the Negative List shall be administered under the principle of equal treatment for domestic and foreign investment. Our business as currently conducted does not fall within the scope of the Negative List and is not subject to special administrative measures.

LAWS AND REGULATIONS RELATING TO THE COMPULSORY PRODUCT CERTIFICATION AND PRODUCT QUALITY

Pursuant to the Administrative Regulations on Compulsory Product Certification (《強制性產品認證管理規定》) latest amended by the SAMR on September 29, 2022 and came into effect on November 1, 2022, and the Regulations of the People's Republic of China on Certification and Accreditation (《中華人民共和國認證認可條例》) latest amended by the State Council on July 20, 2023, and came into effect on the same day, the SAMR is in charge of the compulsory product certification nationwide. Where any product listed in the Catalogue which has not undergone certification leaves the factory or is sold, imported, or used in any other business activity without permission, the violator shall be ordered to take corrective action during a specified period, and fined not less than 50,000 yuan nor more than 200,000 yuan or if the goods value of the illegal product that has not undergone certification is less than 10,000 yuan, fined not more than two times the goods value; and any illegal proceeds shall be confiscated. Pursuant to the Catalogue Description and Definition List for Compulsory Product Certification (《強制性產品認證目錄描述與界定表》) latest amended by the SAMR on August 10, 2023, external lighting and light-signaling devices for motor vehicles fall within the scope of the Compulsory Product Certification (CCC) Catalogue.

Pursuant to the Announcement on Adjusting the Certification Modes for Certain Products in the Catalogue of Products Subject to Compulsory Product Certification (《關於調整強制性產品認證目錄內部分產品認證模式的公告》) issued by SAMR on January 7, 2026, 16 product categories, including external lighting and light-signaling devices for motor vehicles, must obtain and affix the CCC certification certificate and mark prior to manufacture, sale, import or use in other business activities, effective January 1, 2027. For products manufactured and no longer to be produced during the validity period of the self-declaration, no conversion is required and such products may continue to be sold.

Pursuant to the PRC Product Quality Law (《中華人民共和國產品質量法》) latest amended by the SCNPC on December 29, 2018 and came into effect at the same day, a manufacturer is prohibited from producing or selling products that do not meet applicable standards and requirements for safeguarding human health and ensuring human and property safety. Products must be free from unreasonable dangers threatening human and property safety. Where a defective product causes personal injury or property damage, the aggrieved party may make a claim for compensation from the manufacturer or the seller of the product. Manufacturers and sellers of non-compliant products may be ordered to cease the production or sale of the products and could be subject to confiscation of the products and fines. Earnings from sales in violation of such standards or requirements may also be confiscated, and in severe cases, an offender's business license may be revoked.

Pursuant to the Civil Code of the People's Republic of China (《中華人民共和國民法典》) (the "**Civil Code**") promulgated by the NPC on May 28, 2020, and came into effect on January 1, 2021, where damage is caused to another person due to a defect in a product, the infringed person may claim compensation from either the product's manufacturer or seller, and shall be entitled to require the manufacturer and seller to bear tort liability, such as ceasing the infringing act, removing obstacles, and eliminating dangers.

LAWS AND REGULATIONS RELATING TO PRODUCTION SAFETY

Pursuant to the Production Safety Law latest amended by the SCNPC on June 10, 2021, and came into effect on September 1, 2021, entities engaged in production and business activities in the PRC shall comply with the Production Safety Law and other laws and regulations relating to production safety. To ensure production safety, entities shall strengthen the management, establish and improve responsibility systems and policies, improve conditions, promote the development of standards, and enhance the level in this aspect. The primary persons in charge of the production and operation entities are fully responsible for the production safety of their entities. Violation of the Production Safety Law may result in imposition of fines, an order to cease operation, or even assumption of criminal responsibility in case serious consequences are caused.

LAWS AND REGULATIONS RELATING TO CYBERSECURITY, DATA SECURITY AND PRIVACY PROTECTION

Pursuant to the National Security Law of the PRC (《中華人民共和國國家安全法》) latest amended by the SCNPC on July 1, 2015 and came into effect at the same day, the term "national security" is defined as "the status of national regime, sovereignty, unity and territorial integrity, people's well-being, sustainable economic and social development, and other major national interests that are relatively safe and free from any internal and external threat, as well as the ability to ensure continuous security. The state shall establish the rules and mechanisms for national security review and supervision, and conduct national security review of foreign investment, specific materials and key technologies, network information technology products and services that affect or may affect national security, construction projects that involve national security matters, and other major matters and activities to effectively prevent and resolve national risks.

According to the Cybersecurity Law of the PRC (《中華人民共和國網絡安全法》), which was latest amended by the SCNPC on October 28, 2025 and took effect on January 1, 2026, the network operators who build, operate or provide services through networks shall take technical measures and other necessary measures according to laws, administrative regulations and compulsory national standards to safeguard the safe and stable operation of the networks, respond to network security incidents effectively, prevent illegal and criminal activities, and maintain the integrity, confidentiality and usability of network data.

Pursuant to the Data Security Law of the PRC (《中華人民共和國數據安全法》), which was promulgated by the SCNPC on June 10, 2021, and came into effect on September 1, 2021, the state shall establish a data classification and tiered protection system to implement categorized and tiered safeguards for data. Entities carrying out data processing activities shall establish a sound data security management system, organize data security education and training, and take corresponding technical measures and other necessary measures to ensure data security, in accordance with the provisions of laws and regulations.

The Civil Code stipulates that the personal information of a natural person shall be protected and provides main legal basis for privacy and personal information infringement claims. On August 20, 2021, the SCNPC promulgated the PRC Personal Information Protection Law (《中華人民共和國個人信息保護法》) (effective on November 1, 2021), which mandates that personal information processors fulfill various personal information protection obligations, including, among others, (i) informing the individuals of the rules and purposes of personal information processing, and how the individual can exercise their rights, (ii) obtaining consents from individuals for personal information processing or having other applicable legal basis to process personal information, (iii) establishing internal policies and procedures in terms of personal information processing and taking appropriate technical measures, (iv) providing channels for individuals to exercise their personal information rights and respond to their requests; and (v) conduct personal information protection impact assessment under certain personal information processing activities.

According to the Cybersecurity Review Measures (《網絡安全審查辦法》), which were latest amended by the Cyberspace Administration of China and several PRC regulatory authorities on December 28, 2021 and came into effect on February 15, 2022, purchases of network products and services by critical information infrastructure operators and data processing activities by network platform operators, which affect or may affect national security, shall be subject to a cybersecurity review. Network platform operators possessing the personal information of more than 1 million users who intend to list abroad must apply to the Cybersecurity Review Office for a cybersecurity review. Where any member of the Cybersecurity Review working mechanism believes that the network products and services and data processing activities affect or may affect national security, the Cybersecurity Review Office shall report to the Central Cyberspace Affairs Commission for approval under procedures and then conduct the review in accordance with relevant regulations.

On December 8, 2022, the MIIT promulgated the Data Security Measures which became effective on January 1, 2023. The data processors in the industry and information technology sectors are required by the Data Security Measures to establish a full life-circle data security management systems, designate data security management personnel, reasonably manage operation authorization and formulate responses plans and conduct emergency drills and relevant trainings.

LAWS AND REGULATIONS RELATING TO OUTBOUND DIRECT INVESTMENT

Pursuant to the Measures for the Administration of Overseas Investment (《境外投資管理辦法》) latest amended by the MOFCOM on September 6, 2014, and came into effect on October 6, 2014, the MOFCOM and the commerce departments at provincial levels shall subject the overseas investment of enterprises to verification and approval or filing management, depending on the actual circumstances of investment. Overseas investment involving any sensitive country or region, or any sensitive industry shall be subject to verification and approval management. Overseas investment under other circumstances shall be subject to filing management.

Pursuant to the Administrative Measures for Outbound Investment by Enterprises (《企業境外投資管理辦法》) promulgated by the NDRC on December 26, 2017 and came into effect on March 1, 2018, the investing activities of enterprises in PRC such as acquiring overseas ownerships, controlling rights, operating and management rights and other relevant interests by way of investing assets and interests or providing financing and guarantees to control its overseas enterprises, either directly or indirectly, are required to obtain verification and approval or filing with the NDRC in accordance with the relevant conditions of the overseas investment projects. Outbound investment projects that involve sensitive countries and regions or sensitive industries shall be subject to administration of verification and approval by the NDRC, and non-sensitive outbound investment projects shall be subject to administration by record-filing.

For non-sensitive projects of US$300 million or above invested by local enterprise in PRC or carried out by overseas enterprises controlled by them, the investors shall file with the NDRC and non-sensitive outbound investment projects, of which the investment amount of investors in PRC is less than US$300 million (exclusive) shall file with the provincial counterpart of the NDRC.

Pursuant to the Notice on Further Simplify and Enhance Foreign Exchange Policy on Direct Investment (《關於進一步簡化和改進直接投資外匯管理政策的通知》) issued by the SAFE on February 13, 2015, and implemented on June 1, 2015, to cancel the administrative approval for foreign exchange registration for foreign direct investment and to grant banks the rights to directly review and handle foreign exchange registration for foreign direct investment. The SAFE and its branches shall carry out indirect supervision over foreign exchange registration for overseas direct investment through the banks.

LAWS AND REGULATIONS RELATING TO IMPORT AND EXPORT TRADE

According to the Customs Law of the PRC (《中華人民共和國海關法》), which was latest amended by the SCNPC on April 29, 2021, unless otherwise stipulated, the declaration of import and export goods and the payment of customs duties may be handled by the consignees or consignors of imported or exported goods or entrusted customs declaration enterprises. The consignee or the consignor of imported or exported goods and the customs declaration enterprise shall go through customs declaration and filing procedures at the relevant customs in accordance with the law.

According to the Foreign Trade Law latest amended by the SCNPC on December 30, 2022, and the Regulation of the People's Republic of China on the Administration of the Import and Export of Goods (《中華人民共和國貨物進出口管理條例》) which was latest amended by the State Council on March 10, 2024 and came into effect on May 1, 2024, unless it is clearly provided in laws or administrative regulations to forbid or restrict the import or export of goods, no entity or individual may establish or maintain prohibitive or restrictive measures over the import or export of goods.

According to the Foreign Trade Law, the requirement that foreign trade operators engaging in the import and export of goods or technology must register with the competent department for foreign trade of the State Council or its authorized agencies is canceled.

In accordance with the Export Control Law of the PRC (《中華人民共和國出口管制法》), promulgated by the SCNPC on October 17, 2020, and which came into effect on December 1, 2020, China controls the export of dual-use items, military goods, nuclear and other goods, technologies, services and other items that are relevant to safeguarding the security and interests of China and fulfilling its international obligations in the area of non-proliferation. In accordance with the provisions of the Export Control Law and relevant laws and administrative regulations, and in accordance with export control policies, export control authorities, in conjunction with the relevant departments and in accordance with prescribed procedures, formulate and adjust the export control lists of controlled items, and make them public in a timely manner. In accordance with the need to safeguard national security and interests and to fulfill international obligations such as non-proliferation, and with the approval of the State Council, or with the approval of the State Council or the Central Military Commission, the export control authorities may impose temporary controls on goods, technologies and services not included in the export control lists, and make public announcements thereof.

Pursuant to the Administrative Provisions of the PRC on the Filing of Customs Declaration Entities (《中華人民共和國海關報關單位備案管理規定》) promulgated by the General Administration of Customs on November 19, 2021, and became effective on January 1, 2022, consignees, consignors or customs declaration enterprises of imported or exported goods only need to file with the Customs, and no longer need to register with the General Administration of Customs. The filing information will be publicized through the credit publicity platform of import and export business of Customs of the PRC.

LAWS AND REGULATIONS ON INTELLECTUAL PROPERTY RIGHTS

Patent

Pursuant to the Patent Law of the PRC (《中華人民共和國專利法》) (the "**Patent Law**") latest amended by the SCNPC on October 17, 2020 and came into effect on June 1, 2021, the Implementation Rules of the Patent Law of the PRC (《中華人民共和國專利法實施細則》) latest amended by the State Council on December 11, 2023 and came into effect on January 20, 2024, and the Transitional Measures for the Handling of Relevant Examination Concerning the Implementation of the Amended Patent Law and the Detailed Rules for Its Implementation (《關於施行修改後的專利法及其實施細則相關審查業務處理過渡辦法》) promulgated by the China National Intellectual Property Administration on December 21, 2023 and came into effect on January 20, 2024, there are three types of patents, namely invention, utility model and design. Invention patents are valid for 20 years, while utility model patents are valid for 10 years and design patents are valid for 15 years, all starting from the date of application. After the granting of a patent for an invention or utility model, unless otherwise provided for in the Patent Law, no entity or individual may exploit the patent without the permission of the patentee; after the granting of a design patent, no entity or individual shall, without permission of the patentee, exploit the patent, that is, they shall not make, promise to sell, sell, or import the product incorporating its or his patented design, for production and business purposes.

Trademark

Pursuant to the Trademark Law of the PRC (《中華人民共和國商標法》) latest amended by the SCNPC on April 23, 2019 and came into effect on November 1, 2019, and the Regulation on the Implementation of the Trademark Law of the PRC (《中華人民共和國商標法實施條例》) latest amended by the State Council on April 29, 2014 and came into effect on May 1, 2014, trademarks approved and registered by the Trademark Office are registered trademarks, and the trademark registrant shall have the exclusive right to use the trademark, which is protected by law. The validity period of a registered trademark is 10 years, counting from the date of approval of registration.

Copyright

Pursuant to the Copyright Law of the PRC (《中華人民共和國著作權法》) latest amended by the SCNPC on November 11, 2020 and came into effect on June 1, 2021, and the Implementation Regulations of the Copyright Law of the PRC (《中華人民共和國著作權法實施條例》) latest amended by the State Council on January 30, 2013 and came into effect on March 1, 2013, works of PRC citizens, legal persons or unincorporated organizations, whether published or not, shall enjoy copyright in accordance with law. Works refer to intellectual achievements in the field of literature, art and science that are original and can be expressed in a certain form. A copyright holder shall enjoy several personal and property rights, including the right of publication, the right of authorship and the right of reproduction and the right of communication through information networks.

According to the Regulations on the Protection of Computer Software (《計算機軟件保護條例》) latest amended by the State Council on January 30, 2013 and came into effect on March 1, 2013, and the Measures for the Registration of Computer Software Copyright (《計算機軟件著作權登記辦法》) latest amended by the National Copyright Administration of the PRC on February 20, 2002 and came into effect at the same day, Chinese citizens, legal persons or unincorporated organizations shall enjoy the copyright for software they develop, regardless of whether it has been published. Software copyright arises from the date of completion of software development. The protection period of the software copyright of legal persons or unincorporated organizations shall be 50 years, ending on December 31, of the fiftieth year after the first publication of the software. Software which has not been published for 50 years since the date of completion of software development shall not be under protection.

Domain Names

According to the Measures for the Administration of Internet Domain Names (《互聯網域名管理辦法》) promulgated by the MIIT on August 24, 2017 and came into effect on November 1, 2017, the MIIT is responsible for the supervision and management of China's domain name services. No organization or individual shall impede the safe and stable operation of the Internet domain name system.

LAWS AND REGULATIONS RELATING TO ENVIRONMENTAL PROTECTION AND FIRE PREVENTION

Environment Impact Assessment

According to the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》) latest amended by the SCNPC on April 24, 2014 and came into effect on January 1, 2015, and the Law of the People's Republic of China on Environmental Impact Assessment (《中華人民共和國環境影響評價法》) latest amended by the SCNPC on December 29, 2018 and came into effect at the same day, for any construction projects that have an impact on the environment, an entity is required to produce either a report, or a statement, or a registration form of such environmental impacts depending on the seriousness of effect that may be exerted on the environment.

According to the Administrative Regulations on the Environmental Protection of Construction Project (《建設項目環境保護管理條例》) latest amended by the State Council on July 16, 2017 and came into effect on October 1, 2017, upon completion of construction for which an environmental impact report or environmental impact statement is formulated, the constructor shall conduct an acceptance inspection of the environmental protection facilities pursuant to the standards and procedures stipulated by the environmental protection administrative authorities of the State Council, formulate the acceptance inspection report, and announce the acceptance inspection report pursuant to the law except for circumstances where there is a need to keep confidentiality pursuant to the provisions of the State. Where the environmental protection facilities have not undergone acceptance inspection or do not pass acceptance inspection, the construction project shall not be put into production or use.

Solid Waste

Pursuant to the Law of the PRC on Prevention and Control of Environmental Pollution Caused by Solid Wastes (《中華人民共和國固體廢物污染環境防治法》) latest amended by the SCNPC on April 29, 2020 and implemented since September 1, 2020, any entity or individual that produces, collects, stores, transports, utilizes, or disposes solid wastes shall take measures to prevent or reduce environmental pollution caused by solid wastes, and be liable for resultant environmental pollution in accordance with the law.

Completion and Acceptance

The Interim Measures for Acceptance of Environmental Protection upon Completion of Construction Projects (《建設項目竣工環境保護驗收暫行辦法》), which is promulgated and implemented by the former Ministry of Environmental Protection (now the Ministry of Ecology and Environment) on November 20, 2017 and came into effect at the same day, regulates the procedures and standards for independent environmental protection acceptance by construction units upon the completion of construction projects.

Water Pollution and Pollutant Discharge

Pursuant to the Regulations on the Administration of Permitting of Pollutant Discharges (《排污許可管理條例》) promulgated by the State Council on January 24, 2021 and implemented since March 1, 2021, and the Catalog of Classified Administration of Pollutant Discharge License for Stationary Pollution Sources (2019 Version) (《固定污染源排污許可分類管理名錄(2019年版)》) latest amended and implemented by the Ministry of Ecology and Environment on December 20, 2019, key management, simplified management and registration management of pollutant discharge permits are implemented according to factors such as the amount of pollutants generated, the amount of emissions, the degree of impact on the environment, etc., and only pollutant discharge entities subject to registration management do not need to apply for a pollutant discharge permit. Public institutions and other manufacturers which are subject to pollutant discharge permit management as stipulated by laws must apply for and obtain pollutant discharge permits. Without this permit, discharging pollutants is prohibited.

Fire Protection Design Approval and Filing

The Fire Protection Law of the PRC (《中華人民共和國消防法》) (the "**Fire Prevention Law**") was latest amended and implemented on April 29, 2021. According to the Fire Prevention Law and other relevant laws and regulations of the PRC, the Emergency Management Authority of the State Council and its local counterparts at or above county level shall monitor and administer the fire prevention affairs. The Fire and Rescue Department of the People's Government are responsible for implementation. The Fire Prevention Law provides that the fire prevention design or construction of a construction project must conform to the national fire prevention technical standards (as the case may be). According to the Interim Provisions on the Administration of Fire Protection Design Review and Final Inspection of Construction Projects (《建設工程消防設計審查驗收管理暫行規定》) latest amended by the Ministry of Housing and Urban-Rural Development on August 21, 2023 and came into effect on October 30, 2023, special construction projects as defined under such Interim Provisions shall conduct fire protection design review and fire protection final inspection, construction projects other than such special construction projects shall fill acceptance of the project with competent authority.

LAWS AND REGULATIONS RELATING TO REAL ESTATES

Pursuant to the Land Administration Law of the PRC (《中華人民共和國土地管理法》) latest amended by the SCNPC on August 26, 2019 and came into effect on January 1, 2020, Registration of the ownership and the right to the use of land shall be governed by the laws and administrative regulations relating to real estate registration and the legally registered ownership and right to the use of land shall be protected by law and may not be infringed upon by any entities or individuals.

Pursuant to the Law on Administration of Urban Real Estate of the PRC (《中華人民共和國城市房地產管理法》) latest amended by the SCNPC on August 26, 2019 and came into effect on January 1, 2020, in case of house leasing, the lessor and lessee are required to enter into a written lease contract, containing such provisions as the leasing term, usage, rental and repair liabilities, as well as other rights and obligations of both parties, and go through registration and filing procedures with the real estate administration department.

According to the Administrative Measures for Commodity House Leasing (《商品房屋租賃管理辦法》), which was promulgated by the Ministry of Housing and Urban-Rural Development of the PRC on December 1, 2010 and came into effect on February 1, 2011, within 30 days after the conclusion of the house leasing contract, the parties involved in the house leasing shall carry out house leasing registration with the construction (real estate) administrative department of the people's government of a municipality directly under the central government of the PRC, city or county where the house leased is located. In the case of a violation of the above provisions, they may be ordered to make corrections within a specified time limit by the competent construction (real estate) department of the people's government of a municipality directly under the central government, city or county. If fails to do so, a fine of more than RMB1,000 but less than RMB10,000 will be imposed.

According to the Civil Code, failure of the parties to the lease contract to complete the formalities for registration in accordance with the laws and administrative regulations shall not affect the validity of the contract.

LAWS AND REGULATIONS RELATING TO LABOR AND SOCIAL INSURANCE

Pursuant to the Labor Law of the PRC (《中華人民共和國勞動法》) latest amended and implemented by the SCNPC on December 29, 2018, and the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》) latest amended by the SCNPC on December 28, 2012 and came into effect on July 1, 2013, a labor contract shall be concluded when a labor relationship is established. Employers shall establish and improve labor rules and systems in accordance with the law to safeguard employees' labor rights and fulfillment of labor obligations.

In accordance with the Social Insurance Law of the PRC (《中華人民共和國社會保險法》), which was latest amended and implemented by the SCNPC on December 29, 2018, and the Provisional Regulations on Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》), which was latest amended and implemented by the State Council on March 24, 2019, the social insurance system has been established for basic pension insurance, basic medical insurance, work-related injury insurance, unemployment insurance and maternity insurance. Enterprises shall register social insurance with the local social insurance agency and participate in social insurance. Enterprises and employees shall pay their social insurance premiums in full and in a timely manner. Employers who fail to promptly contribute social insurance premiums in full amount shall be ordered by the social insurance premium collection agency to make or supplement contributions within a stipulated period, and shall be subject to a penalty for late payment from the due date at the rate of 0.05% per day; where payment is not made within the stipulated period, the relevant administrative authorities shall impose a fine ranging from one to three times the amount of the amount in arrears.

In accordance with the Regulations on the Administration of Housing Provident Funds (《住房公積金管理條例》) which was latest amended and implemented by the State Council on March 24, 2019, enterprises shall register at the housing provident fund management center to pay housing provident funds and open housing provident fund accounts for their employees. Enterprises are required to pay housing provident funds on behalf of their employees in full and in a timely manner. If the employer fails to pay the housing fund within the prescribed time, it may be ordered to pay within a certain period, and if it still fails to pay, compulsory enforcement by the court can be applied.

Pursuant to the Circular on Issuing the Comprehensive Plan for Reducing Social Insurance Premium Rates (《關於印發〈降低社會保險費率綜合方案〉的通知》) which was promulgated by the General Office of State Council on April 1, 2019 and came into effect on May 1, 2019, no centralized collection of enterprises' historical social insurance contribution shall be conducted independently in the course of the reform of the social insurance premium collection system.

Pursuant to the Interpretation II of the Supreme People's Court of Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》) enacted by the Supreme People's Court on July 31, 2025 and implemented on September 1, 2025, any agreement between an employer and an employee for the non-payment of social insurance or any employee undertaking to waive such payment shall be determined as void by the people's court. During the Track Record Period, the Company has not entered into any agreement with the relevant employees to waive such payment.

LAWS AND REGULATIONS ON TAXATION

Enterprise Income Tax

According to the EIT Law latest amended and implemented by the SCNPC on December 29, 2018, and the Regulations on the Implementation of the EIT Law of the PRC (《中華人民共和國企業所得稅法實施條例》) latest amended by the State Council on December 6, 2024 and came into effect on January 20, 2025, the "resident enterprises" are enterprises which are set up in China in accordance with law, or which are set up in accordance with the law of a foreign country (region) but which are actually under the administration of institutions in China; the "non-resident enterprises" are enterprises which are set up in accordance with the law of a foreign country (region) and whose actual administrative institution is not in China, but which have institutions or establishments in China, or which have no such institutions or establishments but have income generated from inside China. The rate of enterprise income tax shall be 25%; the high-tech enterprises that need key support from the PRC government shall be subject to a reduced EIT rate of 15%.

Value-added Tax

According to the Notice of the Ministry of Finance and the State Administration of Taxation on the Adjustment to VAT Rates (《財政部、稅務總局關於調整增值稅稅率的通知》) which was promulgated on April 4, 2018 and came into effect on May 1, 2018, the original rates of 17% and 11% applicable to the taxpayers who have VAT taxable sales activities or imported goods are adjusted to 16% and 10%, respectively.

According to the Announcement on Policies for Deepening the VAT Reform (《關於深化增值稅改革有關政策的公告》), which was promulgated by the Ministry of Finance, the State Taxation Administration and the General Administration of Customs on March 20, 2019 and came into effect on April 1, 2019, the original rates of 16% or 10% applicable to the general VAT payers' sales activities or imports goods that are subject to VAT are adjusted to 13% or 9%, respectively.

Pursuant to the Value-added Tax Law of the PRC (《中華人民共和國增值稅法》), which was promulgated by the SCNPC on December 25, 2024 and came into effect on January 1, 2026, entities and individuals (including individual industrial and commercial proprietors) selling goods, services, intangible assets, real estate and importing goods within the territory of the PRC are taxpayers of VAT and shall pay VAT in accordance with the provisions of the law. Unless stated otherwise, for payers who sell goods, and provide processing, repairs and replacement services and rental services of tangible movable assets as well as import goods, the tax rate shall be 13%, and be, in certain specified circumstances, 9%, 6% and 0%.

LAWS AND REGULATIONS RELATING TO FOREIGN EXCHANGE

According to the Administrative Regulations on Foreign Exchange of the PRC (《中華人民共和國外匯管理條例》) latest amended and implemented by the State Council on August 5, 2008, domestic entities and domestic individuals making overseas direct investments or engaging in issuance and trading of overseas securities and derivatives shall process registration formalities pursuant to the provisions of the foreign exchange control department of the State Council.

According to Notice of the State Administration of Foreign Exchange on Issues concerning the Foreign Exchange Administration of Overseas Listing (《國家外匯管理局關於境外上市外匯管理有關問題的通知》), which was promulgated and came into effect on December 26, 2014, a domestic company shall, within 15 working days after the completion of its overseas listing and issuance, register the overseas listing with the local branch of the SAFE of the place where it is incorporated. The funds raised by domestic companies through overseas listing may be repatriated to China or deposited overseas, provided that the use of funds shall be consistent with those as set out in the public disclosure documents such as the document or corporate bond issuance document, circulars to shareholders and resolutions of the board of directors or shareholders' meeting.

According to the Notice of the State Administration of Foreign Exchange on Reforming and Regulating the Policies for the Administration of Foreign Exchange Settlement under the Capital Account (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) promulgated and came into effect on June 9, 2016, the settlement of foreign exchange receipts under the capital account (including the foreign exchange capital, external debts and funds recovered from overseas listing, etc.) that are subject to discretionary settlement as already specified by relevant policies may be handled at banks based on the domestic institutions' actual requirements for business operation. Where the current regulations contain any restrictive provisions on the foreign exchange settlement of foreign exchange receipts under capital accounts of domestic institutions, such provisions shall prevail.

According to the Notice by the State Administration of Foreign Exchange Regarding Optimizing Foreign Exchange Administration to Support Foreign Business Development (《國家外匯管理局關於優化外匯管理支持涉外業務發展的通知》) promulgated on April 10, 2020 and came into effect on June 1, 2020, enterprises meeting the prescribed requirements are allowed to use income under the capital accounts as capital funds, external debts and overseas listings for domestic payment without providing banks with authenticity certification materials in detail in advance, to the extent that funds are used for true and law-compliant purposes and such enterprises comply with the in-force administrative provisions on the use of income under the capital accounts.

According to the Notice of the State Administration of Foreign Exchange on Further Deepening Reforming to Facilitate Cross-border Trade and Investment (《國家外匯管理局關於進一步深化改革促進跨境貿易投資便利化的通知》) issued and came into effect on December 4, 2023, the foreign exchange funds raised by domestic enterprises through overseas listing may be directly remitted to the settlement account of capital accounts. Funds in the settlement account of capital accounts may be settled and used at discretion.

According to the Guidelines for Foreign Exchange Operations under the Capital Account (2024 Edition) (《資本項目外匯業務指引(2024年版)》), promulgated by the SAFE on April 3, 2024, and came into effect on May 6, 2024, for domestic companies listed overseas, the raised funds shall in principle be repatriated to China in a timely manner in either Renminbi or foreign currency. The use of such funds shall be consistent with the content of the public disclosure documents such as this Document, corporate bonds issuance documents, circulars to shareholders and resolutions of board of directors and shareholders' meetings. Domestic companies utilizing funds raised overseas for overseas direct investment, overseas securities investment, or cross-border lending shall comply with the relevant foreign exchange regulations.

LAWS AND REGULATIONS RELATING TO THE ISSUANCE AND LISTING OF SECURITIES OVERSEAS BY DOMESTIC ENTERPRISES

The Securities Law of the People's Republic of China (《中華人民共和國證券法》) (the "**Securities Law**"), which was latest amended by the SCNPC on December 28, 2019 and came into effect on March 1, 2020, comprehensively regulates the activities of the securities market in the PRC, including the issuance and trading of securities, acquisitions of listed companies, disclosure of information, investor protection, stock exchanges, securities companies, securities registration and clearing institutions, securities service agencies, securities associations and securities regulatory authorities. The Securities Law further stipulates that domestic enterprises that directly or indirectly issue securities abroad or list their securities abroad shall comply with the relevant provisions of the State Council, and that the specific provisions for subscription and trading of shares of domestic companies in foreign currencies shall be separately stipulated by the State Council. The CSRC is a securities regulatory body established by the State Council, which is responsible for supervising and managing the securities market in accordance with the law, maintaining market order and safeguarding the legal operation of the market.

On February 17, 2023, the CSRC promulgated the Filing Rules and related guidelines, which came into effect on March 31, 2023. Pursuant to the Filing Rules, where a domestic enterprise in the PRC directly or indirectly issues or lists shares overseas, it shall file a report with the CSRC within 3 working days after submitting the application documents for issuance and listing overseas; overseas issuance and listing shall be prohibited under any of the following circumstances: where the issuance and listing is prohibited by laws, administrative regulations or the relevant provisions of the state; where the overseas issuance and listing is recognized by the relevant competent department of the State Council in accordance with the law may jeopardize national security; where domestic enterprises or their controlling shareholders or de facto controllers are involved in criminal offenses of corruption, bribery, misappropriation of property, embezzlement of property, or disruption of the socialist market economy order within the last three years; where domestic enterprises suspected of committing crimes or major violations of laws and regulations are being investigated by the law, and has not yet come to a definitive conclusion of the opinion; where there are significant ownership disputes over the shareholdings held by controlling shareholders or shareholders directed by controlling shareholders or de facto controllers.

Pursuant to the Provisions on Strengthening the Confidentiality and Archives Administration of Overseas Securities Issuance and Listing by Domestic Companies (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》), which was jointly issued by the CSRC together with other relevant authorities on February 24, 2023 and came into effect on March 31, 2023, where a domestic enterprise provides or publicly discloses any document or material that involving state secrets and working secrets of state agencies to the relevant securities companies, securities service institutions, overseas regulatory authorities and other entities and individuals, it shall report to the competent department with the examination and approval authority for approval in accordance with the law, and submit to the secrecy administration department of the same level for filing. The working papers formed within the territory of China by the securities companies and securities service agencies that provide corresponding services for the overseas issuance and listing of domestic enterprises shall be kept within the territory of China. Cross-border transfer shall go through the examination and approval formalities in accordance with the relevant provisions of the State.

Pursuant to the Notice on Issues Concerning Capital Management for Overseas Listing of Domestic Enterprises (《關於境內企業境外上市資金管理有關問題的通知》), which was jointly promulgated by the PBOC and the SAFE on December 26, 2025 and will become effective on April 1, 2026, a domestic enterprise shall complete the registration with the competent banks within 30 working days after the date of its initial overseas listing or the completion of the over-allotment. The proceeds raised may be remitted to the PRC or deposited overseas, provided that the use of funds shall be consistent with the relevant disclosure documents. Domestic shareholders increasing or decreasing their overseas shareholdings are also required to comply with the relevant registration and account management requirements.

LAWS AND REGULATIONS RELATING TO PRC SANCTIONS REGIME

On June 10, 2021, the SCNPC promulgated the Anti-Foreign Sanctions Law (《中華人民共和國反外國制裁法》), which came into effect at the same day. It is the governing law of China's sanctions regime, and its main purpose is to counteract "foreign discriminatory restrictive measures" imposed by foreign governments that infringe on China's national security and the lawful rights and interests of Chinese citizens and organizations. On January 9, 2021, the MOFCOM introduced Rules on Counteracting Unjustified/Extra-territorial Application of Foreign Legislation and other Measures (the "**Blocking Rules**"), which came into effect at the same day. As indicated in Article 2, the Blocking Rules aims to block the unjustified extraterritorial application of foreign laws and measures that prohibit or restrict transactions between Chinese persons and third country persons. On September 19, 2020, the MOFCOM issued the Provisions on the Unreliable Entity List (《不可靠實體清單規定》), which came into effect at the same day. According to Article 2 of these Provisions, foreign entities may be placed on the Unreliable Entity List for the following reasons: 1) endangering the national sovereignty, security or development interests of China; 2) suspending normal transactions with Chinese companies, organizations and individuals, or applying discriminatory measures against them in violation of normal market transaction principles, thereby causing serious damage to the lawful rights and interests of Chinese persons.

THE SERBIAN LAWS, REGULATIONS AND POLICIES

This section summarizes certain laws and regulations of Serbia that are of specific relevance for our subsidiary in Serbia as a foreign investor, particularly in the areas of corporate structure, foreign investment, product safety, product liability, data privacy, customs, trade, environmental protection and taxations. It is intended to provide a general overview and not to provide a complete or exhaustive description of all relevant Serbian regulations applicable to a provider of automotive lighting products. The laws of the Republic of Serbia are enacted by the National Assembly of the Republic of Serbia.

Law Regarding Corporate Structure

The establishment, organization and operation of companies in Serbia are governed by the Law on Companies (ZAKON O PRIVREDNIM DRUŠTVIMA, *"Sl. glasnik RS", br. 36/2011, 99/2011, 83/2014 - dr. zakon, 5/2015, 44/2018, 95/2018, 91/2019, 109/2021 i 19/2025*) ("**Serbia Law on Companies**"). This law sets out the general legal framework applicable to corporate entities, including rules on incorporation, corporate governance, capital structure and management.

Xingyu Serbia is established as a LLC (Limited Liability Company, in Serbian: d.o.o., abbr. for društvo sa ograničenom odgovornošću) in accordance with the Serbia Law on Companies. A LLC under Serbian law may be incorporated by one or more members, and the liability of its members for the company's obligations is generally limited to the amount of their respective capital contributions. A LLC has separate legal personality and is liable for its obligations with its entire assets. Its members do not bear personal liability for the company's obligations beyond their capital contributions, except in circumstances expressly prescribed by law. The capital of a limited liability company is divided into ownership interests rather than shares, and the company is managed by one or more directors.

Law Regarding Foreign Investments and Exchange

Foreign investors are in principle permitted to invest in Serbia on terms comparable to those applicable to domestic investors, including by establishing new companies, acquiring existing businesses or participating in joint ventures. There are generally no restrictions on foreign ownership in the manufacture of automotive lighting products.

The principal legislation governing foreign investment is the Law on Investments (ZAKON O ULAGANJIMA, *"Sl. glasnik RS", br. 89/2015 i 95/2018*) ("**Law on Investments**"). This law provides a framework for investment activities in Serbia and sets out certain fundamental principles, including equal treatment of domestic and foreign investors, freedom of investment, protection against expropriation, and the right to transfer profits and capital subject to applicable regulations. Under this law, a foreign investor may establish or acquire a company in Serbia under the same conditions as a domestic investor, provided that the statutory requirements are satisfied. Company incorporation and registration of business activities are carried out with the Serbian Business Registers Agency (SBRA).

Foreign exchange transactions in Serbia are governed by the Law on Foreign Exchange Operations (Zakon o deviznom poslovanju, *"Sl. glasnik RS", br. 62/2006, 31/2011, 119/2012, 139/2014, 30/2018 and 19/2025)* ("**Law on Foreign Exchange Operations**"). This law establishes the legal framework for foreign currency transactions, cross-border payments, foreign currency accounts, and settlements related to imports and exports. Under Serbian law, companies are required to report foreign currency inflows and outflows exceeding the prescribed thresholds to the National Bank of Serbia ("**NBS**"). In addition, the law provides that certain foreign investments or loan arrangements may be subject to specific licensing or approval requirements in accordance with the applicable regulations.

Law Regarding the Industrial Sector and Product Safety

Product technical requirements and conformity assessment in Serbia are governed by the Law on Technical Requirements for Products and Conformity Assessment (ZAKON O TEHNIČKIM ZAHTEVIMA ZA PROIZVODE I OCENJIVANJU USAGLAŠENOSTI, *"Sl. glasnik RS", br. 49/2021*) ("**Law on Technical Requirements for Products and Conformity Assessment**"). This law imposes obligations on manufacturers to ensure that products, including automotive lighting products, comply with the applicable technical requirements before being placed on the market. In practice, SRPS EN standards, which are harmonized with relevant European standards, are applied in assessing conformity with the prescribed technical requirements.

General product safety matters are governed by the Law on General Product Safety (ZAKON O OPŠTOJ BEZBEDNOSTI PROIZVODA, *"Sl. glasnik RS", br. 41/2009 i 77/2019*) ("**Law on General Product Safety**"). Under Serbian law, products containing potential hazardous substances are regulated. These regulations closely follow the relevant European Union directives in this area. Accordingly, manufacturers are required to ensure that both their components and finished products comply with the restrictions on hazardous substances and product safety requirements.

Supervision over the implementation of product safety regulations is carried out by the competent market inspection authorities. Such authorities are empowered to inspect products placed on the market, technical documentation, markings, declarations of conformity and compliance with applicable safety requirements. In cases of non-compliance, regulatory measures may include bans on sale, withdrawal of products from the market and the imposition of significant monetary fines on manufacturers and responsible persons.

Law Regarding Product Liability

The Law on General Product Safety also governs product liability in Serbia. Under this law, only safe products may be placed on the market. Manufacturers and distributors are required to assess product risks, provide appropriate warnings and instructions for use, and take corrective measures where necessary, including the withdrawal or recall of products from the market if they pose a risk to consumer health and safety.

The law establishes the criteria for determining whether a product is considered safe or unsafe, as well as the obligations imposed on manufacturers and distributors. Products are required to comply with descriptions, quality standards, functionality and intended use.

Law Regarding Data Privacy

The protection of personal data in Serbia is governed by the Law on the Protection of Personal Data (ZAKON O ZAŠTITI PODATAKA O LIČNOSTI, "*Sl. glasnik RS", br. 87/2018*) ("**Law on the Protection of Personal Data**"). This law regulates the processing of personal data relating to employees, clients, suppliers and other individuals, and sets out the rights of data subjects as well as the obligations of data controllers and data processors.

For companies engaged in the manufacture of automotive lighting products, the law is applicable in connection with (i) the processing of employee personal data, including data relating to employment, payroll calculation, occupational health and safety compliance and related obligations, and (ii) the processing of consumer personal data, including data storage, access and protection. Under this law, companies are required to establish transparent and clearly defined procedures for the storage, access and protection of personal data, and to adopt a privacy policy that is accessible to employees.

Law Regarding Customs and Foreign Trade Regulations

Serbia has established a customs and foreign trade regime governing the import, export and transit of goods. The principal legislation regulating customs matters is the Customs Law (CARINSKI ZAKON, "*Sl. glasnik RS", br. 95/2018, 91/2019 - dr. zakon, 144/2020, 118/2021 i 138/2022*) ("**Serbian Customs Law**"). This law governs, among other things, customs procedures, customs valuation, classification of goods, origin of goods, customs duties and available customs reliefs. All goods are classified under the customs tariff system, and the applicable treatment depends on the tariff classification, valuation and origin of the goods.

Foreign trade activities are further regulated by the Law on Foreign Trade Operations (ZAKON O SPOLJNOTRGOVINSKOM POSLOVANJU, "*Sl. glasnik RS", br. 36/2009, 36/2011 - dr. zakon, 88/2011 i 89/2015 - dr. zakon)* ("**Law on Foreign Trade Operations**"). This law upholds the principle of free import and export while allowing restrictions where necessary to protect public security, human health, the environment or to ensure compliance with Serbia's international obligations. Depending on the nature of products, certain goods may be subject to technical requirements, particularly where electrical or electronic components or hazardous substances are involved.

Rules on the origin of goods are relevant to the application of preferential customs treatment. Where the relevant conditions are satisfied and appropriate proof of origin is provided, preferential customs rates may be applied under free trade agreements concluded by Serbia with, among others, the EU, CEFTA (Central European Free Trade Agreement), EFTA (European Free Trade Association) and certain other countries, which may reduce customs costs for eligible lighting products.

Law Regarding Environmental Regulations

Environmental matters in Serbia are governed by a set of environmental protection laws applicable to manufacturing activities.

The Law on Environmental Protection (ZAKON O ZAŠTITI ŽIVOTNE SREDINE, "*Sl. glasnik RS", br. 135/2004, 36/2009, 36/2009 - dr. zakon, 72/2009 - dr. zakon, 43/2011 - odluka US, 14/2016, 76/2018, 95/2018 - dr. zakon, 95/2018 - dr. zakon i 94/2024 - dr. zakon*) ("**Law on Environmental Protection**") establishes the fundamental principles of environmental governance, including sustainable development, the "polluter pays" principle, preventive action and the environmental responsibility of legal entities. Manufacturing companies are required to organize their operations in a manner that prevents or minimizes adverse environmental impacts and to implement appropriate technical, organizational and monitoring measures.

The Law on Environmental Impact Assessment (ZAKON O PROCENI UTICAJA NA ŽIVOTNU SREDINU, "*Sl. glasnik RS", br. 94/2024*) ("**Law on Environmental Impact Assessment**") also provides that, depending on the scale, location and nature of a project, certain production facilities may be subject to a mandatory environmental impact assessment or a screening procedure to determine whether such assessment is required. The assessment evaluates the potential impacts on air, water, soil, noise levels and human health. Approval must be obtained prior to the construction or expansion of production facilities.

The Law on Air Protection (ZAKON O ZAŠTITI VAZDUHA, "*Sl. glasnik RS", br. 51/2025*) applies to industrial processes that may generate emissions, including metal processing, coating, painting and the use of chemical substances commonly associated with automotive lighting products manufacturing. Companies are required to comply with applicable emission limit values, apply prescribed techniques and obtain relevant permits for emission sources, with monitoring and reporting obligations depending on the equipment and processes used.

Waste-related matters are governed by the Law on Waste Management (ZAKON O UPRAVLJANJU OTPADOM, "*Sl. glasnik RS", br. 109/2025*) ("**Law on Waste Management**"). This law is relevant to manufacturers of automotive lighting products due to the generation of industrial waste, packaging waste, electronic waste and potentially hazardous waste. Under this law, producers are required to properly classify waste, ensure safe storage, maintain records and transfer waste to authorized operators.

Serbia's environmental legislation continues to evolve in the context of its European Union accession process. Regulatory standards in relation to waste electrical and electronic equipment, hazardous substances, energy efficiency and emissions, are expected to become progressively more stringent.

Law Regarding Tax Regulations

Serbia has established a tax framework applicable to corporate entities. For companies conducting manufacturing and trading activities in Serbia, tax considerations primarily relate to corporate income tax and value added tax. In addition, Serbia has concluded a broad network of double taxation avoidance treaties that may be relevant to cross-border payments.

Corporate Income Tax

Corporate income tax in Serbia is governed by the Law on Corporate Income Tax (ZAKON O POREZU NA DOBIT PRAVNIH LICA, *"Sl. glasnik RS", br. 25/2001, 80/2002, 80/2002 - dr. zakon, 43/2003, 84/2004, 18/2010, 101/2011, 119/2012, 47/2013, 108/2013, 68/2014 - dr. zakon, 142/2014, 91/2015 - autentič no tumač enje, 112/2015, 113/2017, 95/2018, 86/2019, 153/2020, 118/2021 i 94/2024*) ("**Corporate Income Tax Law**"). Corporate income tax is levied on the taxable profit of legal entities. The tax base is determined by adjusting accounting profit and the corporate income tax rate is a flat rate of 15%. Resident companies are subject to corporate income tax on their worldwide income, while non-resident companies are subject to tax only on income attributable to a permanent establishment in Serbia.

The Corporate Income Tax Law also regulates transfer pricing and withholding tax matters. Payments made to associated non-resident entities, such as dividends, interest and royalties, are generally subject to withholding tax at a statutory rate of 20%, unless a lower rate or exemption applies under an applicable double taxation avoidance treaty. Serbia has entered into an extensive network of double taxation avoidance treaties, which may reduce withholding taxes on certain categories of cross-border income, including dividends, interest and royalties.

Serbia provides a range of tax incentives that may significantly reduce the effective corporate income tax burden, depending on the nature, size and location of the investment. These include accelerated tax benefits for R&D. In particular, foreign-invested enterprises that invests more than Serbian Dinar ("**RSD**") 1.0 billion in its fixed assets, and employs at least 100 employees on an indefinite-term basis during the investment period shall be exempt from corporate income tax for a period of ten years from its first profit-making year. Xingyu Serbia will be exempt from corporate income tax for a period of ten years commencing from its first profitable year.

Value Added Tax

Value added tax (VAT) is regulated by the Value Added Tax Law (ZAKON O POREZU NA DODATU VREDNOST, *"Sl. glasnik RS", br. 84/2004, 86/2004 - ispr., 61/2005, 61/2007, 93/2012, 108/2013, 6/2014 - usklađeni din. izn., 68/2014 - dr. zakon, 142/2014, 5/2015 - usklađeni din. izn., 83/2015, 5/2016 - usklađeni din. izn., 108/2016, 7/2017 - usklađeni din. izn., 113/2017, 13/2018 - usklađeni din. izn., 30/2018, 4/2019 - usklađeni din. izn., 72/2019, 8/2020 - usklađeni din. izn., 153/2020, 138/2022, 94/2024 i 109/2025*) ("**Value Added Tax Law**"). VAT is imposed on the supply of goods and services and on the importation of goods carried out in the course of business. Foreign entities performing taxable supplies in Serbia are generally required to register for VAT and appoint a fiscal representative, regardless of turnover, unless specific statutory exemptions apply. Where a foreign supplier does not appoint a fiscal representative, VAT may be accounted for by the Serbian recipient of the goods or services.

The standard VAT rate in Serbia is 20%. A 0% VAT rate, with the right to deduct input VAT, applies to exports of goods, international transport and services directly related to exports. Certain transactions are exempt from VAT without the right to deduct input VAT, including, among others, transactions in shares and securities, insurance and reinsurance services, and the leasing of residential and business property.

OVERVIEW

The history of our Group can trace back to 2000, when Changzhou Xingyu Automotive Lighting Co., Ltd. (常州星宇車燈有限公司) was established by two founding shareholders, Ms. Zhou and her father, Mr. Zhou Bajin (周八斤). Prior to establishing our Group, Ms. Zhou has accumulated extensive experiences in the automotive lighting industry since 1993. Ms. Zhou has served as the General Manager and the Director of our Company since the establishment and as the Chairperson of our Board since 2007. Over 25 years of development, under the leadership of Ms. Zhou, we have become China's largest integrated provider of automotive lighting products and one of the leading participants in the global automotive lighting market. According to Frost & Sullivan, in terms of revenue in 2024, we ranked first in China and seventh globally in the overall automotive lighting market, with market shares of 11.0% in China and 4.2% globally, respectively.

Since February 1, 2011, our A Shares have been listed on the Shanghai Stock Exchange (601799.SH).

OUR BUSINESS MILESTONES

The following sets out our major business development milestones since our inception and up to the Latest Practicable Date:

Year	Business Milestones
Phase I: Establishment — Technology Accumulation and Laying a Solid Industry Foundation	
2000	Established under the name of Changzhou Xingyu Automotive lighting Co., Ltd. (常州星宇車燈有限公司), the predecessor of our Group.
2006	We successfully obtained CNAS accreditation and Xingyu lamps laboratory has become a nationally recognized laboratory.
2007	We reformed into a joint stock company.
2008	We commenced mass production of HID lamps.
2010	Our technology center was recognized as a"National-level Technology Center" (國家級企業技術中心).

Year	Business Milestones
Phase II: Breakthrough — Share of Mid-to-High-End Market continues to increase	
2011	Our Company became listed on the Shanghai Stock Exchange (601799.SH).
2015	We boosted the share of well-known joint venture automotive brands and mid-to-high-end vehicle models within our customer portfoilo.
Phase III: Expansion-Product update and Global Expansion	
2016	We commenced mass production of our first LED headlamp.
2018	We established our first overseas R&D center - the Wolfsburg R&D Center in Germany.
2019	We commenced mass production of adaptive matrix LED headlamp and began the construction of our Serbian Manufacturing Base.
Phase IV: Leadership — Intelligent Development and Breakthroughs in New Businesses	
2021	We achieved increase in the proportion of new energy vehicle brands within our customer portfolio.

Year	Business Milestones
2022	We commenced exploration in the embodied intelligence area, and spearheaded the launch of China's first ISO standard project for automotive lighting industry.
2023	We commenced mass production of DLP intelligent projection headlamps. Our Company was awarded the title of "National Green Factory", and we established a subsidiary in North America.
2024	Our automotive lighting business, in terms of revenue, achieved the No. 1 market share in China and ranked No. 7 globally, according to Frost & Sullivan.
2025	We commenced mass production of HD intelligent projection headlamps. We received CMMM (Level 4) certificate.

OUR CORPORATE DEVELOPMENT

(1) Incorporation of Our Company in May 2000

On May 18, 2000, our Company was incorporated under the name Changzhou Xingyu Automotive Lighting Co., Ltd. (常州星宇車燈有限公司) under the laws of the PRC as a limited liability company, with an initial registered capital of RMB1.00 million. At the time of incorporation, Ms. Zhou and Mr. Zhou Bajin held 60% and 40% of our registered capital and equity interest, respectively.

(2) Conversion into a Joint Stock Company in October 2007

Our Company undertook an equity interest transfer and a capital increase in August and September 2007, respectively. In preparation for the A Share Listing, pursuant to the resolution passed at the Shareholders' meeting of our Company held on October 20, 2007, our Company was converted into a joint stock company with limited liability and renamed as Changzhou Xingyu Automotive Lighting Systems Co., Ltd. (常州星宇車燈股份有限公司). After this conversion, the shareholding structure of our Company was as follows:

Name of Shareholder	Number of Shares held	Shareholding percentage
Zhou Xiaoping	95,703,000	57.00%
Zhou Bajin	53,425,780	31.82%
Shenzhen Dongfangjiaxin Venture Investment Co., Ltd. (深圳市東方嘉信創業投資有限公司)	5,037,000	3.00%
Shenzhen Capital Group Co., Ltd. (深圳市創新投資集團有限公司)	3,358,000	2.00%
Zhang Rongqian	3,190,100	1.90%
Geng Xiaohong	3,190,100	1.90%
Xu Huiyi	1,595,050	0.95%
Wang Zhanyin	1,595,050	0.95%
Ge Zhijian	805,920	0.48%
Total	**167,900,000**	**100.00%**

(3) Listing on the Shanghai Stock Exchange in February 2011

During the Period between 2008 to 2010, our Company undertook certain share transfer and capital increase. Then in February 2011, as approved by the CSRC, our Company completed the initial public offering and listing of our A Shares on the Shanghai Stock Exchange (601799.SH) in February 2011, pursuant to which a total of 60,000,000 new A Shares were issued, accounting for 25.34% of our Company's then issued shares of 236,760,000 immediately following the A Share Listing. The shareholding structure of our Company after the A Share Listing was as follows:

Name of Shareholder	Number of Shares held	Shareholding percentage
Zhou Xiaoping	103,868,600	43.87%
Zhou Bajin	37,535,400	15.85%
Xingyu Investment	17,676,000	7.47%
SDIC Fund (Beijing) Co., Ltd. (國投創新(北京)投資基金有限公司)	13,064,620	5.52%
National Council for Social Security Fund of the PRC – 3rd holding account (全國社會保障基金理事會轉持三戶)	4,615,380	1.95%
Other A Shareholders	60,000,000	25.34%
Total	**236,760,000**	**100.00%**

(4) 2016 Non-public Offering

In August 2016, our Company completed a non-public offering, pursuant to which it privately placed an aggregate of 36,505,232 A shares to seven specified investors at an issue price of RMB41.09 per share, raising total gross proceeds of RMB1,499,999,982.88. Upon completion of the non-public offering, the total number of shares of our Company increased from 239,650,000 shares to 276,155,232 shares, with the newly issued shares representing 13.22% of our total issued share capital as enlarged by the non-public offering. The shareholding structure of our Company after the non-public offering was as follows:

	Before the non-public offering		After the non-public offering	
Name of Shareholder	Number of Shares held	Shareholding percentage	Number of Shares held	Shareholding percentage
Zhou Xiaoping	103,002,120	42.98%	103,002,120	37.30%
Zhou Bajin	37,535,380	15.66%	37,535,380	13.59%
Xingyu Investment	17,676,000	7.38%	17,676,000	6.40%
Seven specified investors	0	0%	36,505,232	13.22%
Other A shareholders	81,436,500	33.98%	81,436,500	29.49%
Total	**239,650,000**	**100.00%**	**276,155,232**	**100.00%**

(5) Issuance of Convertible Bonds

In October 2020, our Company conducted a public issuance of convertible bonds (the "**Bonds**") in the principal amount of RMB1,500,000,000 with a maturity period of six years to invest in, among others, the tooling facility of the Intelligent Manufacturing Industrial Park, etc.

The Bonds were listed on the Shanghai Stock Exchange on November 16, 2020 (bond code: 113040.SH). The conversion period of the Bonds was from April 28, 2021 to October 21, 2026. The initial conversion price of the Bonds was RMB158.00 per Share, which was determined after taking into account, among other things, the average trading price prior to the date of the offering circular of the Bonds and was subject to the adjustment mechanism as disclosed in the offering circular.

The Bonds were redeemed and deregistered from the Shanghai Stock Exchange on August 3, 2021. As of the redemption date, the Bonds representing a total principal amount of RMB1,492,650,000 had been converted into shares of the Company, accounting for 99.51% of the total principal amount of the Bonds. There were 9,524,187 shares of the Company converted from the Bonds, representing 3.45% of the total issued shares before the conversion. Our Company redeemed the rest 73,500 Bonds with a total payment of RMB7,361,834.07 (interest inclusive).

(6) Shareholding Change in relation to our Controlling Shareholders

Mr. Zhou Bajin directly held 12.22% interest of our Company, and 40.00% in Xingyu Investment, which held 6.19% shares of our Company before his departure in February 2025. Upon his passing away and following the division of marital property and inheritance procedure, his 12.22% interest of our Company were equally reallocated to Ms. Zhou, and Ms. Sun Exiao, his only child and his spouse, and the 40.00% interest of Xingyu Investment was eventually transferred to Ms. Zhou. Ms. Zhou, Xingyu Investment and Ms. Sun Exiao are regarded as a group of controlling shareholders of our Company. For details, see "Relationship with our Controlling Shareholders."

The shareholding status in relation to the shareholding changes of our Controlling Shareholders was as follows:

	Before Property Division and Inheritance Procedure		After Property Division and Inheritance Procedure	
Name of Shareholder	**Number of Shares held**	**Shareholding percentage**	**Number of Shares held**	**Shareholding percentage**
Zhou Xiaoping	102,520,320	35.89%	119,977,973	42.00%
Zhou Bajin	34,915,307	12.22%	0	0%
Xingyu Investment	17,676,000	6.19%	17,676,000	6.19%
Sun Exiao.	–	–	17,457,654	6.11%
Total	**155,111,627**	**54.30%**	**155,111,627**	**54.30%**

CAPITALIZATION OF OUR COMPANY

As of the Latest Practicable Date, the shareholding structure of our Company was as follows:

Name of Shareholder	Number of Shares held	Shareholding percentage
Zhou Xiaoping	119,977,973	42.00%
Xingyu Investment	17,676,000	6.19%
Sun Exiao	17,457,654	6.11%
Other A Shareholders	130,567,792	45.70%
Total	**285,679,419[(1)]**	**100.00%**

Note:

(1) Including **[REDACTED]** A Shares being held as treasury Shares repurchased by our Company pursuant to the repurchase mandates approved by Shareholders, accounting for approximately [**REDACTED**]% of the total number of A Shares in issue as of the Latest Practicable Date.

OUR MAJOR SUBSIDIARIES

As of the Latest Practicable Date, we had 16 PRC and overseas subsidiaries in total, the major functions of which include, among other things, production, sales, marketing and research and development.

The following table sets forth the principal business activities, date and place of establishment of our major subsidiaries as of the Latest Practicable Date:

Name of Entities	Equity Interest Attributable to our Group	Principal Business Activities	Date and Place of Establishment
Foshan Xingyu	100%	R&D, manufacturing and sales of automotive lighting products	January 16, 2013 PRC
Xingyu Serbia	100%	R&D, manufacturing and sales of automotive lighting products	October 30, 2019 Republic of Serbia

MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

We had not carried out any major acquisitions, disposals or mergers during the Track Record Period and up to the Latest Practicable Date.

EMPLOYEE STOCK SCHEME

For the purpose to attract, retain and motivate the employees of the Company, and to align the interests of the Company, the Shareholders and the employees of the Company, the Company has adopted a variety of employee incentive plans and schemes since the A Share Listing in 2011. Currently we have two effective Employee Stock Schemes, i.e. the 2024 Employee Stock Scheme adopted on December 2, 2024 and the 2025 Employee Stock Scheme adopted on November 20, 2025 respectively. For details of the Employee Stock Schemes, see "Appendix IV — Statutory and General Information — Employee Stock Schemes."

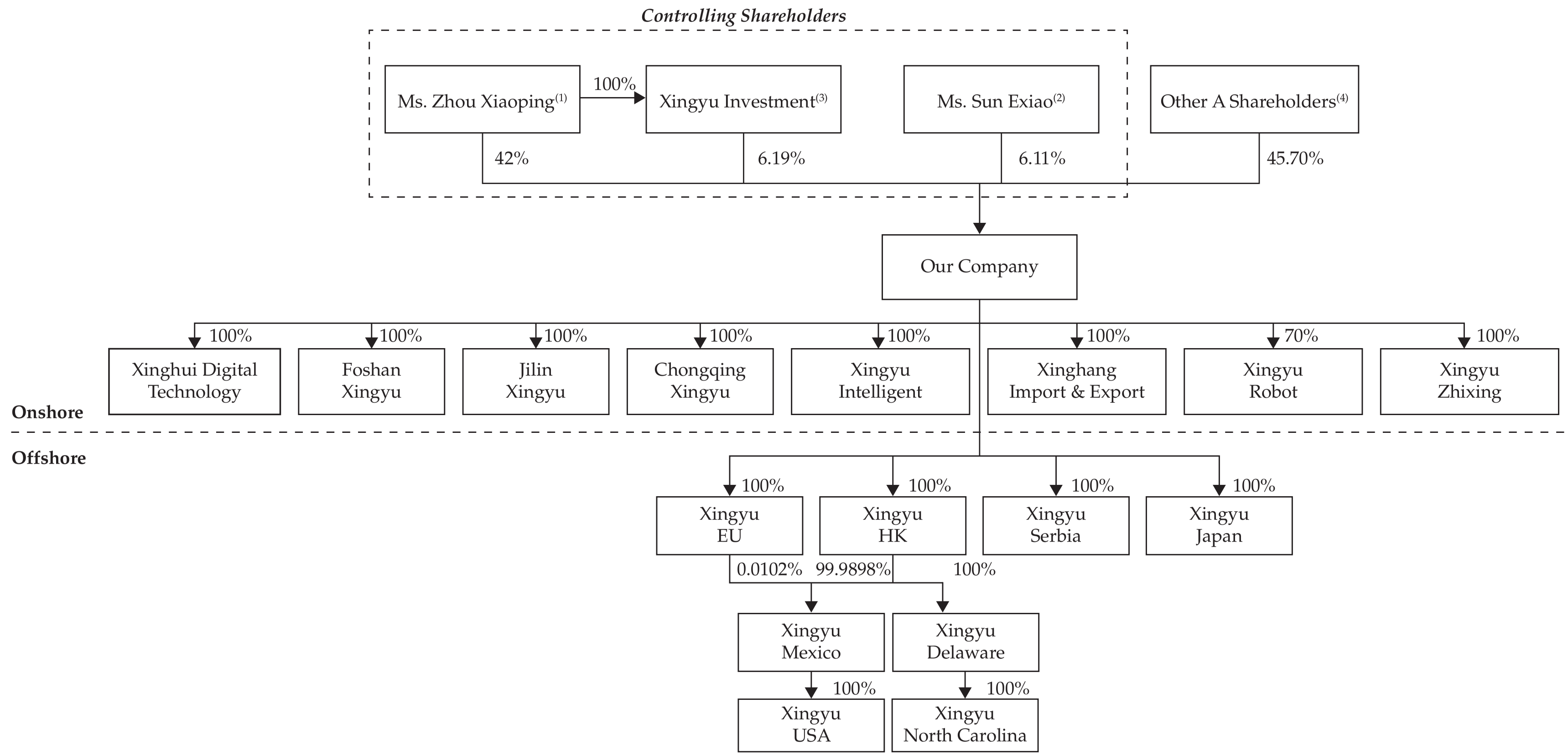
OUR LISTING ON THE SHANGHAI STOCK EXCHANGE AND REASONS FOR THE [REDACTED] ON THE STOCK EXCHANGE

Our Company is currently listed on the Shanghai Stock Exchange. Our Directors confirmed that, during the Track Record Period and to the Latest Practicable Date, we had no instances of non-compliance with the rules of the Shanghai Stock Exchange and other applicable securities laws and regulations of the PRC, and, to the best knowledge of our Directors having made all reasonable enquiries, there was no material matter that should be brought to the **[REDACTED]** attention in relation to our compliance record on the Shanghai Stock Exchange. Our PRC legal advisor is of the view that, during the Track Record Period, we were not subject to any material administrative penalties or regulatory measures imposed by the CSRC or the Shanghai Stock Exchange. Based on the independent due diligence conducted by the Sole Sponsor, nothing has come to the Sole Sponsor's attention that would cause it to disagree with the Directors' confirmation with regard to the compliance records of the Company on the Shanghai Stock Exchange.

Our Company seeks to **[REDACTED]** on the Stock Exchange in order to advance our globalization strategy, enhance the international influence of our brand, leverage international capital markets, diversify financing channels, and support our high-quality development. See "Business — Our Strategies" and "Future Plans and **[REDACTED]**" for more details.

CORPORATE STRUCTURE IMMEDIATELY PRIOR TO THE [REDACTED]

The following chart shows the shareholding and corporate structure of our Group immediately prior to the completion of the **[REDACTED]** (assuming no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the **[REDACTED]**):



Notes:

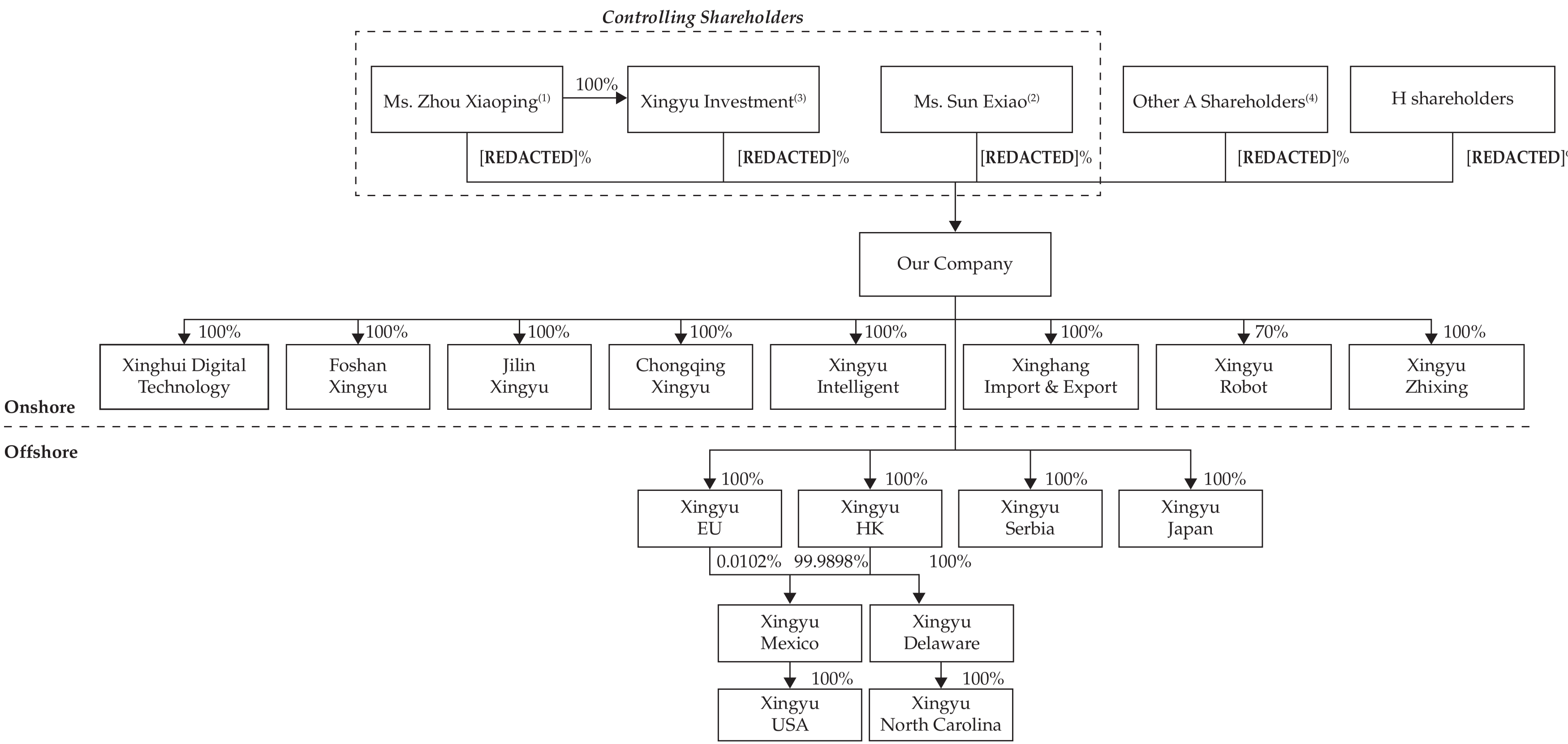
1. Ms. Zhou is an Executive Director, the Chairperson of our Board and the General Manager of our Company. See "Directors and Senior Management" for details.

2. Ms. Sun Exiao is the mother of Ms. Zhou and acts in concert with Ms. Zhou. See "Relationship with our Controlling Shareholders" for details.

3. As of the Latest Practicable Date, Xingyu Investment was 100% owned by Ms. Zhou, and Xingyu Investment is one of our Controlling Shareholders. Apart from holding interest in our Company, Xingyu Investment and its controlled subsidiaries have not engaged in any business that is the same or similar to our Company's principal business. See "Relationship with Our Controlling Shareholders" for more details.

CORPORATE STRUCTURE IMMEDIATELY AFTER THE [REDACTED]

The following chart illustrates the shareholding and corporate structure of our Group immediately following the completion of the **[REDACTED]** (assuming that the **[REDACTED]** is not exercised and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the **[REDACTED]**):



Note: See "— Corporate Structure Immediately prior to the **[REDACTED]**" in this section for Notes (1) to (3).

PUBLIC FLOAT

Rules 8.08 and 19A.13A of the Listing Rules require that there must be an open market in the securities for which listing is sought. Where a new applicant is a PRC issuer with other listed shares at the time of listing, this will normally mean that the portion of H shares for which listing is sought that are held by the public, at the time of listing, must: (a) represent at least 10% of the issuer's total number of issued shares in the class to which H shares belong (excluding treasury shares); or (b) have an expected market value of not less than HK$3,000,000,000.

To the best knowledge and belief of our Directors and on the basis of the current shareholding structure, none of the H Shares is expected to be held by our core connected person, and the **[REDACTED]** H Shares, representing approximately **[REDACTED]** of our total issued share capital immediately following completion of the **[REDACTED]** (assuming that the **[REDACTED]** is not exercised and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the **[REDACTED]**), are expected to be counted towards the public float upon the **[REDACTED]**. As a result, our Company will be able to satisfy the requirements under Rule 19A.13A(2) of the Listing Rules.

FREE FLOAT

Under Rule 19A.13C of the Listing Rules, a PRC issuer with other listed shares at the time of listing must ensure that the portion of H shares for which listing is sought that are held by the public and that are not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise) at the time of listing (a) represent at least 5% of the total number of issued shares in the class to which H shares belong at the time of listing (excluding treasury shares), with an expected market value at the time of listing of not less than HK$50,000,000, or (b) have an expected market capitalization of not less than HK$600,000,000.

It is expected that immediately following completion of the **[REDACTED]**, the **[REDACTED]** of the **[REDACTED]** on the Stock Exchange that are held by the **[REDACTED]** and are not subject to any disposal restrictions at the time of the **[REDACTED]** is not less than HK$**[REDACTED]** (based on the low end of the indicative **[REDACTED]** and assuming the **[REDACTED]** is not exercised). Accordingly, our Company will be able to satisfy the requirements under Rule 19A.13C of the Listing Rules.

OVERVIEW

Who We Are

We are the largest provider of automotive lighting products in China and one of the leading participants in the global automotive lighting market by sales revenues in 2024. We supply automotive lighting products and related electronic components to automotive manufacturers worldwide, leveraging our capabilities in technology innovation and intelligent manufacturing. As of the Latest Practicable Date, we had established business relationships with nine of the world's top ten global automotive manufacturers by vehicle sales volume calculated on a group level in 2024, demonstrating our leading market position in the global automotive lighting industry. According to Frost & Sullivan, based on sales revenue in 2024, we ranked first in China and seventh globally in the overall automotive lighting market, with market shares of 11.0% in China and 4.2% globally, respectively. We have an even stronger market competitiveness and a larger market share in OEM original equipped market of the passenger vehicle with a retail price of RMB200,000 and above, ranking first in China with a 22.1% market share. According to Frost & Sullivan, based on sales revenue in 2024, we also ranked first both globally and in China in the intelligent automotive lighting market, with a market share of 70.2% in China, significantly ahead of our competitors.

Guided by our mission of "Xingyu Lighting, Brighten the World (星宇車燈，照亮世界)", we are committed to advancing the globalization of our R&D, sales and manufacturing operations. By building a robust talent ecosystem, continuously investing in technology innovation, and driving digital and intelligent transformation, we have continued to strengthen our competitive advantages in the automotive lighting market. Leveraging our accumulated capabilities across optics, mechanics, electronics, software and materials, we are also actively expanding into emerging fields such as embodied intelligence. As of September 30, 2025, we operated 12 manufacturing facilities in China and Serbia and maintained 15 R&D centers worldwide, serving automotive customers across major markets in Asia, Europe and Americas.

The following diagram presents our market-leading position and key business highlights:

Notes:

(1) According to Frost & Sullivan, the ranking is based on sales revenue in 2024.

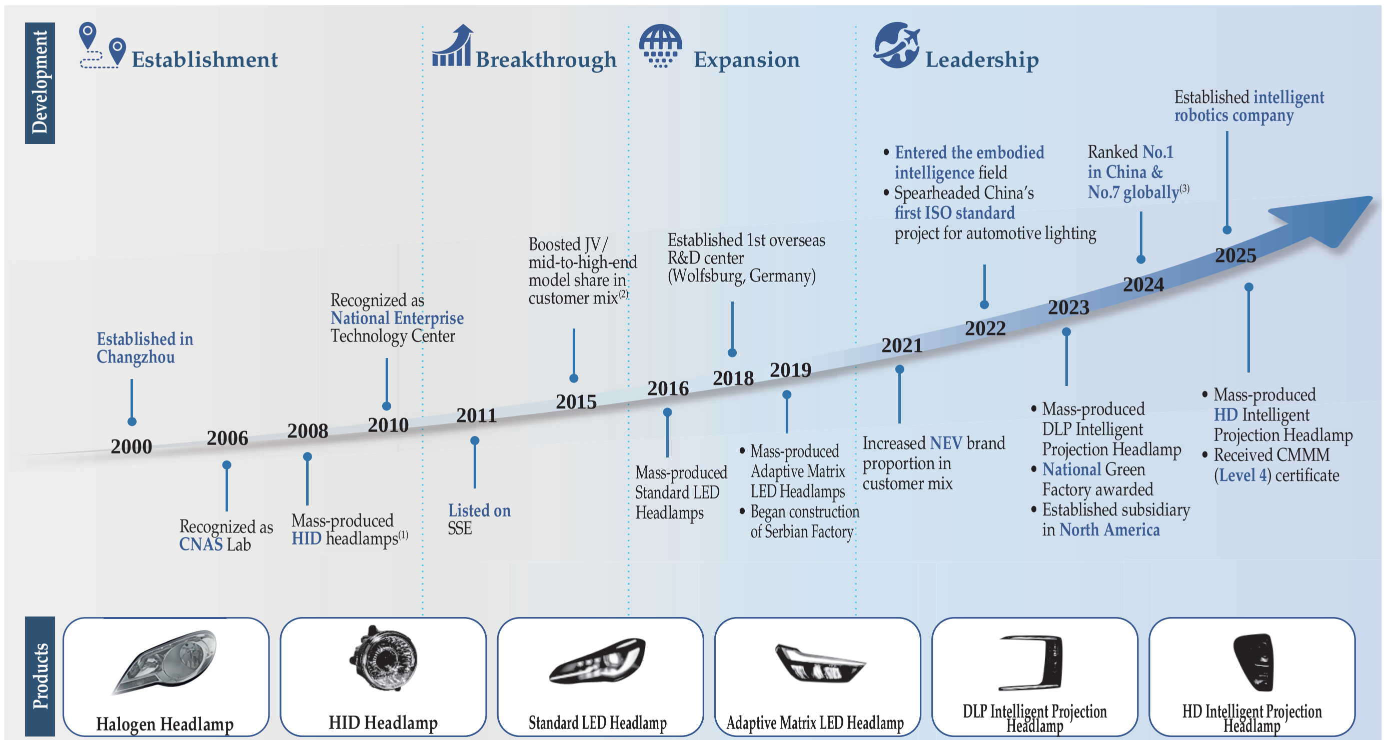
(2) As of September 30, 2025.

(3) As of September 30, 2025, we held more than 2,800 granted patents worldwide. We also led and formulated the ISO/TS 5385:2022 standards in 2022, which became the first ISO standard approved in China's automotive lighting industry.

(4) According to our A-share annual reports published on the Shanghai Stock Exchange, our revenue grew at a CAGR of 21.1% from 2011 to 2024, while our net profit grew at a CAGR of 17.8% over the same period. Such figures have not been audited or reviewed by the Reporting Accountants.

Our Key Milestones

The following diagram illustrates our key milestones since our establishment:



Notes:

(1) Refers to the mass production of our first HID headlamp.

(2) Refers to the continuous increase in the proportion of joint-venture brands/mid-to-high-end vehicle models within our customer mix.

(3) Calculated based on revenue from the automotive lighting business in 2024, according Frost & Sullivan.

Our Business and Products

We focus on the design, development, manufacturing and sales of automotive lighting products. Centered on automotive lighting, we have expanded into intelligent automotive visual systems and are exploring the application of our intelligent manufacturing capabilities in the field of embodied intelligence. Our products primarily include the following categories:

Automotive Lighting Products

Automotive lighting is an important upgrade option in vehicle iteration and one of the few highly recognizable components in the era of intelligent vehicles. It is also a key factor considered by consumers in vehicle purchase decisions. Our automotive lighting product portfolio encompasses front lighting, rear lighting, other lighting and controllers, designed to deliver safety-oriented, interactive and intelligent user experiences while supporting diverse in-vehicle applications and customized functions.

Our automotive lighting product portfolio primarily comprises the following:

- ***Front lighting.*** Our front lighting products have evolved from conventional lighting components into intelligent sensing and dynamic light distribution systems. Our representative products include standard LED headlamps, adaptive matrix LED headlamps, intelligent projection headlamps (including HD and DLP solutions) and front ISD interactive lamps.

- ***Rear lighting.*** The signaling display functions and intelligent interaction capabilities of our rear lighting products have been significantly enhanced, enabling interactive lighting signals, programmable lighting effects and customized animations, which improve vehicle recognizability and brand characteristics. Our representative products include through-type rear lamps, rear ISD interactive lamps and dynamic OLED rear lamps.

- ***Other lighting.*** Our other lighting products create a more human-centric and emotionally expressive atmosphere inside and outside the vehicle through dynamic brightness adjustment, customized welcome lighting effects and integration with vehicle body systems, which help regulate the mental state of drivers and passengers and enhance the overall experience of road users. Our representative products include carpet projection lamps, intelligent ambient lighting systems and cockpit lighting products.

- ***Controllers.*** Controllers are core components that centrally receive instructions from the vehicle and sensors, control lighting functions, provide safety protection and fault diagnosis capabilities, and interface with overall vehicle systems. Our representative products include lighting controllers such as HCMs, RCMs, and LCUs, HD and DLP controllers, and intelligent driving controllers.

Embodied Intelligence

We are actively exploring opportunities in the field of embodied intelligence, with the objective of leveraging and transferring our comprehensive R&D capabilities in intelligent automotive lighting optics, intelligent manufacturing technologies, and vertically integrated resources. We are focusing on the R&D and manufacturing of core components, as well as the deployment of embodied intelligent robots in industrial application scenarios, in order to pursue growth opportunities in this emerging sector. We have completed the development and validation of the structural components of head modules, joint modules, controllers and related components, and have provided systematic optical technology solutions for "lighting," "projection" and "display." The first batch of embodied intelligence interaction modules and related samples is expected to be delivered in 2026.

Our Customer

We are committed to providing comprehensive and high-quality solutions to global automotive manufacturers by closely tracking industry development trends, actively pursuing technology innovation, and responding swiftly to customer needs. Through long-term, in-depth engagement in the automotive lighting industry, we have achieved comprehensive customer coverage, spanning Chinese domestic automotive brands, renowned global automotive brands, and both conventional vehicle brands and new energy vehicle brands. With respect to Chinese domestic automotive brands, we maintain close relationships with automotive manufacturers including FAW Hongqi, Chery, Seres, Geely, JAC, BAIC New Energy, Li Auto, NIO and XPeng, contributing to the continuous development of China's automotive industry. With respect to internationally renowned automotive brands, we work with BMW, Volkswagen, Toyota, Nissan, Honda, Bentley and a well-known North American new energy vehicle manufacturer, and have received awards from customers worldwide. According to Frost & Sullivan, we have established business relationships with nine of the world's top ten automotive manufacturers by vehicle sales volume calculated on a group level in 2024, demonstrating our leading market position in the global automotive lighting industry.

Our automotive lighting design and development activities cover the full vehicle development lifecycle, including styling design, product engineering, tooling development, prototype manufacturing, testing and validation, off-tooling sample approval, trial production and the production part approval process. The development cycle for a single project typically ranges from approximately 12 to 30 months. This co-development model enables us to work closely with automotive manufacturers throughout the development process, allowing us to achieve "excellent quality, high efficiency, advanced technology" (高品質，高效率，高科技). As a result, we have strengthened long-term customer relationships and established ourselves as a certified strategic supplier to a broad range of automotive manufacturers. As the global automotive industry continues to evolve rapidly, with shorter product cycles and accelerating technological change, we believe our experience in long-term, integrated customer collaboration will continue to support our competitive position.

Our Market Opportunities

We provide automotive lighting products to automotive manufacturers. Growth in vehicle demand, together with the industry's transition toward intelligence, presents significant development opportunities for our business:

- **Continued expansion of the global automotive market:** According to Frost & Sullivan, global vehicle sales are expected to increase to 128.1 million units by 2030, representing a CAGR of 5.4% from 2025 to 2030. As the world's largest automotive market, China is expected to continue leading industry development, while North America and Europe are expected to remain the second and third-largest markets, respectively. Looking ahead, with the continued increase in new energy vehicle penetration and the advancement of vehicle intelligence and connectivity technologies driving product upgrades and optimization of consumption structures, the long-term outlook for the automotive industry remains favorable, laying a solid foundation for the sustainable and healthy development of the automotive lighting industry. Leveraging our leading position in the automotive lighting sector and the firm execution of our globalization strategy, we are well-positioned to capture business opportunities arising from growth across automotive markets worldwide and to achieve improvements in operating performance and market share.

- **Intelligent and customized development of automotive lighting:** As the automotive industry rapidly transitions toward electrification and intelligence, automotive lighting is evolving into an intelligent visual system, supported by advancements in intelligent technologies and underlying technological iterations. According to Frost & Sullivan, the market size of intelligent automotive lighting products in China accounted for 8.6% of the total automotive lighting market. which is projected to rise sharply to 52.1% by 2030. As intelligent automotive lighting products become increasingly adopted, they are expected to provide drivers and other road users with richer intelligent experiences and interactive scenarios, thereby continuously enhancing the importance and demand for automotive lighting among automotive manufacturers and consumers. Building on the technological advantages gained through long-term R&D investment, we plan to further capture demand driven by the growth of intelligent automotive lighting and achieve increases in both average selling price and profitability.

Our Performance

Since our listing on the Shanghai Stock Exchange in 2011, our revenue has consistently recorded growth. From 2011 to 2024, our operating revenue grew at a CAGR of 21.1%. During the Track Record Period, both our revenue and profit achieved sustained growth. Our revenue increased by 29.3% from RMB10,248.4 million in 2023 to RMB13,252.9 million in 2024. For the nine months ended September 30, 2025, our revenue totaled RMB10,710.0 million, representing a 16.1% increase compared to the corresponding period in 2024. Our net profit amounted to RMB1,102.1 million and

RMB1,408.3 million in 2023 and 2024, and RMB977.2 million and RMB1,141.0 million for the nine months ended September 30, 2024 and 2025, respectively.

COMPETITIVE STRENGTHS

Largest Automotive Lighting Products Provider in China with a Leading Global Market Position

According to Frost & Sullivan, by sales revenue in 2024, we were the largest automotive lighting manufacturer in China and the seventh largest participant in the global automotive lighting market, with market shares of approximately 11.0% in China and 4.2% globally. In terms of customer collaboration, we have established stable cooperative relationships with nine of the world's top ten global automotive manufacturers by vehicle sales volume on a group level in 2024. As automotive lighting products are regulated safety components of vehicles, automotive manufacturers adopt a highly prudent approach in supplier selection, comprehensively assessing suppliers' R&D capabilities, quality stability and overall service capabilities. As an automotive lighting manufacturer with a leading market position in China and a significant global presence, we have established long-term relationships with our customers based on our R&D capabilities, product quality and service efficiency. These relationships have supported higher customer retention and the continued expansion of our customer base. On the supplier side, our market position enables us to build a stable and scalable supply chain with cost efficiencies. Through long-term collaboration and joint development, we have established stable partnerships with our suppliers.

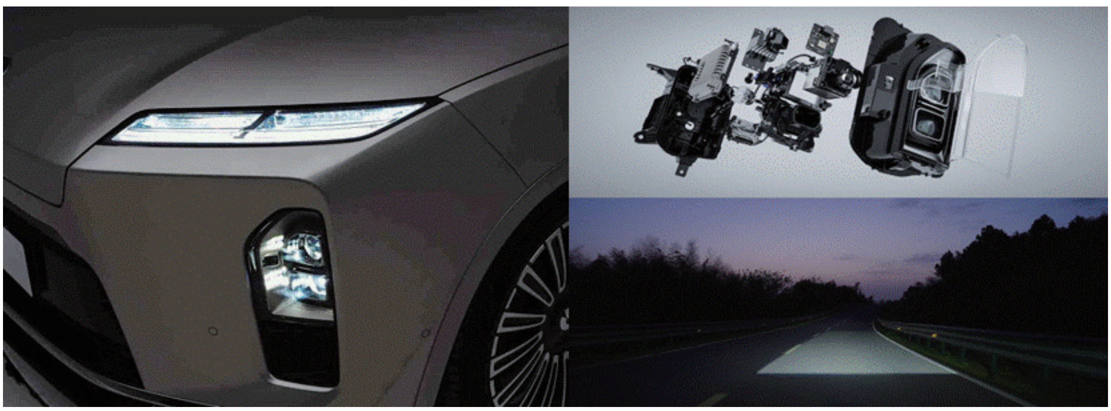
We are an industry leader in the intelligent automotive lighting sector, with substantial technological reserves and extensive project experience in advanced technologies such as HD, DLP and ISD. According to Frost & Sullivan, based on sales revenue in 2024, we ranked first globally and in China in the intelligent automotive lighting market, with a market share of 70.2% in China, significantly ahead of other market participants. Leveraging our capabilities in technology development and large-scale manufacturing, we have established ourselves as a preferred development partner for customers in intelligent automotive lighting solutions. This has created a positive feedback cycle in which technological advancement supports customer adoption, and increasing market demand, in turn, supports continued innovation. Concurrently with strengthening brand recognition and customer relationships, we continue to advance product and technology iteration in intelligent automotive lighting, maintaining our position at the forefront of technology innovation.

Our operating scale and industry position enable us to capture growth opportunities arising from the expansion of the global automotive lighting market. According to Frost & Sullivan, the market size of automotive lighting in China and globally is expected to reach RMB168.6 billion and RMB450.5 billion, respectively, by 2030, representing CAGRs of approximately 7.8% and 7.4% from 2025 to 2030. We believe that, as the largest automotive lighting products provider in China, we are well-positioned to fully leverage our competitive advantages and further increase our global market share.

Innovation-Driven Development and the Creation of Industry-Model Products

As the core visual interface through which vehicles interact with pedestrians and the external environment, automotive lighting has completed a strategic transformation from a single-function lighting component to a core component of vehicle intelligence. We remain dedicated to automotive lighting, driving innovation across technologies and application scenarios to deliver industry-defining benchmark products.

HD Intelligent Projection Headlamp



We have leading technological advantages in the field of HD automotive lighting. In 2025, we developed dual 10K pixel level HD headlamps for a leading Chinese new energy vehicle brand. This product features a 25,600 pixel projection interaction function, with both FOV (Field of View) and brightness reaching industry-leading levels, and has achieved favorable market reception.

DLP Intelligent Projection Headlamp

We are also a leading participant in the DLP automotive lighting. During the Track Record Period, we launched dual million pixel level DLP intelligent projection headlamps. These products support a range of welcome lighting effects and intelligent interactive lighting functions and were subsequently adopted across multiple premium new energy vehicle models under different automotive brands.

Through-type Lamp

We have made sustained investments in automotive lighting design and aesthetics, introducing a series of products with a strong market influence. During the Track Record Period, our through-type automotive lamps have been adopted across a number of popular vehicle models globally.

Our lighting controllers serve as core enabling components for the deployment of advanced automotive lighting functions. They are deeply integrated with vehicle electronic systems and are among a limited number of industry solutions built on a platform-based architecture that can be deployed across multiple categories of automotive lighting products. We have completed a transition from a function-defined vehicle architecture to a software-defined vehicle architecture. Leveraging our proprietary software architecture and algorithm modules, our controller product portfolio provides stable support for advanced lighting effects and intelligent interaction functions, and our intelligent driving control product further enables system-level compatibility with L2 driver assistance features. In addition, through early-stage collaboration with automotive manufacturers during vehicle platform development, we are able to align closely with vehicle electrical architectures and applicable functional safety requirements, thereby improving development efficiency, shortening development cycles and enhancing the overall value proposition of our automotive lighting solutions.

Strong End-to-end Proprietary Development Capabilities, Supported by Sustained R&D Investment and Consistent Innovation Outputs

We have built a skilled and experienced R&D team by consistently attracting and retaining talent with robust technical backgrounds. As of September 30, 2025, we had a total of 2,031 R&D personnel, representing 26.9% of our total workforce, of whom over 500 held a master's degree or above. Our top-tier talent base has become a foundation of our long-term growth.

We place strong emphasis on R&D investment. During the Track Record Period, our annual average R&D expenditure exceeded RMB600 million. As of September 30, 2025, we operated 15 R&D centers across China, Germany, Japan and Serbia. Our R&D activities span five core disciplines: optics, mechanics, electronics, software and materials. Based on in-depth insights into customer requirements, we develop styling concepts and co-create automotive lighting application scenarios. These concepts are translated into intelligent automotive lighting solutions through rigorous optical system design and simulation, powerful and precise engineering software algorithms, within precision-engineered structural components, enabling illumination, projection-based interaction and display functions. To address the requirements of diverse application scenarios, we also collaborate with upstream suppliers in the development of specialized polymer materials for automotive lighting applications. Our testing center is accredited by the CNAS, enabling us to conduct testing in accordance with applicable regulatory standards and customer specifications. In addition, we have been recognized as a National-level Enterprise Technology Center and a National-level Industrial Design Center, and we operate a postdoctoral research workstation accredited by the Ministry of Human Resources and Social Security of the PRC.

We continue to deliver strong R&D outcomes. As of September 30, 2025, we held more than 2,800 granted patents of which more than 490 were invention patents. As of the same date, we had also received the Silver Award of the 20th China Patent Award and the Excellence Award of the 22nd China Patent Award. We also owned more than 400 software copyrights. We place strong emphasis on both theoretical research and technological application, and have published multiple academic papers in leading journals and at Institute of Electrical and Electronics Engineers (IEEE) international conferences, covering a broad range of areas, thereby contributing to the overall technological advancement of the automotive lighting industry.

We actively participate in the formulation of industry standards in the automotive lighting sector. We serve as the Vice Chairman Institution of the Automotive Lighting Committee of the China Association of Automotive Manufacturers, Chairman Institution of Automotive Signal and Related Standards Working Group, and the first drafting entity in China for an ISO international standard in the automotive lighting industry. As of September 30, 2025, we had led and participated in the formulation and revision of 15 international, national and industry standards, underscoring our active role in shaping industry standards and technical norms.

Driving Efficiency, Quality Improvement and Cost Control Through Vertical Integration

The design, development and manufacturing of automotive lighting products involve a highly complex, multidisciplinary and systematic process. Through our vertically integrated operating model, we have established in-house capabilities across key areas, including electronics, tooling and equipment. Supported by long-term R&D and continuous innovation, we have developed broad and in-depth expertise across these areas, enabling efficient cross-functional collaboration. As a result, we are able to continuously improve production efficiency, enhance product quality and maintain effective cost control. The details are set out below:

Electronics

As an automotive lighting manufacturers in the industry with in-house electronics factories, we have established a professional electronics R&D and process engineering team of more than 400 personnel, which is deeply involved throughout the entire lifecycle of automotive lighting projects. This includes key stages such as hardware design, embedded software development, circuit simulation and EMC performance optimization, as well as network and system integration testing. Our electronics factories are equipped with 40 advanced SMT production lines, achieving positioning accuracy of up to 50 micrometers for light source modules. We also operate self-developed automated assembly lines for light source modules and controllers, with 100% automated inspection implemented at critical process stages, ensuring product consistency and reliability. Through end-to-end control spanning electronics R&D, process design and in-house manufacturing, we are able to deliver optimal solutions across technology, product quality and cost efficiency.

Tooling

Leveraging over two decades of sustained investment and expertise in tooling, we have established industry-leading in-house tooling design and manufacturing capabilities with more than 400 team members, allowing us to work closely with downstream customers and internal teams from the early stages of product design and development and to flexibly adjust solutions as needed. During the Track Record Period, the in-house manufacturing rate of our tooling for highly technical multicolor lens and optical component molds reached as high as 95%. Compared with outsourced tooling, our in-house approach not only enables effective cost control but also reduces tooling design lead time by approximately 20% and shortens tooling production cycles by approximately 10%, resulting in higher efficiency and more reliable tooling quality.

Equipment

With over two decades of experience, we have established R&D capabilities with more than 300 R&D team members for intelligent equipment and automated production lines, covering the full range of automotive lighting manufacturing processes. As of the Latest Practicable Date, the in-house manufacturing rate of equipment used in our automotive lighting assembly processes exceeded 90%, covering key processes such as adhesive dispensing, welding, electrical testing, dimensional inspection and vision inspection, and fully supporting the production requirements of various product types. Our in-house intelligent equipment and production lines not only help control costs but also enable smoother information exchange and process integration across different equipment, significantly improving both management efficiency and production efficiency.

Digital Intelligence Capabilities Deeply Empowering Our Operations and Management

Since 2022, we have comprehensively advanced a company-wide digital transformation, focusing on two primary initiatives: full-value-chain business process optimization and the development of digital model factories. In response to evolving market competition and our own development needs, we have continuously optimized core business processes across R&D, procurement, manufacturing, sales and services. We have established a digital technology team of nearly 100 professionals and utilized information technology to integrate data, enhance data utilization, and empower our production and operational activities. Our digital model factories have received broad recognition from relevant authorities, having been awarded honors including MIIT Intelligent Manufacturing Model Factory, National-Level Green Factory, National-Level High-quality Intelligent Manufacturing Scenarios, and have achieved CMMM (Level 4) certificate.

As a result of such initiatives, our product development cycle had been shortened by approximately 30% during the Track Record Period. Our digital and intelligent transformation across over ten manufacturing facilities has also led to a significant reduction in our inventory turnover days, from 101 days in 2023 to 82 days in 2024 and remained stabilized at 82 days for the nine months ended September 30. Benefiting from APS advanced planning and scheduling system on our IoT platform, we are able to optimize production planning and resource allocation, improving production responsiveness and resource utilization. In 2025, the fulfillment rate of our overall production scheduling reached over 99.5%. Additionally, we have developed hundreds of BI dashboards and digital visualization panels which display key indicators in real time and cover full-value-chain business process. Our digital and intelligent transformation is embedded into daily workflows and supports rapid and efficient decision-making.

Building on the foundation of digital transformation, since 2025, we have actively explored the significant value of AI tools in operational management and manufacturing scenarios. We have promoted the deployment of AI applications in more than ten industrial AI use cases, and in areas such as intelligent review, machine vision inspection and automated process algorithm optimization. For example, we utilize AI-based predictive maintenance and automated evaluation of Eight Disciplines Problem Solving Reports (8D reports), upgrading quality management from reactive response to proactive prevention. The deep integration of digital transformation and AI applications has enabled us to establish advanced digital intelligence capabilities, continuously and comprehensively empowering our operational management.

Globalized R&D, Sales and Manufacturing Network Serving Customers Worldwide

We collaborate with leading automotive manufacturers globally and meet the diverse needs of customers across regions through our comprehensive global R&D, sales and manufacturing systems.

- **Global R&D platform:** As of September 30, 2025, we operated 15 R&D centers across Germany, Japan, Serbia and China. Our global R&D platform is supported by a unified digital collaboration system, enabling cross-regional coordination while closely tracking global automotive lighting technology trends and fully leveraging China's engineering talent base.

- **Global sales network:** Throughout our development, we have built a strong, stable and globally diversified customer base and gradually established a comprehensive overseas sales network. As of September 30, 2025, we operated a total of 24 offices and eight logistics centers across Asia, Europe and Americas, enabling us to respond efficiently to customer needs.

- **Global manufacturing footprint:** To further strengthen our global manufacturing capabilities and meet the growing demand from overseas customers, we commenced operations of our first overseas manufacturing base in Serbia in 2022, providing localized manufacturing support to automotive manufacturers in Europe.

Established Corporate Culture and an Experienced Management Team

Over decades of operation, we have cultivated a distinctive corporate culture characterized by "Care, Gratitude and Responsibility" (愛，感恩，責任), which we refer to as our "Culture of Family" (家文化). While maintaining a strong focus on our core business and continuous innovation, we place significant emphasis on employee well-being and corporate social responsibility. This has enabled us to assemble a group of experienced employees who share common ideals and values, significantly enhancing team stability and cohesion, and laying a solid foundation for our long-term development.

We are led by a management team with deep expertise in the automotive lighting industry and a unique strategic vision. Our founder, Ms. Zhou Xiaoping, has dedicated over 30 years to the industry, utilizing her exceptional capabilities in strategic planning and corporate management to lead us to become a leading enterprise in China's automotive lighting sector. Ms. Zhou serves as a deputy to the 14th Jiangsu Provincial People's Congress, the Vice Chairperson of the China Association of Lighting Industry, and the Executive Vice Chairperson of the Automotive Lighting Committee of the China Association of Automotive Manufacturers. She has been honored with titles including Model Worker of Jiangsu Province and Excellent Entrepreneur of Jiangsu Province. In 2025, Ms. Zhou was awarded the Global SSL (Solid-State Lighting) Award for Outstanding Industry Development by the International SSL Alliance (ISA), in recognition of her sustained innovation and outstanding contributions to the automotive semiconductor lighting industry.

In addition to internally trained talent, our externally recruited members also possesses extensive industry experience. Under their collective leadership, we have seized the historic opportunities arising from the global development of new energy vehicles and are proactively expanding our business into the field of embodied intelligence. We will continue to leverage the management team's industry expertise and strategic insight, together with our accumulated capabilities in optics, mechanics, electronics, software and materials, to deepen our presence in automotive lighting, automotive electronics and embodied intelligence.

OUR STRATEGIES

We plan to focus on the following key strategies to realize our mission of "Xingyu Lighting, Brighten the World":

Consolidating Our Leading Position in the Domestic Market and Expanding Our Global Market Share

With consistent dedication in automotive lighting technologies, we aim to consolidate our market position by maintaining our role as a leading automotive lighting company in China. By aligning our capabilities with the evolving requirements of our core customers, we have commenced construction of an intelligent automotive electronics and vision systems industrial center in Changzhou and are establishing additional manufacturing bases in regions such as Chongqing, thereby expanding our production capacity. The continued expansion of our nationwide manufacturing footprint is expected to enhance delivery capabilities, thereby supporting the further expansion of our market share in China's automotive lighting market.

According to Frost & Sullivan, the global automotive lighting market is expected to grow at a CAGR of 7.4% from 2025 to 2030, reaching a market size of RMB450.5 billion by 2030. Targeting overseas automotive lighting markets currently dominated by foreign-funded manufacturers, we plan to steadily increase our global market share through long-term cooperation with high-quality global customers, the establishment of a globally integrated production and operating framework, and comprehensive technology innovation. Through these initiatives, we aim to further consolidate our competitive position and achieve sustainable long-term growth in the global automotive lighting market.

Deepening Our Global Footprint and Enhancing International Competitiveness

We plan to continue advancing our global expansion strategy to better serve global customers through localized manufacturing and support capabilities. Serbia serves as a cornerstone of our overseas production footprint. The phase I facility of our Serbian Manufacturing Base has already commenced mass production, and we plan to further advance the construction of the phase II headlamp manufacturing facility. Through the expansion of production capacity and upgrading of manufacturing capabilities, we intend to evolve our overseas manufacturing scope from rear lighting to front lighting, thereby further increasing our market share in the European automotive lighting market. At the same time, we are actively monitoring opportunities in the North American market and plan to establish local production capacity when appropriate, which is expected to become a new growth driver for our overseas expansion strategy. In addition, we plan to expand product exports and technology solutions to regions including the Middle East, India and South America, with a view to further increasing the contribution of overseas revenue, strengthening our position as a globally recognized automotive lighting company and becoming the "Global XINGYU" (世界星宇).

Driving Innovation in Cutting-Edge Automotive Lighting Technologies

We closely monitor industry trends and continue to enhance the technological sophistication of our automotive lighting products by increasing investment in technology innovation, with a view to further strengthening the safety, intelligence, sustainability, and customization of next-generation vehicle lighting solutions. We continue to lead industry technology innovation in the following areas:

- advancing the development of next-generation lighting technologies, including Micro-LED (10K-level pixel)/DLP (million-level pixel) intelligent projection headlamp technology, Mini-LED ultra-high pixel intelligent display interactive lighting technology, multi-mode intelligent optical system integration technology, and perception-closed-loop intelligent headlamp technology;

- further developing advanced optical design capabilities and precision manufacturing process technologies, while strengthening the construction of high-reliability electronic control systems and software algorithm platforms;

- focusing on sustainability-oriented innovation by leading the development of environmentally friendly materials for automotive lighting applications and promoting the global transition towards more energy-efficient and environmentally sustainable automotive lighting products.

Continuously Enhancing Our Digital Intelligence Capabilities Across the Entire Value Chain

With the objective of achieving digital integration and intelligent operations across the entire value chain by 2030, we continue to build a comprehensive ecosystem of digital intelligence and to develop AI-powered business models:

- **Digital Intelligence R&D:** We are implementing digital lifecycle management in R&D collaboration by establishing platforms for intelligent management of R&D and process data, a global automotive lighting R&D data center and digital twin systems, with a view to further enhancing R&D efficiency and design quality.

- **Digital intelligence manufacturing:** We place significant emphasis on the positive impact of intelligent manufacturing on production efficiency. Through the digital and intelligent upgrading of more than ten factories, we have continuously accumulated standardized factory operating procedures and platform deployment capabilities, enabling the rapid "plug-and-play" launch of new factories and "tailor-made" deployment adapted to local conditions, thereby ensuring efficient and scalable implementation across our global manufacturing footprint.

- **Digital intelligence decision-making:** We continue to apply artificial intelligence technologies to our decision-making systems by collecting and integrating data across procurement, sales, finance, human resources and energy management, and progressively advancing the automation and intelligence of operational and management decision-making.

Advancing the Development and Innovation of Embodied Intelligence Businesses

We continue to integrate and transfer the comprehensive technological capabilities accumulated through our core automotive lighting business across optics, mechanics, electronics, software and materials, to strengthen R&D in key embodied intelligence modules, with a strategic focus on optical technologies and the upgrading of core modules.

- **Development of training scenarios for embodied robotics models:** Leveraging intelligent manufacturing scenarios within our factories, we aim to provide targeted model training environments, continuously generate high-quality training data, and accelerate the deployment of embodied intelligent robots in industrial applications, thereby empowering broader industry adoption.

- **Promoting commercialization through diversified approaches:** We are currently collaborating with leading robotics companies in the industry to jointly establish an intelligent robotics company and have partnered with relevant universities to conduct R&D on robotic sensors, thereby continuously deepening our strategic positioning in the field of embodied intelligence. Considering our existing technological capabilities and manufacturing capacity advantages, we plan to adopt a diversified approach to developing embodied intelligence, encompassing strategic cooperation, industry-university-research collaboration and equity investments. Through these initiatives, we seek to drive the delivery of core component samples and secure commercial orders, while continuously exploring innovative application scenarios in the field of embodied intelligence.

OUR BUSINESS

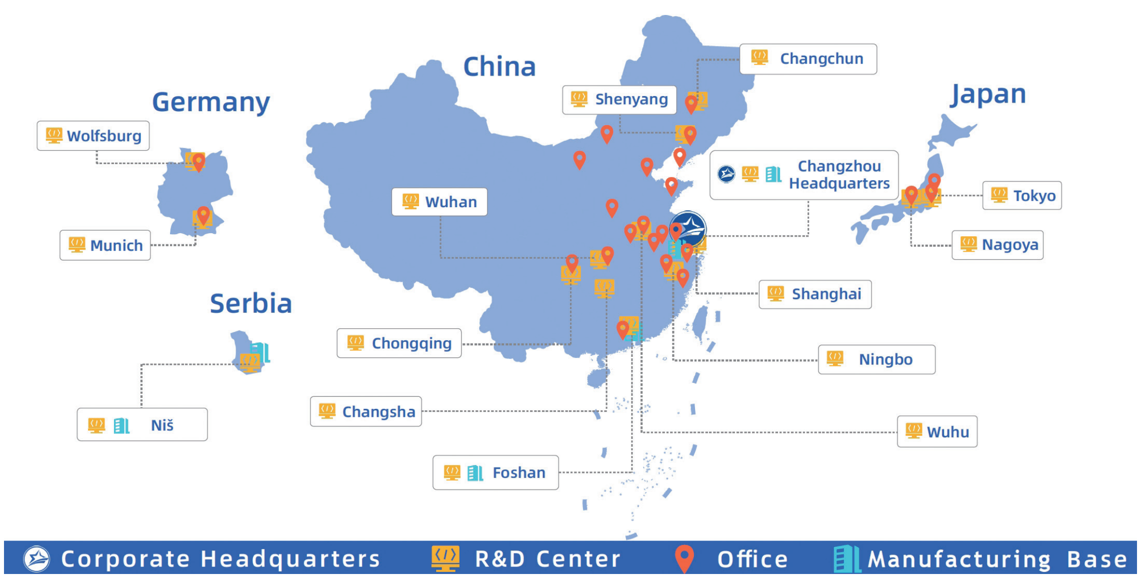
We are the largest automotive lighting products provider in China and a leading global market player, dedicated to delivering safe, technologically advanced, and intelligent automotive lighting products and related electronic components to the global automotive market through continuous technology innovation and intelligent manufacturing capabilities. We have established business relationships with nine of the world's top ten automotive manufacturers by vehicle sales volume calculated on a group level in 2024.

Leveraging our decades of operating history, we have established a globally integrated operational footprint. As of September 30, 2025, we operated three major manufacturing bases globally, comprising 12 manufacturing facilities, of which 11 were located in the PRC and one in Serbia, forming a robust global manufacturing network that enables us to serve key automotive markets in Asia, Europe and the Americas in an efficient manner.

Our manufacturing bases also function as localized operational support centers, integrating manufacturing facilities, warehousing facilities and logistics hubs, and are strategically positioned to serve nearby automotive manufacturer customers. To date, we have established ourselves as a strategic supplier to numerous leading domestic and international automotive manufacturers. We prioritize localized services, which we believe enable us to enhance responsiveness, streamline logistics processes, and improve precision in development and manufacturing, thereby ensuring compliance with customer specifications and requirements.

Our global manufacturing footprint supports modularized production and localized delivery, enabling us to respond flexibly and cost-effectively to automotive manufacturer development cycles while supporting the evolving needs of our customers.

The following diagram illustrates our global operational footprint as of September 30, 2025.



Note:

(1) The above illustration does not reflect the actual geographical location of the shown countries or regions.

During the Track Record Period, we were primarily engaged in the integrated R&D, manufacturing and sale of automotive lighting products widely applied across multiple automotive manufacturers. Our product offerings mainly include front lighting, rear lighting, other lighting and controllers.

The following table sets forth a breakdown of our revenue by product type in absolute amount and as a percentage of revenues for the years/periods indicated:

	Year ended December 31,				Nine Months ended September 30,			
	2023		2024		2024		2025	
	RMB'000	%	*RMB'000*	%	*RMB'000*	%	*RMB'000*	%
					(unaudited)			
Automotive lighting products								
Front lighting	5,242,916	51.2	7,223,256	54.5	5,000,691	54.2	5,544,821	51.8
Rear lighting	3,433,768	33.5	4,442,853	33.5	3,078,189	33.4	3,986,092	37.2
Other lighting	904,826	8.8	757,737	5.7	549,281	6.0	482,597	4.5
Controllers	34,503	0.3	76,854	0.6	58,997	0.6	177,848	1.7
Sub-total	**9,616,013**	**93.8**	**12,500,700**	**94.3**	**8,687,158**	**94.2**	**10,191,358**	**95.2**
Others(1)	632,433	6.2	752,234	5.7	538,310	5.8	518,597	4.8
Total	**10,248,446**	**100.0**	**13,252,934**	**100.0**	**9,225,468**	**100.0**	**10,709,955**	**100.0**

Note:

(1) Others mainly represent sales of raw materials, warning triangles and other automotive components.

OUR PRODUCTS

Automotive Lighting Systems

Automotive lighting systems are a key component of overall vehicle architecture and perform critical safety functions in everyday driving scenarios. As the automotive industry continues to evolve toward greater intelligence and electrification, vehicle lighting systems have progressed from basic functional components to important technological indicators of vehicle platform upgrades. In the age of intelligent vehicles, lighting systems stand out as some of the most recognizable exterior design elements. They also function as the main interface between the vehicle's infotainment system and the outside world. Additionally, lighting plays a crucial role in consumer choices, as it directly showcases a vehicle's technological features and brand identity.

Our product portfolio comprehensively covers front lighting, rear lighting, other lighting and controllers, spanning a complete range of interior and exterior user scenarios. We are committed to providing users with a comprehensive lighting experience that integrates safety, intelligence and personalization. From a driving safety perspective, we continually enhance the illumination precision and interactive experience of front lighting products through innovations in optical design and intelligent control technologies, while optimizing the warning effectiveness and dynamic signaling performance of rear lighting products. This enables us to effectively support driving safety under various operating conditions.

We also focus on creating a comfortable and customized "third space" for users. Through variations in color and brightness of ambient lighting and other optical components, we not only deliver essential functional illumination, but also transform lighting into a medium for emotional interaction, supporting features such as multi-scenario mode switching, music-responsive lighting effects and customizable color options, and providing users with a richer and more immersive in-vehicle entertainment and lifestyle experience. We will continue to advance along the core directions of "safety, intelligence and personalization" by deepening the integration of lighting systems with vehicle electronic architecture, perception systems and human-machine interaction interfaces, promoting the evolution of lighting systems from functional execution toward intelligent interaction, supporting automotive brands in building differentiated product offerings and creating a safer and more enjoyable mobility experience for end users.

From early-stage R&D through mass production, we work closely with our customers to co-develop and design system solutions, focusing on providing environmentally friendly system solutions based on customers' needs. Such close collaboration enhances our understanding of customer requirements and fosters innovation, enabling us to deliver more effective and customized solutions, thereby improving customer satisfaction and loyalty. In addition, this collaborative development model continuously exposes us to diverse technical and market requirements, driving capability enhancement and management optimization. This enables us to gain insights into industry trends, and proactively develop forward-looking solutions and products, thereby capturing opportunities in emerging markets.

To date, we have established long-term and stable business relationships with a number of leading global automotive manufacturers. As of the Latest Practicable Date, we had established business relationships with nine of the world's top ten automotive manufacturers by vehicle sales volume calculated on a group level in 2024. In particular, we have jointly developed and mass-produced DLP-based million-pixel projection headlamps with a leading Chinese new energy vehicle manufacturer, which integrates conventional lighting functions, ADB modules and million-pixel projection modules, and enables high-precision illumination, dynamic light carpet projection, and video projection functionalities, representing a significant advancement in intelligent automotive lighting technologies. As of the Latest Practicable Date, our DLP technology had been adopted by more premium passenger vehicle models of various automotive brands.

The following chart illustrates our representative products under our automotive lighting products:

Our Automotive Lighting Product Portfolio

Our automotive lighting product portfolio primarily comprises front lighting, rear lighting, other lighting and controllers.

- *Front lighting.* Our front lighting products have evolved from conventional lighting components into intelligent sensing and dynamic light distribution systems. Our representative products include standard LED headlamps, adaptive matrix LED headlamps, intelligent projection headlamps (including HD and DLP solutions) and front ISD interactive lamps.

- *Rear lighting.* The signaling display functions and intelligent interaction capabilities of our rear lighting products have been significantly enhanced, enabling interactive lighting signals, programmable lighting effects and customized animations, which improve vehicle recognizability and brand characteristics. Our representative products include through-type rear lamps, rear ISD interactive lamps and dynamic OLED rear lamps.

- *Other lighting.* Our other lighting products create a more human-centric and emotionally expressive atmosphere inside and outside the vehicle through dynamic brightness adjustment, customized welcome lighting effects and integration with vehicle body systems, which help regulate the mental state of drivers and passengers and enhance the overall experience of road users. Our representative products include carpet projection lamps, intelligent ambient lighting systems and cockpit lighting products.

- *Controllers.* Controllers are core components that centrally receive instructions from the vehicle and sensors, control lighting functions, provide safety protection and fault diagnosis capabilities, and interface with overall vehicle systems. Our representative products include lighting controllers such as HCMs, RCMs and LCUs, HD and DLP controllers, and intelligent driving controllers.

During the Track Record Period, the unit selling prices of our front lighting products ranged from approximately RMB170 to RMB6,200; the unit selling prices of our rear lighting products ranged from approximately RMB70 to RMB2,200; the unit selling prices of our other lighting products ranged from approximately RMB7 to RMB160; and the unit selling prices of our controllers ranged from approximately RMB70 to RMB3,600.

The list below illustrates representative automotive lighting products and their various application scenarios:

Standard LED Headlamp

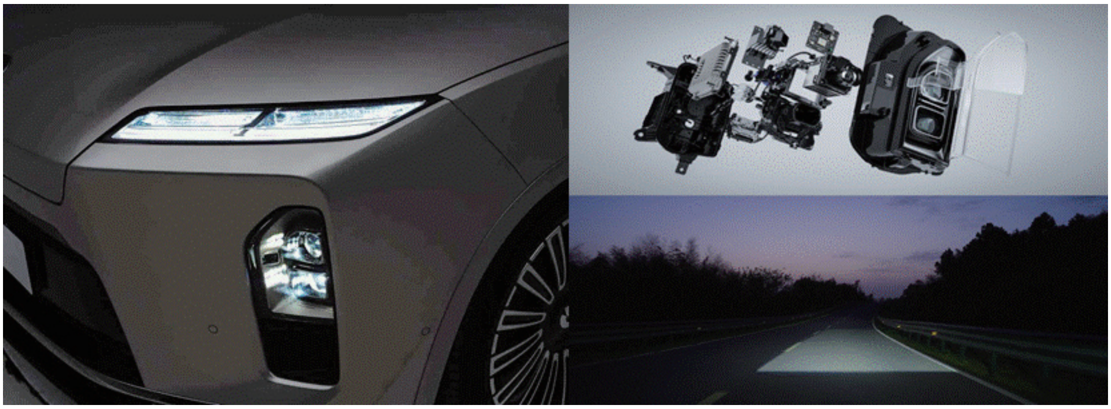
Our standard LED headlamps use light-emitting diodes (LEDs) as the light source. Compared with traditional halogen and xenon lamps, LED headlamps offer several significant advantages, including lower energy consumption and longer service life. They also feature extremely fast illumination response, which is conducive to driving safety. In addition, their compact size and flexible form factors support more customized vehicle exterior designs. As technology costs continue to decline, LED headlamps are increasingly being adopted across a broader range of vehicle models, becoming a mainstream choice in modern automotive lighting.

Adaptive Matrix LED Headlamp

Our adaptive matrix LED headlamps, which fully meet the conventional requirements for low-beam and high-beam lighting, are equipped with fundamental ADB technology. Using cameras and sensors to monitor road conditions in real time, the controllers precisely adjust the on/off status and brightness of each individual LED, dynamically forming the optimal light beam pattern.

The core advantage of this system lies in its anti-glare capability: while maintaining high-beam illumination to maximize road visibility, it can selectively dim or switch off the LEDs that would otherwise illuminate oncoming or preceding vehicles, allowing the driver to use enhanced high-beam lighting for extended periods without causing glare to others.

HD Intelligent Projection Headlamp



Our HD intelligent projection headlamps are capable of projecting high-definition welcome patterns and dynamic light shows, creating a distinctive sense of ceremony for vehicle use. They are also equipped with an intelligent light carpet function that projects illumination in real time along the driving lane, significantly enhancing nighttime driving safety.

A key breakthrough of this system lies in significantly upgrading the lighting precision from tens of pixels to 25,600 pixels. While enhancing lighting accuracy, it has also gained interactive functionality through projection imaging. In addition, the system supports OTA updates, enabling continuous evolution and the introduction of new features, ensuring that human-vehicle interaction and customized expression remain at the forefront.

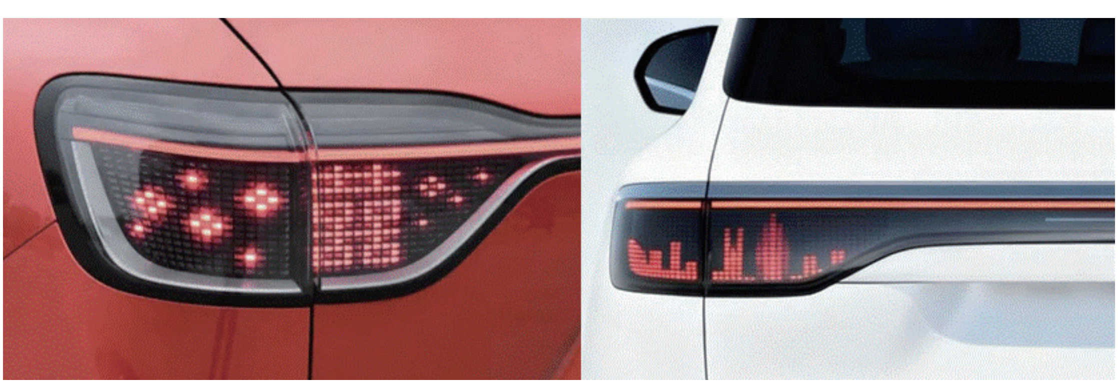
DLP Intelligent Projection Headlamp

Our DLP intelligent projection headlamps integrate cutting-edge hardware, intelligent interaction and sustainable upgradeability, representing a new generation of premium intelligent lighting systems in terms of safety, user experience and brand value. Equipped with dual-lamp 2.6-million-pixel DLP high-definition projection technology, the system is capable of projecting welcome light carpets and customized animations onto the ground, while also being deeply integrated into real driving scenarios. Through functions such as lane-width indication, curved-road and lane-change light-carpet guidance and pedestrian-yield projection cues, it delivers intuitive path guidance and friendly human-vehicle interaction. Moreover, its million-pixel resolution also supports audio-visual entertainment and interactive gaming. Additionally, the system supports OTA remote upgrades, allowing for the continuous expansion of projection functions and interactive scenarios. This not only enhances the sense of ceremony and customized expression for users but also serves as a forward-looking technological feature that reinforces the premium and intelligent image of luxury automotive brands.

Through-type Lamp

Our through-type lamps feature a continuous lighting design that spans the entire width of the vehicle's front and rear. They are typically composed of hundreds of LED light sources and integrate multiple functions, including position lights, brake lights and turn signals. The primary advantage of this design lies in its strong visual impact. It significantly enhances the perceived width of the vehicle, giving the vehicle a more stable and technologically advanced appearance, while providing high recognizability when illuminated at night. This design has become a widely adopted trend across numerous brands, ranging from premium models to mainstream affordable vehicles.

ISD Interactive Lighting Products



Our ISD interactive lighting products consist of densely arranged, independently controllable LED pixels that form a display capable of dynamically generating and altering various graphics, text and animations based on system instructions. This technology overcomes the limitations of fixed lighting patterns in traditional rear lens, enabling pattern customization. Deeply integrated with the vehicle's electronic architecture and autonomous driving perception systems, ISD interactive lighting supports OTA updates, allowing continuous iteration of display content and interaction logic and providing broad potential for future functional expansion. At the application level, ISD interactive lighting can display specific information, such as pedestrian-yield indications, charging status or autonomous driving prompts, enabling "visual communication" with pedestrians, cyclists and other vehicles. By displaying standardized and easily recognizable visual symbols, ISD interactive lighting can effectively reduce misunderstandings between vehicles and road users, enhancing protection for vulnerable road users and making it one of the key technologies for building a harmonious and safe future traffic ecosystem.

OLED Rear Lamp

Our OLED rear lamp products are pixelated intelligent interactive lighting systems that integrate entertainment, personalization and a sense of ceremony into each interaction. They support user-defined patterns and texts, delivering a strong visual impact and brand recognition when illuminated at night. Through scenario-based displays such as lighting shows and festive greetings, they meet users' customized expression needs. In social, outdoor and other lifestyle scenarios, features such as lighting displays and charging progress indicators further enhance human-vehicle interaction, allowing the vehicle to serve not only as a means of transportation but also as an emotional medium that communicates with its surroundings in real time.

Carpet Projection Lamp

Our carpet projection lamps enhance the user experience through scenario-based projection interaction. When users approach or leave the vehicle, the system can automatically project customized welcome light carpets and dynamic animations, combined with lighting and sound effects to reinforce a distinctive entry and exit experience. At the same time, the projected patterns provide practical guidance in nighttime or low-light environments by clearly indicating door opening ranges to prevent scratches and illuminating the ground to help users identify potential hazards, such as standing water or obstacles. This approach balances ceremonial appeal with practicality, enhancing safety and convenience.

Ambient Lighting

Our intelligent ambient lighting system adopts an RGB full-color design, supporting 256-color adjustment and stepless brightness control, and enables customized lighting definitions through integration with the vehicle infotainment system. Lighting modules can be flexibly deployed across multiple interior areas, including the center console, sunroof, doors and seats, and can synchronize color changes with music rhythms to create an immersive cabin atmosphere. The system also supports gesture recognition, allowing users to adjust lighting color and brightness through simple gestures, enhancing interaction convenience.

Interior Lighting Products

Our interior lighting products feature an industry-leading integrated design. The illuminated areas use specialized diffusing materials to provide bright illumination without causing glare or discomfort. To meet functional needs such as reading, the system is equipped with directional auxiliary lighting units to prevent visual fatigue caused by insufficient lighting. In terms of control, touch-control circuitry is integrated to improve the user experience. The lighting products also integrate control functions for SOS and sunroof opening and closing, enabling users to operate these functions through dedicated buttons on the lighting unit.

Controller Products

Our controller products primarily include lighting controllers and intelligent driving controllers.

- **Headlamp Control Module (HCM).** Our headlamp control modules serve as core enabling components for advanced automotive lighting functions. They support pixelated adaptive high-beam functionality, enabling precise glare-free masking under complex road conditions while complying with applicable regulatory requirements. Built on a platform-based architecture, these controllers allow parameterized software configuration across multiple vehicle models, reducing development cycles and system complexity. They also support OTA updates, enabling continuous optimization and customization of lighting effects, including dynamic welcome lighting and music-synchronized displays.

- **Lighting Control Unit (LCU).** Our lighting control units function as integrated and intelligent control cores for vehicle lighting systems. They support adaptive lighting features, including ADB, AFS and ALS, as well as exterior interaction and information display functions. Designed to support complex in-vehicle network communications, these units meet ASIL-B functional safety requirements and support OTA updates, providing a scalable add DLP controller and secure platform for future functional expansion.

- **DLP/HD Controller.** Our DLP/HD controller serves as the core driver for high-resolution projection headlamps, providing power supply, communication, and logic control (such as on/off functions) for million-level pixel DLP modules or 10K-level pixel HD modules. It also supports diagnostic monitoring to assess the module's operational status.

- **Intelligent Driving Controller.** Our intelligent driving controllers are equipped with high-definition cameras and monocular vision perception algorithms. They support the identification of vehicles, pedestrians and traffic signs and enable a range of Level 2 ADAS functions, including adaptive cruise control and lane-keeping assistance. These modules provide a cost-effective solution for the integration of advanced driver assistance features in passenger vehicles.

R&D

We are committed to technology innovation, which is critical to enhancing our competitiveness, creating value for our customers, and driving the growths of our sales and profitability. We have made, and will continue to make, substantial investments in R&D. In 2023, 2024 and the nine months ended September 30, 2025, our research and development expenses totaled RMB610.2 million, RMB655.5 million and RMB640.6 million, representing 6.0%, 4.9% and 6.0% of our revenue for the corresponding years/period, respectively.

Our R&D System

Our global R&D system adopts a "1+N" tiered architecture that integrates technology research and product development. This system comprises (i) our R&D headquarters in Changzhou, which focuses on the overall R&D framework and capability building, and leads applied innovation and product development and introduction, and (ii) 14 R&D centers located in other cities in China as well as in Germany, Serbia and Japan. Such a system covers the entire innovation chain from the technology initiation stage to product development stage. This structured system enables us to rapidly translate research outcomes into high-quality products at scale and has proven highly effective in supporting our growth and enhancing our competitiveness.

Our Changzhou R&D headquarters plays a critical role in advancing core technologies with broad applications across multiple industries. In particular, the Xingyu Research Institute at our headquarters plays a pivotal role in driving innovation and technological advancement, with a focus on exploring cutting-edge technologies, such as digital projection headlamps, flying vehicle lighting and intelligent visual interaction systems, to transform the industry. In addition to the research institute, the Changzhou R&D headquarters has long been committed to an integrated innovation framework combining optics, mechanics, electronics, softwares and materials to enhance product performance and competitiveness.

All 15 R&D centers are interconnected through a unified digital collaboration platform, supporting real-time data sharing, cross-regional project collaboration and standardized end-to-end R&D management. The entire R&D system is coordinated through a PLM system, enabling fully digitalized collaboration and control from concept development through mass production. Each regional R&D center is located near customer sites, enabling it to quickly absorb forward-looking and applied R&D results from our Changzhou R&D headquarters and respond in real-time to customer project requirements. Through their close integration with business units, these centers ensure the smooth commercialization of R&D results and the continuous alignment of products with market demand.

We not only focus on technology research but also establish production technique R&D department focusing on manufacturing process and in-house departments specialized in intelligent equipment and tooling. This enables us to form vertically integrated capabilities spanning core processes and production equipment, providing solid support for efficient product development and stable mass production. Such departments carry out multiple specialized technical functions, covering forward-looking process research and mass-production process development, tooling and mold design and manufacturing technologies, intelligent equipment R&D, electronic process engineering, as well as key manufacturing process technologies such as injection molding, surface treatment, welding and adhesive bonding, thereby establishing a full-chain technical support system spanning from preliminary technology research to large-scale manufacturing.

We also place significant emphasis on collaboration with universities and research institutions in China. We have actively partnered with Zhejiang University to establish a joint research program on free-form surface optics, collaborated with Changchun University of Science and Technology on optical diffraction and refraction technologies, and worked with Jiangnan University on styling design and scenario-based interaction co-creation, to further enhance the design freedom, imaging quality, richness of light-signaling expression, and intelligent interactive experience of intelligent automotive lighting systems. In addition, we work closely with national key laboratories to jointly explore innovative technologies in intelligent automotive lighting, diffractive projection, and self-adaptive light beam control to overcome key challenges including high-precision light distribution, complex free-form surface integration, and dynamic intelligent lighting control. Furthermore, we have been recognized as a National Industrial Design Center and a National Enterprise Technology Center and have established a "Postdoctoral Research Workstation" accredited by the Ministry of Human Resources and Social Security of the PRC, as well as several high-level research platforms, including the Jiangsu Provincial Key Laboratory of Intelligent Automotive Lighting Systems and the Jiangsu Provincial Automotive Lighting Engineering Technology Research Center.

Our R&D Talents and Accreditation

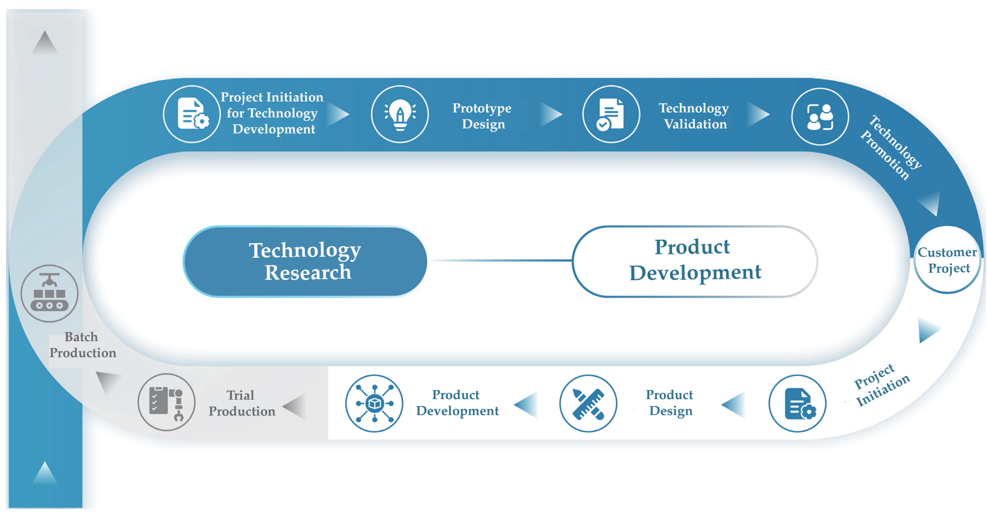
As of September 30, 2025, we employed 2,031 R&D personnel, including globally leading industry experts, more than 500 of whom held a master's degree or above. Three of our experts serving on the International Organization for Standardization / Road Vehicles Technical Committee (ISO/TC 22) actively participate each year, under the organization of the MIIT, in the Working Party on Lighting and Light-Signalling (GRE) working group meetings under UNECE/World Forum for Harmonization of Vehicle Regulations (WP.29) and submit proposals on behalf of China. We are also a member of the strategic working group of the Global Technical Regulations for Automotive Lighting and Light-Signaling (GTB), participating in research on future regulations for the automotive lighting industry. The first ISO standard project initiated by the Chinese automotive lighting industry, "Road Vehicles — Anti-fog Coatings for External Lighting Devices — Technical Requirements," which we led, was unanimously approved and formally published by the International Organization for Standardization, filling a gap in international standards in the automotive lighting field. As of September 30, 2025, we had led or participated in the formulation and revision of 15 international, national and industry standards.

Additionally, our testing center has obtained accreditation from the CNAS, allowing us to conduct a wide range of tests required by national regulations and customer specifications. As of September 30, 2025, we owned more than 2,800 patents worldwide and had initiated an international patent layout under the Patent Cooperation Treaty (PCT), thereby strengthening intellectual property protection for the commercialization of our technological achievements and supporting our market expansion efforts.

Our R&D Process

Our R&D efforts focus on outcomes with practical application potential that can be commercialized. Most R&D projects are directly aligned with specific customer vehicle models or next-generation core technologies, ensuring that innovative results can be rapidly translated into mass-produced products or advanced manufacturing processes. This results-oriented, customer-driven R&D framework is a key driver that enables us to maintain a leading position in high-value intelligent automotive lighting products.

Our R&D process primarily comprises two key phases, technology research and product development.



Technology Research

- **Technology Initiation stage: from insight to decision:**

  At the initiation stage, our R&D team first conducts an in-depth analysis of market trends and interprets applicable regulatory standards (such as UN R48 and GB 4599) to accurately define product positioning and core competitive advantages. The team then formulates a detailed technology roadmap in alignment with the Company's long-term strategy, setting breakthrough targets for key parameters such as lighting performance, energy consumption and service life. Based on a comprehensive analysis, we decide whether to approve the project.

- **Prototype Design stage: from concept to realization:**

  The design stage is the core of the R&D process and requires cross-disciplinary collaboration. The process begins with styling design to define the lighting products' brand appearance, followed by optical design to ensure beam patterns, luminous flux and illumination distance meet stringent industry standards. Structural design is then carried out to optimize thermal management and waterproofing solutions, thereby enhancing reliability. In parallel, the electronic hardware team selects and configures power circuits and control modules, while the software team develops lighting control algorithms and communication protocols to enable intelligent functions. Throughout this stage, parallel designs are emphasized, with seamless integration and coordinated validation across all design steps.

- **Technology Validation stage: from prototype to compliance:**

  During the technology validation stage, prototype lighting products undergo stringent tests. Our R&D team first conducts optical measurements to verify compliance with standards relating to beam patterns, luminous flux and glare control. This is followed by environmental durability testing (including high- and low-temperature cycling, vibration and salt spray tests) to ensure performance under extreme operating conditions. Ultimately, the products must pass mandatory certifications (including GB standards) to ensure regulatory compliance and market access.

- **Technology Promotion Stage: from technology to nomination:**

  During the technology promotion stage, our R&D team systematically identifies the product's core technical advantages, coordinates with marketing strategies from the market department, leads technical exchanges and product definition discussions with clients, secures formal project nomination, and establishes a requirements management mechanism to gather customer feedback for continuous iteration and upgrades.

Product Development

- **Project Initiation Stage:**

  During the project initiation stage, our R&D team focuses on efficiently launching new projects to ensure a seamless transition from customer requirements to formal implementation. Specific tasks include accurately interpreting customer needs, clarifying design requirements, developing project plans with staged milestones, forming cross-functional project teams and organizing kick-off meetings to align objectives and responsibilities.

- **Product Design Stage:**

  In the product design stage, our R&D team completes the design and verification of automotive lighting products and electronic systems to ensure performance compliance. It also involves process planning, as well as mold and equipment design to guarantee manufacturing feasibility and product quality. Through collaborative validation across multiple departments, the design is optimized, laying a reliable foundation for mass production.

- **Product Development Stage:**

  During the product development stage, our R&D team identifies key suppliers and oversees the development of molds, equipment and inspection tools, completing process verification. It also advances the development of purchased components, conducts sample trial production and OTS approval, and manages testing and product certification to ensure high-quality standards are met.

Our R&D Initiatives

Our research and development activities in automotive lighting focus on integrated lighting, electronics and perception systems with particular emphasis on precise optics, lighting control algorithms and visual interaction technologies. We address key technical challenges related to glare control, beam distribution accuracy and optical signal clarity to enhance driving safety, while actively exploring perception-close-looped intelligent lighting systems. Our R&D efforts also aim to improve light distribution uniformity, material durability and environmental resistance, as well as to enhance thermal and mechanical reliability, reduce component size and power consumption, and optimize overall cost efficiency.

Our R&D on Embodied intelligence

We continuously integrate and leverage the comprehensive capabilities in optics, mechanics, electronics, software and materials that we have accumulated through our core business over many years, together with our automotive-grade integrated and vertically integrated manufacturing capabilities, to strengthen our research, development and manufacturing capabilities in the field of embodied intelligence products. We have completed the development and validation of head modules and related components, and are now able to provide systematic optical solutions that encompass illumination, display and projection technologies.

Our embodied intelligence projects primarily include:

- *Head interaction modules:* by integrating OLED displays, 2D/3D cameras, LiDAR, voice modules, central control units, and semi-transparent, semi-reflective concealed lighting technologies, these modules enable the three core functions of "perception," "decision-making," and "interaction." They can be customized and developed based on customer requirements.

- *Optical modules:* utilizing optical systems such as DLP, Micro-LED and laser projection, these modules enable environmental labeling and spatial guidance for embodied intelligence robots, enhance task coordination capabilities, enrich emotional and intent expression, improve the affinity of human-machine interaction, and promote deeper integration of multi-modal interaction in embodied intelligence robots.

- *Skins and structural components:* by combining IML, multi-color injection molding, and nano-micro engraving technologies, and integrating optical and temperature sensors, lighting units and heating modules, we develop embodied intelligence robot skins with illumination and heating functions, enabling environmental interaction and status feedback. In addition, through the application of surface treatment technologies, optical films and functional coatings are applied to robot masks and housings, enhancing scratch resistance, wear resistance, optical transmittance and environmental durability while maintaining the appearance quality of structural components.

As of September 30, 2025, we had commenced R&D cooperation with several leading domestic humanoid robot manufacturers, providing joint development of robot head interaction modules, optical systems and related joint drive components, among which part of partners had completed prototype delivery and entered the testing or pilot phase.

Our Technologies

Through years of sustained R&D efforts, we have successfully transformed research into a series of proprietary technologies, enabling us to compete effectively in the market. Our core technologies include:

- *Micro-LED 10K-level pixel intelligent projection headlamp technology:* enables pixel-level dynamic light distribution, anti-glare high-beam functionality and road projection features, with mass-produced solutions supporting up to 25,600 pixels, significantly enhancing nighttime driving safety and interactive experiences.

- *DLP million-level pixel intelligent projection headlamp technology:* supports projection resolutions of up to 1.3 million pixels, enabling ultra-high-definition welcome animations, ground projection of navigation information, audio-visual entertainment and motion-based interactive gaming applications.

- *Mini-LED ultra-high-pixel intelligent display interactive lighting technology:* supports more than 100,000 independently controllable pixels per lamp, enabling programmable dynamic rear lighting and high-definition exterior interactive light signaling.

- *Multi-mode intelligent optical system integration technology:* deeply integrates AFS, ADB and DLP into a single headlamp module, achieving an optimal balance in a limited space, high performance and cost efficiency, and has been mass-produced and applied in multiple flagship vehicle models.

- *Perception-closed-loop intelligent automotive lighting technology:* incorporates cameras and sensors within lighting systems to enable environment-adaptive light adjustment, light-based environmental perception and deep interaction with ADAS systems, and is currently at a leading stage of market deployment within the industry.

- *Advanced optical design and precision manufacturing process technologies:* covering freeform optical design, ultra-thin light guide design, multi-color injection molding, high-efficiency anti-reflection coating and in-mold injection processes, ensuring top-tier optical performance and consistency in mass production.

- *High-reliability electronic control and software algorithm platforms:* including domain-level lighting controllers (HCM/RCM/LCU) and intelligent lighting software systems supporting OTA upgrades, enabling centralized vehicle-wide lighting control and customized lighting effect definition.

PRODUCTION

As of September 30, 2025, we operated three major manufacturing bases globally, comprising 12 manufacturing facilities, of which 11 were located in the PRC and one in Serbia, forming a robust global manufacturing network that enables us to efficiently supply key automotive markets in Asia, Europe and the Americas. In 2025, we initiated construction of our planned Chongqing Manufacturing Base, primarily intended to serve customers in southwestern China, with a focus on producing front and rear lighting products .

Our three manufacturing bases are located in Changzhou, Foshan and Niš, Serbia, which integrate manufacturing clusters, warehousing facilities and logistics hubs to optimize supply chain efficiency and serve nearby markets. As of September 30, 2025, our manufacturing bases were equipped with over 500 units of advanced processing equipment, of which over 300 units were injection molding machines, and were also supported by 40 advanced SMT production lines and over 470 specialized assembly lines. In addition, we had over 1,600 industrial and collaborative robots in operation as of September 30, 2025.

In 2023, 2024 and the nine months ended September 30, 2025, our total production capacity was approximately 13.8 million units, 15.0 million units and 10.9 million units of front lighting products , 18.0 million units, 20.4 million units and 15.4 million units of rear lighting products, respectively.

As of September 30, 2025, our production workforce comprised 4,820 employees, supporting the operation of our global manufacturing network. In our overseas operations, we prioritize the employment of local personnel to form our production teams, enabling us to leverage local talent pools and contribute to the economic development of the regions in which we operate. The employment of local personnel also facilitates stronger regional relationships and ensures that our workforce is familiar with local practices and cultural nuances, thereby enhancing production efficiency and workplace harmony.

The following table sets forth certain information relating to our principal manufacturing bases as of September 30, 2025:

Facility	Year of Commencement of Operation	Aggregate GFA	Description
		(square meter)	
China			
Changzhou Manufacturing Base	2000	421,733	The headquarters cluster, comprising multiple manufacturing facilities, is capable of producing front lighting, rear lighting, other lighting and controllers.
Foshan Manufacturing Base	2015	46,171	Our Southern China manufacturing base primarily responsible for producing front lighting, rear lighting and other lighting for local customers.
Serbia			
Serbian Manufacturing Base	2022	41,547	Our first overseas manufacturing facility, primarily produces rear lighting and other lighting.

The following table sets forth the production capacity and production volume by major product category for the years/period indicated:

	Year ended December 31,						Nine Months ended September 30,		
	2023			2024			2025		
	Production capacity	Production volume	Utilization rate	Production capacity	Production volume	Utilization rate	Production capacity	Production volume	Utilization rate
	(in thousand units, except for percentages)								
Front lighting	13,807	11,051	80.0%	15,003	12,948	86.3%	10,853	8,761	80.7%
Rear lighting	18,017	15,068	83.6%	20,446	18,263	89.3%	15,422	13,019	84.4%

Notes:

(1) Our production capacity for each year/period is calculated based on the number of working days, daily working hours and production pace. Working hours already account for the time required for maintenance, mold changes and equipment adjustments. The production pace is determined by process bottlenecks. For example, for headlamps and rearlamps, the injection molding capacity of the lens serves as the benchmark. Factors such as production cycle time and qualification rates are calculated according to the company's standardized production efficiency targets.

(2) Our capacity utilization rate for each year/period is calculated by dividing actual output by production capacity.

(3) During 2024 and the nine months ended September 30, 2025, the utilization rates of our front lighting products and rear lighting products both decreased, primarily due to the fact that our production output typically increases from October to December each year. See "— Seasonality" for details.

During the Track Record Period and up to the Latest Practicable Date, we have continuously upgraded our existing production facilities to address growing demand and the evolving specifications and requirements of automotive lighting systems and related optoelectronic components. Key initiatives include enhancing the automation and digitalization levels of our core domestic facilities, while optimizing production processes through in-house tooling development, flexible production lines and AI-driven quality control systems.

According to forecasts by Frost & Sullivan, the market size of the automotive lighting industry in China and globally is expected to reach RMB168.6 billion and RMB450.5 billion, respectively, by 2030. To further expand our business scale, meet the increasing demands of our customers, and capture the significant opportunities in the global automotive lighting and optoelectronic components markets, we plan to deploy part of the net [**REDACTED**] from the [**REDACTED**], together with internal resources, toward production capacity upgrades.

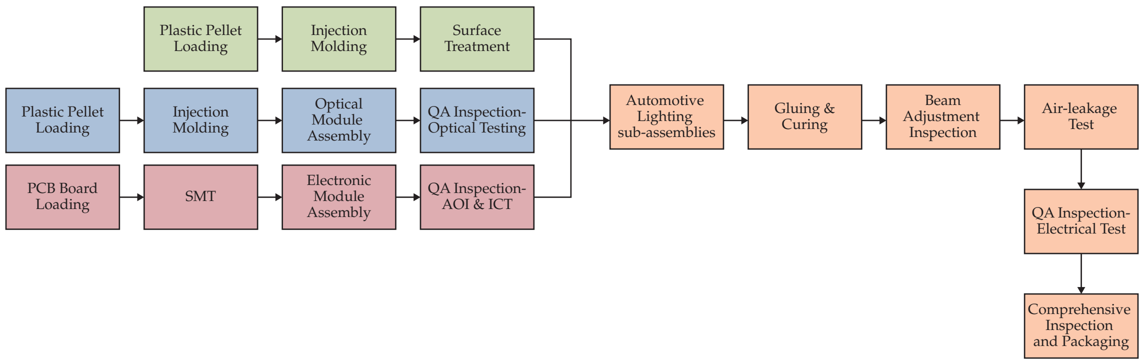
We are in the process of establishing new manufacturing facilities at strategic locations to support localized supply chains and shorten delivery cycles for global automotive manufacturer customers. We are accelerating the intelligent automotive and vision systems industrial center project, advancing the construction of the planned Chongqing Manufacturing Base, and proceeding with Phase II expansion of the Serbian Manufacturing Base to enable full-category lighting production for European automotive manufacturers. See "Future Plans and [**REDACTED**]."

Production Process

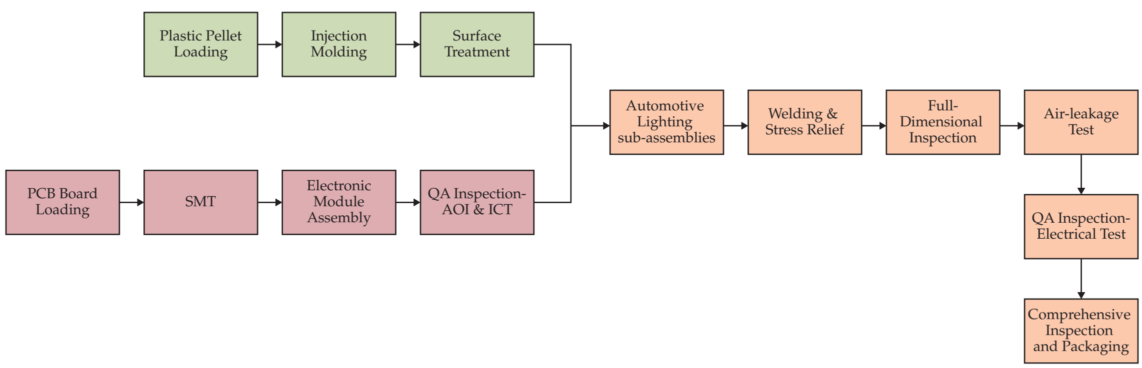
All of our manufacturing facilities adhere to established production standards and procedures, ensuring consistency, quality and efficiency across our operations.

The following diagram illustrates the major manufacturing and assembly processes for our representative products:

Front lighting



Rear lighting



Production Standardization

We strive to achieve a high degree of standardization to ensure stable output, reliable quality and enhanced production efficiency. All of our manufacturing facilities strictly implement uniform process standards and operating procedures, ensuring consistency in product quality, uniformity and production efficiency across our global operations. Through this standardized framework, we are able to rapidly introduce new products without large-scale production line modifications or heavy capital investment, significantly shortening the capacity ramp-up cycle for new vehicle programs and flexibly responding to diverse market and customer requirements, while continuously expanding our product portfolio and maintaining operational efficiency and cost advantages.

Building on this standardization foundation, we are generally able to meet customers' specific requirements by making minor adjustments to the basic structures of components. For example, we can configure components into common platforms, onto which customized modules can be layered to achieve diversified product adaptation. Conversely, when certain integrated functions are no longer required, the relevant components can be flexibly removed without redesigning the entire module, significantly enhancing the flexibility and cost-effectiveness of product iteration.

Given the high degree of similarity among the basic structure of key components, production lines can switch between different customized products with only limited tooling or program adjustments, substantially reducing changeover time. This is particularly important during rapid vehicle model iterations or product phase-outs, enabling smooth production line transitions with minimal downtime or large-scale modifications, thereby optimizing equipment utilization and mitigating risks arising from market fluctuations. At the same time, standardization facilitates the extensive application of automation equipment, allowing robots, vision inspection systems and automated assembly systems to operate stably and efficiently with reduced manual intervention. We embed the concept of "design for automated production" at the product design stage, adhere to DFM/DFA principles, and continuously optimize production line layouts and process equipment to meet the technical requirements of high-level automated manufacturing.

Production Automation

According to Frost & Sullivan, we have established a first-tier intelligent manufacturing systems in China's automotive lighting industry, characterized by high degree of automation, end-to-end digitalization and deep integration with Internet of Things (IoT) technologies. This system has achieved industry-leading levels of efficiency, consistency, and quality, and is capable of rapidly responding to the diversified and high-frequency model change requirements typical of the new energy vehicle era.

We extensively deploy automated production lines and industrial and collaborative robots across our manufacturing processes to undertake operations that are highly repetitive, require high precision, or involve demanding operating environments (such as multi-color injection molding, automated adhesive dispensing and spray painting, laser welding, friction welding and vacuum coating), significantly reducing human error and ensuring product consistency.

Production standardization, combined with automation, has substantially simplified our quality control processes through:

(i) Intelligent inspection of critical processes;

(ii) Application of automated production lines;

(iii) End-to-end IoT monitoring;

(iv) System integration and data connectivity;

(v) Logistics and warehousing automation;

(vi) Intelligent scheduling and resource optimization; and

(vii) Implementation of industrial AI scenarios.

The above systems and equipment have obtained authoritative recognitions, including designation as an Intelligent Manufacturing Demonstration Factory by the MIIT, National-Level Excellent Intelligent Manufacturing Scenarios, an AAA-rated Excellent Enterprise under the Integrated Informatization and Industrialization Management System, and CMMM (Level 4) Certificate.

Warehousing

As of September 30, 2025, we had fully deployed automated warehousing systems across our major domestic manufacturing bases, with key components including:

- *Multi-level high-bay racking systems combined with unmanned overhead rail logistics systems.* We have implemented multi-level high-bay racking systems combined with unmanned overhead rail logistics systems in the raw material and finished goods warehouses of our Changzhou manufacturing base, and injection molding and machining workshop which have fully integrated the WMS system.

- *AGV (automated guided vehicles) and stacker cranes, enabling fully unmanned inbound and outbound operations.* Our factories and warehouses are currently equipped with latent AGVs, roller AGVs and forklift AGVs, which are integrated through RCS, WCS and WMS systems to achieve unmanned material handling for inbound and outbound logistics.

We strictly implement the first-in, first-out (FIFO) principle, with the system automatically managing inventory by batch to ensure 100% traceability of raw materials and finished products.

We have deeply integrated the WMS warehouse management system with the MES manufacturing execution system to achieve end-to-end coordinated material control from planning to execution.

Additionally, BI dashboards and digital visualization panels display key indicators in real time, including order fulfillment rates, excess inventory and slow-moving materials, which supports rapid procurement and production scheduling decisions.

Production Equipment and Machinery

In addition to procuring equipment and machinery from third-party suppliers, we also possess the capability to independently develop equipment, source components, and carry out in-house fabrication and assembly of such equipment.

The details of our equipment and machinery involved in the production process are set out below:

Equipment and machinery	Functions
Injection molding systems	Primary forming equipment used to manufacture plastic components of specific shapes from thermoplastic pellets using molding tools.
Hard-coating/anti-fog paint spraying systems	Automated industrial systems integrating precision spraying, chemical curing and functional coating technologies. Through highly automated pre-treatment units, precision spraying units, curing and conveying units, these systems form a complete coating solution that addresses performance limitations of plastic parts while reducing labor requirements and enhancing occupational safety.
Vacuum aluminum coating surface treatment equipment	Specialized equipment that creates a vacuum environment within a sealed chamber and deposits an ultra-thin aluminum film onto plastic injection-molded substrates through physical vapor deposition (PVD), forming a mirror-like surface and enhancing reflectivity.
Laser engraving equipment	Equipment that uses high-energy laser beams to permanently engrave patterns or markings on bezels, meeting customers' customized styling requirements.

Equipment and machinery	Functions
Industrial and collaborative Robots	Industrial and collaborative robots enable end-to-end automation in automotive lighting manufacturing and are core equipment for enhancing production capacity and product quality.
Automated Assembly Equipment	Automated lighting assembly lines are built around the concept of "precision coordination and closed-loop end-to-end processes", covering the full process from component feeding to finished product outbound.

We conduct thorough and timely maintenance of our production facilities. Each major piece of production equipment or machinery is subject to regular inspection, servicing and maintenance in accordance with a predetermined schedule. We have established, and will continue to update, internal maintenance procedures tailored to the specific characteristics and requirements of our production equipment or machinery. During the Track Record Period and up to the Latest Practicable Date, we did not experience any prolonged suspension of production processes or material disruptions to our business operations as a result of equipment or machinery failure or damage.

Artificial Intelligence

We have introduced artificial intelligence technologies to enhance production efficiency, product quality control and internal management capabilities. Our principal application areas include (i) precision inspection of electronic connector installation; (ii) monitoring compliance with inspection procedures; (iii) predictive maintenance of equipment; (iv) intelligent assistance for lamp styling design; (v) intelligent support for quality management system reporting; and (vi) intelligent optimization of enterprise service desks.

RAW MATERIALS AND SUPPLIERS

Raw Materials and Procurement

Our principal raw materials include electronic components (such as LEDs, chips, PCBs, capacitors and resistors), automotive lighting electronic components (such as wiring harnesses), and resin materials (such as PC, PMMA and PP). In 2023, 2024 and the nine months ended September 30, 2025, our costs of raw materials and consumables amounted to RMB6.6 billion, RMB8.9 billion and RMB7.3 billion, respectively, representing 81.3%, 83.0% and 84.0% of our total cost of sales for the corresponding years/period. As our procurement of raw materials from suppliers is highly correlated with and subject to fluctuations in international commodity prices, including crude oil and semiconductor silicon wafers/non-ferrous metals, we have implemented comprehensive risk management strategies to mitigate the impact of such volatility. These measures primarily include entering into new price agreements at the beginning of each year and making timely price adjustments during the year based on changes in commodity prices and foreign exchange rates.

We formulate our procurement plans mainly based on factors such as production plans, inventory levels, supplier lead times and product life-cycle volumes, with detailed operating guidelines set out in our internal Procurement Planning Management Policy. Based on these procurement plans, we prudently select the most appropriate raw material suppliers.

Our supply chain management covers the entire process from demand planning to delivery. The supply chain management department conducts inquiries, bidding and price verification through the SRM system, and selects suppliers by comprehensively considering factors such as price, quality and delivery timelines. We initiate periodic price negotiations for confirmed raw materials, determining reasonable prices with suppliers based on comprehensive market research and competitive bidding processes. For the development of new materials, we similarly carry out new supplier development through the SRM system, covering the full process from internal review and potential supplier assessment, system onboarding and qualification review, to new project bidding, development and mass production. Our suppliers onboarding is required to comply with the above procedures, enabling us to flexibly activate alternative materials or switch suppliers in the event of severe shortages or significant price volatility of specific raw materials.

To manage the risks associated with raw material price fluctuations, we regularly review raw material prices, benchmark them against commodity trends and market conditions and make timely adjustments. We determine production volumes based on sales volumes and use these to cover procurement requirements for our major raw materials. Procurement plans are synchronized to suppliers through the SRM system, and suppliers execute deliveries accordingly. In addition, based on inventory structure, future sales expectations and market trends, we proactively adjust safety stock levels to ensure the stability and resilience of our supply chain operations.

Our Suppliers

We have established stringent supplier selection, evaluation and management procedures to ensure that all suppliers meet our quality and performance standards. In selecting suppliers, we assess factors including their professional qualifications, financial condition, operating performance, industry reputation, ESG commitments and others. We also conduct regular performance evaluations of our suppliers, with a particular focus on criteria such as raw material quality, delivery performance, cost competitiveness, and, where applicable, the technical specifications of the products supplied.

Agreements with Suppliers

We typically procure raw materials from suppliers under non-exclusive supply arrangements. We actively implement supplier management policies, including maintaining two or more suppliers, securing inventory in advance and maintaining alternative suppliers, to ensure a stable supply of raw materials. We also identify potential suitable suppliers through tendering and bidding processes to ensure competitive procurement pricing and quality. We have established long-term cooperative relationships with suppliers that have sufficient raw material supply capacity and reliable supply channels.

We typically enter into framework supply agreements and periodic purchase orders with suppliers. The salient terms of our framework agreements are set out below:

- ***Duration.*** Typically two years, with periodic price lists to be agreed separately.

- ***Product specification.*** We specify the product name, manufacturer or brand, specification, price, quantity, delivery timeline and other detailed items in each purchase order we send to our suppliers.

- ***Payment and credit term.*** Payment terms and credit periods are generally specified separately in each purchase order, typically ranging from 30 to 90 days.

- ***Logistics.*** We are responsible for making timely payments to our suppliers, who are responsible for delivering qualifying products to our designated warehouses.

- ***Quality guarantee.*** Products are typically accepted in accordance with our specifications, as well as national, local and industry standards. Should any quality issues arise during the warranty period, the supplier shall be responsible for replacement.

- ***Termination.*** The agreements can generally be terminated by notice by both parties, or when one party breaches the agreement.

Major Suppliers

During the Track Record Period, our principal suppliers primarily consisted of raw material and component suppliers. In each of the relevant years/periods during the Track Record Period, the aggregate purchases from our five largest suppliers accounted for approximately 22.5%, 23.4% and 24.7% of our total purchases, respectively, while purchases from our largest supplier accounted for approximately 9.6%, 7.8% and 8.5% of our total purchases, respectively.

We diversify our supplier base by engaging multiple suppliers for the same products or services and implementing strategic sourcing practices. In addition, we regularly conduct market analysis, develop supplier relationships, and formulate contingency plans to enhance supply chain resilience.

All of our five largest suppliers in each year/period during the Track Record Period are Independent Third Parties. As of the Latest Practicable Date, none of our Directors, their associates, or any of our Shareholders (who owned or, to the knowledge of Directors, had owned more than 5% of our issued share capital) had any interest in any of our five largest suppliers in each year/period during the Track Record Period.

The Directors confirm that we did not experience any material shortage of supply, raw material quality issue, disruptions, disputes, or delays in relation to the supply of suppliers, or any material breach or early termination of our contractual arrangements with suppliers during the Track Record Period and up to the Latest Practicable Date.

SALES AND MARKETING

We consistently adhere to a customer-oriented direct sales model, which enables us to more accurately forecast and meet customer demand and to provide our customers with comprehensive and attentive service. During the Track Record Period, all of our revenue was generated from direct sales. As of September 30, 2025, we had established a global sales and marketing network covering 24 offices, with operations spanning Asia, Europe and Americas. Outside the PRC, our products are primarily sold to countries and regions including the Czech Republic, Japan, Germany, Spain and Brazil. Currently, our overseas sales are primarily focused on rear lighting and other lighting. In line with our corporate strategy, we will continue to expand our offerings in front lighting and related electronic products.

Our relationships with customers are built on a tender-driven, end-to-end collaborative process, covering the stages from pre-nomination engagement, design and development, mass production to after-sales services. Prior to nomination, we actively pursue opportunities through market intelligence gathering, technical demonstrations, project assessments, and styling co-creation, and ultimately obtain projects through the request for quotation process. Following the project nomination, we establish cross-functional project teams to work closely with customers throughout the entire development cycle, covering styling design, optical/structural/electronic development, tooling fabrication, prototype production, testing and validation, and PPAP, which typically spans 12 to 30 months. Through a unified digital system, we ensure that lighting products comprehensively address customers' individualized requirements in terms of functionality, performance, cost and delivery. Upon entering the mass production phase, we form specialized teams comprising members from market, production and logistics departments to directly interface with clients, providing products for customized production in bulk. After-sales service is ensured by a project team led by the market department, which offers continuous technical and service support.

We maintain close and ongoing communication with our customers to gain a deep understanding of their practical needs and market dynamics. Leveraging our keen insights into international markets and customer trends, we are able to accurately position product directions, engage in strategic cooperation with customers, jointly advance new product development, promptly resolve technical challenges arising during production, and deliver high-quality after-sales services. At the same time, we place strong emphasis on collecting direct customer feedback and continuously optimizing our business processes and operating systems. We are committed to delivering an exceptional end-to-end service experience to customers worldwide, while continuously enhancing our industry influence and brand reputation.

Our International Footprint

Our overseas markets are critical to our business development. We have been engaged in export sales since 2005, marking the beginning of our continuous internationalization journey. By establishing overseas subsidiaries, global offices, manufacturing facilities, logistics centers and R&D centers, we have gradually developed into one of the leading global manufacturers of automotive lighting products. Today, we have established a comprehensive global network that integrates R&D, manufacturing and sales. We will continue to actively expand our global footprint to pursue new business opportunities.

We aim to strengthen cooperation with overseas partners and expand our international sales through our overseas subsidiaries and manufacturing facilities. We place emphasis on business partners whose strategic objectives align with ours and who possess extensive market and industry experience. We are committed to allocating the necessary resources to support our shared vision. We respect and embrace cultural differences, and in our collaborations, we share a common commitment to compliance, integrity and sustainability.

Our Customers

Our customers primarily include automotive manufacturers. For the years ended December 31, 2023 and 2024 and the nine months ended September 30, 2025, our five largest customers accounted for approximately 68.2%, 69.5% and 66.7% of our total revenue, respectively, while sales to our largest customer accounted for approximately 36.6%, 23.3% and 20.1% of our total revenue, respectively. Our principal settlement methods include bank acceptance bills and bank transfers.

The tables below set forth the basic information of our top five customers in each year/period during the Track Record Period:

Customer	Approximate years of business relationship	Background and principle business activity	Location	Major products purchased	Credit term	For the Nine Months Ended September 30, 2025	
						Transaction amount	Percentage to total revenue
						(RMB in thousands)	*(%)*
Customer A . . .	Over 10 years	A state-owned, extra large automotive enterprise group.	PRC	Automotive lighting products	30-60 days	2,153,317	20.1%
Customer B. . . .	Over 10 years	A leading passenger vehicle company listed on the Stock Exchange.	PRC	Automotive lighting products	60 days	2,057,225	19.2%
Customer C. . . .	2 years	A leading NEV company listed on the Shanghai Stock Exchange and the Stock Exchange.	PRC	Automotive lighting products	60 days	2,009,964	18.8%
Customer D . . .	3 years	A leading new-generation automotive manufacturer specializing in premium smart electric vehicles for family users, and listed on the Nasdaq Global Select Market and the Stock Exchange.	PRC	Automotive lighting products	90 days	483,537	4.5%
Customer E. . . .	4 years	A globally leading electric vehicle and clean energy company, whose core businesses include the design, manufacture, and sale of electric vehicles, energy storage systems, and solar energy products, and listed on the Nasdaq Global Select Market.	USA	Automotive lighting products	90-120 days	440,706	4.1%

Customer	Approximate years of business relationship	Background and principle business activity	Location	Major products purchased	Credit term	For the year ended December 31, 2024	
						Transaction amount	Percentage to total revenue
						(RMB in thousands)	*(%)*
Customer A . . .	Over 10 years	A state-owned, extra large automotive enterprise group.	PRC	Automotive lighting products	30-60 days	3,091,882	23.3%
Customer B. . . .	Over 10 years	A leading passenger vehicle company listed on the Stock Exchange.	PRC	Automotive lighting products	60 days	2,711,181	20.5%
Customer C. . . .	2 years	A leading NEV company listed on the Shanghai Stock Exchange and the Stock Exchange.	PRC	Automotive lighting products	60 days	2,035,740	15.4%
Customer D . . .	3 years	A leading new-generation automotive manufacturer specializing in premium smart electric vehicles for family users, and listed on the Nasdaq Global Select Market and the Stock Exchange.	PRC	Automotive lighting products	90 days	816,069	6.2%
Customer F. . . .	Over 10 years	A key participant in China's automotive industry, established by a leading Chinese automotive manufacturer and a leading Japanese automotive manufacturer.	PRC	Automotive lighting products	30 days	544,191	4.1%

Customer	Approximate years of business relationship	Background and principle business activity	Location	Major products purchased	Credit term	For the year ended December 31, 2023	
						Transaction amount	Percentage to total revenue
						(RMB in thousands)	*(%)*
Customer A . . .	Over 10 years	A state-owned, extra large automotive enterprise group.	PRC	Automotive lighting products	30-60 days	3,752,280	36.6%
Customer B. . . .	Over 10 years	A leading passenger vehicle company listed on the Stock Exchange.	PRC	Automotive lighting products	60 days	1,539,779	15.0%
Customer F. . . .	Over 10 years	A key participant in China's automotive industry, established by a leading Chinese automotive manufacturer and a leading Japanese automotive manufacturer.	PRC	Automotive lighting products	30 days	739,409	7.2%
Customer G . . .	Over 10 years	A joint venture established by a leading Chinese automotive manufacturer and a leading Japanese automotive manufacturer.	PRC	Automotive lighting products	60 days	520,836	5.1%
Customer D . . .	3 years	A leading new-generation automotive manufacturer specializing in premium smart electric vehicles for family users, and listed on the Nasdaq Global Select Market and the Stock Exchange.	PRC	Automotive lighting products	90 days	436,715	4.3%

All of our five largest customers in each year/period during the Track Record Period are Independent Third Parties. As of the Latest Practicable Date, none of our Directors, their associates or any of our Shareholders (who owned or to the knowledge of Directors had owned more than 5% of our issued share capital) had any interest in any of our five largest customers in each year/period during the Track Record Period.

During the Track Record Period and up to the Latest Practicable Date, none of our customers requested to terminate their agreements with us.

Overlapping of Suppliers and Customers

Customer/Supplier	Year/Period	Revenue	Purchases
		(RMB'000)	*(RMB'000)*
Customer A	2023	3,752,280	2,275
	2024	3,091,882	22,910
	Nine Months Ended September 30, 2025	2,153,317	47,109

During the Track Record Period, Customer A was also our supplier. We primarily procured lighting controllers from Customer A for use in our automotive lighting products sold to Customer A. In accordance with Customer A's technological and procurement requirements, we purchased customer-designated controllers from Customer A and integrated them into the corresponding lighting products sold to Customer A. The procurement of these controllers was solely for the purpose of fulfilling Customer A's product specifications and did not involve any other activities.

In 2023, 2024 and the nine months ended September 30, 2025, our procurement from Customer A accounted for less than 1% of our total purchases for each period. All procurement arrangements with Customer A were negotiated on an arm's length basis.

The Directors confirm that all sales to major customers were conducted in the ordinary and usual course of business on normal commercial terms. According to Frost & Sullivan, our procurement from and sales to customers are in line with industry practices.

Key Terms of Sales Contracts

We generally enter into framework agreements with major customers, who place orders based on actual demand under the framework agreements. Although the contract terms vary, they usually include the following key terms:

- ***Duration.*** Typically ranging from two to five years. Depending on the nature of our customers' business, certain contracts may be subject to automatic renewal.

- ***Quality control.*** The quality of our products shall be in compliance with the specific standards designated by our customers, or in compliance with applicable national, local or industry standards.

- ***Price.*** The prices of the product are generally specified in each purchase order in the case where the main sales agreement is a framework agreement.

- ***Payment terms.*** We generally grant our customers a credit period of 30 to 90 days after issuance of invoices.

- ***Confidentiality.*** We usually set confidentiality clauses with our customers and such obligation shall continue to exist for a certain period of time after the termination of the agreement.

- ***Delivery and transportation.*** Our delivery options include customer pick-up by logistics providers designated by customers and door-to-door delivery by third-party logistics providers appointed by us.

- ***Warranty.*** We usually set out warranty period depending on the products and the sales agreement. During the warranty period, our customers may request that we replace or repair defective parts and components free of charge. Following the expiration of the warranty period, we provide repair and maintenance services and supply parts and components to our customers for a fee based on the services required.

- ***Termination.*** Such agreements may generally be terminated upon prior written notice in accordance with certain conditions specified therein.

After-sale Services

We believe that the availability of high-quality after-sales services is an important consideration for customers when making purchasing decisions. Our global sales network serves as the primary point of contact for customers to access after-sales services, including product delivery, return and replacement of defective products, as well as training to ensure proper installation of our products and verification of applicable usage conditions. We believe that providing satisfactory after-sales services is a key determinant of our success, as it enhances the value of our products across the value chain and improves satisfaction among customers and end users.

When a customer raises a complaint, our professional service team typically conducts on-site visits to gain a thorough understanding of the usage context and accurately diagnose the root cause of the issue. Our primary objective is to respond promptly and ensure the smooth restoration of product operation by making necessary adjustments based on the customer's actual application scenarios. Thereafter, we conduct internal root cause analysis and implement improvements at the design stage to prevent recurrence of similar issues.

We fully perform our "Three Guarantees (三包)" obligations, and have established recall and emergency support mechanisms, while carrying out ongoing risk assessments and process improvements. We offer flexible return and replacement policies in accordance with customer requirements to address their concerns and have established standardized return procedures. During the Track Record Period and up to the Latest Practicable Date, we did not experience any customer returns, complaints, product recalls or product liability claims that had a material adverse impact on our reputation, operations or financial condition. We believe that such service mechanisms help build long-term and stable trust with customers and provide assurance for our long-term development.

To continuously enhance the quality of our after-sales services, we require our sales teams to participate in regular training programs to update their knowledge and strengthen their capabilities, and we conduct systematic performance assessments. In addition, we implement end-to-end tracking of production and after-sales activities through a digital traceability system, enabling closed-loop management.

Furthermore, our sales teams regularly conduct customer satisfaction surveys to systematically collect and analyze feedback on our products and services. Through these assessments, we are able not only to identify our strengths and areas for improvement, but also to continuously track changes in customer needs. A deep understanding of customers' future requirements and preferences enables us to identify further collaboration opportunities and provides clear direction for product iteration and innovation.

Pricing

We take into account various factors when determining the price of our products, including customers' specific requirements, production costs, R&D investment, market scarcity of the products, degree of technological differentiation, supply chain conditions, procurement strategies and the competitive environment in the relevant sales regions (including overall market dynamics and competitors' pricing levels). Pricing is agreed with customers based on vehicle class and product category.

Marketing

We actively participate in domestic and international automotive exhibitions, professional automotive lighting exhibitions, industry conferences and regulatory and standards meetings, and, through regular on-site customer demonstrations as well as a combination of online and offline engagement, we comprehensively enhance our corporate visibility and brand influence. Through these initiatives, we systematically demonstrate to customers our comprehensive capabilities in technology, quality, delivery and cost control.

In business development, we consistently adhere to a "customer-centric" philosophy. By gaining an in-depth understanding of customer needs and leveraging our advanced technological capabilities, we form joint teams with customers and participate at an early stage in pre-R&D projects, providing integrated solutions and striving to become a trusted Tier 0.5 partner that continuously creates value for customers.

For customers positioned in different market segments, we adopt tailored communication and collaboration strategies. We fully leverage various exhibition platforms to showcase our latest products and technological achievements to customers both in the PRC and overseas, enhance brand recognition, and establish business connections with potential customers. In addition, we have established corporate museum and product showrooms, inviting senior management and R&D leaders of customer companies to experience our offerings firsthand, thereby further deepening cooperation and strengthening customers' intuitive understanding of and confidence in our products and technologies.

QUALITY CONTROL

To enhance our overall quality management standards, we have vigorously promoted and implemented quality management systems, primarily including IATF 16949 quality management systems, the automotive cybersecurity management system (ISO/SAE 21434), the functional safety system (ISO 26262) and Automotive SPICE, in order to deliver compliant products and services, satisfy customer and statutory and regulatory requirements, fulfill customer needs and expectations, thereby strengthening our competitiveness and improving overall operating performance.

In addition, we have prepared a quality manual (the "**Quality Manual**"), which sets out procedures and policies covering, among others, packaging management, control of non-conforming products, inventory management and product delivery control. We strictly adhere to the Quality Manual and, based on this, issue annual quality policies. Pursuant to these policies, each department formulates its quality improvement strategies and objectives. The quality management department tracks the implementation of such quality objectives in real time, evaluates progress and takes corresponding actions. At the same time, we have built a five-layer quality protection network that spans the entire product lifecycle. Empowered by standardization, specialized tools and digitalization, it precisely controls quality risks, enables rapid issue closure, and enhances quality stability and customer satisfaction.

(i) **Quality Pre-Control in Design & Planning Phase**. We shift quality control upstream to the design and planning phase. In line with standards such as IATF 16949, we conduct multidimensional planning and assessment from design verification through process planning. Through risk identification and solution optimization, we deliver optimal designs and control systems that prevent defects and potential risks at the source.

(ii) **Full-Cycle Quality Control of Suppliers**. We have established a comprehensive supplier management and scoring system that standardizes the entire process from qualification through evaluation and control. The qualification stage involves strict verification of supplier credentials and capabilities. The evaluation stage implements a tiered system based on the "Supplier Performance Evaluation Management Measures," following a "reward the good, remove the poor" mechanism. Suppliers are required to provide compliant quality documentation with shipments, ensuring raw material conformity and maintaining a reliable supply chain quality.

(iii) **Full-Process Inspection of Raw Materials & Components**. We implement full-process inspection and control of raw materials in accordance with drawings and standards. The supplier management department oversees procurement and storage, standardizing material flow. Upon arrival, each batch of raw materials undergoes a comprehensive inspection, with records maintained. Batch non-conformance rates are monitored in real-time, and non-conforming materials are handled through a closed-loop process to prevent them from entering production.

(iv) **Precise Quality Monitoring in Production**. We develop detailed inspection instructions and establish multi-dimensional inspection modes to achieve quality control throughout the entire production process. Leveraging digital system monitoring and barcode traceability, we enable precise tracing of key production steps and rapid correction of anomalies. Inspection instructions are regularly reviewed and updated, with the Quality Assurance department providing ongoing supervision to ensure products meet quality standards and customer requirements before shipment.

(v) **Post-Sales Quality Review & Continuous Optimization**. We value post-sales quality feedback. By analyzing data through digital systems to predict risks, we conduct joint reviews with customers to quickly close issues. Lessons learned are summarized and horizontally extended to similar products and new projects, driving iterative optimization of design, processes and control systems. This maintains industry-leading product quality and strengthens core competitiveness.

Our quality policy aims to ensure continuous improvement and compliance with internal and customer standards. We designate personnel to dynamically track these objectives, investigate the causes of improvements and deteriorations and take necessary measures. We also regularly convene quality review meetings and defect reporting meetings to conduct retrospective analyses of major quality issues and prevent their occurrence or recurrence.

WAREHOUSING AND LOGISTICS

We are committed to developing an efficient and transparent logistics supply chain to ensure customer satisfaction and enhance inventory efficiency. We continuously refine and standardize warehousing and distribution systems across our self-operated global warehouses, while also effectively managing third-party logistics providers. As of the Latest Practicable Date, we operated four self-operated warehouses in the PRC and one self-operated warehouse in Serbia. In addition, we utilized 32 third-party warehouses in the PRC and one third-party warehouse in Slovenia. These warehouses are strategically located in proximity to customers to enhance service delivery and better meet customer requirements.

The principal terms of our agreements with third-party warehousing service providers are summarized as follows:

- *Term.* Typically one year.

- *Principal rights and obligations.* Generally, third-party warehousing service providers are responsible for warehousing services, including sorting, inbound handling, storage and outbound dispatch of goods in accordance with our instructions. We are generally responsible for product packaging and designate personnel to handle reconciliation, payment and coordination with such providers.

- *Payment.* Typically settled on a monthly basis.

- *Quality.* Third-party warehousing service providers are required to ensure proper warehouse management and comply with our prescribed warehouse management rules and evaluation standards.

- *Termination.* We generally reserve the right to unilaterally terminate such agreements by giving one month's prior notice, depending on operational needs.

We utilize a transportation management system (TMS) that standardizes online operations from order placement to product delivery, facilitating seamless coordination from manufacturing facilities to customers. The TMS enables us to shorten supply chain cycles, reduce finished goods inventory and improve inventory turnover, while achieving information sharing and transparency among the Company, carriers and customers.

We have fully deployed and deeply integrated WMS to standardize warehouse operations and enhance the accuracy, traceability and responsiveness of inventory management. The integration of Internet of Things (IoT) and other intelligent technologies (such as automated storage and retrieval systems) contributes to the development of smart logistics parks, thereby improving logistics efficiency and service quality.

We have also adopted a centralized bidding model to engage high-quality transportation service providers, supplemented by comprehensive management and performance indicator systems to ensure service quality. Through continuous improvement initiatives, we consistently enhance delivery timeliness and accuracy, improve customer satisfaction and control costs. During the Track Record Period and up to the Latest Practicable Date, we did not encounter any material delays or mishandling of goods that had a material adverse impact on our business operations.

INVENTORY MANAGEMENT

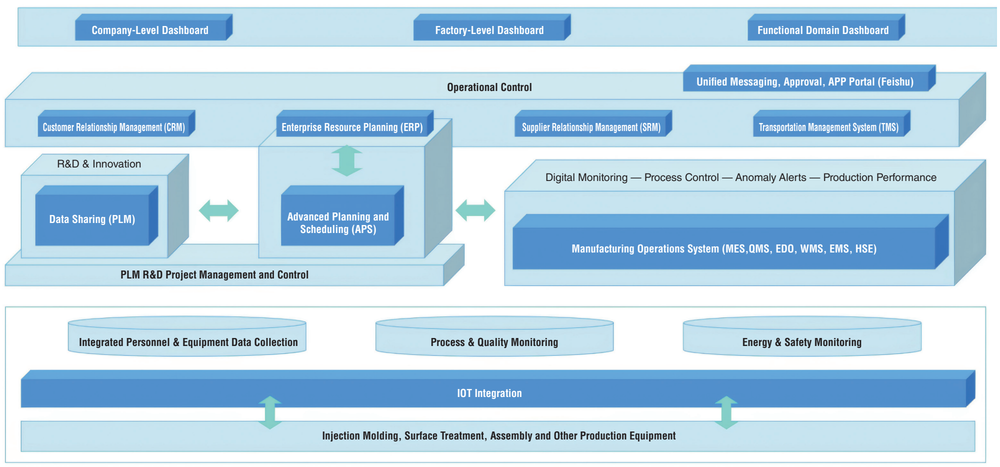
Our supply chain management is well-coordinated, with the objective of achieving synergies and optimal resource allocation across various processes, including order placement, procurement management, product manufacturing and transportation. We manage and maintain adequate inventory levels to support production. Our procurement strategies are formulated based on analyses of forecasted supply, market conditions, and anticipated fluctuations in procurement volumes and purchase prices. Based on such analyses, we set different reasonable and safe inventory levels for different categories of inventory to respond to changes in customer demand and fluctuations in raw material prices.

Our management places strong emphasis on inventory management and holds quarterly meetings to review asset management issues encountered, propose improvement plans and objectives, and reassess such plans and objectives at subsequent quarterly meetings. In addition, we have established strict rules and standards for inventory management workflows, including (i) inventory arrangement and placement, (ii) environmental and safety requirements, (iii) storage, (iv) outbound handling, (v) handling of non-conforming products, (vi) storage and inspection, (vii) inventory administration and (viii) transfer procedures. We further achieve digitalization and standardization of inventory management through the integration of ERP, MES and WMS systems, thereby improving the efficiency and accuracy of our inventory management processes.

Our inventory turnover days for 2023, 2024 and the nine months ended September 30, 2025 were 101 days, 82 days and 82 days, respectively.

INFORMATION TECHNOLOGY

The following diagram illustrates our digital intelligence system:



With the objective of achieving end-to-end digital integration across the entire value chain and intelligent operations, we continue to advance our digital transformation, focusing on two principal directions: "end-to-end value chain business process optimization" and "digital benchmark factory development."

In terms of business processes, we promote the digitalization of R&D, operations and decision-making, and have established professional application and decision-support systems, including PLM, ERP, CRM, SRM, LIMS, ISS and BI.

In the area of factory digitalization, with MOM as the core, we have built a comprehensive digital manufacturing system encompassing MES, WMS, QMS, EDO, EMS and SCADA. We actively explore the significant value of AI tools in manufacturing scenarios, continue to invest in such initiatives and have achieved a series of tangible results, promoting the application of AI across multiple areas, including operational efficiency enhancement, product visual inspection and compliance review.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any information technology system failures or outages that had a material adverse impact on our business operations.

SEASONALITY

Our operating results are subject to fluctuations between reporting years/periods, primarily due to the seasonal concentration of sales of our downstream automotive manufacturer customers. As a result, our production and sales volumes have historically recorded moderate increases in the fourth quarter of each calendar year. See "Risk Factors — Risks Relating to Our Business and Industry — Our results of operations were and may continue to be subject to period-to-period fluctuations."

INTELLECTUAL PROPERTY

We rely on our proprietary technologies and manufacturing know-how to maintain our competitive position in the markets in which we operate, and we generate intellectual property through our extensive R&D activities. It is our general policy to continuously file patent applications in the PRC and other appropriate jurisdictions for patentable development projects that are considered to have commercial significance. Our patent portfolio covers our proprietary technologies used in our products as well as multiple aspects of product design and manufacturing processes.

We primarily protect our intellectual property and proprietary rights through intellectual property laws, including the use of patents, trademarks, trade secrets and other intellectual property protections in the PRC and other jurisdictions. As of September 30, 2025, we owned a robust global intellectual property portfolio comprising more than 2,800 patents. Our patents span a number of key areas, primarily including optical systems, mechanical structures, perception fusion, intelligent driving, automotive electronics and intelligent equipment. Among our PRC patents, we held over 490 invention patents, over 250 design patents and over 2,000 utility model patents. In addition, we held more than 20 overseas patents in jurisdictions such as Germany, Japan and Serbia, most of which are invention patents. As of the same date, we had filed over 3,700 patent applications in the PRC and over 25 patent applications in the aforementioned overseas jurisdictions. We also had more than six active applications under the PCT framework.

As of September 30, 2025, including our brands and , we held 51 registered trademarks in the PRC and two registered trademarks overseas.

We have adopted a series of internal control policies and measures to protect our intellectual property and trade secrets. We actively apply for patents for technology innovations and safeguard our legitimate rights through patent protection. At the same time, our intellectual property team proactively takes reasonable measures to identify potential infringements of our intellectual property rights. Upon discovering any potential patent infringement by competitors, we conduct comprehensive analyses and comparisons of the competing products. Where infringement is confirmed, we generally take timely legal action, collect evidence and initiate relevant proceedings, demonstrating our proactive commitment to protecting our intellectual property and maintaining our competitive position. We rely on confidentiality agreements to protect our interests in non-patented proprietary technologies and manufacturing processes that are difficult to patent. All contracts entered into with our employees, suppliers and other strategic partners are subject to review and approval by our internal legal team to ensure that they contain adequate protective provisions against unauthorized disclosure.

To the best of our knowledge, information and belief, during the Track Record Period and up to the Latest Practicable Date, our intellectual property had not been subject to any material intellectual property claims by third parties.

COMPETITION

We mainly operate in the automotive lighting industry, which is relatively competitive. As technological barriers and economies of scale in the automotive lighting industry become increasingly pronounced, the global market has continued to consolidate. Leading automotive lighting manufacturers have continuously strengthened their dominant positions through technological advancement, superior product quality and cost efficiency. In contrast, smaller component manufacturers, due to limited technological reserves, smaller production scale, and relatively weaker supply chain integration capabilities, may face challenges in competing with leading manufacturers.

See "Industry Overview — Overview of the Automotive Industry — Competitive Landscape of the Automotive Lighting Industry — Ranking of Automotive Lighting Suppliers" and "Risk Factors — Risks Relating to Our Business and Industry — We operate in a relatively competitive industry, and we may be unable to continually maintain our market position."

Our competitive edge is attributable to factors such as extensive industry experience, leading market position and our ability to offer comprehensive solutions to our customers. Our market leadership has been further solidified by our international presence, diverse product portfolio, high-quality customer relations, robust R&D capabilities, technical expertise and our visionary management team. Therefore, we believe that we are well-positioned to maintain our leadership position and to capture future opportunities in the automotive lighting industry.

EMPLOYEES

As of September 30, 2025, we had a total of 7,560 full-time employees, of whom 7,012 were based in the PRC, and 548 were based overseas, primarily in Serbia, Germany and Japan. The table below sets forth a breakdown of our employees by function as of the same date:

Business Function	Number of Employees	Percent
		(%)
Production	4,820	63.8%
R&D	2,031	26.9%
Sales	149	2.0%
Service	108	1.4%
Management	452	6.0%
Total	**7,560**	**100%**

Additionally, as of September 30, 2025, we employed dispatched workers, who primarily provided temporary and non-core labor services during peak seasons.

We uphold the corporate spirit of "Teamwork, Integrity, Endeavor and Innovation (團結、坦誠、拼搏、創新)" and practice a family-oriented culture centered on "Care, Gratitude and Responsibility (愛、感恩、責任)." We adopt a people-oriented approach, focusing on improving employees' working environment, realizing their personal value, enhancing their quality of life and promoting their career development, all of which form an important part of our development strategy. We regard our employees as core assets and strive to enhance morale and organizational cohesion.

We have established comprehensive labor management policies that include the timely execution of employment contracts, punctual and full payment of remuneration, provision of statutory social benefits and comprehensive leave and public holiday benefits. From an internal management perspective, we have implemented a performance appraisal system that is linked to overall business objectives, under which management personnel are evaluated. We have also established training systems in compliance with local regulations, providing both on-the-job training and encouraging employees to pursue further self-improvement during their spare time to enhance individual capabilities.

In terms of corporate culture and employee care, we are committed to fostering a healthy, positive and collaborative working environment. Through the regular organization of social and recreational activities — such as employees' children talent competitions, Tai Chi competitions and sports events — we have effectively strengthened team cohesion. To further incentivize middle-to-senior management and key talent, the Company adopted the 2024 Employee Stock Scheme and the 2025 Employee Stock Scheme on December 2, 2024 and November 20, 2025, respectively. Details of the relevant Employee Stock Schemes are set out in "Appendix IV — Statutory and General Information — Employee Stock Schemes."

We also participate, in accordance with applicable laws, in the social security schemes of the jurisdictions in which we operate, providing employees with appropriate coverage. During the Track Record Period and up to the Latest Practicable Date, the Company's operations remained stable, and we did not experience any strikes, protests or other material labor disputes that resulted in serious business disruption or adversely affected our corporate image. Our labor union was established in 2007 and is primarily responsible for reviewing employee welfare policies, organizing employee representative congresses and facilitating communication and coordination regarding employee management systems. At present, our labor relations are harmonious, and no related disputes have arisen.

PROPERTIES

China

As of the Latest Practicable Date, among all land parcels owned by the Group, we held land use rights to 11 parcels of land in the PRC, with an aggregate site area of approximately 755,900 square meters. All such parcels have been duly issued land use right certificates.

As of the Latest Practicable Date, the Group owned 16 properties located in the PRC with an aggregate gross floor area of approximately 482,500 square meters, all of which have obtained the relevant property ownership certificates.

As of the Latest Practicable Date, we leased a total of 16 properties in the PRC, primarily for office, warehousing and production purposes, with an aggregate leased gross floor area of approximately 70,200 square meters.

Serbia

As of September 30, 2025, among all land parcels owned by Xingyu Serbia, we held land use rights to seven parcels of land in Serbia, with an aggregate surface area of approximately 125,200 square meters. All such parcels have obtained the relevant land use right certificates.

As of September 30, 2025, we owned nine properties located in Serbia with an aggregate gross floor area of approximately 41,500 square meters for manufacturing and R&D purposes, all of which have obtained the relevant property ownership certificates. As of September 30, 2025, we did not lease properties in Serbia.

Other overseas countries and regions

As of the Latest Practicable Date, we leased two properties in Germany and six properties in Japan for R&D and operational purposes.

As of December 31, 2024 and September 30, 2025, none of our individual properties had a carrying value representing 15% or more of our total assets. Pursuant to Chapter 5 of the Listing Rules of the Hong Kong Stock Exchange and paragraph 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this document is exempt from compliance with section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to the requirement to include in the valuation report referred to in paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance all interests in land or buildings.

INSURANCE

We believe that our insurance coverage is adequate and consistent with industry practices applicable to our business. Our assets, employee safety and other relevant items/risks are covered by commercial insurance policies, primarily including statutory social insurance, motor vehicle insurance, employers' liability insurance and property insurance. We will continue to review and assess our risk profile, making necessary and appropriate adjustments to our insurance programs to align with our operational needs and prevailing industry practices. During the Track Record Period, we did not make any material insurance claims in respect of our business.

However, there can be no assurance that we will not incur losses or claims that exceed the limits or scope of coverage under our insurance policies. See "Risk Factors — Risks Relating to Our Business and Industry — If we fail to maintain an effective quality management system, particularly during the production expansion, our business, reputation, financial condition and results of operations may be adversely affected" for further details.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

We have deeply integrated environmental, social and governance ("**ESG**") considerations into our corporate strategy, key decision-making processes and daily operations. We have established the Social Responsibility Management Policy to promote sustainable development, create long-term value, and generate continuous and positive impacts for our stakeholders. In accordance with Appendix C2 to the Listing Rules, we systematically identify ESG matters that have a material impact on our business operations and formulate corresponding policies, strategies, procedures and control measures. We also enhance the management of metrics and targets to support our stable and sustainable operations.

ESG Governance Structure

We have established a comprehensive ESG governance structure to continuously strengthen our ESG governance capabilities. The Board is the highest decision-making body for ESG matters and is primarily responsible for (i) assessing and reviewing ESG-related risks and opportunities faced by the Group; (ii) reviewing and approving ESG-related policies, strategies and targets, and making decisions on material ESG matters; and (iii) overseeing and reviewing the progress of ESG targets. Under the Board, the Strategy and ESG Committee is responsible for reviewing and making recommendations on the Group's development strategies and plans, investment and financing decisions and major ESG-related matters, as well as supervising the implementation of ESG initiatives. The Sustainable Development Working Group, as the executive body, is responsible for formulating and implementing specific ESG action plans, identifying, assessing, and managing ESG-related risks and matters in daily operations, monitoring and reporting progress against ESG targets, and promoting the integration of ESG considerations into daily business management.

The Company adheres to the Board diversity requirements. Diversity is taken into account in the nomination and evaluation of candidates to ensure an appropriate balance of skills, experience, gender, age and cultural and educational background within the Board, thereby enhancing corporate governance and decision-making effectiveness. The Board will comprise nine directors, including three female directors upon [**REDACTED**]. The Board members possess diversified professional backgrounds, including strategic planning, operations management, risk management, finance and accounting, legal, financial services, digital transformation and human resources management, as well as extensive industry experience, which provides strong support for the effective identification, assessment, mitigation and management of ESG risks. In addition, to continuously enhance governance standards, we actively encourage Board members to participate in professional training to strengthen their competencies and performance of duties.

ESG Risk and Opportunity Management

We have established a Risk Management Policy and continuously enhanced our risk management, internal control and materiality assessment mechanisms to systematically identify, assess, manage and monitor various risks and opportunities, including sustainability-related risks and opportunities, that may have a material impact on our business model, operations, strategy, financial condition and value chain, and to adjust our risk response strategies in a timely manner. Based on our industry characteristics and operational practices, we have identified several material ESG topics and formulated corresponding mitigation and response measures, as summarized below:

Category	Material ESG Issues	Risk and Opportunity Analysis	Mitigation and Response Measures
Environmental	Climate Change	Climate-related physical and transition risks may result in asset impairment, increased operating costs, and changes in market preferences. Meanwhile, the development and provision of low-carbon products and services may enable the Group to better meet market demand and capture additional growth opportunities.	We are progressively improving and actively advancing our carbon neutrality targets and transition plans, establishing a comprehensive greenhouse gas emissions accounting and management system, promoting energy-saving and carbon reduction technologies and equipment upgrades, and gradually increasing the proportion of renewable energy usage. See "— Response to Climate Change" for further details.
	Emissions and Waste Management	Inadequate management of emissions and waste may result in environmental pollution, while increasingly stringent regulations may lead to higher costs for environmental protection facilities. Enhancing resource utilization efficiency and promoting recycling contribute to long-term cost efficiency and support the development of a responsible and sustainable corporate brand.	We continuously improve the treatment of air emissions, wastewater and solid waste, strengthen recycling initiatives, reduce the generation of pollutants and waste at source, and mitigate environmental impacts arising from our production and operations.

Category	Material ESG Issues	Risk and Opportunity Analysis	Mitigation and Response Measures
Social	Product Quality and Safety	Product quality risks may affect customer satisfaction, damage reputation and result in compliance or market access risks, whereas high-quality products can create new market opportunities.	We implement stringent quality control throughout the entire product lifecycle, from R&D to production, strengthen product quality risk assessment, identify areas for improvement and deliver high-quality products.
	Labor and Human Rights	Failure to provide compliant working conditions or to comply with labor laws and regulations may give rise to compliance risks and employee turnover, thereby weakening the Group's competitiveness.	We improve labor-related policies, control measures and audit mechanisms continuously, and are dedicated to building a compliant, inclusive, harmonious and dynamic workplace.
	Sustainable Supply Chain	Risks such as raw material shortages, rising costs and delivery delays can impact business continuity and competitiveness. In contrast, deeper supply chain collaboration can promote technology innovation and product optimization, thereby strengthening long-term competitive advantages.	We have established a full lifecycle supplier management system, integrated ESG considerations into supplier onboarding, procurement and evaluation processes, and built a resilient and sustainable supply chain.
Governance	Business Ethics and Anti-Corruption	Inadequate management of fraud prevention, anti-bribery, fair competition and anti-monopoly practices, as well as unethical conduct, may lead to compliance, operational and reputational risks.	We extend business ethics and anti-corruption requirements to directors, all employees and the supply chain, and strengthen whistleblowing mechanisms and whistleblower protection.

Environment

Environmental Management

We comply with the Environmental Protection Law of the People's Republic of China and other applicable laws and regulations. We have established multiple internal environmental management policies and measures to strengthen environmental risk identification, impact management, monitoring, audits and training, ensuring the effective implementation of environmental management. In 2023, our Company was recognized as a National-Level Green Factory. During the Track Record Period, major manufacturing bases in Changzhou, Foshan and Serbia obtained ISO 14001 environmental management system certification, and none of these entities were subject to any administrative penalties imposed by environmental authorities for violations of environmental laws or regulations.

Emissions

We have established internal management systems such as the Pollutant Discharge Management System to implement source control and conduct regular monitoring of wastewater, air emissions, solid waste and other emissions generated during production and operations, ensuring that emissions meet standards. In terms of wastewater discharge, we implement separate drainage systems for rainwater and sewage as well as classified treatment in accordance with the Wastewater Management System and Rainwater Management System. The wastewater can only be discharged after the wastewater is treated to meet the discharge standards required by the local requirements, which will not pose a threat to watershed ecology or natural water bodies. We engage qualified third-party agencies to conduct quarterly monitoring of wastewater and air emissions as well as factory boundary environmental noise monitoring. For solid waste, we have formulated the Solid Waste Management Procedure to standardize waste classification, storage and disposal. Hazardous waste is strictly classified and properly stored in compliance with regulatory requirements and entities with hazardous waste disposal qualifications are regularly entrusted to dispose of them; non-hazardous waste is prioritized for recyclable reuse, while non-recyclable waste is entrusted to the sanitation department for regular cleaning.

We are committed to reducing environmental impacts in our production and operation processes. We have set pollutant reduction targets to reduce air pollutant emissions, wastewater emissions and waste generation per unit output by 20% by 2050, taking 2025 as the benchmark. The emission data of air emissions, wastewater and waste generated by the Company during the Track Record Period are as follows:

		Year ended December 31,		Nine months ended September 30,
Indicator	**Unit**	**2023**	**2024**	**2025**
Air Emissions				
Total air emissions	million m^3	2,751.4	2,783.8	2,283.2
Air emissions intensity	million m^3/ RMB million of revenue	0.3	0.2	0.2
Wastewater				
Total wastewater discharge	thousand tons	415.1	417.6	326.4
Wastewater discharge intensity	tons/RMB million of revenue	40.5	31.5	30.5
Solid Waste				
Total hazardous waste discharge	tons	222.5	237.3	249.7
Hazardous waste discharge intensity	kilograms/ RMB million of revenue	21.7	17.9	23.3
Total non-hazardous waste discharge	tons	948.6	1,354.1	1,253.0
Non-hazardous waste discharge intensity	kilograms/ RMB million of revenue	92.6	102.2	117.0

Resource Utilization

We comply with the Energy Conservation Law of the People's Republic of China, the Water Law of the People's Republic of China and other applicable laws and regulations. We have formulated the Resource Management Procedures and relevant targets and plans, and have enhanced resource utilization efficiency through the introduction of efficient energy and resource management systems, as well as the optimization of equipment and production processes.

In accordance with energy management system standards, we have issued the Energy Management Manual and related procedural documents, which set out management requirements covering the full operation of the energy management system. Among our facilities, the Qinling Road manufacturing facilities have obtained ISO 50001 energy management system certification. In our daily operations, we continuously promote energy conservation and emission reduction from three key dimensions, namely management optimization, technological improvement, and energy mix optimization. Specific measures include the establishment of an energy management center for refined electricity management, replacement of high-energy-consuming motors, recovery of waste heat from air compressors, and the construction of photovoltaic power stations. We plan to achieve a 30% proportion in the procurement and use of renewable energy (including green power purchase agreements and green certificates) by 2030, thereby promoting the transition towards a greener energy mix. In 2024, our total photovoltaic power generation amounted to 19,405.7 MWh, and the Serbian Manufacturing Base achieved 100% direct hydropower supply.

We place strong emphasis on water conservation and efficiency. A dedicated team has been established to manage water resource usage and promote water-saving initiatives. We improve water efficiency through measures such as optimizing equipment cooling systems, enhancing cleaning processes and implementing water recycling systems. In addition, rainwater reuse systems have been installed at our production and operating sites to enhance the utilization of rainwater resources.

Furthermore, we have integrated circular economy principles into our production and operations by promoting initiatives such as paint recovery, green circular packaging, and improvements in waste adhesive treatment, thereby facilitating the recycling and reuse of waste resources. We continue to promote the use of reusable packaging as an alternative to single-use packaging. In 2025, close to 1,500,000 sets of reusable outer packaging boxes were used, effectively reducing the consumption of disposable packaging materials.

The table below sets out the energy and resource consumption of the Group during the Track Record Period:

		Year ended December 31,		Nine months ended September 30,
Indicator	**Unit**	**2023**	**2024**	**2025**
Energy consumption				
Total energy consumption[(1)]	tons of standard coal equivalent	27,686.4	35,854.0	29,964.1
Energy consumption intensity	tons of standard coal equivalent/ RMB million of revenue	2.7	2.7	2.8
Electricity consumption[(2)]	MWh	223,600.3	289,287.4	241,940.8
Clean energy consumption[(3)]	MWh	24,073.2	33,920.8	25,876.2
Water consumption				
Total water consumption	thousand tons	658.9	749.5	629.0
Water consumption intensity	tons/RMB million of revenue	64.3	56.6	58.7

Notes:

(1) Total energy consumption is calculated in accordance with General Principles for Calculation of Comprehensive Energy Consumption (GB/T 2589-2020).

(2) Electricity consumption includes electricity purchased from the grid and third-party distributed renewable energy operators, as well as electricity generated and consumed from the Group's own distributed renewable energy facilities.

(3) Renewable energy includes electricity generated and consumed from photovoltaic facilities and directly connected hydropower.

Response to Climate Change

We regard climate change and carbon emissions as key strategic considerations in our sustainable development strategy and continuously explore pathways towards green and low-carbon development. In the 2025 Carbon Disclosure Project (CDP) assessment, both Changzhou and Serbian Manufacturing Base received a "Management Level" rating of B in the climate change category.

Governance

We have established a top-down climate governance structure and formulated the Carbon Emissions Management Manual, which sets out our policies, targets, and overarching requirements for the operation of the carbon emissions management system. The Board, as the highest leadership and decision-making body, is responsible for guiding and overseeing the formulation and enhancement of climate-related strategies, as well as the implementation of climate response actions. A Carbon Emission Promotion Office, led by the General Manager, has been established to formulate climate change response targets, plans, and implementation measures, promote the execution of relevant initiatives, and regularly review progress against these targets. The achievement of climate-related management objectives has been incorporated into the performance assessment and incentive mechanisms of senior management, with performance-based remuneration linked to indicators such as reductions in greenhouse gas emissions, improvements in energy efficiency, and increases in the proportion of renewable energy usage, thereby encouraging senior management to actively promote the achievement of climate goals.

Strategy and Approach

Through scenario analysis based on the IEA Net Zero Emissions by 2050 ("**NZE 2050**") scenario, we have assessed the potential impacts of the global transition towards net-zero emissions on the automotive lighting manufacturing industry. We have identified the following climate-related risks and opportunities and formulated corresponding mitigation and response measures to enhance climate resilience.

- Physical risks. Climate change has increased the frequency and severity of extreme temperatures and weather events, including heatwaves, heavy rainfall, and flooding. Our manufacturing bases are located in Changzhou, Foshan, and Serbia, which may be exposed to typhoons, extreme rainfall, and other weather-related disruptions during flood seasons, posing risks of production suspension and potential impacts on order fulfillment. To mitigate these risks, we have proactively implemented measures such as flexible production scheduling arrangements and the establishment of emergency raw material reserves, which are expected to substantially reduce potential adverse financial impacts arising from extreme weather events.

- Transition risks. As governments worldwide continue to strengthen carbon reduction policies and promote the development of low-carbon technologies, demand from consumers and automotive manufacturers for low-energy and low-carbon products is expected to increase significantly. As a result, we may be exposed to transition risks, including legal and regulatory risks, technological risks, market risks, and reputational risks. The Group may be required to make additional investments in production equipment upgrades and technological transformation, which could lead to increased production costs in the short to medium term. To address these challenges, we have established a policy monitoring team to maintain proactive communication with policymakers and to formulate response strategies in advance, including technology innovation and adjustments to our business models. We continue to increase investments in environmental protection technologies, including low-energy production equipment, environmental protection facilities, and process optimization, to reduce carbon emissions and pollutants generated during production. In addition, we conduct carbon audits and product carbon footprint certifications to advance our carbon neutrality objectives and to ensure compliance with regulatory requirements and the expectations of stakeholders.

- Climate-related opportunities. Electricity is our primary energy source. By improving energy efficiency and optimizing our energy mix to reduce reliance on fossil fuels, we expect to significantly reduce energy costs in the medium to long term, thereby enhancing profitability. Furthermore, through investments in the R&D of low-energy automotive lighting products to reduce carbon emissions during the use phase, we are well-positioned to capture opportunities in the green automotive market and enhance our market competitiveness and brand image.

To enhance climate resilience and achieve our climate objectives, we promote low-carbon transformation across the entire product lifecycle, including direct operations, upstream value chains, and downstream value chains. We have implemented a series of energy-saving and emission-reduction measures at our production facilities, including optimizing energy management, adopting high-efficiency equipment, and introducing intelligent manufacturing technologies. We are also actively increasing the use of renewable energy to gradually reduce the carbon footprint of our direct operations. We are also committed to designing green products. In accordance with ISO 14067 and PAS 2050 standards, we have calculated the carbon footprint of certain core products to identify potential for emission reduction, optimize product design to minimize material usage, and mitigate environmental impacts throughout the product lifecycle. In addition, we have extended climate change management to upstream supply chain activities by requiring major suppliers to comply with our environmental policies and greenhouse gas reduction standards. We also regularly assess and enhance suppliers' environmental performance and capabilities, thereby jointly addressing climate change challenges.

Risk Management

We have formulated the Risk and Opportunity Control Procedures under the Carbon Emissions Management System to identify potential climate-related risks and opportunities arising from our operations and to ensure dynamic management of short-, medium-, and long-term climate-related risks and opportunities through a rolling management approach. We conduct climate risk and opportunity identification exercises at least once a year, assess the potential impacts and prioritize the identified risks, and formulate corresponding mitigation measures based on the risk levels. These measures are integrated into the operation of the carbon emissions management system, and the outcomes are reported to the Board on a regular basis.

Metrics and Targets

We actively support the objectives of the Paris Agreement. Using 2023 as the baseline year for greenhouse gas ("**GHG**") emissions, we have set the following climate-related targets: by 2030, to achieve a 40% reduction in carbon emission intensity per unit of output value and increase the proportion of green electricity usage to 30%; by 2040, to achieve net-zero emissions from our own operations; and by 2050, to achieve carbon neutrality across the entire value chain.

To enable comprehensive management of GHG emissions, we continuously monitor annual GHG emissions, encourage key upstream suppliers to provide carbon footprint information for raw materials, and have implemented an internal carbon pricing mechanism at our Changzhou headquarters since June 2024. This mechanism adopts a shadow pricing approach, with the internal carbon price benchmarked against the average price of allowances in the China Emissions Trading Scheme over the preceding three weeks, to calculate the costs associated with Scope 1 and Scope 2 emissions. Through a three-stage pathway of "cost internalization — technology innovation — structural transformation", the internal carbon pricing mechanism effectively promotes the implementation of carbon reduction management. As of December 31, 2024, we had achieved our interim climate targets, with carbon emission intensity per unit of output value decreasing by 9.0% compared to the 2023 baseline year, exceeding our annual emission reduction plan.

The table below sets out the Group's GHG emissions during the Track Record Period:

		Year ended December 31,		Nine months ended September 30,
Indicator	**Unit**	**2023**	**2024**	**2025**
GHG emissions[1]				
Scope 1 GHG emissions	tons of CO_2 equivalent	395.9	560.9	421.9
Scope 2 GHG emissions	tons of CO_2 equivalent	116,843.1	149,542.7	126,527.5
Scope 3 GHG emissions[2] . .	tons of CO_2 equivalent	20,317.9	14,226.2	/[3]

Indicator	Unit	Year ended December 31, 2023	Year ended December 31, 2024	Nine months ended September 30, 2025
GHG emission intensity				
Scope 1 and Scope 2 emission intensity	tons of CO_2 equivalent/RMB million of revenue	11.4	11.3	11.9
Scope 1, Scope 2, and Scope 3 emission intensity	tons of CO_2 equivalent/RMB million of revenue	13.4	12.4	/

Notes:

(1) Greenhouse gases include carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF_6) and nitrogen trifluoride (NF_3).

(2) Scope 3 greenhouse gas emissions cover Category 4 (upstream transportation and distribution), Category 5 (waste generated in operations),Category 6 (business travel), Category 7 (employee commuting) and Category 9 (downstream transportation and distribution). In 2023, Scope 3 emissions covered our Changzhou Manufacturing Base. In 2024, the Scope 3 boundary was expanded to our Serbian Manufacturing Base. We will progressively expand the coverage of Scope 3 emissions.

(3) As Scope 3 emissions involve extensive data collection and calculation, we engage professional third-party service providers in the first half of each subsequent year to complete the GHG inventory for the preceding year. Accordingly, Scope 3 GHG emissions and emission intensity data for the first three quarters of 2025 are not disclosed.

Social

Employee Responsibility

Employment and Labor Standards

We comply, in all material respects, with internationally recognized human rights standards and applicable laws and regulations in the jurisdictions where we operate. We have established labor-related policies and systems, including the Recruitment Management Policy, Attendance Management Policy and Personnel Management Policy, and are committed to building a compliant, inclusive, harmonious and dynamic workplace.

We conduct thorough reviews of recruitment and hiring practices to prohibit child labor and forced labor. We uphold a diversified employment policy, ensuring that employees are not discriminated against on the basis of gender, education background, age, family status, religion, or cultural background in recruitment, remuneration, benefits, training, or promotion. This approach ensures equal employment and development opportunities for all employees. As of September 30, 2025, we had a total of 7,560 employees, including 2,401 female employees. Among our employees, 2,659 were aged under 30, 4,649 were aged between 30 and 50, and 252 were aged over 50. A total of 7,012 employees worked in PRC, while 548 employees worked overseas.

We respect and safeguard the lawful rights and interests of all employees by clearly defining employment contract terms and employment management requirements, and regulating working hours and attendance, paid leave, remuneration and benefits, occupational health and safety and collective bargaining rights.

We conduct regular, comprehensive internal audits that cover all business segments and functional departments. With respect to human resources management, key audit areas include recruitment, labor contract signing, remuneration and benefits calculation, attendance management, and labor dispatch compliance, to ensure compliant operations. We provide employees with a competitive remuneration and benefits system, including high-temperature allowances, festival and birthday benefits, team-building activities, and employee care initiatives, to enhance employee well-being.

In December 2025, we were awarded the title of "National Advanced Private Enterprise in Employment and Social Security" by the All-China Federation of Industry and Commerce, the Ministry of Human Resources and Social Security and the All-China Federation of Trade Unions, and were one of six private enterprises in Jiangsu Province to receive this honor.

Occupational Health and Safety

We have established a Health, Safety and Environment ("**HSE**") Committee and formulated a series of policies, including the Health, Safety and Environmental Responsibility Policy, Occupational Health Management Policy, HSE Protective Facilities Management Policy, Hazard Identification, Rectification and Prevention Management Policy and HSE Training Management Policy, to build a comprehensive occupational health and safety management system. Occupational health and safety performance is incorporated into performance assessments, and we continuously improve workplace health and safety conditions. We have obtained ISO 45001 certification for our occupational health and safety management system.

We regularly conduct hazard identification and safety inspections and perform workplace health and safety risk assessments in accordance with applicable standards. Comprehensive control measures are implemented across engineering, management, training, personal protection, and emergency response. We formulate annual HSE training plans covering occupational health, emergency first aid, and hazard identification and rectification, assign training tasks to employees, and review examination results. Employees are also encouraged to identify and report potential hazards.

During the Track Record Period, there were no material violations of occupational health and safety laws or regulations and no work-related fatalities. In 2025, no major or significant injury incidents occurred, and health and safety targets, including zero external HSE complaints and a 100% hazard rectification rate, were achieved.

Development and Training

In line with our strategic planning and business development needs, we have formulated a talent development plan and established a systematic training and development framework covering all employees to enhance their professional competitiveness. We focus on strengthening professional capabilities as well as management and leadership development, and have established a "3+1 Talent Development Program" comprising Foundation Classes, Elite Classes, High-Potential Classes, and "Xingyu Star" tracks.

Through platforms such as Xuanxing Platform and Xingyu Lecture Hall, we provide diverse training and capability development programs for employees at various levels. We have established dual career development pathways for management and professional roles, and regularly conduct talent reviews and 360-degree evaluations to support employee growth and progression. During the Track Record Period, employee training coverage reached 100%.

Supply Chain Management

We have formulated the Supplier Management Manual to regulate supplier onboarding, performance evaluation, risk escalation and exit mechanisms, and have incorporated ESG requirements into supply chain management. We continuously enhance supplier lifecycle management and strive to build a competitive, resilient and sustainable supply chain.

We oppose all forms of bribery and require all suppliers to sign integrity agreements and comply with applicable laws and regulations in their operating jurisdictions, ensuring transparent procurement practices. For production material suppliers, we simultaneously conduct assessments covering quality management, restricted and prohibited substances control and intellectual property management. Identified issues are promptly rectified through closed-loop management to strengthen ESG risk control capabilities across the supply chain.

In addition, we require suppliers involved in component supply to participate in the dual-control carbon management system and to collaborate on carbon footprint assessment and management.

Product Responsibility

Innovation, R&D and Technology Ethics

We closely follow national strategic priorities and industry development trends, continue to increase investment in R&D based on market demand, and have formulated the R&D Management Manual to strengthen lifecycle management of R&D projects and enhance independent innovation capabilities.

We operate a national-level laboratory that complies with CNAS-CL01 and other applicable standards. We have been recognized as a "National Intelligent Manufacturing Model Factory" and an "Advanced Intelligent Factory", providing a solid foundation for continuous technological advancement. We place strong emphasis on intellectual property protection and have established and implemented procedures, including the Intellectual Property Acquisition, Maintenance and Utilization Control Procedures and the Intellectual Property Risk and Violation Handling Procedures, to enhance intellectual property management capabilities. Our Company has obtained ISO 56005 Level 3 certification for innovation and intellectual property management capability.

We adhere to technology ethics principles and commit not to develop or use technologies that may harm the natural environment, human health, public safety, or ethical standards.

Product Quality and Safety

In accordance with international standards such as IATF 16949, ISO/SAE 21434 and ISO 26262, we have established and implemented a comprehensive set of quality management procedures covering R&D management, incoming material inspection, product inspection and testing, product protection, non-conforming product control, product recall and continuous improvement. Quality risks are strictly controlled throughout the entire product lifecycle, and our intelligent manufacturing systems enable efficient and precise quality management, enhancing product consistency and reliability.

We comply with REACH, GADSL and other applicable regulations governing hazardous substances and customer requirements, and have established a control system for restricted and prohibited substances in accordance with our Restricted and Prohibited Substances Management Policy to ensure product safety. We also value customer feedback and have established the Voice of Customer Management Policy and Customer Satisfaction Control Procedure to analyze feedback and complaints and implement continuous improvements. During the Track Record Period, there were no product recalls in the end market arising from product quality defects.

Anti-corruption

We attach great importance to business ethics and anti-corruption management. We comply with laws and regulations, including the Company Law and the Anti-Unfair Competition Law of the People's Republic of China, and have formulated policies such as the Supervision Management Policy, Internal Control Inspection and Supervision Policy, and Integrity Commitment under the Sunshine Project to strengthen process control and audit supervision. Requirements relating to anti-fraud, anti-corruption, and conflict of interest are extended to directors, all employees and business partners.

We actively promote an ethical business culture and provide regular anti-fraud, anti-corruption, and integrity training for directors and employees. This includes anti-corruption training for Board members, integrity and transparency training for frontline employees, compliance training for key positions, and induction training for new employees. During the Track Record Period, training coverage for business ethics and anti-corruption reached 100% for directors and employees.

We adopt a zero-tolerance approach to misconduct and have established multiple reporting channels, including hotlines, email and internal digital platforms. All reports are investigated thoroughly, and substantiated cases of fraud or bribery are handled strictly, with relevant misconduct records duly recorded in individual integrity files. We strictly protect the confidentiality of whistleblowers and prohibit any form of retaliation. During the Track Record Period, there were no litigation cases involving corruption.

Community Engagement and Public Welfare

As a responsible corporate citizen, we give back to the community through long-term and systematic public welfare and volunteer activities, including voluntary blood donation, care for vulnerable groups and child welfare initiatives. In 2024, our total external charitable donations amounted to RMB6.0 million.

In March 2025, we organized our 17th Voluntary Blood Donation Campaign, at which approximately 214,000 c.c. of blood were donated. To date, the cumulative blood donation volume has exceeded two million c.c..

LICENSES AND APPROVALS

During the Track Record Period and up to the Latest Practicable Date, we have obtained all licenses, approvals, permits and certificates that are material and necessary for our business operations in jurisdictions where we operate, and such licenses, permits, approvals and certificates are valid and subsisting.

The following table sets forth details of our material licenses and permits:

No.	Holder	Certificate Name	Issuing Authority	Validity Period
1	Company	Customs Declaration Entity Registration Certificate	Changzhou Customs	Long-term
2	Company	Pollutant Discharge Permit	Changzhou Municipal Ecology and Environment Bureau	June 6, 2024 – June 5, 2029
3	Company	Pollutant Discharge Permit	Changzhou Municipal Ecology and Environment Bureau	December 15, 2025 – December 14, 2030
4	Company	Pollutant Discharge Permit	Changzhou Municipal Ecology and Environment Bureau	June 27, 2024 – June 26, 2029
5	Foshan Xingyu	Pollutant Discharge Permit	Foshan Municipal Ecology and Environment Bureau	May 20, 2025 – May 19, 2030
6	Changzhou Xinghang Import & Export	Customs Declaration Entity Registration Certificate	Changzhou Customs	Long-term
7	Xingyu Serbia	Decision on the occupancy permit	City of Niš — City Administration for Construction	Not time-limited

REGULATORY COMPLIANCE AND LEGAL PROCEEDINGS

Legal Proceedings

We may, from time to time, be subject to various legal or administrative claims and proceedings arising from the ordinary course of business. Litigation or any other legal or administrative proceeding, regardless of the outcome, is likely to result in substantial costs and diversion of our resources, including our management's time and attention. As of the Latest Practicable Date, we and our major subsidiaries were not involved in any court, arbitral or administrative proceedings which we believe may be of material importance to our assets and liabilities or profits and losses, nor, so far as we are aware, are any such proceedings pending or threatened. See "Risk Factors — Risks Relating to Our Business and Industry — We, our Directors, management, employees and shareholders and their affiliates may be subject to lawsuits, contract disputes, employment-related controversies and other legal and administrative proceedings or fine."

During the Track Record Period and up to the Latest Practicable Date, we had not been and were not involved in any material non-compliance incidents that have led to fines, enforcement actions, or other penalties that could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations.

RISK MANAGEMENT AND INTERNAL CONTROL

We are exposed to various risks during our operations. We have put in place a set of internal control and risk management policies and procedures to address potential operational, financial, legal and market risks identified in relation to our operations. We also periodically review these procedures to ensure their effectiveness. Our policies and procedures relate to managing our procurement and production, as well as monitoring our sales performance and product quality.

To monitor the ongoing implementation of our risk management policies and corporate governance measures after the **[REDACTED]**, we have adopted, or will continue to adopt, among other things, the following risk management measures:

- establish an Audit Committee to review and supervise our financial reporting process and internal control system. For the qualifications and experience of the committee members, see "Directors and Senior Management — Board Committees — Audit Committee;"

- adopt policies to ensure compliance with the Listing Rules, including but not limited to aspects related to risk management, connected transactions and information disclosure;

- organize training sessions for our Directors and senior management in respect of the relevant requirements of the Listing Rules and duties of directors of companies listed in Hong Kong;

- provide trainings periodically to our senior management and employees on professional behavior requirements and ethics standards to enhance their knowledge and compliance with applicable laws and regulations, and include relevant policies against non-compliance in our employee discipline measures and supervision guidelines;

- set clear guidelines and processes for identifying, measuring and addressing price and currency risks, ensuring that all hedging activities are conducted within a structured and consistent framework;

- enhance our reporting and records system for factories, including centralizing their quality control and safety management systems and conducting regular inspections of the facilities;

- establish a set of emergency procedures in the event of major quality-related issues/product return;

- provide enhanced training programs on quality assurance and product safety procedures; and

- distribute employee handbooks to enhance employees' awareness of complying with laws and regulations.

AWARDS AND RECOGNITIONS

During the Track Record Period, we received awards and recognition in respect of our products, technology and innovation. The following table sets out major awards and recognitions we received during the Track Record Period:

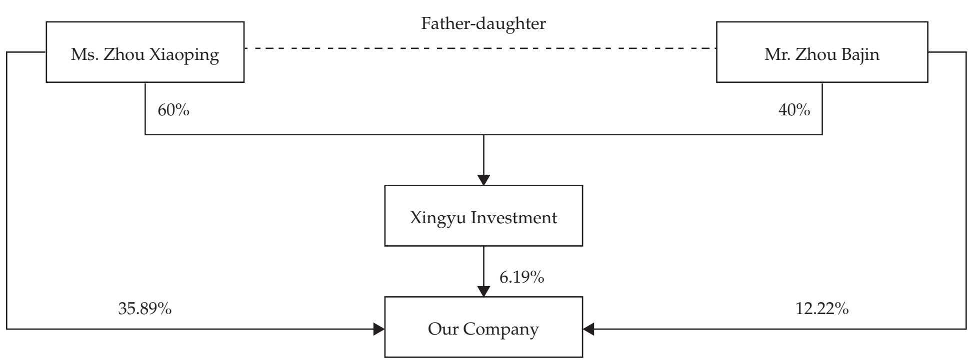
Year	Awards/Recognition	Awarding Entity
2023 to 2025	Gold Award, 8th, 9th and 10th Lingxuan Award in Mass-Produced Electronic and Electrical Category	Lingxuan Award Organizing Committee
2025	Best Practice in Internal Control for Listed Companies in 2025	China Association for Public Companies
2023	Best Practices in Corporate Governance for Listed Companies in 2023	China Association for Public Companies
2023 and 2025	Top 10 Enterprises of Electrical Luminary Industry in China Light Industries	China National Light Industry Council, China Electrical Luminary Association
2025	Maturity Model of Intelligent Manufacturing Capability (Level 4) Certificate	Shanghai Computer Software Technology Development Center
2024	National May Day Labor Certificate	All-China Federation of Trade Unions
2024	Gold Award, 11th China LED Pioneer Award	11th China LED Pioneer Award Organizing Committee
2024	Contract-Honoring and Creditworthy Enterprise Publicity Certificate	Jiangsu Provincial Enterprise Credit Management Association
2024	Grand Prix in the Mass Production Category of the 9th China Auto Parts Industry Awards	World New Auto Technology Collaboration Ecosystem Association

Year	Awards/Recognition	Awarding Entity
2024	Integration of Informatization and Industrialization Management System Certificate	Twofold Integration Management System Assessment Working Committee
2024	CNAS Laboratory Accreditation Certificate	the CNAS
2023	National Intellectual Property Demonstration Enterprise (Oct 2022 - Sep 2025)	National Intellectual Property Administration
2023	National Industrial Design Center (2024-2027)	MIIT
2023	Green Factory	MIIT
2023	2023 Ministry of Industry and Information Technology Intelligent Manufacturing Model Factory	MIIT
2023	Top 100 Science & Technology Enterprises in China Light Industry	China National Light Industry Council
2023	Chinese Red Cross Dedication Medal	Red Cross Society of China
2023	High-Tech Enterprise	Jiangsu Provincial Department of Science and Technology; Jiangsu Provincial Department of Finance; State Taxation Administration Jiangsu Provincial Taxation Bureau
2023	2022 Jiangsu Provincial Science and Technology Award Third Prize	Jiangsu Provincial People's Government
2021	National Manufacturing Single Champion Demonstration Enterprise	Ministry of Industry and Information Technology of the People's Republic of China; China Federation of Industrial Economics

OUR CONTROLLING SHAREHOLDERS

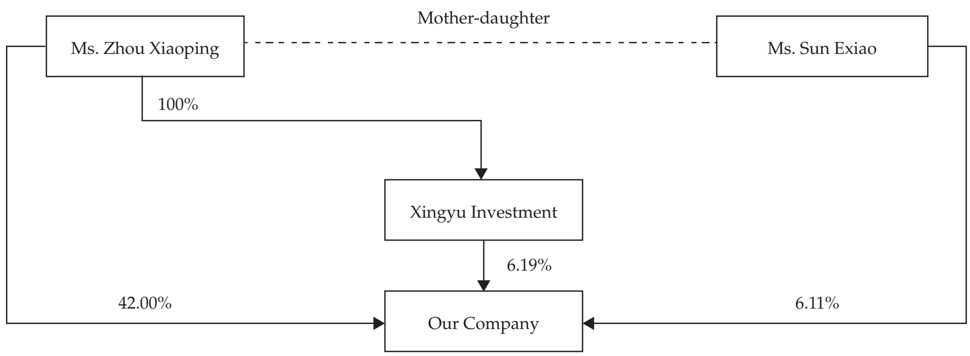
Ms. Zhou Xiaoping (周曉萍) and Mr. Zhou Bajin (周八斤) were the founding shareholders of our Company, and Ms. Zhou served as the Chairperson of our Board, an Executive Director, and the General Manager, responsible for the overall strategic planning, operation and management of the Group. In February 2010, Xingyu Investment was established by Ms. Zhou and Mr. Zhou Bajin, holding 60% and 40% interest respectively, with Ms. Zhou serving as the sole director.

From the beginning of the Track Record Period to February 2025, Ms. Zhou directly held 35.89% of the total issued share capital of our Company and indirectly held 6.19% of the total issued share capital of our Company through Xingyu Investment with Mr. Zhou Bajin. Mr. Zhou Bajin also directly held 12.22% interest of our Company. At that time, the shareholding status of the relationship among Ms. Zhou, Mr. Zhou Bajin, Xingyu Investment and our Company was as follows:



In February 2025, Mr. Zhou Bajin passed away. Following the division of marital property, inheritance procedure and share transfer, his 12.22% interest of our Company was equally reallocated to Ms. Zhou and Ms. Sun Exiao, and 40% interest of Xingyu Investment was eventually transferred to Ms. Zhou.

As of the Latest Practicable Date, Ms. Zhou directly held 42.00% of the total issued share capital of our Company and indirectly held 6.19% of the total issued share capital of our Company through Xingyu Investment. Ms. Sun Exiao (孫娥小) also directly held 6.11% interest of our Company. The shareholding status of the relationship among Ms. Zhou, Ms. Sun Exiao, Xingyu Investment and our Company was as follows:



Ms. Zhou is the only child of Ms. Sun Exiao, which causes Ms. Sun Exiao to be presumed as the person acting in concert with Ms. Zhou under the Takeovers Code. Consequently, Ms. Zhou, Xingyu Investment and Ms. Sun Exiao, are regarded as a group of controlling shareholders of our Company. As of the Latest Practicable Date, Ms. Zhou and other controlling shareholders, directly and indirectly, controlled 54.3% of the voting rights of our Company.

Immediately following the completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised), Ms. Zhou and other controlling shareholders will, directly and indirectly continue to control **[REDACTED]** of the voting rights of our Company.

Ms. Zhou is one of our founders, an Executive Director, Chairperson of our Board and the General Manager of our Company. For details, see "Directors and Senior Management" in this document. As of the Latest Practicable Date, apart from holding interest in our business, Xingyu Investment and its controlled subsidiaries had not engaged in any business that is the same or similar to our Company's principal business. Ms. Sun Exiao does not hold any interest and position in any other enterprises.

INTERESTS OF OUR CONTROLLING SHAREHOLDERS IN OTHER BUSINESSES

Each of our Controlling Shareholders confirmed that as of the Latest Practicable Date, apart from the business of our Company, they did not have any interest in other business, which competes or is likely to compete, directly or indirectly, with our business, which would require disclosure under Rule 8.10 of the Listing Rules.

NON-COMPETITION UNDERTAKINGS

Ms. Zhou has executed certain non-competition undertakings in January 2011 (which was restated at each annual and semi-annual report) (the "**Non-Competition Undertaking**") that, in favor of the interest of our Company and our Shareholders, pursuant to which Ms. Zhou has undertaken that:

(a) as of the date of the Non-competition Undertaking, Ms. Zhou, as well as the enterprises controlled and invested by her, did not engage in any business or activity in any form that constitute or may constitute direct or indirect competition with the principal business of our Group.

(b) as long as our Company is publicly listed on the PRC domestic stock exchange, Ms. Zhou will take effective measures, and will also ensure that the enterprises controlled and invested by Ms. Zhou to take effective measures, not to take the following actions within the PRC:

  (i) engage in any business or activity in any form, directly or indirectly, that constitute or may constitute direct or indirect competition with the principal business of our Group, or hold any equity interest in any business;

  (ii) support any party other than our Group in any form in its engaging in any business or activity that compete or may compete with the principal business currently or hereafter conducted by our Group; and

  (iii) intervene in any other manner, whether directly or indirectly, in any business or activity that compete or may compete with the principal business currently or hereafter conducted by our Group.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Our Directors consider that we are capable of carrying on our business independently from our Controlling Shareholders and/or their respective close associates upon **[REDACTED]**, taking into consideration the factors below:

Management Independence

Our Company is managed by our Board and senior management. Upon **[REDACTED]**, our Board will consist of nine Directors comprising four Executive Directors, one Non-Executive Director and four Independent Non-Executive Directors. For more information, see "Directors and Senior Management." in this document.

We believe that our Directors and senior management are able to perform their roles in our Company independently and our Company is capable of managing its business independently from our Controlling Shareholders and their respective close associates for the following reasons:

(i) Ms. Zhou as the Chairperson of our Board, an Executive Director and our General Manager, devotes substantially all her time to discharge her duties of her positions at our Group;

(ii) each of our Directors is aware of the fiduciary duties as a Director which require, among other things, that they act for the benefit and in the best interests of our Company and does not allow their personal interests to interfere with our Company's best interest;

(iii) our daily management and operation are carried out by our Executive Directors and senior management, all of whom have substantial experience in the industry in which our Company is engaged, and will therefore be able to make business decisions that are in the best interest of our Group;

(iv) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group and our Directors or their respective close associates, the interested Directors shall abstain from voting on any resolutions of our Board of Directors approving any contract, arrangement or any other proposal in which they or any of their close associates has a material interest and shall not be counted in the quorum present at the relevant meetings of the Board of Directors;

(v) we will have four Independent Non-Executive Directors upon [**REDACTED**], comprising more than one-third of our Board of Directors, to provide a balance of the number of our Board of Directors and with a view to ensure that the decisions of our Board of Directors are made only after due consideration of independent and impartial opinions. We believe our Independent Non-Executive Directors individually and collectively possess the requisite knowledge and experience to provide professional and experienced advice to our Company. Our Directors are of the view that our Independent Non-Executive Directors are able to protect the interests of our Company and our Shareholders as a whole;

(vi) as an A-share listed company, we have formulated and adopted a comprehensive internal control and management system in compliance with the relevant requirements of the rules of the Shanghai Stock Exchange. We have established clear reporting lines among the management team of our Company and between our management team and the Board; and

(vii) we have adopted corporate governance measures and sufficient and effective control mechanisms to manage conflicts of interest, if any, between our Group and our Controlling Shareholders, which would support our independent management. See "— Corporate Governance" for further details.

Based on the above, our Directors are of the view that our Board of Directors, together with our senior management, are able to perform their managerial roles in our Group independently from our Controlling Shareholders and/or their respective close associates.

Operational Independence

We do not rely on our Controlling Shareholders and their respective close associates for our business development, staffing, logistics, administration, finance, internal audit, IT, sales and marketing, or company secretarial functions. We have our own departments specializing in the respective areas which have been in operation and are expected to continue to operate independently from our Controlling Shareholders and/or their respective close associates. In addition, we have our own headcount of employees for our operation and management for human resources.

We have independent access to our suppliers and customers. We are in possession of all relevant licenses, certificates, facilities and intellectual property rights necessary to carry on and operate our principal business and we have sufficient operational capacity in terms of capital and employees to operate independently.

We have very minimum number of transactions with our Controlling Shareholders and/or their respective close associates, which will continue upon [**REDACTED**]. See "Connected Transactions" in this Document for further details of these transactions. All such transactions will be conducted on arm's length and on normal commercial terms in the ordinary and usual course of business of our Group in accordance with the requirements under Chapter 14A of the Listing Rules, and the pricing policy of our Group and our connected persons and not be prejudicial to the interest of any of the parties. Considering that the amounts of the relevant transactions are not significant to our Group, our Directors believe that such transactions will not have any impact on the operational independence of our Group.

Based on the above, our Directors believe that we are able to operate independently of our Controlling Shareholders and/or their respective close associates.

Financial Independence

Our Group has an independent financial system and makes financial decisions according to our own business needs. We have our own internal control and accounting system and finance department to perform independent treasury function on cash receipts and payments, independent accounting and reporting functions and independent internal control function. Neither our Controlling Shareholders nor their respective close associates intervene with our use of funds. We have adequate internal resources and credit profile to support our daily operation, and we are capable of obtaining financing from independent third parties without relying on any guarantee or security provided by our Controlling Shareholders or their respective close associates. As of the Latest Practicable Date, we did not have any outstanding borrowing or guarantee from our Controlling Shareholders or any of their respective close associates.

Based on the above, our Directors are of the view that we are able to maintain financial independence from our Controlling Shareholders and/or their respective close associates.

CORPORATE GOVERNANCE

Our Company will comply with the provisions of the Corporate Governance Code in Appendix C1 to the Listing Rules (the "**Corporate Governance Code**"), which set out principles of good corporate governance.

Our Directors recognize the importance of good corporate governance in protection of our Shareholders' interests. We would adopt the following measures to safeguard good corporate governance standards and to avoid potential conflicts of interest between our Company and our Controlling Shareholders.

(a) where a Board meeting is held for the matters in which any Director or his/her respective close associates has a material interest, such Director(s) shall abstain from voting on the relevant resolutions and shall not be counted in the quorum for the voting;

(b) where a Shareholders' general meeting is to be held for considering proposed transactions in which our Controlling Shareholders or any of their respective associates has a material interest, our Controlling Shareholders or their respective close associates will not vote on the resolutions and shall not be counted in the quorum in the voting;

(c) as part of our preparation for the **[REDACTED]**, we have amended our Articles of Association to comply with the Listing Rules which will become effective upon **[REDACTED]**. In particular, our Articles of Association provides that, a Director shall be abstained from voting on any resolution approving any contract, transaction or arrangement in which such Director or any of his/her respective close associates has a material interest nor shall such Director be counted in the quorum present at the Board meeting;

(d) our Company has established internal control mechanisms to identify connected transactions. Upon [**REDACTED**], if our Company enters into connected transactions with our Controlling Shareholders and/or any of their respective close associates, our Company will comply with the applicable Listing Rules;

(e) we commit that our Board shall include a balanced composition of Executive Director and Non-Executive Directors (including Independent Non-Executive Directors). We will have four Independent Non-Executive Directors upon [**REDACTED**], and we believe our Independent Non-Executive Directors (i) possess sufficient experiences, (ii) are free of any business or other relationship which could interfere in any material manner with the exercise of their independent judgment, and (iii) will be able to provide an impartial and external opinion to protect the interests of our Shareholders as a whole. For details of the Independent Non-Executive Directors, see "Directors and Senior Management";

(f) where our Directors reasonably request the advice of independent professionals, such as financial advisors, the appointment of such independent professionals will be made at our Company's expenses; and

(g) we have appointed Somerley as our Compliance Advisor to provide advice and guidance to us in respect of compliance with the Listing Rules, including various requirements relating to corporate governance.

Based on the above, our Directors are satisfied that sufficient corporate governance measures have been put in place to manage conflicts of interest between our Company and our Controlling Shareholders, and to protect minority Shareholders' interests upon [**REDACTED**].

OVERVIEW

Upon [**REDACTED**], certain transactions entered into between us and our connected persons (as set out below) will constitute fully exempt continuing connected transactions of our Company under Chapter 14A of the Listing Rules.

CONNECTED PERSONS

Name of our connected persons	Connected relationship
Xingyu Investment	Xingyu Investment is one of our Controlling Shareholders
Xingyi Investment	Xingyi Investment is a company wholly owned by Ms. Zhou Xiaoping, one of our Controlling Shareholders

OUR CONTINUING CONNECTED TRANSACTIONS

Nature of transaction	Counterparty	Applicable Listing Rules	Waiver Sought	Annual Cap
Fully exempt continuing connected transactions				
1. Lease of office facility	Xingyu Investment	14A.76(1)	N/A	N/A
2. Lease of office facility	Xingyi Investment	14A.76(1)	N/A	N/A

FULLY EXEMPT CONTINUING CONNECTED TRANSACTIONS

We have entered into the following transactions with our connected persons on normal commercial terms, which will continue after the [**REDACTED**]:

(1) On December 31, 2025, our Company entered into a lease agreement of properties with Xingyu Investment (the "**Xingyu Lease Agreement**"). Pursuant to the Xingyu Lease Agreement, Xingyu Investment leased certain property from our Company for the use of office for a period of three years since January 1, 2026. The rent was fixed at RMB9,600 per year (tax inclusive) in consistent with the local market price of similar property; and

(2) On December 31, 2025, our Company entered into a lease agreement of properties with Xingyi Investment (the "**Xingyi Lease Agreement**", together with the Xingyu Lease Agreement, the "**Lease Agreements**"). Pursuant to the Xingyi Lease Agreement, Xingyi Investment leased certain property from our Company for the use of office for a period of three years since January 1, 2026. The rent was fixed at RMB9,600 per year (tax inclusive) in consistent with the local market price of similar property.

As the applicable percentage ratios related to the continuing connected transactions under the Lease Agreements calculated, on an aggregate basis, under Chapter 14A of the Listing Rules will be less than 0.1%, the above leases will be fully exempt from all of the reporting, annual review, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules pursuant to Rule 14A.76(1) of the Listing Rules.

CONFIRMATION FROM OUR DIRECTORS

Our Directors (including our Independent Non-Executive Directors) are of the view that: (i) the continuing connected transactions under the Lease Agreements have been and/or will be entered into in our ordinary and usual course of business on normal commercial terms, the price is and will be no more favorable to the connected persons than the prevailing market price of the rent of similar property in the vicinity and similar office facilities, on terms that are fair and reasonable, and in the interests of our Company and our Shareholders as a whole, and (ii) the Company will comply with the relevant requirement under Chapter 14A of the Listing Rules.

BOARD OF DIRECTORS

Our Board will consist of nine Directors, including four Executive Directors, one Non-Executive Director and four Independent Non-Executive Directors upon **[REDACTED]**. Our Directors are appointed for a term of three (3) years and are eligible for re-election upon expiry of their term of office. The Independent Non-Executive Directors shall not hold office for more than six (6) consecutive years pursuant to the relevant PRC laws and regulations.

The following table sets forth certain information regarding our Directors.

Name	Age	Date of joining our Group	Date of appointment as a Director	Position	Responsibilities	Relationship with other Directors and senior management
Ms. Zhou Xiaoping (周曉萍)	64	May, 2000	May 18, 2000	Executive Director, Chairperson of our Board and General Manager	Overall strategic planning, operation and management	Mr. Zhou Yuheng's mother
Mr. Zhou Yuheng (周宇恒)	40	April, 2013	April 10, 2025	Executive Director, Deputy Chairperson of our Board and Vice General Manager	Business operation, information technology and digital transformation	Ms. Zhou Xiaoping's son
Mr. Li Shujun (李樹軍)	47	November, 2015	January 15, 2026 (effective upon [REDACTED])	Executive Director and Executive Vice General Manager	Business operation, quality management and human resource management	None
Mr. Xu Huiyi (徐惠儀)	58	May, 2000	April 15, 2022	Executive Director (Employee Director)	Marketing and customer relationship	None
Mr. Wang Shihai (王世海)	49	February, 2010	April 10, 2025	Non-Executive Director	Recommendations and expert judgment to the Board	None
Mr. Ma Peilin (馬培林)	59	April, 2022	April 15, 2022	Independent Non-Executive Director	Independent opinion and judgment to our Board	None
Ms. Han Jian (韓踐)	53	April, 2022	April 15, 2022	Independent Non-Executive Director	Independent opinion and judgment to our Board	None

Name	Age	Date of joining our Group	Date of appointment as a Director	Position	Responsibilities	Relationship with other Directors and senior management
Mr. Li Xiang (李翔)	48	April, 2022	April 15, 2022	Independent Non-Executive Director	Independent opinion and judgment to our Board	None
Ms. Ng Wing Yan Claudia (伍穎恩)	44	January 15, 2026 (effective upon [REDACTED])	January 15, 2026 (effective upon [REDACTED])	Independent Non-Executive Director	Independent opinion and judgment to our Board	None

Save that Ms. Zhou Xiaoping and Mr. Zhou Yuheng are mother and son, none of our Directors and members of senior management is related to other Directors or members of senior management.

Executive Directors

Ms. Zhou Xiaoping (周曉萍), aged 64, is an Executive Director, the Chairperson of our Board and the General Manager of our Company. She is primarily responsible for the overall strategic planning, operation and management of our Group.

As a founder of our Group, Ms. Zhou has over 30 years of experiences in the automotive lighting industry, tracing back to her position as the factory director in Changzhou Xingyu Car Lighting Factory (常州市星宇車燈廠) in 1993. Our Company was founded by Ms. Zhou together with Mr. Zhou Bajin in May 2000. Since then Ms. Zhou served as the General Manager and the Director, and as the Chairperson of our Board from 2007 to date. Ms. Zhou is one of our Controlling Shareholders and also the chairperson of the Strategy and ESG Committee of our Company.

Ms. Zhou holds or has held the following directorship and senior management roles in the companies within our Group as below:

Company	Principal Business	Role	Period of Service
Xingyu HK	Investment	Executive director	Since November 2013 to date
Jilin Xingyu	Manufacturing and sales of automotive lighting products	Chairperson of the board and general manager	Since April 2013 to April 2023

Ms. Zhou was a director and a member of senior management of companies at the time of or within one year before their respective dissolution or deregistration as below:

Company Name	Place of Incorporation	Principal Business	Position	Means of Termination	Date of Deregistration	Reasons for Deregistration
Shanghai Ruimian Industrial Co., Ltd. (上海瑞冕實業有限公司)	PRC	Consultancy services	Executive director	Deregistration	July 29, 2020	Cessation of business operations
Changzhou Patron Automotive Safety System Co., Ltd. (常州帕特隆汽車安全系統有限公司)	PRC	Automotive electronic components manufacturing	Director and general manager	Deregistration	August 24, 2016	Cessation of business operations

Ms. Zhou obtained her bachelor's degree in medicine from Norman Bethune University of Medical Science (白求恩醫科大學) in 1990 (which was merged into Jilin University (吉林大學) in 2000), and a certificate of the EMBA Programme at China Europe International Business School (中歐國際工商學院) in July 2006. In 2021, Ms. Zhou also obtained her master's degree in business administration from Tsinghua University (清華大學).

Ms. Zhou has also served as a deputy of the 14th Jiangsu Province People's Congress (江蘇省第十四屆人大代表) since January 2023, and as the chairperson of Changzhou Xinbei District Association of Industry and Commerce (常州市新北區工商業聯合會) since October 2003.

Mr. Zhou Yuheng (周宇恒), aged 40, is an Executive Director and a Vice General Manager of our Company. He joined our Group in 2013 and served as a Vice General Manager since 2019 to date. He was appointed as a Director in April 2025 and as the deputy chairperson of Board in September 2025. Mr. Zhou is primarily responsible for business operation, information technology and digital transformation of our Group.

Prior to joining our Group, Mr. Zhou worked at China Construction Bank Corporation Jiangsu Branch (中國建設銀行江蘇分行) from 2012 to 2013.

Mr. Zhou Yuheng also holds the following directorship and senior management roles in the companies within our Group as below:

Company	Principal Business	Role	Period of Service
Xingyu Intelligent . .	Has not yet commenced substantive operations	Executive director and general manager	Since June 2016 to date
Xinghui Digital Technology	Software development and information technology services	Executive director	Since October 2024 to date
Chongqing Xingyu . .	Manufacturing and sales of automotive lighting products	Director	Since September 2025 to date
Xingyu Robot	R&D, manufacturing and sale of intelligent robots	Executive director	Since October 2025 to date

Mr. Zhou obtained a bachelor's degree majoring in automation from Shanghai Jiao Tong University (上海交通大學) in July 2008 and a master's degree in management from the University of Sheffield of the United Kingdom in 2010.

Mr. Li Shujun (李樹軍), aged 47, is the Executive Vice General Manager of our Company, and he was appointed as an Executive Director on January 15, 2026 taking effect upon [**REDACTED**]. He is primarily responsible for business operation, quality management and human resource management.

Mr. Li Shujun joined our Group in November 2015. He has served as the Chief Financial Officer from April 2016 to May 2024, as the Board Secretary from April 2016 to April 2022, and as a Vice General Manager from August 2019 and as an Executive Vice General Manager from February 2024 to date.

Mr. Li Shujun is an accounting expert and holds certificates of CPA of PRC, and of the Institute of Chartered Accountants in England and Wales. Prior to his joining to our Group, Mr. Li used to take positions in Inner Mongolia Manshi Group Co., Ltd. (內蒙古滿世煤炭集團股份有限公司) and Manshi Investment Group Co., Ltd. (滿世投資集團有限公司). Mr. Li also worked as the independent director of IAT Automobile Technology Co., Ltd. (阿爾特汽車技術股份有限公司) (300825.SZ) from 2017 to 2023.

Mr. Li Shujun was a supervisor of the following company at the time of or within one year before its dissolution or deregistration as below:

Company Name	Place of Incorporation	Principal Business	Position	Means of Termination	Date of Deregistration	Reasons for Deregistration
Jiangsu Xuyi Manshi Solar Power Technology Co., Ltd. (江蘇盱眙滿世太陽能科技有限公司)	PRC	Manufacturing and sales of solar power generation battery modules and thin-film solar curtain walls	Supervisor	Deregistration	May 16, 2016	Cessation of business operations

Mr. Li Shujun obtained his master's degree in professional accountancy from the Chinese University of Hong Kong (香港中文大學) in November 2019.

Mr. Xu Huiyi (徐惠儀), aged 58, is an Executive Director of our Group. He is primarily responsible for marketing and customer relationships. He was appointed as our employee Director in October 2025.

Mr. Xu has extensive experiences in the automotive lighting industry and has been working in the area for over 30 years. Mr. Xu joined Changzhou Xingyu Car Lighting Factory (常州市星宇車燈廠) and worked as a technician specialist and later as the deputy factory director. Mr. Xu served for our Company since its incorporation in 2000. He took multiple positions from 2000 to date as the head of marketing department, the assistant to General Manager, the Vice General Manager and the Director of our Company.

Mr. Xu also holds the following directorship and senior management role in the company within our Group as below:

Company	Principal Business	Role	Period of Service
Jilin Xingyu	Manufacturing and sales of automotive lighting products	Director, executive director and general manager	Since April 2013 to date

Mr. Xu graduated from the School of Continuing Education at Beijing Normal University (北京師範大學繼續教育學院) in May 2002, majoring in applied English.

Non-Executive Directors

Mr. Wang Shihai (王世海), aged 49, is a Non-Executive Director. He was appointed as a Director on April 10, 2025.

Mr. Wang has extensive experience in investment and financing. He serves as a managing director at CS Capital Co., Ltd. (國投招商投資管理有限公司) and has also worked as a managing director at SDIC Fund Management Co., Ltd. (國投創新投資管理有限公司). Mr. Wang also served as an independent director of Beijing GeoEnvicon Engineering & Technology, Inc (北京高能時代環境技術股份有限公司) (formerly known as the Institute of High Energy Physics of the Chinese Academy of Science (中國科學院高能物理研究所)) (603588.SH) from 2016 to 2022.

Mr. Wang Shihai holds the following director roles in public listed companies and companies currently undergoing an IPO process below:

Company	Principal Business	Role	Period of Service
Ningbo Physis Technology Co., Ltd. (寧波菲仕技術股份有限公司)	Manufacturing and sales of electronic machinery and equipment	Director	Since January 2016 to the date
Suzhou Leaderdrive Technology Co., Ltd. (蘇州綠的諧波傳動科技股份有限公司) (688017.SH)	General equipment manufacturing	Director	Since June 2016 to date

Mr. Wang obtained his bachelor's degree in investment economics from Shandong University of Finance and Economics (山東財經學院, now known as "山東財經大學") in July 1999 and his master's degree in business administration from Shanghai Jiao Tong University (上海交通大學) in June 2006. Mr. Wang obtained qualification for private equity fund practitioner in November 2023.

Independent Non-Executive Directors

Mr. Ma Peilin (馬培林), aged 59, is an Independent Non-Executive Director of our Company since April 15, 2022.

Mr. Ma has extensive experience in business management. From September 1992 to date, Mr. Ma served various positions in Shuangliang Group Co., Ltd. (雙良集團有限公司) and its subsidiaries as the accounting manager, chief financial officer, director and chief executive officer. During the period from 2000 to 2025, Mr. Ma also served various positions as the director, the vice chairperson of board of directors and the chairperson of supervisory board of Shuangliang Eco-Energy Systems Co., Ltd. (雙良節能系統股份有限公司) (600481.SH). Mr. Ma also acts or had acted as directors or independent directors in several companies in various areas.

Currently, Mr. Ma holds the supervisor role in the public listed company below:

Company	Principal Business	Role	Period of Service
Wise Living Technology Co., Ltd. (慧居科技股份有限公司) (02481.HK)	New energy, heating and cooling technology R&D, utilization and supply	Chairperson of the supervisory board	Since December 2015 to date

Mr. Ma was a director, supervisor and/or general manager of the companies at the time of or within one year before their respective dissolution or deregistration as shown in the table below:

Company Name	Place of Incorporation	Principal Business	Position	Means of Termination	Date of Deregistration	Reasons for Deregistration
Jiangsu Lishide Chemical Industry Co., Ltd. (江蘇利士德化工有限公司)	PRC	Chemical product manufacturing	Director	Deregistration	November 15, 2017	Cessation of business operations
Jiangsu Shuangliang Heavy Industry Equipment Co., Ltd. (江蘇雙良重工裝備有限公司)	PRC	Production of non-standardized coke equipment	Director	Deregistration	July 25, 2013	Cessation of business operations
Shenzhen Zhongtuo Investment Co., Ltd. (深圳市中拓投資有限公司)	PRC	Industrial investment management	Supervisor	Revocation	February 1, 2005	Business license revoked for failure to complete the annual inspection
Zhongshi Industrial Co., Ltd. (中實實業有限公司)	PRC	Sales of machinery and equipment	Supervisor	Revocation	December 10, 2001	Business licence revoked for failure to complete the annual inspection
Guangxi Qianliang Mining Co., Ltd. (廣西乾良礦業有限公司)	PRC	Investment in mining business	Executive director and general manager	Deregistration	April 8, 2025	Cessation of business operations
Inner Mongolia Deyin Runsheng New Energy Technology Co., Ltd. (內蒙古德銀潤生新能源科技有限公司.)	PRC	New energy technology R&D and consultation	Executive director and general manager	Deregistration	September 19, 2019	Cessation of business operations
Jiangsu Shuangliang Technology Service Co., Ltd. (江蘇雙良技術服務有限公司)	PRC	Air-conditioner, boiler, parking equipment testing and maintenance	Director	Deregistration	September 14, 2007	Cessation of business operations

From November 2001 to February 2005, Mr. Ma served as a supervisor of Shenzhen Zhongtuo Investment Co., Ltd. (深圳市中拓投資有限公司) (the "**Zhongtuo Investment**"). The business license of Zhongtuo Investment was revoked on 1 February 2005 due to its failure to complete the required annual compliance inspection, and it had not been deregistered as of the Latest Practicable Date. Mr. Ma confirms that (i) Zhongtuo Investment was solvent immediately prior to the revocation of its business license; and (ii) he did not commit any wrongdoing and did not bear any personal liability in connection with the revocation of Zhongtuo Investment's business license.

From 1999 to December 2001, Mr. Ma served as a supervisor of Zhongshi Industrial Co., Ltd. (中實實業有限公司) (the "**Zhongshi Industrial**"). The business license of Zhongshi Industrial was revoked on 10 December 2001 due to its failure to complete the required annual compliance inspection. Mr. Ma confirms that (i) Zhongshi Industrial was solvent immediately prior to the revocation of its business license; and (ii) he did not commit any wrongdoing and did not bear any personal liability in connection with the revocation of Zhongshi Industrial's business license.

Mr. Ma obtained his bachelor's degree in economy from Inner Mongolia University of Finance and Economics (內蒙古財經學院) in July 1990 and received a certificate of the MBA Programme at China Europe International Business School (中歐國際工商學院) in July 2006. He also obtained the Accounting Practice Qualification Certificate in 1997.

Ms. Han Jian (韓踐), aged 53, is an Independent Non-Executive Director of our Company since April 15, 2022.

Ms. Han joined our Group in April 2022. Before that, she worked in Peking University (北京大學). She also has been a professor of management at China Europe International Business School (中歐國際工商學院). Ms. Han served as an independent director of Midea Group Co., Ltd. (美的集團) (000333.SZ, 00300.HK) from September 2018 to July 2024 and also as an independent director of Dada Nexus Limited (達達集團有限公司)[(1)] from August 2022 to June 2025.. Currently Ms. Han holds the following independent director roles in the companies below:

Company	Principal Business	Role	Period of Service
Beijing Zhidemai Technology Co., Ltd. (北京值得買科技股份有限公司) (300785.SZ)	Internet lifestyle services	Independent director	Since May 2025 to date
Jinmao Property Services Co., Limited (金茂物業服務發展股份有限公司) (00816.HK)	Real property management services	Independent non-executive director	Since March 2022 to date

Note:

(1) Dada Nexus Limited has completed the privatization process in June 2025.

Ms. Han received a bachelor's degree in British and American Literature from Renmin University of China (中國人民大學) in July 1995, and a doctoral degree from Cornell University in January 2005. She has served on the expert council of the World Economic Forum (WEF).

Mr. Li Xiang (李翔), aged 48, is an Independent Non-Executive Director of our Company since April 15, 2022.

Mr. Li Xiang is a CPA in PRC. He has more than 20 years of academic experience in the accounting and financial management. Mr. Li worked at Nanjing University (南京大學) from 2005 to 2019, and subsequently served as a professor of accounting as well as the dean of the school of accountancy at Nanjing University of Finance and Economics (南京財經大學).

Mr. Li Xiang also has served as an independent director in several public listed companies, including, among others, an independent director of Jiangsu Provincial Agricultural Reclamation and Development Co., Ltd. (江蘇省農墾農業發展股份有限公司) (601952.SH) from 2015 to 2022, an independent director of Oriental Energy Co., Ltd. (東華能源股份有限公司) (002221.SZ), from 2016 to 2019, an independent director of Estun Automation Co., Ltd. (南京埃斯頓自動化股份有限公司) (002747.SZ) from 2017 to 2023, an independent director of Getein Biotech, Inc. (基蛋生物科技股份有限公司) (603387.SH) from 2017 to 2020, an independent director of Nanjing Hicin Pharmaceutical Co., Ltd. (南京海辰藥業股份有限公司) (300584.SZ) from 2019 to 2025.

Mr. Li Xiang was a general partner and/or a director of the entities at the time of or within one year before their respective dissolution or deregistration as shown in the table below:

Company Name	Place of Incorporation	Principal Business	Position	Means of Termination	Date of Deregistration	Reasons for Deregistration
Nanjing Shenruixiang Enterprise Management Consulting Center (General Partnership) (南京深睿想企業管理諮詢中心（普通合夥）)	PRC	Enterprise management consultancy	General partner	Deregistration	June 13, 2022	Cessation of business operations
Nanjing Airuisituo Enterprise Management Consulting Co., Ltd. (南京艾睿斯拓企業管理諮詢有限公司)	PRC	Enterprise management consultancy	Executive director	Deregistration	August 15, 2022	Cessation of business operations

Mr. Li Xiang obtained a doctor's degree in accountancy from Nanjing University in September 2005.

Ms. Ng Wing Yan Claudia (伍穎恩), aged 44, was appointed as an Independent Non-Executive Director of our Company on January 15, 2026, taking effect upon **[REDACTED]**.

Ms. Ng has approximately 20 years of work experience in both foreign-invested enterprises and state-owned enterprises, and has extensive experience in corporate governance, strategic planning and operations, environmental, social and governance management and human resources management. Ms. Ng worked at Cisco Systems (China) Networking Technology Co., Ltd. (思科系統(中國)網絡技術有限公司) for 14 years, with her last position as a managerial role. Ms. Ng currently holds positions in the following publicly listed companies and company currently undergoing an IPO process:

Company	Principle Business	Position	Period of Service
Shandong Hi-Speed New Energy Group Limited (1250.HK) (山高新能源集團有限公司)	Clean energy power generation	Board Secretary, co-president of the Hong Kong Office and member of the Sustainability Committee	Since 2022 to date
BII Railway Transportation Technology Holdings Company Limited (1522.HK) (京投軌道交通科技控股有限公司)	Rail transit construction and operations	Independent non-executive director	Since April 2025 to date
Sigenergy Technology Co., Ltd. (思格新能源(上海)股份有限公司)	Clean energy power generation	Independent non-executive director	Since February 2025 to date

Ms. Ng obtained a Bachelor of Laws degree from The University of Hong Kong (香港大學) in December 2003, a Postgraduate Certificate in Laws (PCLL) from The University of Hong Kong in June 2004, a Master of Laws degree from Tsinghua University (清華大學) in July 2007, and a Master of Business Administration degree from The Chinese University of Hong Kong (香港中文大學) in November 2018.

SENIOR MANAGEMENT

The following table sets out certain information regarding the senior management of our Group.

Name	Age	Date of joining our Group	Date of appointment as a senior management member	Position	Responsibilities	Relationship with other Directors and Senior management
Ms. Zhou Xiaoping (周曉萍)	64	May, 2000	May, 2000	Executive Director, Chairperson of our Board and General Manager	Overall strategic planning, operations and management	Mr. Zhou Yuheng's mother
Mr. Zhou Yuheng (周宇恆)	40	April, 2013	August 26, 2019	Executive Director, Deputy Chairperson of our Board and Vice General Manager	Business operation, information technology and digital transformation	Ms. Zhou Xiaoping's son
Mr. Li Shujun (李樹軍)	47	November, 2015	August 26, 2019	Executive Director and Executive Vice General Manager	Business operation, quality management and human resource management	None
Mr. Liu Shuting (劉樹廷)	50	June, 2015	April 15, 2016	Vice General Manager	Production quality management, environment, health and safety management	None
Mr. Lin Shudong (林樹棟)	47	June, 2021	April 15, 2022	Vice General Manager	R&D, technology, head of research institute	None
Mr. Chen Liujun (陳留俊)	44	March, 2001	August 26, 2019	Vice General Manager	Production and logistics management	None
Mr. Li Gang (李鋼)	47	February, 2003	April 10, 2025	Vice General Manager	Marketing and project management	None

Name	Age	Date of joining our Group	Date of appointment as a senior management member	Position	Responsibilities	Relationship with other Directors and Senior management
Mr. Cao Jin (曹進)	44	February, 2023	April 10, 2025	Vice General Manager	Intelligent equipment and production technologies	None
Mr. Gao Peng (高鵬)	42	September, 2021	April 15, 2022	Vice General Manager, Chief Financial Officer, Board Secretary	Finance, capital market and legal affairs management	None

Ms. Zhou Xiaoping (周曉萍), aged 64, is an Executive Director, the Chairperson of our Board and the General Manager of our Company. See "— Directors — Executive Directors" in this section for her biographical details.

Mr. Zhou Yuheng (周宇恒), aged 40, is an Executive Director and a Vice General Manager of our Company. See "— Directors — Executive Directors" in this section for his biographical details.

Mr. Li Shujun (李樹軍), aged 47, is the Executive Vice General Manager of our Company and he was appointed as an Executive Director taking effect upon [**REDACTED**]. See "— Directors — Executive Directors" in this section for his biographical details.

Mr. Liu Shuting (劉樹廷), aged 50, is a Vice General Manager of our Company. He joined our Group in June 2015.

Mr. Liu has over 20 years of experience in automotive industry. Mr. Liu worked at China First Automobile Co., Ltd. (中國第一汽車股份有限公司) from 1999 to 2015 and also served at Tianjin FAW Toyota Motor Co., Ltd (now FAW Toyota Motor Co., Ltd.) (天津一汽豐田汽車有限公司，現一汽豐田汽車有限公司). From April 2016 to now, he has served as a Vice General Manager at our Company.

Mr. Liu obtained his bachelor's degree in engineering from Wuhan Automotive Industrial University (武漢汽車工業大學) (which was merged into Wuhan University of Technology (武漢理工大學)) in June 1999.

Mr. Lin Shudong (林樹棟), aged 47, is a Vice General Manager of our Company. Joining our Group in 2021, he is now also the head of our research institute. Mr. Lin is an engineer and has been consistently involved in R&D and technology area. From 2002 to 2021, he worked as the professional and technician staff of FAW-Volkswagen Automotive Co., Ltd (一汽–大衆汽車有限公司).

Mr. Lin obtained his bachelor's degree in engineering from Harbin Institute of Technology (哈爾濱工業大學) in July 2002.

Mr. Chen Liujun (陳留俊), aged 44, is a Vice General Manager of our Company. He spent his whole career life with our Group to date. Mr. Chen joined our Group in 2001. He worked as the deputy director of production department from 2010 to 2014, the rear light factory director from 2014 to 2017, and an assistant to General Manager from 2017 to 2019. Mr. Chen has served as our Vice General Manager from 2019 to date.

Mr. Chen obtained his bachelor's degree in business management from Nanjing Agricultural University (南京農業大學) in January 2014.

Mr. Li Gang (李鋼), aged 47, is a Vice General Manager of our Company. He joined our Group and performed as head of product development, technical director and head of marketing from 2003 to 2009. He then served in SAIC Volkswagen Automotive, Co., Ltd (上汽大眾汽車有限公司). In 2012, Mr. Li rejoined our Company.

Mr. Li obtained an associate's degree in mechanical manufacturing technology and equipment (mold design and manufacturing) from Changzhou Institute of Technology (常州工學院) in July 2000, and obtained a bachelor's degree in business management from Jiangsu University (江蘇大學) in July 2005.

Mr. Cao Jin (曹進), aged 44, is a Vice General Manager of our Company. He joined our Group in 2023. Before joining our Group, he served as the intelligent manufacturing chief engineer and technology development department director in Shanghai Haili (Group) Co., Ltd. (上海海立(集團)股份有限公司) (600619.SH).

Mr. Cao obtained a bachelor's degree in engineering from Hefei University of Technology (合肥工業大學) in June 2000, a master's degree in engineering from Shanghai Jiao Tong University (上海交通大學) in December 2006 and a doctor's degree in engineering from Shanghai Jiao Tong University (上海交通大學) in June 2017.

Mr. Gao Peng (高鵬), aged 42, is a Vice General Manager, the chief financial officer of our Company and the secretary to our Board. Mr. Gao is an expert in financing and investment area and joined our Group in September 2021. Before joining our Group, he worked as the senior executive director in the investment banking department of Guotai Junan Securities Co., Ltd. (now Guotai Haitong Securities Co., Ltd.) (國泰君安證券股份有限公司，現國泰海通證券股份有限公司, 601211.SH, 2611.HK) from July 2008 to September 2021. Mr. Gao also serves as a director of SDIC Merchant Investment Management Co., Ltd. (國投招商投資管理有限公司).

Mr. Gao obtained a bachelor's degree in economics and trade from Beijing Normal University (北京師範大學) in July 2005 and a master's degree in economics from the same university in July 2008.

INTERESTS OF DIRECTORS AND SENIOR MANAGEMENT

Saved as disclosed above, none of our Directors and senior management had been a director of any public company the securities of which were listed on any securities market in Hong Kong or overseas in the three years immediately preceding the date of this document.

Saved as disclosed above, as of the Latest Practicable Date, none of our Directors or senior management was related to other Directors or senior management of our Company.

JOINT COMPANY SECRETARIES

Mr. Gao Peng (高鵬), aged 42, is one of the joint company secretaries of the Company. For the biographical details of Mr. Gao, see "— Senior Management" above.

Mr. Au Wai Keung (區偉強) is one of the joint company secretaries of the Company. He is a director at Arion & Associates Limited, which is a company providing corporate accounting and corporate secretarial services in Hong Kong. He has over 15 years of experience in company secretarial practice, accounting and has been serving as the company secretary of several listed companies in Hong Kong.

Mr. Au is a fellow member of both the Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Accountants in England and Wales. He received a bachelor's degree of social science from the Chinese University of Hong Kong (香港中文大學) and a master's degree in business administration from the City University of Hong Kong (香港城市大學).

BOARD COMMITTEES

Our Board delegates certain responsibilities to various committees. In accordance with the relevant PRC laws and regulations and the Corporate Governance Code and the Listing Rules, our Company has formed four (4) Board committees, namely the Audit Committee, the Remuneration and Evaluation Committee, the Nomination Committee, and the Strategy and ESG Committee.

Audit Committee

We have established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code set out in Appendix C1 to the Listing Rules. The Audit Committee consists of three (3) Directors, namely Mr. Li Xiang, Mr. Ma Peilin and Mr. Wang Shihai. Mr. Li, being the Independent Non-Executive Director of our Group, is the chairperson of the Audit Committee and holds the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal controls system of our Group.

Remuneration and Evaluation Committee

We have established the Remuneration and Evaluation Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the Corporate Governance Code set out in Appendix C1 to the Listing Rules. The Remuneration and Evaluation Committee consists of three (3) Directors, namely Ms. Han Jian, Mr. Li Xiang and Mr. Zhou Yuheng, with Ms. Han serving as the chairperson of the Remuneration and Evaluation Committee. The primary duties of the Remuneration and Evaluation Committee are to review and make recommendations to the Board on the terms of remuneration packages, bonuses and other compensation payable to our Directors and other senior management.

Nomination Committee

We have established the Nomination Committee with written terms of reference in compliance with the Code on Corporate Governance in Appendix C1 to the Listing Rules. The Nomination Committee consists of three (3) Directors, namely Mr. Ma Peilin, Ms. Han Jian and Mr. Xu Huiyi, with Mr. Ma serving as the chairperson of the Nomination Committee. The nomination committee is mainly responsible for identifying, screening and recommending to the Board of Directors qualified candidates to serve as the Directors and monitoring the procedures for evaluating the performance of our Board of Directors.

Strategy and ESG Committee

We have established the Strategy and ESG Committee. The Strategy and ESG Committee consists of three (3) Directors, namely Ms. Zhou Xiaoping, Mr. Wang Shihai and Ms. Han Jian, with Ms. Zhou serving as the chairperson of the Strategy and ESG Committee. The primary duties of the Strategy and ESG Committee are to make recommendations to our Board on the long-term development strategy and major investments and projects of our Company.

CORPORATE GOVERNANCE

We aim to implement a high standard of corporate governance, which we believe is crucial to safeguard the interests of our Shareholders. To accomplish this, we expect to comply with the Corporate Governance Code set out in Appendix C1 of the Listing Rules after the [**REDACTED**], except that Ms. Zhou Xiaoping will serve as both our Chairperson of our Board and the General Manager as discussed below.

Pursuant to code provision A.2.1 of the Corporate Governance Code, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from the requirement that the responsibilities between the chairman of the board and the chief executive officer/general manager should be segregated and should not be performed by the same individual. We do not have a separate Chairperson of our Board and General Manager and Ms. Zhou currently performs these two roles. As the founder of our Group, Ms. Zhou has an in-depth understanding of our Group's operations and development history. She is instrumental to our growth, strategy and business operations. Taking into account the continuation of management and the implementation of our business strategies, the Board believes that vesting the roles of both Chairperson of our Board and the General Manager in the same person has the benefit of ensuring consistent leadership within our Group and enables more effective and efficient overall strategic planning for our Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired, and this structure will enable our Company to make and implement decisions promptly and effectively.

BOARD DIVERSITY POLICY

Our Board will adopt a board diversity policy (the "**Board Diversity Policy**") which sets out the approach to achieve diversity of the Board. Our Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level, including gender diversity, as an essential element in maintaining our Company's competitive advantages and enhancing our ability to attract, retain and motivate employees from the widest possible pool of available talent. Pursuant to the board diversity policy, in reviewing and assessing suitable candidates to serve as a director of our Company, the Nomination Committee will consider a number of aspects, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge, and industry and regional experience.

Our Board will consist of three female Directors and six male Directors with supermajority holding master or even higher degrees upon [**REDACTED**]. Our Directors have a balanced mix of knowledge and skills, including overall management and strategic development, quality assurance and control, finance and accounting and corporate governance in addition to industry experience relevant to our Group's operations and business. They obtained degrees in various majors including economics, accounting, business management, and engineering. This diverse academic background allows the Board to approach challenges and opportunities from multiple angles, fostering innovative solutions and comprehensive strategies. We will have four Independent Non-Executive Directors with different backgrounds, representing over one third of the members of our Board upon [**REDACTED**]. Furthermore, our Board has a diverse age and gender representation. Taking into account our existing business model and specific needs as well as the different background of our Directors, the composition of our Board satisfies our Board Diversity Policy.

CONFIRMATION FROM OUR DIRECTORS

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules, and (ii) understands his or her obligations as a director of a listed issuer under the Listing Rules.

Each of the Independent Non-Executive Directors has confirmed (i) his/her independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules, (ii) he/she has no past or present financial or other interest in the business of the Company or its subsidiaries or any connection with any core connected person of the Company under the Listing Rules as of the Latest Practicable Date, and (iii) that there are no other factors that may affect his/her independence at the time of his/her appointments.

Except as disclosed in this section, each of the Directors and senior management (1) had no other relationship with any of the Directors and senior management as of the Latest Practicable Date; and (2) did not hold any other directorship in listed companies in the three years prior to the Latest Practicable Date. To the best of the knowledge, information and belief of our Directors, having made all reasonable enquiries, there was no other matter with respect to our Directors that needs to be brought to the attention of our Shareholders and there was no information relating to our Directors that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules as of the Latest Practicable Date.

Save as disclosed in the section headed "Relationship with our Controlling Shareholders" in this Document, none of the Directors and their respective associates has any business or interest, apart from our business, which competes or may compete, either directly or indirectly, with our business which would require disclosure under Rule 8.10(2) of the Listing Rules.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Our Directors and senior management receive their remuneration from our Group in the form of salaries, bonuses, contributions to social security plans and housing provident fund plans, share-based compensation and other benefits.

For the years ended December 31, 2023, 2024 and the nine months ended September 30, 2025, the aggregate amount of remuneration paid or payable to our Directors amounted to approximately RMB2.7 million, RMB2.7 million and RMB2.5 million, respectively.

For the years ended December 31, 2023, 2024 and the nine months ended September 30, 2025, the total emoluments paid to the five highest paid individuals excluding directors by us amounted to RMB5.0 million, RMB5.1 million and RMB4.2 million, respectively.

No remuneration was paid by us to our Directors or our five highest paid individuals as an inducement to join or upon joining our Group during the Track Record Period. No compensation was paid to, or receivable by, our Directors or past directors during the Track Record Period for the loss of office as director of any member of our Group or of any other office in connection with the management of the affairs of any member of our Group. Furthermore, none of our Directors had waived or agreed to waive any remuneration during the Track Record Period.

Save as disclosed above and in "Financial Information", "Appendix I — Accountants' Report", no other payments have been paid or are payable in respect of the Track Record Period to our Directors and senior management by our Group. Under the arrangements currently in force as of the Latest Practicable Date, we estimate the aggregate remuneration of our Directors for the year ending December 31, 2025 to be approximately RMB3.1 million.

For additional information on our Directors' remuneration during the Track Record Period as well as information on our five highest paid individuals, see Note 13 to the Accountants' Report included in Appendix I to this Document.

EMPLOYEE STOCK SCHEME

To recognize the contributions of our key employees, incentivize our management team, talent staffs and promote our long-term sustainable development, we have adopted the Employee Stock Schemes. For details of the Employee Stock Schemes currently in effect, see "Appendix IV — Statutory and General Information — Employee Stock Schemes".

COMPLIANCE ADVISOR

Our Company appointed Somerley as our compliance advisor pursuant to Rule 3A.19 of the Listing Rules. The compliance advisor will provide us with guidance and advice as to compliance with the Listing Rules and other applicable laws, rules, codes and guidelines. Pursuant to Rule 3A.23 of the Listing Rules, the compliance advisor will advise us in the following circumstances:

- before the publication of any regulatory announcement, circular or financial report;
- where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues, sales or transfers of treasury shares and share repurchases;
- where we propose to use the [**REDACTED**] of the [**REDACTED**] in a manner different from that detailed in this Document or where our business activities, developments or results deviate from any forecast, estimate, or other information in this Document; and
- where the Stock Exchange makes an inquiry to our Company regarding unusual movements in the price or [**REDACTED**] volume of our [**REDACTED**] securities, the possible development of a false market in our securities, or any other matters in accordance with Rule 13.10 of the Listing Rules.

The term of the appointment of the compliance advisor will commence on the [**REDACTED**] and end on the date when our Company complies with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the [**REDACTED**] and such appointment may be subject to extension by mutual agreement.

To the best of our Directors' knowledge, as of the Latest Practicable Date and immediately following the completion of the **[REDACTED]** and assuming no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the **[REDACTED]**, only the following persons will have an interest in the Shares or the underlying Shares which would fall to be disclosed to us and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, will be, directly or indirectly, interested in 10% or more of the nominal value of any class of our share capital carrying rights to vote in all circumstances at shareholders' general meetings of our Company:

			As of the Latest Practicable Date		Immediately following the completion of [REDACTED]		
Name of Shareholder	Nature of Interest	Description of Shares	Number of Shares	Approximate percentage of shareholding in our Company(1)	Number of Interest	Approximate percentage of shareholding in our A Shares(1)	Approximate percentage of shareholding in our Company(1)
Ms. Zhou Xiaoping	Beneficial Owner	A Shares	119,977,973	42.00%	119,977,973	42.00%	[REDACTED]%
	Interest in controlled corporation(2)	A Shares	17,676,000	6.19%	17,676,000	6.19%	[REDACTED]%
	Interest held jointly with other persons(3)	A Shares	17,457,654	6.11%	17,457,654	6.11%	[REDACTED]%
Xingyu Investment	Beneficial Owner(2)	A Shares	17,676,000	6.19%	17,676,000	6.19%	[REDACTED]%
Ms. Sun Exiao	Beneficial Owner	A Shares	17,457,654	6.11%	17,457,654	6.11%	[REDACTED]%
	Interest held jointly with other persons(3)	A Shares	119,977,973	42.00%	119,977,973	42.00%	[REDACTED]%

Notes:

(1) The calculation is based on the total number of 285,679,419 A Shares in issue as of the Latest Practicable Date, which included **[REDACTED]** A Shares held in our Company's treasury stock account.

(2) The entire equity interest in Xingyu Investment is held by Ms. Zhou. By virtue of the SFO, Ms. Zhou is deemed to be interested in the Shares held by Xingyu Investment.

(3) Ms. Zhou is the only child of Ms. Sun Exiao. By virtue of the Takeovers Code, Ms. Zhou and Ms. Sun Exiao are presumed to be acting in concert with each other. For details, see "Relationship with our Controlling Shareholders".

Save as disclosed above and in the section headed "Appendix IV — Statutory and General Information — Further Information about Our Directors and Senior Management — Disclosure of Interests" to this document, our Directors are not aware of any person who will, immediately following the completion of the [**REDACTED**] and assuming the [**REDACTED**] is not exercised, have an interest or a short position in the Shares or underlying Shares which (i) will be required to be disclosed to our Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or (ii) will be, directly or indirectly, interested in 10% or more of any class of share capital carrying rights to vote in all circumstances at shareholders' general meetings of our Company.

The following is a description of the authorized share capital of our Company before and immediately following completion of the **[REDACTED]**.

BEFORE THE COMPLETION OF THE [REDACTED]

As of the Latest Practicable Date, the total issued share capital of our Company was RMB285,679,419, comprising 285,679,419 A Shares of nominal value RMB1.00 each, which are all listed on the main board of the Shanghai Stock Exchange.

UPON THE COMPLETION OF THE [REDACTED]

Immediately following completion of the **[REDACTED]**, assuming that (i) the **[REDACTED]** is not exercised, and (ii) no changes are made to our issued share capital between the Latest Practicable Date and the **[REDACTED]**, the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage of total share capital
A Shares in issue	285,679,419	**[REDACTED]**%
H Shares to be issued pursuant to the **[REDACTED]**	**[REDACTED]**	**[REDACTED]**%
Total	**[REDACTED]**	**100.0%**

Immediately following completion of the **[REDACTED]**, assuming that (i) the **[REDACTED]** is fully exercised, and (ii) no changes are made to our issued share capital between the Latest Practicable Date and the **[REDACTED]**, the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage of total share capital
A Shares in issue	285,679,419	**[REDACTED]**%
H Shares to be issued pursuant to the **[REDACTED]**	**[REDACTED]**	**[REDACTED]**%
Total	**[REDACTED]**	**100.0%**

OUR SHARES

Upon the completion of the [**REDACTED**], the shares of our Company will consist of A Shares and H Shares. Both A Shares and H Shares are ordinary shares in our share capital and are considered as one class of Shares.

Shanghai-Hong Kong Stock Connect has established a stock connect mechanism between PRC and Hong Kong. Our A Shares can be subscribed for and traded by PRC investors, qualified foreign institutional investors or qualified foreign strategic investors and must be traded in RMB. As our A Shares are eligible securities under the Northbound Trading Link, they can also be [**REDACTED**] for and [**REDACTED**] by Hong Kong and other overseas [**REDACTED**] pursuant to the rules and limits of Shanghai-Hong Kong Stock Connect. Our H Shares can be [**REDACTED**] for or [**REDACTED**] by Hong Kong and other overseas [**REDACTED**] and qualified domestic [**REDACTED**]. If our H Shares are eligible securities under the Southbound Trading Link, they can also be [**REDACTED**] for or [**REDACTED**] by mainland Chinese [**REDACTED**] in accordance with the rules and limits of Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect.

A Shares and H Shares will rank *pari passu* with each other in all respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the date of this Document. All dividends in respect of our H Shares are to be paid by us in Hong Kong dollars whereas all dividends in respect of our A Shares are to be paid by us in RMB. In addition to cash, dividends may also be distributed in the form of Shares. Holders of our H Shares will receive share dividends in the form of H Shares, and holders of our A Shares will receive share dividends in the form of A Shares.

NO CONVERSION OF OUR A SHARES INTO H SHARES FOR [REDACTED] AND [REDACTED] ON THE STOCK EXCHANGE

A Shares and H Shares are generally neither interchangeable nor fungible, and the market prices of our A Shares and H Shares may be different after the [**REDACTED**]. The Guidelines on Application for "Full Circulation" of Domestic Unlisted Shares of H-share Companies (《H股公司境內未上市股份申請"全流通"業務指引》) announced by the CSRC are not applicable to companies dual [**REDACTED**] in the PRC and on the Stock Exchange. As of the Latest Practicable Date, there were no relevant rules or guidelines from the CSRC providing that A Shareholders may convert A Shares held by them into H Shares for [**REDACTED**] and [**REDACTED**] on the Stock Exchange.

APPROVAL FROM HOLDERS OF A SHARES REGARDING [REDACTED]

We have obtained approval from our A Shareholders to issue H Shares and seek the [**REDACTED**] of the H Shares on the Stock Exchange. Such approval was obtained at the general meeting of our Company held on January 15, 2026 and is subject to the following conditions:

(i) Size of the [REDACTED]

The proposed number of H Shares to be issued initially shall not exceed approximately [**REDACTED**]% of the total issued number of shares as enlarged by the H Shares to be issued pursuant to the [**REDACTED**] (before exercise of the [**REDACTED**]). The number of H Shares to be issued pursuant to the exercise of the [**REDACTED**] shall not exceed [**REDACTED**]% of the total number of H Shares to be issued initially pursuant to the [**REDACTED**].

(ii) Method of Issuance

The method of [**REDACTED**] shall be by way of [**REDACTED**] for [**REDACTED**] in Hong Kong and an [**REDACTED**] to institutional and professional [**REDACTED**].

(iii) Target investors

The H Shares shall be issued to [**REDACTED**] in Hong Kong, and international [**REDACTED**], qualified domestic institutional [**REDACTED**] and other domestic eligible [**REDACTED**] entitled to [**REDACTED**] in securities abroad pursuant to relevant PRC laws and regulations in the [**REDACTED**].

(iv) [REDACTED] Basis

The [**REDACTED**] of the H Shares will be determined, among others, after due consideration of the interests of existing Shareholders of our Company, the acceptance of [**REDACTED**] and issuance risks and in accordance with the international practices through the demands for orders and [**REDACTED**] process using a [**REDACTED**]-oriented [**REDACTED**] method, subject to the domestic and international capital market conditions and by reference to the valuation level of comparable companies in domestic and overseas markets.

(v) Valid Period

The issue and [**REDACTED**] of H Shares on the Hong Kong Stock Exchange shall be completed within 24 months from the date when the general meeting was held on January 15, 2026. If we obtain the approval for the [**REDACTED**] from relevant regulatory authorities within the validity period, the validity period shall be automatically extended to the completion date of the Approval.

There is no other approved [**REDACTED**] plan for our Shares except the [**REDACTED**].

SHAREHOLDERS' GENERAL MEETING

For details of circumstance under which our shareholders' general meeting is required, see "Appendix III — Summary of the Articles" of this Document for details of circumstances under which our shareholders' general meeting is required.

You should read the following discussion and analysis in conjunction with our audited consolidated financial statements included in the Accountants' Report set out in Appendix I to this document, together with the accompanying notes. Our financial information has been prepared in accordance with IFRS Accounting Standards, which may differ in material aspects from generally accepted accounting principles in other jurisdictions.

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance that involve risks and uncertainties. These statements are based on assumptions and analysis made by us in light of our experience and perception of historical events, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, whether actual outcomes and developments will meet our expectations and predictions depends on a number of risks and uncertainties, many of which we cannot control or foresee. In evaluating our business, you should carefully consider all of the information provided in this document, including the sections headed "Risk Factors" and "Business."

Unless the context otherwise requires, financial information described in this section is described on a consolidated basis.

OVERVIEW

We are the largest provider of automotive lighting products in China and one of the leading participants in the global automotive lighting market by sales revenues in 2024, according to Frost & Sullivan. We supply automotive lighting products and related electronic components to automotive manufacturers worldwide, leveraging our capabilities in technology innovation and intelligent manufacturing. Our automotive lighting product portfolio encompasses front lighting, rear lighting, other lighting and controllers, designed to deliver safety-oriented, interactive and intelligent user experiences while supporting diverse in-vehicle applications and customized functions. Guided by our mission of "Xingyu Lighting, Brighten the World", we are committed to advancing the globalization of our R&D, sales and manufacturing operations.

We achieved sustained growth in our revenue and profit during the Track Record Period. Our revenue increased by 29.3% from RMB10,248.4 million in 2023 to RMB13,252.9 million in 2024, and also increased by 16.1% from RMB9,225.5 million for the nine months ended September 30, 2024 to RMB10,710.0 million for the nine months ended September 30, 2025. Our gross profit increased by 20.7% from RMB2,096.3 million in 2023 to RMB2,529.3 million in 2024. For the nine months ended September 30, 2024 and 2025, our gross profit increased by 19.3% from RMB1,731.3 million to RMB2,065.9 million. In 2023, 2024 and the nine months ended September 30, 2024 and 2025 respectively, our gross profit margin was 20.5%, 19.1%, 18.8% and 19.3% respectively.

BASIS OF PREPARATION

The International Accounting Standards Board ("**IASB**") has issued a number of new and revised IFRS Accounting Standards. For the purpose of preparing this historical financial information, we have adopted all applicable new and revised IFRS Accounting Standards to the Track Record Period. The new and revised accounting standards and interpretations issued but not yet effective for the accounting period beginning on January 1, 2025 are set out in Note 2 to the Accountants' Report in Appendix I to this document.

The historical financial information has been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period and a summary of the material accounting policy information has been set out as explained in Note 3 to the Accountants' Report in Appendix I to this document.

In the application of our accounting policies, our directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Such key sources of estimation uncertainty are discussed in Note 4 to the Accountants' Report in Appendix I to this document.

KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our results of operations and financial conditions have been, and will continue to be, materially affected by a number of factors, some of which are outside our control, including:

- development of macroeconomic conditions;
- government policies and regulations in relation to the automotive lighting products and the automotive industry;
- evolving consumption patterns and habits in China and globally;
- continuous growth and evolving competitive landscape of the automotive lighting products and automotive industry; and
- technology development of intelligent driving and automated driving in recent years, which contributed to the growing demand for automotive electronics and intelligent automotive lighting products.

In addition to the general factors, we believe the following company-specific factors also have a significant impact on our results of operations.

Specific Factors

The Development of the Industries Where We Operate

Our business focuses on the R&D, production and sales of automotive lighting products, which are widely used in the automotive market in the PRC market and the global market. Accordingly, our business is affected by changes in the demands and the performance of the relevant markets.

According to Frost & Sullivan, from 2020 to 2024, the global automotive lighting market expanded steadily from RMB246.6 billion to RMB294.7 billion, growing at a CAGR of 4.6%. Over the same period, China's market increased from RMB88.7 billion to RMB108.7 billion at a CAGR of 5.2%, outpacing the global average. As electrification and intelligence deepen across the global and Chinese automotive sectors, intelligent lighting adoption is set to accelerate. The global and China market is projected to reach RMB450.5 billion and RMB168.6 billion by 2030, implying a CAGR of 7.4% and 7.8% during 2025 to 2030. See "Industry Overview — Overview of the Automotive Industry — Market Size of the Automotive Lighting Industry" for details.

Our revenue has consistently increased over the past several years and increased from RMB10.2 billion in 2023 to RMB13.3 billion in 2024, benefiting from the growing demand in the automotive market. We value R&D and innovation in technology and production processes, enabling us to continuously introduce new products and iterate existing ones, and to reliably offer customers high-quality products, forming a core component of our competitive advantages. Meanwhile, we maintain a robust PRC and global network encompassing R&D centers, production bases as well as sales offices, which is essential for securing and expanding our presence in both the domestic and international markets. We have stable partnerships with many internationally renowned enterprises. As a result, we are well-positioned to reinforce our market leadership and capitalize on emerging business opportunities by leveraging our strong brand recognition, diverse product mix, advanced technology, lean production and high-quality customer base.

The industry we operate is relatively competitive. As technological barriers and economies of scale in the automotive lighting industry become increasingly pronounced, the PRC and global markets have continued to consolidate. Meanwhile, competition of the automotive lighting industry in the PRC and global markets may put pressure on our revenue and profits and adversely affect our profit margins. The ability to stay ahead of our competitors will be fundamental to our future success. See "Risk Factors — Risks Relating to Our Business and Industry — We operate in a relatively competitive industry, and we may be unable to continually maintain our market position."

Consistent with industry practices, our operating results are subject to fluctuations between reporting years/periods, primarily due to the seasonal concentration of sales of our downstream automotive manufacturer customers. As a result, our production and sales volumes have historically recorded moderate increases in the fourth quarter of each calendar year. See "Risk Factors — Risks Relating to Our Business and Industry — Our revenue recognition was and may continue to be subject to period-to-period fluctuations."

Ability to Maintain and Engage Customers and Seize Market Opportunities

Our business growth is driven by our ability to expand our customer base and maintain our relationships with existing customers. We serve high-quality automotive manufacturers globally. We optimize resource allocation efficiently across various regions, enabling us to provide automotive manufacturers with superior R&D, supply chain and production solutions both in China market and on a global scale, while also ensuring rapid and effective local response. According to Frost & Sullivan, we have established business relationships with nine of the world's top ten automotive manufacturers by vehicle sales volume calculated on a group level in 2024.

Our future growth will depend on our abilities to identify and capitalize on major market opportunities, including the increasing penetration of NEVs, the rising market share of Chinese domestic brands, and the international expansion of Chinese automotive manufacturers. By leveraging our competitive advantages in localization and our network of synergistic factories, we have successfully strengthened our presence in the Chinese market, with particular focus on leading domestic brands and NEV manufacturers. Our continued R&D investment and deep involvement in automotive lighting products and relevant components has also enabled us to substantially expand our product portfolio and secure orders.

R&D Capabilities and Product Upgrades

Our R&D capabilities in developing and enhancing new technologies, products are fundamental to our business operations and financial performance. We officially took the lead in initiating and releasing China's first ISO standard project for automotive lighting, filling the gap in international standards in this field. Our research and development expenses amounted to RMB610.2 million, RMB655.5 million, RMB463.1 million and RMB640.6 million in 2023, 2024 and the nine months ended September 30, 2024 and 2025, respectively, accounting for 6.0%, 4.9%, 5.0% and 6.0% of our revenue for the relevant years/periods, respectively. We are committed to long-term investment in R&D activities and our historical R&D investment continue to translate into commercial success, allowing us to benefit from economies of scale in R&D activities. We have made, and will continue to make, significant investments in people, technology and R&D, to reinforce the leadership in our technology and gross profit margin, thereby solidifying our market leadership and providing great customer experience. We have established a comprehensive global R&D system, which we consider the key driver of our sales and profitability.

We have strong full-stack in-house R&D capabilities. Our R&D capabilities span five core fields: optics, mechanics, electronics, software and materials. Guided by in-depth insights into client needs, we carry out creative styling design and co-creation of automotive lighting application scenarios. Through rigorous optical system design and simulation, and under the drive of parameterized software algorithms, these solutions are integrated into precision-engineered structural components to deliver intelligent automotive lighting solutions that support illumination, projection-based interaction and display functions. To address the requirements of diverse application scenarios, we also collaborate with upstream suppliers to develop specialized polymer materials tailored for automotive lighting applications.

Our global R&D system adopts a "1+N" tiered architecture that integrates technology research and product development. As of September 30, 2025, we employed 2,031 R&D personnel, including globally leading industry experts, more than 500 of whom held a master's degree or above. As of September 30, 2025, we owned more than 2,800 patents worldwide and had initiated an international patent layout under the PCT, thereby strengthening intellectual property protection for the commercialization of our technological achievements and supporting our market expansion efforts. During the Track Record Period, we dedicated to the R&D, production and sale of high-value automotive lighting products, especially intelligent front lighting and rear lighting.

The unit price of intelligent front lighting typically ranged from approximately RMB2,000 to RMB6,200, and the unit price of intelligent rear lighting typically ranged from approximately RMB480 to RMB2,200 during the Track Record Period. The aggregate contribution of the intelligent front lighting products and the intelligent rear lighting products in our total automotive lighting products by revenue also significantly increased from 0.3% in 2023 to 13.6% in 2024, and the same ratio in the nine months ended as of September 30, 2024 and 2025 were 13.6% and 16.2%, respectively.

Going forward, we expect to continue to invest in R&D and recruit top technical talent, focusing on innovation strategies and emerging fields to enhance our competitiveness and deliver superior products and experiences to our customers.

Our Ability to Control Costs and Improve Operational Efficiency

Our ability to manage costs and enhance efficiency will impact the results of our operations. The design, development and manufacturing of automotive lighting products constitute a highly complex, multidisciplinary and systematic process. Through our vertically integrated operating model, we have established in-house capabilities across key areas, including electronics, tooling, equipment and manufacturing processes. As one of the few automotive lighting manufacturers in the industry with in-house electronics factories, we have established a professional electronics R&D and process engineering team, which is deeply involved throughout the entire lifecycle of automotive lighting projects. Our electronics factories are equipped with advanced automated assembly lines for light source modules and controllers, with 100% automated inspection implemented at critical process stages, ensuring product consistency and reliability. Through end-to-end control spanning electronics R&D, process design and in-house manufacturing, we are able to deliver optimal solutions across technology, product quality and cost efficiency. We have established industry-leading in-house tooling design and manufacturing capabilities. During the Track Record Period, the in-house manufacturing rate of our tooling for highly technical multicolor lampshade and optical component molds reached as high as 95%, significantly exceeding the industry average. We have established R&D capabilities for intelligent equipment and automated production lines covering the full range of automotive lighting manufacturing processes. As of the Latest Practicable Date, the in-house manufacturing rate of equipment used in our automotive lighting assembly processes exceeded 90%, fully supporting the production requirements of various product types and realizing cost efficiency.

With the objective of achieving end-to-end digital integration across the entire value chain and intelligent operations, we continue to advance our digital transformation, focusing on two principal directions: "end-to-end value chain business process optimization" and "digital benchmark factory development." In terms of business processes, we promote the digitalization of R&D, operations and decision-making, and have established a full-scale digital system. Its core value lies in optimizing resource allocation, improving cross-departmental efficiency, supporting production, operation and management decision-making and controlling operating costs. See "Business — Information Technology" for details. For example, our supply chain management covers the entire process from demand planning to delivery. The supply chain management department conducts inquiries, bidding and price verification through the SRM system, and selects suppliers by comprehensively considering factors such as price, quality and delivery timelines. See "Business — Raw Materials and Suppliers" for details.

As we further expand our production, we will continue to implement various cost control measures and maintain the high efficiency and stability with respect to supply chain, production, R&D and other process. We will also actively leverage our vertically integrated operating model of in-house design and production capacities, together with our end-to-end digitalized integration management system, to further unleash economies of scale, thereby sustaining high revenue growth.

Our Management of Trade and Bills Receivables

Our capability to manage the level of trade and bills receivables will affect our cash level and liquidity as well as our financial condition. We value the managing of receivables and have established a comprehensive and effective system for management and tracking our trade and bills receivables, along with a corresponding customer credit management and assessment regime. This system integrates preventive controls, such as credit assessment, with active process management. For example, our senior management regularly reviews the recoverability of our outstanding balances, and we have a dedicated department responsible for continually monitoring the credit profiles as well as operating and financial condition of our customers. Our trade receivables turnover days in 2023, 2024 and the nine months ended September 30, 2025 were 77 days, 103 days and 105 days, respectively. We believe that as we continue to strengthen our customer partnerships and enhance our receivables management mechanisms, we will maintain efficient receivables management, thereby supporting our business liquidity.

Inventory Management

Effective inventory management is essential for maintaining the sustainability and flexibility of our production, as well as enabling us to swiftly respond to fluctuations in market demand. We formulate procurement strategies based on supply forecasts, market analysis, and the estimates of fluctuations in procurement years/periods and prices, and regularly monitor the inventory balance and consumption, enabling us to maintain a reasonable and safe inventory level to respond to changes in customer demand and raw material price fluctuations. During the production process, we have deeply integrated the WMS with the MES to achieve end-to-end coordinated material control from planning to execution.

The globalization of our supply chain, production bases and warehouses allow us to manage our inventory with flexibility and adaptability, thereby reducing overstocking costs and enhancing the efficiency of inventory management, which in turn enables us to respond swiftly to the needs of customers in different regions. Our inventory turnover days in 2023, 2024 and the nine months ended September 30, 2025 were 101 days, 82 days and 82 days, respectively.

We further achieve digitalization and standardization of inventory management through the integration of ERP, MES and WMS systems, thereby improving the efficiency and accuracy of our inventory management processes.

MATERIAL ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

We have identified certain accounting policies that are material to the preparation of our financial information. Some of our accounting policies involve subjective assumptions and estimates, as well as complex judgments relating to accounting items. In each case, the determination of these items requires management judgments based on information and financial data that may change in future years/periods. There has not been any material deviation from our management's estimates or assumptions and actual results, and we have not made any material changes to these estimates or assumptions during the Track Record Period. We do not expect any material changes to these estimates and assumptions in the foreseeable future. When reviewing our financial information, you should consider amendments to accounting standards, implementation of new standards and changes in accounting policies may also require us to adjust the presentation of our financial statements, which could materially impact the comparability of our financial metrics and our financial results of operations.

We believe that the (i) material accounting information in relation to revenue from contracts with customers, financial instruments, property, plant and equipment, as detailed in Note 3 to the Accountants' Report set out in Appendix I to this Document and (ii) accounting judgments and estimates including allowance for ECL on trade and bills receivables, as set out in details in Note 4 to the Accountants' Report set out in Appendix I to this Document are critical and/or involve the most important estimates and judgments we used in preparing our financial statements.

Material Accounting Policies

Revenue from contracts with customers

We recognize 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 customers.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognized over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by our performance as we perform;
- our performance creates or enhances an asset that the customer controls as we perform; or
- our performance do not create an asset with an alternative use to us and we have an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognized at a point in time when the customer obtains control of the distinct good or service.

A contract asset represents our right to consideration in exchange for goods or services that we have transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with IFRS 9. In contrast, a receivable represents our unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due. A contract liability represents our obligation to transfer goods or services to a customer for which we have received consideration (or an amount of consideration is due) from the customer.

Information about our accounting policies relating to revenue from contracts with customers is provided in Note 5 to the Accountants' Report in Appendix I to this Document.

Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes (other than freehold lands and construction in progress as described below). Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Property, plant and equipment in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is recognized so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Depreciation on property, plant and equipment is provided to write off the cost less their estimated residual value over their estimated useful lives, using the straight-line method, as follows:

Building	20-40 years
Plant and machinery	3-20 years
Office equipment	3-5 years
Motor vehicle	4-7 years
Others	4-10 years

The assets' estimated residual value, depreciation method and estimated useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Financial instruments

Financial assets and financial liabilities are recognized when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15 "Revenue from Contracts with Customers". Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss ("**FVTPL**")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss. The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and

- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income ("**FVTOCI**"):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and

- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at initial recognition of a financial asset we may irrevocably elect to present subsequent changes in fair value of an equity instruments in other comprehensive income if that equity instruments is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 "Business Combinations" applies.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or

- on initial recognition it is a part of a portfolio of identified financial instruments that we manage together and have a recent actual pattern of short-term profit-taking; or

- it is a derivative that is not a designated and effective hedging instrument.

In addition, we may irrevocably designate a financial asset that are required to be measured at the amortized cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Amortized cost and interest income

Interest income is recognized using the effective interest method for debt instruments measured subsequently at amortized cost and at FVTOCI. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognized by applying the effective interest rate to the amortized cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

Impairment of financial assets subject to impairment assessment under IFRS 9

We perform impairment assessment under expected credit loss ("**ECL**") model on financial assets (including trade and bills receivables, deposits, other receivables and cash and cash equivalents and restricted bank deposits) which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on our historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

We recognized both 12-month and lifetime ECL for trade and bills receivables.

For all other instruments, we measure the loss allowance equal to 12-month ECL, unless there has been a significant increase in credit risk since initial recognition, in which case we recognize lifetime ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, we compare the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, we consider both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;

- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

- an actual or expected significant deterioration in the operating results of the debtor;

- an actual or expected significant adverse change in the regulatory, economic or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, we presume that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless we have reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, we assume that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) it has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. We consider a debt instrument to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definitions.

We regularly monitor the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, we consider an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including us, in full (without taking into account any collaterals held by us).

Irrespective of the above, we consider that default has occurred when a financial asset is more than 90 days past due unless we have reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization.

(iv) Write-off policy

We write off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under our recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognized in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. We use a practical expedient in estimating ECL on trade and bills receivables using a provision matrix taking into consideration historical credit loss experience and forward looking information that is available without undue cost or effort.

Generally, the ECL is the difference between all contractual cash flows that are due to us in accordance with the contract and the cash flows that we expect to receive, discounted at the effective interest rate determined at initial recognition.

Lifetime ECL for trade and bills receivables are considered on a collective basis taking into consideration past due information and relevant credit information such as forward looking macroeconomic information.

For collective assessment, we take into consideration the following characteristics when formulating the grouping:

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortized cost of the financial asset.

We recognize an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade and bills receivables and other receivables where the corresponding adjustment is recognized through a loss allowance account.

Derecognition/modification of financial assets

We derecognize a financial asset only when the contractual rights to the cash flows from the asset expire.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

A modification of a financial asset occurs if the contractual cash flows are renegotiated or otherwise modified.

When the contractual terms of a financial asset are modified, we assess whether the revised terms result in a substantial modification from original terms taking into account all relevant facts and circumstances including qualitative factors. If qualitative assessment is not conclusive, we consider the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received, and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial asset. For non-substantial modifications of financial assets that do not result in derecognition, the carrying amount of the relevant financial assets will be calculated at the present value of the modified contractual cash flows discounted at the financial assets' original effective interest rate. Transaction costs or fees incurred are adjusted to the carrying amount of the modified financial assets and are amortized over the remaining term. Any adjustment to the carrying amount of the financial asset is recognized in profit or loss at the date of modification.

Critical accounting judgements and estimate

In the application of our accounting policies, which are described in Note 3 to the Accountants' Report set out in Appendix I to this Document, our directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future years/periods if the revision affects both current and future years/periods.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Allowance for ECL on trade and bills receivables

Trade and bills receivables are assessed for ECL using a provision matrix. Trade and bills receivables with significant balances and credit-impaired are assessed for ECL individually.

The provision matrix of ECL is sensitive to changes in estimates. The information about the ECL and our trade and bills receivables are disclosed in note 20 to the Accountants' Report set out in Appendix I to this Document.

DESCRIPTION OF MAJOR COMPONENTS OF OUR RESULTS OF OPERATIONS

The following table sets forth our consolidated statements of profit or loss with line items in absolute amounts and as percentages of our revenue for the year/period indicated. This information should be read together with our consolidated financial statements and related notes included in the Accountants' Report set out in Appendix I to this Document. The results of operations in any period are not necessarily indicative of the results that may be expected for any future period.

	Year ended December 31,				Nine Months ended September 30,			
	2023		2024		2024		2025	
	RMB'000	%	*RMB'000*	%	*RMB'000*	%	*RMB'000*	%
					(unaudited)			
REVENUE	**10,248,446**	**100.0**	**13,252,934**	**100.0**	**9,225,468**	**100.0**	**10,709,955**	**100.0**
Cost of sales	(8,152,112)	(79.5)	(10,723,601)	(80.9)	(7,494,119)	(81.2)	(8,644,040)	(80.7)
GROSS PROFIT	**2,096,334**	**20.5**	**2,529,333**	**19.1**	**1,731,349**	**18.8**	**2,065,915**	**19.3**
Other income	145,988	1.4	196,758	1.5	132,781	1.4	127,425	1.2
Other gains and losses, net	(5,933)	(0.1)	(28,237)	(0.2)	(19,932)	(0.2)	4,154	0.0
Investment income	56,388	0.6	47,201	0.4	36,364	0.4	32,677	0.3
(Allowance for)/reversal of ECL on financial assets at amortized cost	(98,501)	(1.0)	(56,957)	(0.4)	(30,308)	(0.3)	36,391	0.3
Selling expenses	(46,828)	(0.5)	(55,787)	(0.4)	(35,162)	(0.4)	(46,790)	(0.4)
Administrative expenses	(332,760)	(3.2)	(377,980)	(2.9)	(254,813)	(2.8)	(303,964)	(2.8)
Research and development expenses	(610,244)	(6.0)	(655,493)	(4.9)	(463,103)	(5.0)	(640,602)	(6.0)
Finance costs	(1,352)	0.0	(6,410)	0.0	(4,145)	0.0	(6,492)	(0.1)
PROFIT BEFORE TAX	**1,203,092**	**11.7**	**1,592,428**	**12.0**	**1,093,031**	**11.8**	**1,268,714**	**11.8**
Income tax expenses	(100,961)	(0.9)	(184,145)	(1.4)	(115,828)	(1.2)	(127,685)	(1.1)
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR/PERIOD	**1,102,131**	**10.8**	**1,408,283**	**10.6**	**977,203**	**10.6**	**1,141,029**	**10.7**

Revenue

During the Track Record Period, our revenue was derived from the sales of automotive lighting products and others. We experienced a steady revenue growth during the Track Record Period. In 2023, 2024 and the nine months ended September 30, 2024 and 2025, our revenue for such relevant years/periods are RMB10,248.4 million, RMB13,252.9 million, RMB9,225.5 million and RMB10,710.0 million, respectively.

Revenue by Product Category

The following table sets forth a breakdown of our revenue by product category for the years/periods indicated:

	Year ended December 31,				Nine Months ended September 30,			
	2023		2024		2024		2025	
	RMB'000	%	*RMB'000*	%	*RMB'000*	%	*RMB'000*	%
					(unaudited)			
Automotive Lighting Products								
Front lighting	5,242,916	51.2	7,223,256	54.5	5,000,691	54.2	5,544,821	51.8
Rear lighting	3,433,768	33.5	4,442,853	33.5	3,078,189	33.4	3,986,092	37.2
Other lighting	904,826	8.8	757,737	5.7	549,281	6.0	482,597	4.5
Controllers	34,503	0.3	76,854	0.6	58,997	0.6	177,848	1.7
Sub-total	**9,616,013**	**93.8**	**12,500,700**	**94.3**	**8,687,158**	**94.2**	**10,191,358**	**95.2**
Others [(1)]	632,433	6.2	752,234	5.7	538,310	5.8	518,597	4.8
Total	**10,248,446**	**100.0**	**13,252,934**	**100.0**	**9,225,468**	**100.0**	**10,709,955**	**100.0**

Note:

(1) Others mainly represent sales of raw materials, warning triangles and other automotive components.

The following table sets forth a breakdown of our sales volume and average selling price of our key products by product category for the years/periods indicated:

	Year ended December 31,				Nine Months ended September 30,			
	2023		2024		2024		2025	
	Sales volume (units (in millions))	*Average selling price (1) (RMB/ unit)*	*Sales volume (units (in millions))*	*Average selling price (1) (RMB/ unit)*	*Sales volume (units (in millions))*	*Average selling price (1) (RMB/ unit)*	*Sales volume (units (in millions))*	*Average selling price (1) (RMB/ unit)*
					(unaudited)			
Automotive Lighting Products								
Front lighting	11.0	473.6	12.7	573.6	9.1	549.6	9.4	582.2
Rear lighting	15.9	216.5	17.5	254.0	12.8	239.7	13.6	293.3
Other lighting	43.0	21.0	37.7	20.1	27.3	20.1	25.2	19.2
Controllers(2)	0.1	320.2	0.5	143.4	0.4	164.9	0.9	207.1
Total	**70.0**		**68.4**		**49.6**		**49.1**	

Note:

(1) Average selling price is stated net of taxes.

(2) We provide a variety of controllers across a wide price range.

During the Track Record Period, our revenue growth was driven by the sales of automotive lighting products, which are our major products, representing 93.8% to 95.2% of our total revenue.

- Our automotive lighting products primarily include front lighting, rear lighting, other lighting and controllers. Our revenue generated from sales of automotive lighting products increased from RMB9,616.0 million in 2023 to RMB12,500.7 million in 2024, with a year-on-year growth of 30.0%, and was RMB8,687.2 million and RMB10,191.4 million for the nine months ended September 30, 2024 and September 30, 2025, respectively, indicating an increase of by 17.3% for such comparable years/periods.

- Front lighting and rear lighting are our key automotive lighting products, contributing 84.7% to 89.0% of our total sales revenue during the Track Record Period. Along with the rapid development of the NEV market and the growing demand of intelligent automotive lighting components, such key products realized sustainable increases in both sales volume and average unit price. During the Track Record Period, we dedicated to the R&D, production and sale of high-value automotive lighting products, especially intelligent front lighting products and rear lighting products. The unit price of intelligent front lighting products typically ranged from approximately RMB2,000 to RMB6,200, and the unit price of intelligent rear lighting products typically ranged from approximately RMB480 to RMB2,200 during the Track Record Period. The aggregate contribution of intelligent front lighting products and the intelligent rear lighting products in our total automotive lighting products by revenue also significantly increased from 0.3% in 2023 to 13.6% in 2024, and the same ratio in the nine months ended as of September 30, 2024 and 2025 were 13.6% and 16.2%, respectively. The increase in the intelligent automotive lighting products is in line with the market demand, which played essential role in our revenue increases during the Track Record Period.

Revenue by Geographic Location

The following table sets forth our revenue by geographic location for the years/periods indicated:

	Year ended December 31,				Nine Months ended September 30,			
	2023		2024		2024		2025	
	RMB'000	%	*RMB'000*	%	*RMB'000*	%	*RMB'000*	%
					(unaudited)			
The PRC	9,902,650	96.6	12,733,379	96.1	8,831,955	95.7	10,221,872	95.4
Others [(1)]	345,796	3.4	519,555	3.9	393,513	4.3	488,083	4.6
Total	**10,248,446**	**100.0**	**13,252,934**	**100.0**	**9,225,468**	**100.0**	**10,709,955**	**100.0**

Note:

(1) Others comprise Europe, Americas and Asia (excluding the PRC).

We recorded revenue from the PRC and overseas. Throughout the Track Record Period, our revenue from both the PRC and overseas has consistently increased, primarily due to our continuous penetration in the market in the PRC and ongoing expansion of our global footprint.

Cost of Sales

Our cost of sales mainly consists of (i) raw materials and consumables used, (ii) employee benefit expenses, and (iii) depreciation and amortization. During the Track Record Period, our cost of sales grew in line with our revenue. The following table sets forth our cost of sales by nature for the years/periods indicated:

	Year ended December 31,				Nine Months ended September 30,			
	2023		2024		2024		2025	
	RMB'000	%	*RMB'000*	%	*RMB'000*	%	*RMB'000*	%
					(unaudited)			
Cost of Sales								
Raw materials and consumables used	6,626,752	81.3	8,901,778	83.0	6,162,373	82.2	7,259,311	84.0
Employee benefit expenses	636,431	7.8	671,308	6.3	491,982	6.6	516,149	6.0
Depreciation and amortization	361,233	4.4	435,007	4.1	319,665	4.3	360,432	4.2
Others [(1)]	527,696	6.5	715,508	6.6	520,099	6.9	508,148	5.8
Total	**8,152,112**	**100.0**	**10,723,601**	**100.0**	**7,494,119**	**100.0**	**8,644,040**	**100.0**

Note:

(1) Others primarily consist of utility fees, storage and shipping fees and service fees.

Our cost of sales amounted to RMB8,152.1 million, RMB10,723.6 million, RMB7,494.1 million and RMB8,644.0 million in 2023, 2024 and the nine months ended September 30, 2024 and 2025, respectively, representing 79.5%, 80.9%, 81.2% and 80.7% of our revenue for the respective years/periods. Our cost of sales as a percentage of revenue was maintained at a consistent and steady level during the Track Record Period.

Gross Profit and Gross Profit Margin

Our gross profit was RMB2,096.3 million, RMB2,529.3 million, RMB1,731.3 million and RMB2,065.9 million in 2023 and 2024 and the nine months ended September 30, 2024 and 2025, respectively. Our gross profit margin was 20.5%, 19.1%, 18.8% and 19.3% in 2023 and 2024 and the nine months ended September 30, 2024 and 2025, respectively. For details of the changes in our gross profit and gross profit margin during the Track Record Period, see "— Results of Operations."

The following table sets forth a breakdown of our gross profit and gross profit margin by product category for the years/periods indicated:

	Year ended December 31,				Nine Months ended September 30,			
	2023		2024		2024		2025	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
					(unaudited)			
Automotive Lighting Products								
Front lighting	1,111,770	21.2	1,502,923	20.8	1,010,291	20.2	1,210,917	21.8
Rear lighting	770,897	22.5	842,900	19.0	611,765	19.9	721,781	18.1
Other lighting	137,279	15.2	105,860	14.0	61,770	11.2	50,829	10.5
Controllers	8,918	25.8	28,913	37.6	10,507	17.8	46,113	25.9
Subtotal	**2,028,864**	**21.1**	**2,480,596**	**19.8**	**1,694,333**	**19.5**	**2,029,640**	**19.9**
Others [(1)]	67,470	10.7	48,737	6.5	37,016	6.9	36,275	7.0
Total	**2,096,334**	**20.5**	**2,529,333**	**19.1**	**1,731,349**	**18.8**	**2,065,915**	**19.3**

Note:

(1) Others mainly represent sales of raw materials, warning triangles and other automotive components.

In 2023 and 2024 and the nine months ended September 30, 2024 and 2025, we recorded gross profit of RMB2,028.9 million, RMB2,480.6 million, RMB1,694.3 million and RMB2,029.6 million, respectively, for our automotive lighting products, with gross profit margin of 21.1%, 19.8%, 19.5% and 19.9% for the relevant years/periods, in line with our sales growth.

The changes in gross profit margin for our automative lighting products during the Track Record Period were subject to a variety of factors, including but not limited to industry competition, revenue contribution of intelligence automotive lighting products, cost controls measures and others. See "— Results of Operations" in relation to changes in gross profits and gross profit margin by product category for details.

Administrative Expenses

Our administrative expenses primarily include (i) employee benefit expenses for our administrative staff, (ii) taxes and surcharges, (iii) depreciation and amortization, (iv) service fee, repair fee and consultancy fee, and (v) office, business development and traveling expenses. In 2023 and 2024 and the nine months ended September 30, 2024 and 2025, our administrative expenses amounted to RMB332.8 million, RMB378.0 million, RMB254.8 million and RMB304.0 million, respectively, accounting for 3.2%, 2.9%, 2.8% and 2.8% of our revenue for the relevant years/periods. The following table sets forth a breakdown of our administrative expenses by nature for the years/periods indicated:

	Year ended December 31,				Nine Months ended September 30,			
	2023		2024		2024		2025	
	RMB'000	%	*RMB'000*	%	*RMB'000*	%	*RMB'000*	%
					(unaudited)			
Administrative Expenses								
Employee benefit expenses	161,440	48.6	171,257	45.4	108,173	42.5	134,203	44.2
Taxes and surcharges	55,967	16.8	63,289	16.7	42,753	16.8	53,784	17.7
Depreciation and amortization	46,589	14.0	54,926	14.5	41,163	16.2	51,232	16.9
Service fees, repair fees and consultancy fees	21,322	6.4	23,768	6.3	16,661	6.5	17,536	5.8
Office, business development and traveling expenses	17,025	5.1	19,803	5.2	13,611	5.3	12,774	4.2
Utility costs	6,061	1.8	5,718	1.5	4,078	1.6	4,692	1.5
Material consumption	3,313	1.0	3,345	0.9	2,562	1.0	1,460	0.5
Others[(1)]	21,043	6.3	35,874	9.5	25,812	10.1	28,283	9.2
Total	**332,760**	**100.0**	**377,980**	**100.0**	**254,813**	**100.0**	**303,964**	**100.0**

Note:

(1) Others mainly represent bank charges, rental expenses and property management fees, donation and security fees.

Selling Expenses

Our selling expenses primarily include (i) employee benefit expenses for our sales staff, (ii) material consumption, (iii) service expenses, and (iv) business development, marketing and traveling expenses. In 2023 and 2024 and the nine months ended September 30, 2024 and 2025, our selling expenses amounted to RMB46.8 million, RMB55.8 million, RMB35.2 million and RMB46.8 million, respectively, accounting for 0.5%, 0.4%, 0.4% and 0.4% of our revenue for the relevant years/periods. The following table sets forth a breakdown of our selling expenses by nature for the years/periods indicated:

	Year ended December 31,				Nine Months ended September 30,			
	2023		2024		2024		2025	
	RMB'000	%	*RMB'000*	%	*RMB'000*	%	*RMB'000*	%
					(unaudited)			
Selling Expenses								
Employee benefit expenses	25,954	55.4	24,596	44.1	18,659	53.1	17,845	38.2
Material consumption	8,169	17.4	11,611	20.8	6,684	19.0	14,646	31.3
Service expenses	2,809	6.0	7,399	13.3	3,105	8.8	6,042	12.9
Business development, marketing and traveling expenses	7,010	15.0	5,962	10.7	3,632	10.3	3,875	8.3
Depreciation and amortization	230	0.5	1,302	2.3	841	2.4	1,513	3.2
Rental and storage expenses	1,067	2.3	2,771	5.0	1,159	3.3	1,442	3.1
Others[1]	1,589	3.4	2,146	3.8	1,082	3.1	1,427	3.0
Total	**46,828**	**100.0**	**55,787**	**100.0**	**35,162**	**100.0**	**46,790**	**100.0**

Note:

(1) Others mainly represent office expenses, repair fees and utility costs.

We have a concentration of customers primarily include automotive manufacturers, which enabled us to precisely position and service our key target customers and kept our selling expenses as a percentage at a lower level.

Research and Development Expenses

Our research and development expenses primarily include (i) employee benefit expenses for our R&D staff, (ii) raw materials and consumables used, (iii) depreciation and amortization, and (iv) sample fees and testing fees. In 2023 and 2024 and the nine months ended September 30, 2024 and 2025, our research and development expenses amounted to RMB610.2 million, RMB655.5 million, RMB463.1 million, and RMB640.6 million, respectively, accounting for 6.0%, 4.9%, 5.0% and 6.0% of our revenue for the relevant years/periods. The following table sets forth a breakdown of our research and development expenses by nature for the years/periods indicated:

	Year ended December 31,				Nine Months ended September 30,			
	2023		2024		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
					(unaudited)			
Research and Development Expenses								
Employee benefit expenses	355,744	58.3	390,555	59.6	276,234	59.7	334,484	52.2
Raw materials and consumables used	108,615	17.8	89,653	13.7	65,171	14.1	134,189	20.9
Depreciation and amortization	48,490	7.9	64,479	9.8	46,725	10.1	52,289	8.2
Sample fees and testing fees	41,372	6.8	44,047	6.7	26,528	5.7	51,939	8.1
Service and consultancy fees	11,174	1.8	19,596	3.0	14,939	3.2	33,620	5.2
Traveling and office expenses	16,237	2.7	17,697	2.7	12,245	2.6	13,895	2.2
Others[1]	28,612	4.7	29,466	4.5	21,261	4.6	20,186	3.2
Total	**610,244**	**100.0**	**655,493**	**100.0**	**463,103**	**100.0**	**640,602**	**100.0**

Note:

(1) Others mainly represent repair fee, rental expenses and property management fees.

(Allowance for)/Reversal of ECL on Financial Assets at Amortized Cost

Our (allowance for)/reversal of ECL on financial assets at amortized cost arisen from trade and bills receivables, deposits and other receivables. In 2023, 2024 and the nine months ended September 30, 2024 and 2025, we recognized ECL amounted to RMB98.5 million, RMB57.0 million, RMB30.3 million, and reversal of RMB36.4 million, respectively.

Other Income

Our other income includes (i) government grants, (ii) interest income from bank deposits, and (iii) others. In 2023 and 2024 and the nine months ended September 30, 2024 and 2025, our other income amounted to RMB146.0 million, RMB196.8 million, RMB132.8 million and RMB127.4 million, respectively. The following table sets forth a breakdown of our other income by nature for the years/periods indicated:

	Year ended December 31,		Nine Months ended September 30,	
	2023	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000* (*unaudited*)	*RMB'000*
Other Income				
Government grants. . . .	118,162	174,994	114,403	117,726
Interest income from bank deposits	17,933	14,290	11,370	6,314
Others[(1)]	9,893	7,474	7,008	3,385
Total	**145,988**	**196,758**	**132,781**	**127,425**

Note:

(1) Others mainly represent compensations received from suppliers.

Government grants mainly comprise (i) subsidies and rewards related to the construction of manufacturing facilities and R&D centers and the operation of high-technology projects, and (ii) various forms of VAT refunds. Certain of these subsidies and rewards are non-recurring, but we consistently obtained government grants based on our continuous construction and/or development of intelligent projects, and such granting of subsidies and rewards by government is consistent with our persist efforts in R&D investment and upgrading of our technology and products.

Interest income from bank deposits mainly comprises interest income on our term deposits classified as financial assets at amortized cost calculated using the effective interest method.

Other Gains and Losses, Net

Our other gains and losses, net primarily include (i) exchange (losses)/gains, net, and (ii) loss on disposal of property, plant and equipment. In 2023 and 2024 and the nine months ended September 30, 2024, our other losses, net amounted to RMB5.9 million, RMB28.2 million and RMB19.9 million, respectively. In the nine months ended September 30, 2025, our other gains, net amounted to RMB4.2 million. The following table sets forth a breakdown of our other gains and losses, net by nature for the years/periods indicated:

	Year ended December 31,		Nine Months ended September 30,	
	2023	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Other Gains and Losses, Net				
Exchange (losses)/gains, net	(2,308)	(13,958)	(10,535)	9,758
Loss on disposal of property, plant and equipment	(889)	(13,002)	(7,396)	(439)
Gain on disposal of right-of-use assets	–	1,296	–	–
Others [(1)]	(2,736)	(2,573)	(2,001)	(5,165)
Total	**(5,933)**	**(28,237)**	**(19,932)**	**4,154**

Note:

(1) Others mainly represent non-operation expenditure.

Finance Costs

Our finance costs consist of (i) interest on discounted bills receivables, and (ii) interest on lease liabilities. The following table sets forth a breakdown of our finance costs by nature for the years/periods indicated:

	Year ended December 31,				Nine Months ended September 30,			
	2023		2024		2024		2025	
	RMB'000	%	*RMB'000*	%	*RMB'000*	%	*RMB'000*	%
					(unaudited)			
Finance Costs								
Interest on discounted bills receivables	255	18.9	5,349	83.4	3,350	80.8	6,026	92.8
Interest on lease liabilities	1,097	81.1	1,061	16.6	795	19.2	466	7.2
Total	**1,352**	**100.0**	**6,410**	**100.0**	**4,145**	**100.0**	**6,492**	**100.0**

Income Tax Expenses

Our income tax expenses comprise current income tax and deferred income tax. In 2023 and 2024 and the nine months ended September 30, 2024 and 2025, our income tax expenses amounted to RMB101.0 million, RMB184.1 million, RMB115.8 million and RMB127.7 million, respectively. We are subject to varying tax rates in different jurisdictions. See Note 12 of the Accountants' Report in Appendix I to this document.

PRC Enterprise Income Tax

Under the EIT Law and Implementation Regulation of the EIT Law, the statutory tax rate of our Group is 25% for the Track Record Period except that the Company is eligible for preferential taxation of paying a rate of 15%, and certain of our subsidiaries operating in the PRC are eligible for certain tax holidays and concessions and were exempted from enterprise income taxes during the Track Record Period.

Details are as follows:

During the Track Record Period, the Company has been continuously qualified as a high-tech enterprise and enjoyed a preferential EIT rate of 15%, and our subsidiaries established and operated in the PRC are subject to the PRC corporate income tax at the rate of 25%.

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% of their research and development expenses incurred as tax deductible expenses when determining their assessable profits for that period during the Track Record Period.

Hong Kong Profits Tax

Hong Kong profits tax is calculated at 16.5% on the estimated assessable profit during the Track Record Period.

Serbia Corporate Income Tax

According to Serbian Corporate Income Tax Law, foreign-invested enterprises with fixed asset investments of RSD1 billion and creating more than 100 new jobs during the investment period are exempt from the Corporate Income Tax for 10 years from its first profit-making year. Xingyu Serbia operating in the Republic of Serbia is eligible for the concession.

Taxation arising in other jurisdiction is calculated at the rates prevailing in the relevant jurisdictions.

RESULTS OF OPERATIONS

Comparison between the nine months ended September 30, 2024 and September 30, 2025

Revenue

Our revenue increased by 16.1% from RMB9,225.5 million in the nine months ended September 30, 2024 to RMB10,710.0 million in the nine months ended September 30, 2025, primarily due to the significant growth of our businesses.

Our revenue from automotive lighting products increased by 17.3% from RMB8,687.2 million to RMB10,191.4 million in the nine months ended September 30, 2024 and 2025, respectively, primarily due to growths in sales volume and average selling price in intelligent automotive lighting products, and in particular, our rear lighting products, such as ISD and OLED, which completed mass delivery in the nine months ended September 30, 2025. The aggregate contribution of intelligent front lighting products and the intelligent rear lighting products in our total automotive lighting products by revenue increased from 13.6% in the nine months ended as of September 30, 2024 to 16.2% in the nine months ended as of September 30, 2025. These were driven by (i) an increasing demand for advanced and intelligent automotive lighting products, and (ii) our continual R&D efforts and product innovation and upgrading in response to such demand of intelligent products, thereby enhancing our overall product competitiveness.

Cost of Sales

Our cost of sales increased by 15.3% from RMB7,494.1 million in the nine months ended September 30, 2024 to RMB8,644.0 million in the nine months ended September 30, 2025, which was generally in line with our growth in revenue.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased by 19.3% from RMB1,731.3 million in the nine months ended September 30, 2024 to RMB2,065.9 million in the nine months ended September 30, 2025. Our gross profit margin remained relatively stable at 18.8% in the nine months ended September 30, 2024 and 19.3% in the nine months ended September 30, 2025.

The gross profit margin of our automotive lighting products remained relatively stable at 19.5% and 19.9% for the nine months ended September 30, 2024 and 2025, respectively.

Administrative Expenses

Our administrative expenses increased by 19.3% from RMB254.8 million in the nine months ended September 30, 2024 to RMB304.0 million in the nine months ended September 30, 2025, primarily due to (i) the increase in employee benefit expenses resulting from the increase in the number of administrative staff driven by our business expansion, (ii) the increase of taxes and surcharges reflecting the expansion of our business, and (iii) the increase in depreciation and amortization driven by our newly purchased fixed assets and digital system.

Selling Expenses

Our selling expenses increased by 33.1% from RMB35.2 million in the nine months ended September 30, 2024 to RMB46.8 million in the nine months ended September 30, 2025, primarily due to (i) the increase in material consumptions as a result of business expansion, and (ii) the increase in service expenses to facilitate our sales to a larger customer base.

Research and Development Expenses

Our research and development expenses increased by 38.3% from RMB463.1 million in the nine months ended September 30, 2024 to RMB640.6 million in the nine months ended September 30, 2025, primarily attributable to the increases in (i) raw materials and consumables used in R&D activities, (ii) the number of our R&D staff to support our R&D activities and their salary and renumerations, and (iii) sample fees and testing fees related to R&D activities, all demonstrating our consistent focus and dedication on R&D efforts that support the expansion and innovation of technology upgrading and enhancement of intelligent product performance, as well as our ongoing efforts to strengthen our competitive advantage in technology area.

Other Income

Our other income remained stable at RMB132.8 million in the nine months ended September 30, 2024 and RMB127.4 million in the nine months ended September 30, 2025.

Other Gains and Losses, Net

We recorded other losses, net of RMB19.9 million in the nine months ended September 30, 2024 and other gains, net of RMB4.2 million in the nine months ended September 30, 2025. We recorded other gains in the nine months ended September 30, 2025 mainly caused by the foreign exchange rate fluctuations between foreign exchange project settlement rate and the reporting rate at the end of financial period. In the nine months ended September 30, 2024, we recorded losses primarily (i) due to exchange rate fluctuations and (ii) from the disposal of certain idle assets.

Finance Costs

Our finance costs increased by 56.6% from RMB4.1 million in the nine months ended September 30, 2024 to RMB6.5 million in the nine months ended September 30, 2025, mainly due to increases in our discounting of bills when market interest rates were favorable.

Income Tax Expenses

Our income tax expenses increased by 10.2% from RMB115.8 million in the nine months ended September 30, 2024 to RMB127.7 million in the nine months ended September 30, 2025. Our income tax expense as a percentage of our profit before tax remained stable at 10.6% in the nine months ended September 30, 2024 and 10.1% in the nine months ended September 30, 2025.

Profit and Total Comprehensive Income for the Period

As a result of the foregoing, our net profit increased by 16.8% from RMB977.2 million in the nine months ended September 30, 2024 to RMB1,141.0 million in the nine months ended September 30, 2025.

Comparison between year 2024 and 2023

Revenue

Our revenue increased by 29.3% from RMB10,248.4 million in 2023 to RMB13,252.9 million in 2024, primarily due to the significant growth of our businesses.

Our revenue from automotive lighting products increased by 30.0% from RMB9,616.0 million in 2023 to RMB12,500.7 million in 2024, primarily because of growths in sales volume and average selling price in intelligent automotive lighting products, and in particular, our front lighting products, such as DLP lights, upon their mass delivery in 2024. The aggregate contribution of intelligent front lighting products and the intelligent rear lighting products in our total automotive lighting products by revenue also significantly increased from 0.3% in 2023 to 13.6% in 2024. These were driven by: (i) the sustained growth of NEV market which drove an explosive growth in demand for intelligent lighting products; (ii) our continuous efforts in technology and product innovation and upgrading, and in particular, our strengthened and in-depth cooperation with both existing and new customers in the PRC and worldwide through participation in the early development stages (such as design and R&D) of the automotive lighting products for their vehicle models; and (iii) our enhanced ability to quickly integrate our production capabilities to fit in more comprehensive production demands of intelligent automotive lighting products.

Cost of Sales

Our cost of sales increased by 31.5% from RMB8,152.1 million in 2023 to RMB10,723.6 million in 2024, which was generally in line with our growth in revenue.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased by 20.7% from RMB2,096.3 million in 2023 to RMB2,529.3 million in 2024. Our gross profit margin decreased from 20.5% in 2023 to 19.1% in 2024. In particular:

The gross profit increased 20.7% from 2023 to 2024, mainly due to (i) our rapid response to market demand and adjustment of our products portfolio, including the adaption and upgrading to NEV demands and introduction of more high-end products, which carried higher average price and sales volume, and (ii) our successful maintaining and attracting existing customers and NEV customers by offering intelligent automotive lighting product portfolio. Simultaneously, our gross profit margin slightly decreased from 20.5% in 2023 to 19.1% in 2024, mainly due to (i) mass delivery of intelligent automotive lighting products in 2024, which typically involved higher raw materials costs for the procurement of more structurally complex and higher-value components, and (ii) intensive competition of our industry further narrowing our gross profit margin while we are trying to attract and expand our NEV customer group and offering more intelligent products.

Administrative Expenses

Our administrative expenses increased by 13.6% from RMB332.8 million in 2023 to RMB378.0 million in 2024, primarily due to (i) the increase in employee benefit expenses resulting from the increase in the number of administrative staff to support our business expansion, (ii) the increase in depreciation and amortization driven by our new office and administration facilities and software, and (iii) the increase of taxes and surcharges reflecting the expansion of our business.

Selling Expenses

Our selling expenses increased by 19.1% from RMB46.8 million in 2023 to RMB55.8 million in 2024, primarily due to (i) the increase in service expenses to facilitate our sales resulting from to a larger customer base, (ii) the increase in material consumption as a result of business expansion, and (iii) the increase in rental and storage expenses.

Research and Development Expenses

Our research and development expenses increased by 7.4% from RMB610.2 million in 2023 to RMB655.5 million in 2024, primarily attributable to the increases in (i) the number of our R&D staff to support our R&D activities and their salary and renumeration, and (ii) the depreciation and amortization driven by purchase of R&D equipment and software, demonstrating our consistent and dedicated R&D efforts to support the innovation of our product and to enhance the competitive advantage of our products. Our research and development expenses as a percentage of revenue decreased from 6.0% in 2023 to 4.9% in 2024, primarily because the growth in our research and development expenses was outpaced by our revenue growth from 2023 to 2024.

Other Income

Our other income increased by 34.8% from RMB146.0 million in 2023 to RMB196.8 million in 2024, primarily due to the increases in governmental subsidies and rewards granted to us in 2024 with respect to our construction of the manufacturing facilities and R&D centers.

Other Losses, Net

Our other losses, net increased from RMB5.9 million in 2023 to RMB28.2 million in 2024, mainly due to (i) the relatively high loss caused by the foreign exchange rate fluctuations between foreign exchange project settlement rate and the reporting rate at the end of financial period, and (ii) losses from the disposal of certain idle assets, in 2024.

Finance Costs

Our finance costs increased by 374.1% from RMB1.4 million in 2023 to RMB6.4 million in 2024, mainly because we discounted the bills when the market interest rates were favorable.

Income Tax Expenses

Our income tax expenses amounted to RMB101.0 million in 2023 and increased to RMB184.1 million in 2024. Our income tax expenses as a percentage of our profit before income tax increased from 8.4% in 2023 to 11.6% in 2024 mainly because R&D-related tax benefits accounted for a lower portion of profit before income tax in 2024.

Profit and Total Comprehensive Income for the Year

As a result of the foregoing, our net profit increased by 27.8% from RMB1,102.1 million in 2023 to RMB1,408.3 million in 2024.

DISCUSSION OF CERTAIN COMPONENTS OF CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Non-current Assets and Non-current Liabilities

The following table sets forth the components of our non-current assets and non-current liabilities as of the dates indicated:

	As of December 31,		As of September 30,
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000* (*unaudited*)
NON-CURRENT ASSETS			
Property, plant and equipment	3,879,971	4,033,788	4,121,297
Right-of-use assets	425,408	377,846	468,929
Intangible assets	70,097	84,961	81,479
Prepayments	76,606	109,267	151,474
Deferred tax assets	21,433	27,668	28,080
Total non-current assets	**4,473,515**	**4,633,530**	**4,851,259**
NON-CURRENT LIABILITIES			
Lease liabilities	24,350	10,850	5,167
Provisions	59,249	72,495	50,563
Deferred income	634,820	559,682	530,915
Deferred tax liabilities	24,014	42,945	80,842
Total non-current liabilities	**742,433**	**685,972**	**667,487**

Property, Plant and Equipment

Our property, plant and equipment consist of (i) plant and machinery, (ii) buildings, (iii) office equipment, (iv) motor vehicles, (v) construction in progress, and (vi) others. The following table sets forth a breakdown of our property, plant and equipment as of the dates indicated:

	As of December 31,		As of September 30,
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000* *(unaudited)*
Building	1,265,401	1,483,615	1,474,482
Plant and machinery	1,665,210	1,913,615	1,895,452
Office equipment	164,131	190,859	262,759
Motor vehicle	4,753	5,070	5,653
Construction in progress	732,413	375,155	411,690
Others	48,063	65,474	71,261
Total	**3,879,971**	**4,033,788**	**4,121,297**

Following an increase from RMB3,880.0 million as of December 31, 2023 to RMB4,033.8 million as of December 31, 2024, as driven by business expansion, our property, plant and equipment remained relatively stable as of September 30, 2025.

Right-of-use assets

Our right-of-use assets included the lease contracts for (i) leasehold lands, and (ii) leased properties. The following table sets forth a breakdown of our right-of-use assets as of the dates indicated:

	As of December 31,		As of September 30,
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000* *(unaudited)*
Leasehold lands	386,298	350,871	454,050
Leased properties	39,110	26,975	14,879
Total	**425,408**	**377,846**	**468,929**

Our right-of-use assets primarily consist of long-term leases. Our right-of-use assets decreased from RMB425.4 million as of December 31, 2023 to RMB377.8 million as of December 31, 2024 primarily due to depreciation of right-of-use assets. Our right-of-use assets increased to RMB468.9 million as of September 30, 2025, primarily due to a new lease of land for our intelligent automotive electronics and vision systems industrial center project.

Deferred Income

The deferred income represents the government grants we received related to assets, which will be recognized in profit or loss over the expected useful life of the relevant asset by equal annual instalments subject to the conditions and terms of such government grants. Our deferred income was RMB634.8 million as of December 31, 2023, RMB559.7 million as of December 31, 2024, and RMB530.9 million as of September 30, 2025. We recorded a higher amount in deferred income for 2023, primarily due to certain large amount government grants received in 2023.

Net Current Assets

	As of December 31,		As of September 30,	As of November 30,
	2023	2024	2025	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
			(unaudited)	
CURRENT ASSETS				
Inventories	2,245,407	2,629,252	2,653,055	2,818,796
Trade and bills receivables	4,398,136	6,108,933	6,249,989	6,941,613
Prepayments, deposits and other receivables	59,898	72,818	63,518	74,218
Financial assets at FVTOCI	335,844	353,556	543,301	686,885
Financial assets at FVTPL	1,156,956	1,122,399	1,452,438	1,332,487
Cash and cash equivalents and restricted bank deposits	2,104,662	2,023,579	2,412,038	2,415,815
Total current assets	**10,300,903**	**12,310,537**	**13,374,339**	**14,269,814**
CURRENT LIABILITIES				
Trade and bills payables	3,939,537	5,139,349	5,586,623	6,642,296
Accruals and other payables	862,938	854,548	833,587	220,750
Contract liabilities	7,465	3,381	5,542	10,544
Lease liabilities	12,972	16,789	9,809	7,984
Tax payables	72,869	66,763	52,607	146,203
Total current liabilities	**4,895,781**	**6,080,830**	**6,488,168**	**7,027,777**
NET CURRENT ASSETS	**5,405,122**	**6,229,707**	**6,886,171**	**7,242,037**

We had net current assets positions as of December 31, 2023, 2024, September 30, 2025 and November 30, 2025.

Our net current assets increased from RMB6,886.2 million as of September 30, 2025 to RMB7,242.0 million as of November 30, 2025, primarily due to: (i) an increase of RMB691.6 million in trade and bills receivables, (ii) a decrease of RMB612.8 million in accruals and other payables; partially offset by (i) an increase of RMB1,055.7 million in trade and bills payables, and (ii) an increase of RMB93.6 million in tax payables.

Our net current assets increased from RMB6,229.7 million as of December 31, 2024 to RMB6,886.2 million as of September 30, 2025, primarily due to: (i) an increase of RMB330.0 million in financial assets at FVTPL related to the changes in group structured deposits and investment products, (ii) an increase of RMB388.5 million in cash and cash equivalents and restricted bank deposits, (iii) an increase of RMB189.7 million in financial assets at FVTOCI, and (iv) an increase of RMB141.1 million in trade and bills receivables, partially offset by an increase of RMB447.3 million in trade and bills payables reflecting our business expansion.

Our net current assets increased from RMB5,405.1 million as of December 31, 2023 to RMB6,229.7 million as of December 31, 2024, primarily due to: (i) an increase of RMB1,710.8 million in trade and bills receivables reflecting our business expansion, (ii) an increase of RMB383.8 million in inventory, mainly finished products as a result of production volume increase and related to new projects, partially offset by (i) an increase of RMB1,199.8 million in trade and bills payables reflecting our business expansion, and (ii) an decrease of RMB81.1 million in cash and cash equivalents and restricted bank deposits.

Inventories

Our inventories consist of (i) raw materials, (ii) work in progress and (iii) finished goods. The following table sets forth a breakdown of our inventories as of the dates indicated:

	As of December 31,		As of September 30,
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Inventories			
Raw materials	542,600	470,115	543,029
Work in progress	244,769	176,164	102,976
Finished goods	1,458,038	1,982,973	2,007,050
Total	**2,245,407**	**2,629,252**	**2,653,055**

Our inventories increased by 17.1% from RMB2,245.4 million as of December 31, 2023, to RMB2,629.3 million as of December 31, 2024, primarily due to an inventory increase in finished goods resulting from our production volume increase during the business growth in 2024; and our inventories was kept at a stable level as of December 31, 2024 and September 30, 2025.

During the Track Record Period, a majority of our inventories were less than one year. Our inventories with a holding period above one year consisted primarily of tooling. The following is an aging analysis of our inventories:

	As of December 31,		As of September 30,
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000* *(unaudited)*
Within 6 months	1,925,031	2,276,190	2,089,650
Between 6 months and 1 year	123,553	124,222	237,562
Between 1 year and 3 years	88,799	133,846	225,111
Over 3 years	108,024	94,994	100,732
	2,245,407	**2,629,252**	**2,653,055**

We believe we have a comprehensive and adequate system in place for identifying and accounting for inventory risks and impairment provisions. We have implemented and carried out the inventory optimization management policy, pursuant to which we realized the inventory dynamic target and actual monitoring control, as a result of which we significantly enhanced our inventory management efficiency.

Our supply chain management is well-coordinated, with the objective of achieving synergies and optimal resource allocation across various processes, including order placement, procurement management, product manufacturing and transportation. See "Business — Raw Materials and Suppliers" for details.

The following table sets forth our inventory turnover days for the years/periods indicated:

	Year ended December 31,		Nine Months ended September 30,
	2023	2024	2025
Inventory turnover days*(Note)*	101	82	82

Note: We calculate inventory turnover days using the average of the beginning and ending balances of inventories for the relevant year/period, divided by cost of sales for that year/period and multiplied by 360 days for a fiscal year and 270 days for a nine months period.

Our inventory turnover days decreased from 101 days in 2023 to 82 days in 2024, primarily because we have implemented and carried out inventory optimization management measures through the digitalization and standardization of our management processes, achieved by integrating ERP, MES and WMS systems.

Our inventory turnover days remained stable at 82 days in 2024 and the nine months ended September 30, 2025, reflecting our operational stability.

As of November 30, 2025, RMB1,393.7 million, or 52.5% of inventories as of September 30, 2025, had been used, consumed or sold.

Trade and Bills Receivables

The following table sets forth a breakdown of our trade and bills receivables as of the dates indicated:

	As of December 31,		As of September 30,
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000* *(unaudited)*
Trade receivables, gross	3,227,344	4,754,372	4,018,004
Less: allowance for credit losses	(161,402)	(237,726)	(201,007)
Trade receivables, net	**3,065,942**	**4,516,646**	**3,816,997**
Bill receivables, gross	1,353,040	1,592,683	2,433,454
Less: allowance for credit losses	(20,846)	(396)	(462)
Bill receivables, net	**1,332,194**	**1,592,287**	**2,432,992**
Trade and bills receivables, net	**4,398,136**	**6,108,933**	**6,249,989**

Our trade and bills receivables mainly refer to outstanding amounts due from our customers for the purchase of goods we sold in the ordinary course of business, less allowance of credit losses. Our trade and bills receivables increased by 38.9% from RMB4,398.1 million as of December 31, 2023 to RMB6,108.9 million as of December 31, 2024, primarily due to sales growth and customer base expansion. Our trade and bills receivables increased slightly by 2.3% from RMB6,108.9 million as of December 31, 2024, to RMB6,250.0 million as of September 30, 2025.

We generally grant credit terms ranging from 30 to 90 days after issuance of invoices to our customers. During the Track Record Period, the majority of our trade and bills receivables were outstanding for less than one year. The following table sets forth an aging analysis of our trade receivables as of the dates indicated:

	As of December 31,		As of September 30,
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000* *(unaudited)*
Within 1 year	3,065,315	4,516,621	3,815,116
1 to 2 years	627	4	1,875
2 to 3 years	–	21	6
	3,065,942	**4,516,646**	**3,816,997**

The following table sets forth an aging analysis of our bills receivables as of the dates indicated:

	As of December 31,		As of September 30,
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000* *(unaudited)*
Within 3 months	780,806	1,501,601	1,434,141
3 to 6 months	551,388	90,686	998,851
	1,332,194	**1,592,287**	**2,432,992**

We seek to maintain strict control over our outstanding receivables. Our senior management regularly reviews the recoverability of our outstanding balances and, when appropriate, provides for impairment of these trade and bills receivables. We have refined customer credit management and implemented detailed receivable control measures to strengthen the collection and management of trade and bills receivables.

The following table sets forth our trade receivables turnover days for the years indicated:

	Year ended December 31,		Nine Months ended September 30,
	2023	2024	2025
Trade receivables turnover days(Note)	77	103	105

Note: We calculate trade receivables turnover days using the average of the beginning and ending balances of trade receivables for that year/period divided by the corresponding revenue for the year/period and multiplied by 360 days for a fiscal year and 270 days for a nine months period.

Our trade receivables turnover days increased from 77 days in 2023 to 103 days in 2024, primarily due to the general extension of payment cycle caused by intensified competition among downstream automotive manufacturer customers. Our trade receivables turnover days remained relatively stable at 103 days in 2024 and 105 days in the nine months ended September 30, 2025.

As of November 30, 2025, RMB3,326.1 million, or 51.6% of our trade and bills receivables as of September 30, 2025, had been settled. During the Track Record Period and up to the Latest Practicable Date, we did not have any material recoverability issue for our trade and bills receivables.

Prepayments, Deposits and Other Receivables

Our prepayments, deposits and other receivables consist of (i) the non-current portion of prepayments for property, plant and equipment; and the current portion including (ii) prepayments; (iii) other assets; (iv) deposits paid; (v) other receivables; and (vi) other tax recoverable. The following table sets forth a breakdown of our prepayments, deposits and other receivables as of the dates indicated:

	As of December 31,		As of September 30,
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*
Non-current portion:			
Prepayments for property, plant and equipment	76,606	109,267	151,474
Current portion:			
Prepayments	43,330	48,865	41,241
Other assets	9,114	12,482	10,224
Other tax recoverable	3,890	9,295	7,085
Deposits paid	4,791	1,983	7,199
Other receivables	653	2,707	1,071
	61,778	75,332	66,820
Less: allowance for credit losses	(1,880)	(2,514)	(3,302)
	59,898	72,818	63,518
Total	**136,504**	**182,085**	**214,992**

Current portion of our prepayments, deposits and other receivables increased by 21.6% from RMB59.9 million as of December 31, 2023, to RMB72.8 million as of December 31, 2024, and decreased by 12.8% to RMB63.5 million as of September 30, 2025.

The non-current portion of our prepayments, deposits and other receivables increased by 42.6% from RMB76.6 million as of December 31, 2023, to RMB109.3 million as of December 31, 2024, and further increased by 38.6% to RMB151.5 million as of September 30, 2025, primarily due to the increase in prepayments for purchase of new land and large equipment resulting from our business expansion.

As of November 30, 2025, RMB33.6 million, or 15.4% of our prepayments, deposits and other receivables as of September 30, 2025, had been settled.

Financial assets at FVTOCI

Our financial assets at FVTOCI comprise listed and unlisted equity securities which are not held for trading. These relate to strategic investments in equity securities measured at FVTOCI quoted in the Stock Exchange, as well as unquoted equity securities of companies operating in relevant industry sectors for long term strategic purposes. We recorded RMB335.8 million, RMB353.6 million and RMB543.3 million of financial assets at FVTOCI as of December 31, 2023, 2024 and as of September 30, 2025. The increase from RMB353.6 million as of December 31, 2024 to RMB543.3 million as of September 30, 2025, was primarily due to increases in investment in listed equity securities in 2025.

We have appointed a special team to monitor the price risk in connection with our strategic investments and will consider hedging such risk exposure if necessary. Our Directors manage this risk exposure by maintaining a portfolio of investments with different risk and return profiles and will consider hedging the price risk if necessary.

Upon [**REDACTED**], we intend to continue our investments strictly in accordance with our internal policies and procedures, Articles of Association and compliance requirements under Chapter 14 of the Listing Rules.

Financial Assets at FVTPL

Our financial assets at FVTPL consist of structure deposits and wealth management products issued by the banks during the Track Record Period. We recorded RMB1,157.0 million, RMB1,122.4 million and RMB1,452.4 million of financial assets at FVTPL as of December 31, 2023, 2024 and as of September 30, 2025.

The decrease from RMB1,157.0 million as of December 31, 2023 to RMB1,122.4 million as of December 31, 2024, was primarily due to the maturity of certain structure deposits and wealth management products issued by banks. The increase from RMB1,122.4 million as of December 31, 2024 to RMB1,452.4 million as of September 30, 2025, was primarily due to our entry into several new contracts of structured deposits and wealth management products with commercial banks in 2025.

Our cash management strategy aims to optimize the efficiency of idle funds, generate investment returns and manage investment and financial risks. Guided by this strategy, we invest in low-risk structure deposits and wealth management products with high liquidity and security, offered by reputable commercial banks in China. We have established a comprehensive set of internal policies and guidelines, pursuant to which our finance department is responsible for analyzing and evaluating potential investment in financial assets. Our management have extensive experience in managing financial investments. Prior to making any material investments, the proposal shall be reviewed and approved by our chief financial officer. Significant investment decisions will be made and may be subject to the approvals of our board of directors and/or shareholders meeting in accordance with our internal policy and procedures, provisions of the articles of associations.

Upon **[REDACTED]**, we intend to continue our investments strictly in accordance with our internal policies and procedures, Articles of Association and compliance requirements under Chapter 14 of the Listing Rules.

Trade and Bills Payables

Our trade and bills payables consist of trade payables and bills payables, primarily representing payables to our suppliers for raw materials. The following table sets forth a breakdown of our trade and bills payables as of the dates indicated:

	As of December 31,		As of September 30,
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000* *(unaudited)*
Trade and Bills Payables			
Trade payables	1,954,545	2,691,143	2,856,717
Bills payables	1,984,992	2,448,206	2,729,906
Total	**3,939,537**	**5,139,349**	**5,586,623**

Our trade and bills payables increased by 30.5% from RMB3,939.5 million as of December 31, 2023 to RMB5,139.3 million as of December 31, 2024, and further increased by 8.7% to RMB5,586.6 million as of September 30, 2025, primarily reflecting an increase in our payables for raw materials which was in line with our business expansion.

The trade payables are normally settled within 30 to 90 days after invoicing. The following table sets forth an aging analysis of our trade and bills payables as of the dates indicated:

	As of December 31,		As of September 30,
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000* *(unaudited)*
Within 1 years	3,919,491	5,137,029	5,581,608
1 to 2 years	19,531	1,536	4,427
2 to 3 years	222	665	248
3 to 4 years	293	119	340
	3,939,537	**5,139,349**	**5,586,623**

The following table sets forth our trade payables turnover days for the years indicated:

	Year ended December 31,		Nine Months ended September 30,
	2023	2024	2025
Trade payables turnover days(Note)	76	78	87

Note: We calculate trade payables turnover days using the average of the beginning and ending balances of trade payables for the relevant year/period, divided by the corresponding cost of sales for that year/period and multiplied by 360 days for a fiscal year and 270 days for a nine months period.

Our trade payables turnover days remained relatively stable at 76 days in 2023 and 78 days in 2024. Our trade payables turnover days increased to 87 days for the nine months ended September 30, 2025, primarily because we adjusted supplier credit terms and payment methods based on procurement volumes in 2025.

As of November 30, 2025, RMB2,854.9 million, or 51.1% of our trade and bills payables as of September 30, 2025, had been settled.

Accruals and Other Payables

Our accruals and other payables primarily consist of (i) accrued expenses, (ii) accrued salaries, (iii) other payables related to the acquisition of property, plant and equipment, (iv) dividend payables, (v) other tax payables, and (vi) other payables. The following table sets forth a breakdown of our accruals and other payables as of the dates indicated:

	As of December 31,		As of September 30,
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*
Accruals and Other Payables			
Accrued expenses	502,601	511,889	472,567
Accrued salaries	196,783	200,126	168,436
Other payables related to the acquisition of property, plant and equipment	119,873	96,112	99,133
Dividend payables	–	–	56,862
Other tax payables	32,557	36,400	28,337
Other payables	9,486	7,861	6,095
Deposits received	1,638	2,160	2,157
Total	**862,938**	**854,548**	**833,587**

Our accruals and other payables remained relatively stable at RMB862.9 million as of December 31, 2023 and RMB854.5 million as of December 31, 2024 and RMB833.6 million as of September 30,2025.

LIQUIDITY AND CAPITAL RESOURCES

During the Track Record Period and up to the Latest Practicable Date, we have historically funded our cash requirements principally from proceeds from our business operations. Our liquidity requirements primarily relate to funding our working capital requirements and our capital expenditures. Our ability to generate cash flow from operations depends on our future operating performance, which is in turn dependent on general economic, financial, competitive, market and other factors, many of which are beyond our control. See "Risk Factors" for a discussion of certain factors that could affect our operations.

Cash Flow

The following table sets forth a summary of our cash flows for the years/periods indicated:

	Year ended December 31,		Nine Months ended September 30,	
	2023	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000* (*unaudited*)	*RMB'000*
Net cash flows from operating activities	665,791	818,750	380,918	1,792,120
Net cash flows from/ (used in) investing activities	447,940	(585,255)	205,572	(1,011,616)
Net cash used in financing activities	(550,628)	(377,027)	(355,460)	(388,756)
Net increase/ (decrease) in cash and cash equivalents	563,103	(143,532)	231,030	391,748
Cash and cash equivalents at the beginning of the year/ period	**1,407,872**	**2,014,837**	**2,014,837**	**1,925,079**
Effect of foreign exchange rate changes	43,862	53,774	47,826	44,931
Cash and cash equivalents at the end of the year/ period	**2,014,837**	**1,925,079**	**2,293,693**	**2,361,758**

Net Cash Flows from Operating Activities

Net cash flows from operating activities for the nine months ended September 30, 2025 was RMB1,792.1million, which mainly represents profit before tax of RMB1,268.7 million, as adjusted by: (i) non-cash and non-operating items, which primarily consist of depreciation and amortization of non-current assets of RMB467.8 million, and (ii) movements in working capital, mainly consisting of an increase in trade and bills receivables of RMB103.9 million, and an increase in trade and bills payables of RMB447.3 million.

Net cash flows from operating activities for the nine months ended September 30, 2024, was RMB380.9 million, which mainly represents profit before tax of RMB1,093.0 million, as adjusted by: (i) non-cash and non-operating items, which primarily consist of depreciation and amortization of non-current assets of RMB396.0 million, and (ii) movements in working capital, mainly consisting of an increase in trade and bills receivables of RMB1,198.2 million, an increase in trade and bills payables of RMB732.6 million, an increase in inventories of RMB360.8 million, and a decrease in accruals and other payables of RMB109.8 million.

Net cash flows from operating activities in 2024 was RMB818.8 million, which mainly represents profit before tax of RMB1,592.4 million, as adjusted by: (i) non-cash and non-operating items, which primarily consist of depreciation and amortization of non-current assets of RMB560.6 million, and (ii) movements in working capital, mainly consisting of an increase in trade and bills receivables of RMB1,767.1 million, an increase in trade and bills payables of RMB1,199.8 million, an increase in inventories of RMB410.2 million, and a decrease in accruals and other payables of RMB170.2 million .

Net cash flows from operating activities in 2023 was RMB665.8 million, which mainly represents profit before tax of RMB1,203.1 million, as adjusted by: (i) non-cash and non-operating items, which primarily consist of depreciation and amortization of non-current assets of RMB459.3 million, and (ii) movements in working capital, mainly consisting of an increase in trade and bills receivables of RMB2,036.1 million, an increase in trade and bills payables of RMB822.3 million, and an increase in deferred income of RMB115.8 million.

Net Cash Flows from/(Used in) Investing Activities

Our net cash used in investing activities for the nine months ended September 30, 2025, was RMB1,011.6 million, which was primarily attributable to: (i) purchase of financial assets at FVTPL of RMB4,654.1 million and purchases of financial assets at FVTOCI of RMB148.9 million; and (ii) purchase of property, plant and equipment of RMB529.5 million and purchase of right-of-use assets of RMB106.2 million, partially offset by proceeds from disposal of financial assets at FVTPL of RMB4,356.8 million.

Our net cash flows from investing activities for the nine months ended September 30, 2024, was RMB205.6 million, which was primarily attributable to: proceeds from disposal of financial assets at FVTPL of RMB4,763.9 million, partially offset by (i) purchase of financial assets at FVTPL of RMB4,066.5 million, and (ii) purchase of property, plant and equipment of RMB461.4 million.

In 2024, our net cash used in investing activities was RMB585.3 million, which was primarily attributable to: (i) purchase of financial assets at FVTPL of RMB5,357.3 million, and (ii) purchase of property, plant and equipment of RMB621.8 million, partially offset by proceeds from disposal of financial assets at FVTPL of RMB5,438.3 million.

In 2023, our net cash flows from investing activities was RMB447.9 million, which was primarily attributable to: proceeds from disposal of financial assets at FVTPL of RMB7,982.0 million, partially offset by (i) purchase of financial assets at FVTPL of RMB6,459.3 million, and (ii) purchase of property, plant and equipment of RMB996.2 million.

Net Cash Used in Financing Activities

Our net cash used in financing activities for the nine months ended September 30, 2025, was RMB388.8 million, primarily attributable to: (i) dividends paid to the Company's shareholders of RMB369.6 million, and (ii) repayments of lease liabilities of RMB13.1 million.

Our net cash used in financing activities for the nine months ended September 30, 2024, was RMB355.5 million, primarily attributable to the dividends paid to the Company's shareholders of RMB340.5 million.

In 2024, our net cash used in financing activities was RMB377.0 million, primarily attributable to dividends paid to the Company's shareholders of RMB397.3 million, partially offset by the receipts from employees of RMB38.9 million for the grant of shares to them.

In 2023, our net cash used in financing activities was RMB550.6 million, primarily attributable to: (i) dividends paid to the Company's shareholders of RMB312.4 million, and (ii) payments on repurchase of shares of the Company of RMB220.0 million.

INDEBTEDNESS

As of December 31, 2023, 2024, September 30, 2025 and November 30, 2025, our indebtedness included lease liabilities. The following table sets forth the breakdown of our indebtedness as of the dates indicated:

	As of December 31,		As of September 30,	As of November 30,
	2023	2024	2025	2025
	RMB'000	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000* *(unaudited)*
Current				
Lease liabilities	12,972	16,789	9,809	7,984
Non-current				
Lease liabilities	24,350	10,850	5,167	3,603
Total	**37,322**	**27,639**	**14,976**	**11,587**

During the Track Record Period and up to the Latest Practicable Date, we had no bank borrowings.

As of December 31, 2023 and 2024, our total lease liabilities (including current and non-current portions) decreased from RMB37.3 million to RMB27.6 million respectively, and further decreased to RMB15.0 million as of September 30, 2025, primarily due to the expiration of terms of several leases during the Track Record Period without entering into new material leases.

Except for our indebtedness as disclosed above as of December 31, 2023, 2024, September 30, 2025 and November 30, 2025, we did not have any material mortgages, charges, debentures, loan capital, debt securities, loans, bank overdrafts or other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptances (other than bills payables generated from ordinary business) or acceptance credits which were either guaranteed or unguaranteed, secured or unsecured.

As of the Latest Practicable Date, there was no restrictive covenant in our indebtedness which could significantly limit our ability to obtain future financing, nor was there any default on our indebtedness or breach of covenant during the Track Record Period and up to the Latest Practicable Date. Our Directors confirm that we did not experience any difficulty in obtaining bank loans and other borrowings, default in payment of bank loans and other borrowings or breach of covenants during the Track Record Period and up to the Latest Practicable Date. Our Directors further confirm that there has not been any material change in our indebtedness since September 30, 2025 and up to the date of this document.

CONTINGENT LIABILITIES

During the Track Record Period and up to the Latest Practicable Date, we had no contingent liabilities.

KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios as of/for the year/period indicated:

	As of/For the year ended December 31,		As of/For the nine months ended September 30,
	2023	2024	2025
			(unaudited)
Gross profit margin(1)	20.5%	19.1%	19.3%
EBITDA margin(2)	16.2%	16.3%	16.3%
Net profit margin(3)	10.8%	10.6%	10.7%
Return on equity (ROE)(4)	12.1%	13.8%	10.3%

Notes:

(1) Gross profit margin equals gross profit for the year/period divided by revenue for the year/period and multiplied by 100%.

(2) EBITDA margin equals profit before deducting interest, income tax, depreciation and amortization for the year/period divided by the revenue for the year/period and multiplied by 100%.

(3) Net profit margin equals net profit for the year/period divided by revenue for the year/period and multiplied by 100%.

(4) Return on equity equals net profit for the year/period divided by total equity as of the year/period end and multiplied by 100%.

Gross Profit Margin

See "— Results of Operations" for a discussion of the factors affecting our gross profit margin during the Track Record Period.

EBITDA Margin

Our EBITDA margin remained stable at 16.2%, 16.3% and 16.3% in 2023 and 2024 and the nine months ended September 30, 2025, respectively.

Net Profit Margin

See "— Results of Operations" for a discussion of the factors affecting our net profit margin during the Track Record Period.

Return on Equity (ROE)

Our return on equity increased from 12.1% in 2023 to 13.8% in 2024, which is in line with the increase of our profit in 2024. Our return on equity decreased to 10.3% for the nine months ended September 30, 2025, primarily because the revenue and profit of the fourth quarter of 2025 have not been reflected yet. See "— Key Factors Affecting Our Results of Operations" and "Business — Seasonality" for details.

CAPITAL EXPENDITURES

During the Track Record Period, our capital expenditures consisted of purchase of (i) property, plant and equipment, (ii) right-of-use assets and (iii) intangible assets.

The table below outlines our capital expenditures for the years or periods indicated:

	As of December 31,		As of September 30,
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000* *(unaudited)*
Property, plant and equipment	996,196	621,785	529,493
Right-of-use assets	–	4,770	106,180
Intangible assets	44,437	52,586	30,278
Total	**1,040,633**	**679,141**	**665,951**

We funded these expenditures mainly with cash generated from our business operations. Following the [**REDACTED**], we will continue to incur capital expenditures to grow our business. We plan to fund our planned capital expenditures primarily with cash flows generated from our operations and the net [**REDACTED**] from the [**REDACTED**]. See "Future Plans and [**REDACTED**]." We may adjust our capital expenditures for any given year according to our development plans or in light of market conditions and other factors we believe to be appropriate.

CAPITAL COMMITMENTS

The following table sets forth details of our capital commitments as of the dates indicated:

	As of December 31,		As of September 30,
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000* *(unaudited)*
Property, plant and equipment	497,801	411,852	506,207

RELATED PARTY TRANSACTIONS

For details about our related party transactions during the Track Record Period, see Note 37 of the Accountants' Report in Appendix I to this document.

Our Directors are of the view that each of the related party transactions set out in Note 37 of the Accountants' Report in Appendix I to this document was conducted in the ordinary course of business on an arm's-length basis and with normal commercial terms between the relevant parties. Our Directors are also of the view that our related party transactions during the Track Record Period would not distort our track record results or make our historical results not reflective of our future performance.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any off-balance sheet arrangements.

FINANCIAL RISKS DISCLOSURE

We are exposed to various types of financial and market risks (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk in the normal course of our business. We manage and monitor these exposures to ensure appropriate measures are implemented on a timely and effective manner. For details of the risks to which we are exposed, see Note 39 to the Accountants' Report set out in Appendix I to this Document.

Market risk

Currency risk

We are mainly exposed to foreign exchange risk arising from future commercial transactions, and from recognized assets and liabilities. The functional currency of our Company and its major subsidiaries in the PRC is RMB in which most of the transactions are denominated. The functional currencies of subsidiary operating in Serbia in which most of their transactions are denominated. We are mainly exposed to foreign exchange risk in respect of exchange fluctuations of RMB against RSD. We currently do not have foreign currency hedging policy in respect of foreign currency assets and liabilities. We will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

We did not have any significant financial assets or financial liabilities that are denominated in a currency other than their functional currency during the Track Record Period. Therefore, the management does not expect that there will be any significant currency risk.

Interest rate risk

We are exposed to fair value interest rate risk in relation to lease liabilities. We are also exposed to cash flow interest rate risk in relation to fixed-rate financial assets at FVTPL, variable-rate bank balance. We manage our interest rate exposures by assessing the potential impact arising from any interest rate movements based on interest rate level and outlook.

Other price risk

We are exposed to equity price risk through its investments in equity securities measured at FVTOCI. For equity securities measured at FVTOCI quoted in the Stock Exchange of Hong Kong Limited, our management manage such exposure by maintaining a portfolio of investments with different risks. In addition, we also invested in certain unquoted equity securities for investees operating in relevant industry sector for long term strategic purposes which had been designated as FVTOCI. We has appointed a special team to monitor the price risk and will consider hedging the risk exposure should the need arise. Our Directors manage this risk exposure by maintaining a portfolio of investments with different risk and return profiles and will consider hedging the risk exposure should the need arise if necessary.

Credit Risk and Impairment Assessment

Credit risk refers to the risk that our counterparties default on their contractual obligations resulting in financial losses to our Group. Our credit risk exposures are primarily attributable to trade and bills receivables, deposits and other receivables, bank balances and restricted bank deposits. We do not hold any collateral or other credit enhancements to cover the credit risks associated with its financial assets.

Trade and bills receivables

In order to minimize the credit risk, our management has delegated a team responsible for determination of credit limits and credit approvals. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. In addition, we perform impairment assessment under ECL model upon application of IFRS 9 based on individually assessment for significant balances and on provision matrix for the remaining.

Our concentration of credit risk on trade receivables by geographical locations is mainly in the PRC. As of December 31, 2023, December 31, 2024 and September 30, 2025, our Group has concentration of credit risk as 34.0%, 36.3% and 18.0% of the gross trade receivables was due from our largest customer respectively and 69.3%, 76.4% and 62.9% of the gross trade receivables was due from our five largest customers respectively. In order to minimize the credit risk, our management has delegated a team responsible for determination of credit limits and credit approvals.

Deposits and receivables

For deposits and receivables, our management makes periodic individual assessment on the recoverability of deposits and receivables based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The management believes that there are no significant increase in credit risk of these amounts since initial recognition and we provided impairment based on 12-month ECL.

Cash and cash equivalents and restricted bank deposits

Credit risk on cash and cash equivalents and restricted bank deposits is limited because the counterparties are reputable banks with high credit ratings assigned by credit agencies. We assessed 12-month ECL for cash and cash equivalents and restricted bank deposits by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external credit rating agencies. Based on the average loss rates, the 12-month ECL on cash and cash equivalents and restricted bank deposits is considered to be insignificant and therefore no loss allowance was recognized.

Liquidity Risk

In the management of the liquidity risk, we monitor and maintain a level of cash and cash equivalents deemed adequate by the management to finance our operations and mitigate the effects of fluctuations in cash flows.

DIVIDENDS AND DIVIDEND POLICY

Our Company declared dividends of RMB314.2 million, RMB397.3 million and RMB426.5 million in respect of the financial years ended December 31, 2023 and 2024 and the nine months ended September 30, 2025.

After completion of the [**REDACTED**], our Shareholders will be entitled to receive any dividends we declare. We may distribute dividends by way of shares or cash, or a combination of both shares and cash. Pursuant to our Articles of Association, our Board may declare dividends in the future after taking into account our results of operations, financial condition, cash requirements and availability and other factors as it may deem relevant at such time and subject to the approval at Shareholders' meeting. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents, applicable PRC and Hong Kong laws and regulations and approval by our Shareholders.

We intend to distribute cash dividends to our Shareholders at least on an annual basis, subject to the discretion of our Directors in accordance with our Articles of Association and the applicable laws and regulations in the PRC and Hong Kong. Subject to applicable laws and regulations and our Articles of Association, our dividend policy is to typically distribute cash dividends to our Shareholders of no less than 30% of our distributable profits for any particular year. Our Company may distribute dividends in cash, stocks or a combination of cash and stocks, and give priority to profit distribution in cash, where eligible. Our Company mainly adopts a profit distribution policy of cash dividends. When distributing dividends, the Board shall take into account factors such as the characteristics of the industry we are engaged in, the stage of development, our business model, the level of profitability, the ability to repay debts, whether there are arrangements for major capital expenditures, and returns to investors. The Board should assess the stage of development that we are in and the arrangements for significant capital expenditure and, in accordance with the procedures stipulated in the Articles of Association of our Company, put forward a differentiated cash dividend policy.

Our future declarations of dividends may not be in line with our historical declaration of dividends and will be subject to the approval of our Shareholders. See "Risk Factors — Risks Relating to the [**REDACTED**] — Our historical dividends may not be indicative of our future dividend policy, and there can be no assurance whether and when we will pay dividends in the future" in this document.

WORKING CAPITAL CONFIRMATION

Taking into account the financial resources available to us, including our cash and cash equivalents on hand, operating cash flows, available financing facilities and the estimated net [**REDACTED**] from the [**REDACTED**], our Directors are of the view that we have sufficient working capital to meet our present requirements and for at least the next 12 months from the date of this document.

DISTRIBUTABLE RESERVES

As of September 30, 2025, we had approximately RMB6,454.2 million of retained earnings available for distribution to our Shareholders.

[REDACTED] EXPENSES

[REDACTED] expenses represent professional fees, **[REDACTED]** and other fees incurred in connection with the **[REDACTED]**. We estimate that our total **[REDACTED]** expenses (including **[REDACTED]**) will be approximately RMB**[REDACTED]** million, accounting for approximately **[REDACTED]**% of the **[REDACTED]** from the **[REDACTED]** (assuming an **[REDACTED]** of **[REDACTED]** per share, being the mid-point of the indicative **[REDACTED]** stated in this Document and the **[REDACTED]** is not exercised). During the Track Record Period, we incurred no **[REDACTED]** expenses. The estimated **[REDACTED]** expenses of approximately RMB**[REDACTED]** million are expected to be charged to our consolidated statements of profit or loss, and approximately RMB**[REDACTED]** million are expected to be deducted from equity upon **[REDACTED]**. The **[REDACTED]** expenses consist of **[REDACTED]** **[REDACTED]**-related expenses and **[REDACTED]** non-**[REDACTED]**-related expenses (including fees and expenses of legal advisors and the reporting accountant of **[REDACTED]** and other fees and expenses of **[REDACTED]**). Our Directors do not expect such expenses to have a material adverse impact on our financial results in 2025. The **[REDACTED]** expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

[REDACTED] ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

See "Appendix II — **[REDACTED]** Financial Information."

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors confirm that, as of the Latest Practicable Date, there were no circumstances that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Recent Development

See "Summary — Recent Development and No Material Adverse Change" in this Document for further details of the impact of recent developments on our business, operations and financial positions.

No Material Adverse Change

Our Directors have confirmed that up to the date of this document there has been no material adverse change in our financial or trading position or prospects since September 30, 2025, being the end date of the years/periods reported in the Accountants' Report in Appendix I to this document, and there is no event since September 30, 2025 that would materially affect the information as set out in the Accountants' Report in Appendix I to this document.

FUTURE PLANS

See "Business — Our Strategies" in this document for a detailed discussion of our future plans.

[REDACTED]

The net **[REDACTED]** from the **[REDACTED]** that we will receive, after deducting the **[REDACTED]** and other estimated expenses paid and payable by us in connection with the **[REDACTED]** is estimated to be approximately HK$**[REDACTED]** million, assuming an **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]**, being the mid-point of the **[REDACTED]**. We currently intend to apply these net **[REDACTED]** for the following intended purposes in the amounts set forth below:

- Approximately HK$**[REDACTED]** million, representing **[REDACTED]**% of the net **[REDACTED]**, is expected to be used to enhance our global manufacturing footprint, among which:

  (i) approximately HK$**[REDACTED]** million, representing **[REDACTED]**% of the net **[REDACTED]**, is expected to be used for our intelligent automotive electronics and vision systems industrial center project in Changzhou. The overall master plan of the center comprises four manufacturing facilities, two warehouses and one office building, providing integrated support for production operations, materials storage and comprehensive administrative functions. This project is intended to support the expansion of our next-generation product portfolio, which we believe will serve as a driver of future revenue growth. It is expected to address potential capacity constraints arising from growing demand, improve operational efficiency, and provide a better foundation to support our long-term, stable and sustainable development.

  (ii) approximately HK$**[REDACTED]** million, representing **[REDACTED]**% of the net **[REDACTED]**, is expected to be used for the phase II construction at our Serbian Manufacturing Base. This expansion is designed to support our international development strategy by strengthening localized production capabilities in Europe. By aligning capacity deployment more closely with the requirements of core European customers and responding to increasing regional order demand, the phase II construction of our Serbian Manufacturing Base is expected to enhance supply responsiveness, improve delivery efficiency and reinforce our competitiveness in the European automotive market.

(iii) approximately HK$[**REDACTED**] million, representing [**REDACTED**]% of the net [**REDACTED**], is expected to be used for the construction of our planned Chongqing Manufacturing Base. This project supports our strategic focus on the NEV market in southwestern China and is intended to establish a localized supply chain integrating R&D, manufacturing and supporting services. By strengthening proximity to key regional customers and enabling efficient coordination across the value chain, the planned Chongqing Manufacturing Base is expected to consolidate our competitive position in the local market.

- Approximately HK$[**REDACTED**] million, representing [**REDACTED**]% of the net [**REDACTED**], is expected to be used for the following R&D projects, among which:

(i) approximately HK$[**REDACTED**] million, representing [**REDACTED**]% of the net [**REDACTED**], is expected to be used for the iterative R&D and application of intelligent automotive lighting and related systems based on DLP, Micro-LED and integrated perceptional fusion technologies. This plan is intended to support the long-term evolution of our intelligent automotive lighting products, and to accelerate the commercialization of next-generation lighting solutions.

(ii) approximately HK$[**REDACTED**] million, representing [**REDACTED**]% of the net proceeds, is expected to be used for the R&D of weather-resistant and environmentally friendly materials tailored for intelligent automotive lighting. This investment is intended to boost proprietary materials capabilities, enhance product reliability across diverse operating environments, and support long-term sustainable innovation. We also plan to recruit to form a strong team in material studies.

(iii) approximately HK$[**REDACTED**] million, representing [**REDACTED**]% of the net proceeds, is expected to be used for the construction and enhancement of intelligent automotive lighting software solutions and development platforms. This initiative will support the transition toward software-enabled lighting systems by strengthening development efficiency and system intelligence. We expect this platform to provide support for the long-term upgrade of our intelligent lighting product portfolio.

- Approximately HK$[**REDACTED**] million, representing [**REDACTED**]% of the net [**REDACTED**], is expected to be used to enhance our digital infrastructure, among which:

  (i) approximately HK$[**REDACTED**] million, representing [**REDACTED**]% of the net proceeds, is expected to be used to optimize and upgrade our core digital platforms across the entire value chain. This initiative is intended to enhance global operational efficiency, improve cross-regional coordination and support long-term growth by strengthening integrated enterprise systems and digital infrastructure underpinning production, supply chain management and customer services.

  (ii) approximately HK$[**REDACTED**] million, representing [**REDACTED**]% of the net [**REDACTED**], is expected to be used for the construction of a global automotive lighting R&D data center and digital twin platform, the construction of supercomputing and intelligent computing centers and to enhance our cloud-native digital platforms and core IT capabilities.

- Approximately HK$[**REDACTED**] million, representing [**REDACTED**]% of the net [**REDACTED**], is expected to be used to further enhance our R&D in embodied intelligence. The [**REDACTED**] allocated to embodied intelligence will be deployed to establish a future-oriented innovation mechanism supporting our long-term technology roadmap. We intend to build a specialized R&D team combining a small number of industry-leading experts with an experienced engineering backbone to advance our R&D in embodied intelligence. In parallel, we plan to acquire pilot and trial production lines and equipment to accelerate product validation and industrialization of embodied intelligence solutions. We will also strengthen collaboration with leading universities and research institutions to enhance foundational R&D capabilities and facilitate the translation of frontier technologies into commercial applications.

- The remaining balance of approximately HK$[**REDACTED**] million, representing [**REDACTED**]% of the net [**REDACTED**], is expected to be used as working capital and general corporate purposes.

It is expected that the **[REDACTED]** allocated to each of the above purposes will be utilized within four years after the **[REDACTED]**.

To the extent that the net **[REDACTED]** from the **[REDACTED]** are insufficient to fund our Group's business strategies, our Directors may delay the pace of the implementation of such business strategies until we have sufficient internal resources. Our Directors may also consider other factors when determining the pace of implementation, such as the long-term funding needs and the need to maintain a healthy level of working capital for our Group.

If the **[REDACTED]** is fixed at the high-end of the indicative range of the **[REDACTED]**, being HK$**[REDACTED]** per **[REDACTED]**, the net **[REDACTED]** to be received by our Group from the **[REDACTED]** will increase by approximately HK$**[REDACTED]** million. Our Group intends to apply the additional net **[REDACTED]** for the above purposes on a pro-rata basis. If the **[REDACTED]** is set at the low-end of the indicative range of the **[REDACTED]**, being HK$**[REDACTED]** per **[REDACTED]**, the net **[REDACTED]** to be received by our Group from the **[REDACTED]** will decrease by approximately HK$**[REDACTED]** million. Our Group intends to reduce the net **[REDACTED]** for the above purposes on a pro-rata basis.

To the extent that the net **[REDACTED]** from the **[REDACTED]** are not immediately applied to the above purposes or if our Group is unable to effect any part of the future plans as intended, to the extent permitted by applicable laws and regulations, our Group will deposit the net **[REDACTED]** into short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Futures Ordinance or applicable laws and regulations in other jurisdictions). In such event or if there is any material change to the above proposed **[REDACTED]**, we will comply with the appropriate disclosure requirements under the Listing Rules.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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The following is the text of a report, prepared for the purpose of incorporation in this Document, received from the independent reporting accountants, HLB Hodgson Impey Cheng Limited, Certified Public Accountants, Hong Kong.

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF CHANGZHOU XINGYU AUTOMOTIVE LIGHTING SYSTEMS CO., LTD. AND HUATAI FINANCIAL HOLDINGS (HONG KONG) LIMITED

Introduction

We report on the historical financial information of Changzhou Xingyu Automotive Lighting Systems Co., Ltd. (the "**Company**") and its subsidiaries (collectively, the "**Group**") set out on pages I-[4] to I-[90], which comprises the consolidated statements of financial position of the Group as at December 31, 2023 and 2024, the statements of financial position of the Company as at December 31, 2023 and 2024 and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of the Group for each of the years ended December 31, 2023 and 2024 (the "**Track Record Period**") and material accounting policy information and other explanatory information (together, the "**Historical Financial Information**"). The Historical Financial Information set out on pages I-[4] to I-[90] forms an integral part of this report, which has been prepared for inclusion in the Document of the Company dated [date] (the "**Document**") in connection with the [**REDACTED**] of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 3 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200, "Accountants' Reports on Historical Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 3 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

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

Opinion

In our opinion the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the Group's and the Company's financial position as at December 31, 2023 and 2024 and of the Group's financial performance and cash flows for the Track Record Period in accordance with the basis of preparation set out in Note 3 to the Historical Financial Information.

Review of stub period financial information

We have reviewed the stub period financial information of the Group which comprises the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for the nine months ended September 30, 2024 and 2025, the consolidated statement of financial position of the Group and the statement of financial position of the Company as at September 30, 2025 and other explanatory information (the "**Stub Period Financial Information**"). The directors of the Company are responsible for the preparation of the Stub Period Financial Information in accordance with the basis of preparation set out in Note 3 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Financial Information, for the purposes of the accountants' report, is not prepared, in all material respects, in accordance with the basis of preparation set out in Note 3 to the Historical Financial Information.

Report on matters under the Rules Governing the Listed of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-4 have been made.

Dividends

We refer to Note 14 to the Historical Financial Information which contains information about the dividends paid by the Company in respect of the Track Record Period and the nine months ended September 30, 2025.

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

Yu Chi Fat
Practising Certificate Number: P05467
Hong Kong, [date]

I. HISTORICAL FINANCIAL INFORMATION

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, were audited by HLB Hodgson Impey Cheng Limited in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the "**Underlying Financial Statements**").

The Historical Financial Information is presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Year ended December 31,		Nine months ended September 30,	
		2023	**2024**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000* *(unaudited)*
Revenue	*5*	10,248,446	13,252,934	9,225,468	10,709,955
Cost of sales		(8,152,112)	(10,723,601)	(7,494,119)	(8,644,040)
Gross profit		2,096,334	2,529,333	1,731,349	2,065,915
Other income	*6*	145,988	196,758	132,781	127,425
Other gains and losses, net	*7*	(5,933)	(28,237)	(19,932)	4,154
Investment income	*8*	56,388	47,201	36,364	32,677
(Allowance for)/reversal of expected credit loss ("**ECL**") on financial assets at amortized cost	*9*	(98,501)	(56,957)	(30,308)	36,391
Selling expenses		(46,828)	(55,787)	(35,162)	(46,790)
Administrative expenses		(332,760)	(377,980)	(254,813)	(303,964)
Research and development expenses		(610,244)	(655,493)	(463,103)	(640,602)
Finance costs	*10*	(1,352)	(6,410)	(4,145)	(6,492)
Profit before tax	*11*	1,203,092	1,592,428	1,093,031	1,268,714
Income tax expenses	*12*	(100,961)	(184,145)	(115,828)	(127,685)
Profit and total comprehensive income for the year/period		1,102,131	1,408,283	977,203	1,141,029

	Notes	Year ended December 31, 2023	Year ended December 31, 2024	Nine months ended September 30, 2024	Nine months ended September 30, 2025
		RMB'000	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000* *(unaudited)*
Other comprehensive income/(expense):					
Item that will not be reclassified to profit or loss:					
Change in fair value of investments in equity instruments at fair value through other comprehensive income ("**FVTOCI**")		9,099	878	–	105,304
Item that may be reclassified subsequently to profit or loss:					
Exchange differences arising on translation of foreign operations		35,719	(11,332)	5,334	57,339
Other comprehensive income/(expense) for the year/period, net of tax		44,818	(10,454)	5,334	162,643
Total comprehensive income for the year/period attributable to equity holders of the Company		1,146,949	1,397,829	982,537	1,303,672
Earnings per share attributable to equity holders of the Company for the year/period (expressed in RMB per share)	*15*				
– basic		3.87	4.96	3.44	4.02
– diluted		3.87	4.96	3.44	4.01

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As at December 31, 2023	As at December 31, 2024	As at September 30, 2025
		RMB'000	*RMB'000*	*RMB'000* *(unaudited)*
Non-current assets				
Property, plant and equipment	*16*	3,879,971	4,033,788	4,121,297
Right-of-use assets	*17*	425,408	377,846	468,929
Intangible assets	*18*	70,097	84,961	81,479
Prepayments	*21*	76,606	109,267	151,474
Deferred tax assets	*31*	21,433	27,668	28,080
		4,473,515	4,633,530	4,851,259
Current assets				
Inventories	*19*	2,245,407	2,629,252	2,653,055
Trade and bills receivables	*20*	4,398,136	6,108,933	6,249,989
Prepayments, deposits and other receivables	*21*	59,898	72,818	63,518
Financial assets at FVTOCI	*22*	335,844	353,556	543,301
Financial assets at fair value through profit or loss ("**FVTPL**")	*23*	1,156,956	1,122,399	1,452,438
Cash and cash equivalents and restricted bank deposits	*24*	2,104,662	2,023,579	2,412,038
		10,300,903	12,310,537	13,374,339
Current liabilities				
Trade and bills payables	*25*	3,939,537	5,139,349	5,586,623
Accruals and other payables	*26*	862,938	854,548	833,587
Contract liabilities	*27*	7,465	3,381	5,542
Lease liabilities	*28*	12,972	16,789	9,809
Tax payables		72,869	66,763	52,607
		4,895,781	6,080,830	6,488,168

		As at December 31,		As at September 30,
	Notes	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000* *(unaudited)*
Net current assets		5,405,122	6,229,707	6,886,171
Total assets less current liabilities		9,878,637	10,863,237	11,737,430
Non-current liabilities				
Lease liabilities	*28*	24,350	10,850	5,167
Provisions	*29*	59,249	72,495	50,563
Deferred income	*30*	634,820	559,682	530,915
Deferred tax liabilities	*31*	24,014	42,945	80,842
		742,433	685,972	667,487
Net assets		9,136,204	10,177,265	11,069,943
Equity				
Share capital	*32*	285,679	285,679	285,679
Reserves		8,850,525	9,891,586	10,784,264
Total equity		9,136,204	10,177,265	11,069,943

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended December 31, 2023

	Attributable to equity holders of the Company									
	Share capital	Capital reserve	Shares held for share award scheme	Contribution reserve	Share-based payment reserve	Investment revaluation reserve	Translation reserve	Statutory reserve	Retained earnings	Total
	(Note 32)	*(Note 44)*	*(Note 44)*	*(Note 44)*	*(Note 44)*	*(Note 44)*	*(Note 44)*	*(Note 44)*		
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2023	285,679	4,176,293	–	–	–	14,655	(4,129)	179,346	3,869,879	8,521,723
Profit for the year	–	–	–	–	–	–	–	–	1,102,131	1,102,131
Other comprehensive income for the year										
– Change in fair value of investments in equity instruments at FVTOCI	–	–	–	–	–	9,099	–	–	–	9,099
– Exchange differences arising on translation of foreign operations	–	–	–	–	–	–	35,719	–	–	35,719
Total comprehensive income for the year	–	–	–	–	–	9,099	35,719	–	1,102,131	1,146,949
Purchase of shares	–	–	(220,031)	–	–	–	–	–	–	(220,031)
Dividend declared	–	–	–	–	–	–	–	–	(312,437)	(312,437)
As at December 31, 2023	285,679	4,176,293	(220,031)	–	–	23,754	31,590	179,346	4,659,573	9,136,204

Year ended December 31, 2024

	Attributable to equity holders of the Company									
	Share capital	Capital reserve	Shares held for share award scheme	Contribution reserve	Share-based payment reserve	Investment revaluation reserve	Translation reserve	Statutory reserve	Retained earnings	Total
	(Note 32)	*(Note 44)*	*(Note 44)*	*(Note 44)*	*(Note 44)*	*(Note 44)*	*(Note 44)*	*(Note 44)*		
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2024	285,679	4,176,293	(220,031)	–	–	23,754	31,590	179,346	4,659,573	9,136,204
Profit for the year	–	–	–	–	–	–	–	–	1,408,283	1,408,283
Other comprehensive income for the year										
– Change in fair value of investments in equity instruments at FVTOCI	–	–	–	–	–	878	–	–	–	878
– Exchange differences arising on translation of foreign operations	–	–	–	–	–	–	(11,332)	–	–	(11,332)
Total comprehensive income for the year	–	–	–	–	–	878	(11,332)	–	1,408,283	1,397,829
Grant of shares under share award scheme	–	–	–	38,880	–	–	–	–	–	38,880
Share-based payment	–	–	–	–	1,626	–	–	–	–	1,626
Tax impact of share-based payment	–	–	–	–	2	–	–	–	–	2
Dividend declared	–	–	–	–	–	–	–	–	(397,276)	(397,276)
As at December 31, 2024	285,679	4,176,293	(220,031)	38,880	1,628	24,632	20,258	179,346	5,670,580	10,177,265

Nine months ended September 30, 2024 (unaudited)

	Attributable to equity holders of the Company									
	Share capital	Capital reserve	Shares held for share award scheme	Contribution reserve	Share-based payment reserve	Investment revaluation reserve	Translation reserve	Statutory reserve	Retained earnings	Total
	(Note 32)	*(Note 44)*	*(Note 44)*	*(Note 44)*	*(Note 44)*	*(Note 44)*	*(Note 44)*	*(Note 44)*		
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2024	285,679	4,176,293	(220,031)	–	–	23,754	31,590	179,346	4,659,573	9,136,204
Profit for the period	–	–	–	–	–	–	–	–	977,203	977,203
Other comprehensive income for the period										
– Exchange differences arising on translation of foreign operations	–	–	–	–	–	–	5,334	–	–	5,334
Total comprehensive income for the period	–	–	–	–	–	–	5,334	–	977,203	982,537
Dividend declared	–	–	–	–	–	–	–	–	(397,276)	(397,276)
As at September 30, 2024	285,679	4,176,293	(220,031)	–	–	23,754	36,924	179,346	5,239,500	9,721,465

Nine months ended September 30, 2025 (unaudited)

	Attributable to equity holders of the Company									
	Share capital	Capital reserve	Shares held for share award scheme	Contribution reserve	Share-based payment reserve	Investment revaluation reserve	Translation reserve	Statutory reserve	Retained earnings	Total
	(Note 32)	*(Note 44)*	*(Note 44)*	*(Note 44)*	*(Note 44)*	*(Note 44)*	*(Note 44)*	*(Note 44)*		
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2025	285,679	4,176,293	(220,031)	38,880	1,628	24,632	20,258	179,346	5,670,580	10,177,265
Profit for the period	–	–	–	–	–	–	–	–	1,141,029	1,141,029
Other comprehensive income for the period										
– Change in fair value of investments in equity instruments at FVTOCI	–	–	–	–	–	105,304	–	–	–	105,304
– Exchange differences arising on translation of foreign operations	–	–	–	–	–	–	57,339	–	–	57,339
Total comprehensive income for the period	–	–	–	–	–	105,304	57,339	–	1,141,029	1,303,672
Transfer of investment revaluation reserve to retained earnings upon disposal of investments	–	–	–	–	–	(69,046)	–	–	69,046	–
Share-based payment	–	–	–	–	15,468	–	–	–	–	15,468
Dividend declared	–	–	–	–	–	–	–	–	(426,462)	(426,462)
As at September 30, 2025	285,679	4,176,293	(220,031)	38,880	17,096	60,890	77,597	179,346	6,454,193	11,069,943

CONSOLIDATED STATEMENT OF CASH FLOWS

	Year ended December 31,		Nine months ended September 30,	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000* *(unaudited)*
Operating activities				
Profit before tax	1,203,092	1,592,428	1,093,031	1,268,714
Adjustments for:				
Depreciation of property, plant and equipment	416,351	501,645	353,766	416,428
Depreciation of right-of-use assets	25,224	24,265	18,180	19,109
Amortization of intangible assets	17,692	34,736	24,098	32,278
Loss on disposal of property, plant and equipment	889	13,002	7,396	439
Gain on disposal of right-of-use assets	–	(1,296)	–	–
Write-down of inventories	13,067	26,331	16,649	21,231
Allowance for/(reversal of) ECL on financial assets at amortized cost	98,501	56,957	30,308	(36,391)
Investment income	(56,388)	(47,201)	(36,364)	(32,677)
Share-based payment	–	1,626	–	15,468
Interest income	(17,933)	(14,290)	(11,370)	(6,314)
Finance costs	1,352	6,410	4,145	6,492
Operating cash flows before movements in working capital	1,701,847	2,194,613	1,499,839	1,704,777
Decrease/(increase) in inventories	58,854	(410,177)	(360,786)	(45,034)
Increase in trade and bills receivables	(2,036,066)	(1,767,118)	(1,198,150)	(103,880)
Decrease/(increase) in prepayments, deposits and other receivables	92,035	24,165	(61,470)	(34,073)
(Increase)/decrease in restricted bank deposits	(8,561)	(8,675)	38,825	48,220
Increase in trade and bills payables	822,313	1,199,812	732,567	447,274
Increase/(decrease) in accruals and other payables	38,263	(170,168)	(109,777)	(60,424)

	Year ended December 31,		Nine months ended September 30,	
	2023	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000* *(unaudited)*
(Decrease)/increase in contract liabilities	(9,281)	(4,084)	8,053	2,161
Increase/(decrease) in provisions	8,866	13,246	11,702	(21,932)
Increase/(decrease) in deferred income	115,759	(75,138)	(54,437)	(28,767)
Cash generated from operations	784,029	996,476	506,366	1,908,322
Income tax paid	(118,238)	(177,726)	(125,448)	(116,202)
Net cash flows from operating activities	665,791	818,750	380,918	1,792,120
Investing activities				
Interest received	17,933	14,290	11,370	6,314
Dividend received from equity instruments	–	773	773	–
Purchases of financial assets at FVTPL	(6,459,270)	(5,357,331)	(4,066,530)	(4,654,141)
Proceeds from disposal of financial assets at FVTPL	7,982,028	5,438,316	4,763,893	4,356,779
Purchases of financial assets at FVTOCI	(60,000)	(15,000)	–	(148,891)
Proceeds from disposal of financial assets at FVTOCI	–	–	–	84,201
Purchase of property, plant and equipment	(996,196)	(621,785)	(461,449)	(529,493)
Proceeds on disposal of property, plant and equipment	7,882	9,810	2,031	10,073
Purchase of right-of-use assets	–	(4,770)	–	(106,180)
Proceeds on disposal of right-of-use assets	–	3,028	–	–
Purchase of intangible assets	(44,437)	(52,586)	(44,516)	(30,278)
Net cash flows from/(used in) investing activities	447,940	(585,255)	205,572	(1,011,616)

	Year ended December 31,		Nine months ended September 30,	
	2023	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000* *(unaudited)*
Financing activities				
Dividend paid	(312,437)	(397,276)	(340,522)	(369,601)
Interest paid	(255)	(5,349)	(3,350)	(6,026)
Repayment of lease liabilities	(17,905)	(13,282)	(11,588)	(13,129)
Payments on repurchase of shares	(220,031)	–	–	–
Grant of shares under share award scheme	–	38,880	–	–
Net cash used in financing activities	(550,628)	(377,027)	(355,460)	(388,756)
Net increase/(decrease) in cash and cash equivalents	563,103	(143,532)	231,030	391,748
Cash and cash equivalents at the beginning of the year/period	1,407,872	2,014,837	2,014,837	1,925,079
Effect of foreign exchange rate changes	43,862	53,774	47,826	44,931
Cash and cash equivalents at the end of the year/period	2,014,837	1,925,079	2,293,693	2,361,758

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

		As at December 31,		As at September 30,
	Notes	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000* (*unaudited*)
Non-current assets				
Property, plant and equipment	*16*	3,056,336	3,226,709	3,261,336
Right-of-use assets	*17*	316,872	299,031	388,648
Interests in subsidiaries	*43*	294,448	314,400	464,469
Intangible assets	*18*	63,756	80,981	77,052
Prepayments	*21*	51,394	79,778	121,984
		3,782,806	4,000,899	4,313,489
Current assets				
Inventories	*19*	2,071,585	2,447,464	2,464,485
Trade and bills receivables	*20*	4,486,000	6,100,235	6,224,486
Prepayments, deposits and other receivables	*21*	49,175	66,840	60,967
Financial assets at FVTOCI	*22*	259,947	274,947	423,837
Financial assets at FVTPL	*23*	1,156,956	1,122,399	1,231,406
Cash and cash equivalents and restricted bank deposits	*24*	1,955,353	1,851,002	2,240,156
		9,979,016	11,862,887	12,645,337
Current liabilities				
Trade and bills payables	*25*	3,876,878	5,010,652	5,373,426
Accruals and other payables	*26*	821,293	825,918	803,999
Contract liabilities		7,465	3,381	5,699
Lease liabilities		12,972	16,789	9,809
Tax payables		74,183	67,742	42,597
		4,792,791	5,924,482	6,235,530

	Notes	As at December 31, 2023	As at December 31, 2024	As at September 30, 2025
		RMB'000	*RMB'000*	*RMB'000* *(unaudited)*
Net current assets		5,186,225	5,938,405	6,409,807
Total assets less current liabilities		8,969,031	9,939,304	10,723,296
Non-current liabilities				
Lease liabilities		24,350	8,174	3,265
Provisions	*29*	58,580	71,973	50,046
Deferred income	*30*	532,718	462,199	425,767
Deferred tax liabilities	*31*	24,014	42,771	68,596
		639,662	585,117	547,674
Net assets		8,329,369	9,354,187	10,175,622
Equity				
Share capital	*32*	285,679	285,679	285,679
Reserves	*44*	8,043,690	9,068,508	9,889,943
Total equity		8,329,369	9,354,187	10,175,622

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. GENERAL INFORMATION AND BASIS OF PREPARATION OF HISTORICAL FINANCIAL INFORMATION

常州星宇車燈股份有限公司 Changzhou Xingyu Automotive Lighting Systems Co., Ltd. (the "**Company**") was established in the People's Republic of China (the "**PRC**") on May 18, 2000 as a limited liability company. In October 2007, the Company was converted into a joint stock company with limited liability under the Company Laws. In February 2011, the Company was listed on the Shanghai Stock Exchange (stock code: 601799.SH). The addresses of the registered office and the principal place of business of the Company is No. 398 Hanjiang Road, Xinbei District, Changzhou City, Jiangsu Province, the PRC and No. 182 Qining Road, Xinbei District, Changzhou City, Jiangsu Province, the PRC respectively.

The Group is principally engaged in the design, development, manufacturing, and sales of automotive lighting products.

2. APPLICATION OF IFRS ACCOUNTING STANDARDS

The International Accounting Standards Board ("**IASB**") has issued a number of new and revised IFRS Accounting Standards. For the purpose of preparing this Historical Financial Information, the Group adopted all applicable new and revised IFRS Accounting Standards to the Track Record Period. The new and revised accounting standards and interpretations issued but not yet effective for the accounting period beginning on January 1, 2025 are set out as below.

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

At the date of this report, the Group has not early applied the following new and amendments to IFRS Accounting Standards that have been issued but are not yet effective:

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

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

Except for the new IFRS Accounting Standard mentioned below, the directors of the Company anticipate that the application of all other new and amendments to IFRS Accounting Standards will have no material impact on the Group's consolidated financial statements in the foreseeable future.

IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 sets out requirements on presentation and disclosures in financial statements and it will replace IAS 1"Presentation of Financial Statements". The new standard introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. Minor amendments to IAS 7 "Statement of Cash Flows" and IAS 33 "Earnings per Share" are also made. IFRS 18 will be effective for annual periods beginning on or after January 1, 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the consolidated statement of profit or loss and disclosures in the future financial statements. The Group will continue to assess the impact of IFRS 18 on the Group's consolidated financial statements.

3. MATERIAL ACCOUNTING POLICY INFORMATION

Basis of preparation of the Historical Financial Information

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards issued by the IASB. For the purpose of preparation of the Historical Financial Information, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the Historical Financial Information includes applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

The statutory financial statements of the Company for each of the years ended December 31, 2023 and 2024 were prepared in accordance with Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC and were audited by Talent Certified Public Accountants* (天衡會計師事務所(特殊普通合夥)), a certified public accountants registered in the PRC.

Basis of consolidation

The Historical Financial Information has been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of consideration given in exchange for goods and services.

* *The official name of these entities in Chinese. The English is for identification purpose only.*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the Historical Financial Information is determined on such a basis, except for leasing transactions that are within the scope of IFRS "16 Leases", and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 "Inventories" or value in use in IAS 36 Impairment of Assets.

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

For financial instruments which are transacted at fair value and a valuation technique that unobservable inputs is to be used to measure fair value in subsequent years/periods, the valuation technique is calibrated so that the results of the valuation technique equals the transaction price.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and

- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;

- potential voting rights held by the Group, other vote holders or other parties; rights arising from other contractual arrangements; and

- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Business combinations

A business is an integrated set of activities and assets which includes an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired processes are considered substantive if they are critical to the ability to continue producing outputs, including an organized workforce with the necessary skills, knowledge, or experience to perform the related processes or they significantly contribute to the ability to continue producing outputs and are considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former equity holders of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognized in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with IAS 12 "Income Taxes" and IAS 19 "Employee Benefits" respectively;

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 "Share-based Payment" at the acquisition date (see the accounting policy below);

- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" are measured in accordance with that standard; and

- lease liabilities are recognized and measured at the present value of the remaining lease payments (as defined in IFRS 16) as if the acquired leases were new leases at the acquisition date, except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low value. Right-of-use assets are recognized and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after re-assessment, the net amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets or at fair value.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured to fair value at subsequent reporting dates, with the corresponding gain or loss being recognized in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control), and the resulting gain or loss, if any, is recognized in profit or loss or other comprehensive income, as appropriate. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income and measured under IFRS 9 "Financial Instruments" would be accounted for on the same basis as would be required if the Group had disposed directly of the previously held equity interest.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted retrospectively during the measurement period, and additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

Interests in subsidiaries

Interests in subsidiaries are included in the statements of financial position of the Company at cost less accumulated impairment losses, if any.

Revenue from contracts with customers

The Group recognizes 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 customers.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognized over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognized at a point in time when the customer obtains control of the distinct good or service.

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with IFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due. A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

Information about the Group's accounting policies relating to revenue from contracts with customers is provided in Note 5 to the Historical Financial Information.

Leases

The Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components, including contract for acquisition of ownership interests of a property which includes both leasehold land and non-lease building components, unless such allocation cannot be made reliably.

Non-lease components are separated from lease component and are accounted for by applying other applicable standards.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets (such as tablets and personal computers, small items of office furniture and telephones). Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis or another systematic basis over the lease term.

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

Lease liabilities

At the commencement date of a lease, the Group recognizes and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

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

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.
- a lease contract is modified and the lease modification is not accounted for as a separate lease. The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognized at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. When a fair value gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is also recognized in profit or loss. When a fair value gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is also recognized in other comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognized in profit or loss in the period in which they arise, except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. RMB) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity under the heading of translation reserve.

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the equity holders of the Company are reclassified to profit or loss.

Borrowing costs

All borrowing costs are recognized in profit or loss in the period in which they are incurred.

Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Employee benefits

Retirement benefit costs

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

Short-term employee benefits

Short-term employee benefits are recognized at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognized as an expense unless another IFRS requires or permits the inclusion of the benefit in the cost of an asset. A liability is recognized for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

Taxation

Income tax expense represents the sum of current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realized, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognized in profit or loss.

Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes (other than freehold lands and construction in progress as described below). Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Property, plant and equipment in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is recognized so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Depreciation on property, plant and equipment is provided to write off the cost less their estimated residual value over their estimated useful lives, using the straight-line method, as follows:

Building	20-40 years
Plant and machinery	3-20 years
Office equipment	3-5 years
Motor vehicle	4-7 years
Others	4-10 years

The assets' estimated residual value, depreciation method and estimated useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Intangible assets

Intangible assets acquired separately or in a business combination

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is its fair value at the acquisition date. After initial recognition, intangible assets are carried at cost less accumulated amortization and any impairment losses.

Internally-developed intangible assets (Research and development expenditures)

Expenditures associated with research activities are expensed in profit or loss as they occur. Expenditures that are directly attributable to development activities are recognized as intangible assets provided they meet the following recognition requirements:

- demonstration of technical feasibility of the prospective product for internal use or sale;
- there is intention to complete the intangible asset and use or sell it;
- the Group's ability to use or sell the intangible asset is demonstrated;
- the intangible asset will generate probable economic benefits through internal use or sale;
- sufficient technical, financial and other resources are available for completion; and
- the expenditure attributable to the intangible asset can be reliably measured.

Direct costs include staff costs incurred on development activities along with an appropriate portion of relevant overheads. The expenditure of development of internally generated software, products or know-how that meet the above recognition criteria are recognized as intangible assets and are recognized initially at cost. After initial recognition, they are carried at cost less accumulated amortization and impairment losses, if any. Development expenditures not satisfying the above criteria are expensed when incurred.

Amortization of intangible assets

Amortization of intangible assets with finite useful lives is provided on straight-line method over the estimated useful lives. The estimated useful lives of intangible assets are as follows:

Patent	2-5 years
Non-patented technology	10 years

Amortization commence when the intangible assets are available for use. The asset's amortization method and estimated useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Intangible assets are not amortized where their useful lives are assessed to be indefinite. Any conclusion that the useful life of an intangible asset is indefinite is reviewed annually to determine whether events and circumstances continue to support the indefinite useful life assessment for that asset. If they do not, the change in the useful life assessment from indefinite to finite is accounted for prospectively from the date of change and in accordance with the policy for amortization of intangible assets with finite lives as set out above.

Cash and cash equivalents

Cash and cash equivalents presented on the consolidated statement of financial position include:

- cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and

- cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Financial instruments

Financial assets and financial liabilities are recognized when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15 "Revenue from Contracts With Customers". Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss. The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity instruments in other comprehensive income if that equity instruments is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 "Business Combinations" applies.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not a designated and effective hedging instrument.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortized cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Amortized cost and interest income

Interest income is recognized using the effective interest method for debt instruments measured subsequently at amortized cost and at FVTOCI. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognized by applying the effective interest rate to the amortized cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

Impairment of financial assets subject to impairment assessment under IFRS 9

The Group performs impairment assessment under ECL model on financial assets (including trade and bills receivables, deposits and other receivables and cash and cash equivalents and restricted bank deposits) which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group recognized both 12-month and lifetime ECL for trade and bills receivables.

For all other instruments, the Group measures the loss allowance equal to 12-month ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognizes lifetime ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) *Significant increase in credit risk*

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) it has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definitions.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognized in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on trade and bills receivables using a provision matrix taking into consideration historical credit loss experience and forward looking information that is available without undue cost or effort.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Lifetime ECL for trade and bills receivables are considered on a collective basis taking into consideration past due information and relevant credit information such as forward looking macroeconomic information.

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortized cost of the financial asset.

The Group recognizes an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade and bills receivables and other receivables where the corresponding adjustment is recognized through a loss allowance account.

Derecognition/modification of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

A modification of a financial asset occurs if the contractual cash flows are renegotiated or otherwise modified.

When the contractual terms of a financial asset are modified, the Group assesses whether the revised terms result in a substantial modification from original terms taking into account all relevant facts and circumstances including qualitative factors. If qualitative assessment is not conclusive, the Group considers the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received, and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial asset. For non-substantial modifications of financial assets that do not result in derecognition, the carrying amount of the relevant financial assets will be calculated at the present value of the modified contractual cash flows discounted at the financial assets' original effective interest rate. Transaction costs or fees incurred are adjusted to the carrying amount of the modified financial assets and are amortized over the remaining term. Any adjustment to the carrying amount of the financial asset is recognized in profit or loss at the date of modification.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortized cost using the effective interest method.

Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3 to the Historical Financial Information, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the reporting period in which the estimate is revised if the revision affects only that reporting period, or in the reporting period of the revision and future reporting years/periods if the revision affects both current and future reporting years/periods.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Allowance for ECL on trade and bills receivables

Trade and bills receivables are assessed for ECL using a provision matrix. Trade and bills receivables with significant balances and credit-impaired are assessed for ECL individually.

The provision matrix of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade and bills receivables are disclosed in Note 20 to the Historical Financial Information.

5. REVENUE AND SEGMENT INFORMATION

(i) Revenue

Disaggregation of revenue from contracts with customers

	Year ended December 31,		Nine months ended September 30,	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000* *(unaudited)*
Types of goods:				
Automotive lighting products	9,616,013	12,500,700	8,687,158	10,191,358
Others*	632,433	752,234	538,310	518,597
	10,248,446	13,252,934	9,225,468	10,709,955

* Others mainly represents sales of raw materials, warning triangles and other automotive components.

The Group's revenue from external customers, based on the respective country/region of the external customers' operations are as follows:

	Year ended December 31,		Nine months ended September 30,	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000* *(unaudited)*
The PRC	9,902,650	12,733,379	8,831,955	10,221,872
Others	345,796	519,555	393,513	488,083
	10,248,446	13,252,934	9,225,468	10,709,955

Performance obligations for contracts with customers

Sales of automotive lighting products

The Group manufactures and sells automotive lighting products to vehicle manufacturers. A contract liability is recognized for advance payments received for sales in which revenue has yet been recognized.

The Group's automotive lighting products sales can generally be divided into direct sales and export sales. Under the direct sales model, the Group recognizes sales revenue when the products are shipped and accepted; for export sales, the Group recognizes sales revenue when the automotive lighting products are shipped to the end customer and the export customs declaration and bill of lading are obtained.

Sales of other goods

The Group sells other goods to customers. A contract liability is recognized for advance payments received for sales in which revenue has yet been recognized.

The Group recognizes sales revenue when the products are shipped and accepted.

Sales returns

Based on the Group's sales contracts with the customers, they can only return or request for refund if the product delivered to them does not meet the pre-specified quality requirement; otherwise, the Group does not accept product returns or exchanges without the management's consent.

Transaction price allocated to the remaining performance obligation for contracts with customers

Automotive lighting products are delivered within a period of less than one year. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

(ii) Segment information

Information reported to the executive directors of the Company, being the chief operating decision makers ("**CODM**"), for the purposes of resources allocation and assessment of performance, focuses specifically on the revenue analysis by principal categories of the Group's business. The principal categories of the Group's business are manufacturing and trading of automotive lighting products. No other discrete financial information is regularly provided to the CODM for the purposes of resources allocation and performance assessment other than the Group's results and financial performance as a whole. Accordingly, only entity-wide disclosures, including major customers and geographical information are presented.

Geographical information

Information about the Group's non-current assets is presented based on the geographical location of the assets. Non-current assets excluded deferred tax assets.

	As at December 31,		As at September 30,
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000* *(unaudited)*
The PRC	3,866,291	4,014,931	4,183,986
Republic of Serbia ("**Serbia**")	528,893	539,402	588,464
Others	56,898	51,529	50,729
	4,452,082	4,605,862	4,823,179

Information about major customers

Revenue from customers for the reporting period contributing over 10% of the total revenue of the Group are as follows:

	Year ended December 31,		Nine months ended September 30,	
	2023	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000* *(unaudited)*
Customer A	3,752,280	3,091,882	2,263,311	2,153,317
Customer B	1,539,779	2,711,181	1,587,473	2,057,225
Customer C#	N/A#	2,035,740	1,418,567	2,009,964

The corresponding revenue did not contribute over 10% of the total revenue of the Group for the reporting period.

6. OTHER INCOME

	Year ended December 31,		Nine months ended September 30,	
	2023	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000* *(unaudited)*
Government grants *(note)*	118,162	174,994	114,403	117,726
Interest income from bank deposits	17,933	14,290	11,370	6,314
Others	9,893	7,474	7,008	3,385
	145,988	196,758	132,781	127,425

note: The amounts mainly represented the incentive subsidies provided by the PRC Government to encourage business operation in the PRC. There were no unfulfilled conditions attached to these grants.

7. OTHER GAINS AND LOSSES, NET

	Year ended December 31,		Nine months ended September 30,	
	2023	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000* *(unaudited)*
Exchange (losses)/gains, net	(2,308)	(13,958)	(10,535)	9,758
Loss on disposal of property, plant and equipment	(889)	(13,002)	(7,396)	(439)
Gain on disposal of right-of-use assets	–	1,296	–	–
Others	(2,736)	(2,573)	(2,001)	(5,165)
	(5,933)	(28,237)	(19,932)	4,154

8. INVESTMENT INCOME

	Year ended December 31,		Nine months ended September 30,	
	2023	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000* *(unaudited)*
Dividend income on financial assets at FVTOCI	–	773	773	–
Investment income on structured deposits and wealth management products	56,388	46,428	35,591	32,677
	56,388	47,201	36,364	32,677

9. ALLOWANCE FOR/(REVERSAL OF) ECL ON FINANCIAL ASSETS AT AMORTIZED COST

	Year ended December 31,		Nine months ended September 30,	
	2023	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000* *(unaudited)*
Trade receivables	92,833	76,771	16,140	(37,242)
Bills receivables	5,422	(20,450)	14,138	66
Other receivables	246	636	30	785
	98,501	56,957	30,308	(36,391)

10. FINANCE COSTS

	Year ended December 31,		Nine months ended September 30,	
	2023	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000* *(unaudited)*
Interest on discounted bills receivables	255	5,349	3,350	6,026
Interest on lease liabilities	1,097	1,061	795	466
	1,352	6,410	4,145	6,492

11. PROFIT BEFORE TAX

Profit before tax for the reporting period has been arrived at after charging/(crediting):

	Year ended December 31,		Nine months ended September 30,	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000* (unaudited)
Directors' and supervisors' emoluments *(Note 13)*:	3,256	3,393	2,425	3,313
Other staff costs:				
Salaries, allowances, bonuses and other benefits in kind	1,128,941	1,207,705	851,541	929,572
Pension scheme contributions and social welfare	32,435	38,206	27,565	30,475
Share-based payment	–	1,602	–	15,239
	1,161,376	1,247,513	879,106	975,286
Total staff costs	1,164,632	1,250,906	881,531	978,599
Less: capitalized in inventories	(621,494)	(664,498)	(478,465)	(492,067)
	543,138	586,408	403,066	486,532
Analyzed as:				
charged in administrative expenses	161,440	171,257	108,173	134,203
charged in selling expenses	25,954	24,596	18,659	17,845
charged in research and development expenses	355,744	390,555	276,234	334,484
	543,138	586,408	403,066	486,532

	Year ended December 31,		Nine months ended September 30,	
	2023	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
			(unaudited)	*(unaudited)*
Cost of inventories recognized as cost of sales	7,951,362	10,397,391	7,264,180	8,438,814
Write-down of inventories	13,067	26,331	16,649	21,231
Depreciation of property, plant and equipment	416,351	501,645	353,766	416,428
Depreciation of right-of-use assets	25,224	24,265	18,180	19,109
Amortization of intangible assets	17,692	34,736	24,098	32,278
Total depreciation and amortization expenses	459,267	560,646	396,044	467,815
Less: capitalized in inventories	(363,958)	(439,939)	(307,315)	(362,781)
	95,309	120,707	88,729	105,034
Analyzed as:				
charged in administrative expenses	46,589	54,926	41,163	51,232
charged in selling expenses	230	1,302	841	1,513
charged in research and development expenses	48,490	64,479	46,725	52,289
	95,309	120,707	88,729	105,034

12. INCOME TAX EXPENSES

	Year ended December 31,		Nine months ended September 30,	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000* *(unaudited)*
Current tax:				
PRC Enterprise Income Tax ("**EIT**")	110,221	171,456	110,541	99,856
(Over-provision)/under-provision in prior years/periods	(334)	310	310	2,190
Deferred tax	(8,926)	12,379	4,977	25,639
	100,961	184,145	115,828	127,685

PRC Enterprise Income Tax

Under the EIT Law and Implementation Regulation of the EIT Law, the EIT rate of the PRC subsidiaries is 25% unless those subject to tax exemption set out below.

The Company was accredited as a "High and New Technology Enterprise" under the relevant tax rules and regulations in December 2020 and November 2023, and therefore the Company was entitled to a preferential EIT rate of 15% for the Track Record Period. This qualification is subject to review by the relevant tax authority in the PRC every three years.

Pursuant to Caishui [2023] No. 12 "Announcement of the Ministry of Finance and the State Taxation Administration on the Relevant Tax and Fee Policies for Further Supporting the Development of Micro and Small Enterprises and Individual Industrial and Commercial Households (財政部、國家稅務總局關於進一步支持小微企業和個體工商發展有關稅費政策的公告), Changzhou Xinghui Digital Technology Co., Ltd.* (常州星輝數字技術有限公司) and Shanghai Xingyu Zhixing Technology Co., Ltd.* (上海星宇智行技術有限公司) were qualified for Small Meagre-profit Enterprises and entitled to a preferential income tax rate of 20% on the 25% of taxable income from January 1, 2023 to December 31, 2027.

Hong Kong Profits Tax

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profit during the reporting period.

* *The official name of these entities in Chinese. The English for identification purpose only.*

Serbian Corporate Income Tax

According to Serbian Corporate Income Tax Law, foreign-invested enterprises with fixed asset investments of Serbian Dinar ("**RSD**") 1 billion and creating more than 100 new jobs during the investment period are exempt from the Corporate Income Tax for 10 years from its first profit-making year. Xingyu Automotive Lighting Systems d.o.o NiŠ ("**Xingyu Serbia**") operating in Serbia is eligible for the concession.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The income tax expenses for the reporting period can be reconciled to the profit before tax per the consolidated statements of profit or loss and other comprehensive income as follows:

	Year ended December 31,		**Nine months ended September 30,**	
	2023	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000* (*unaudited*)	*RMB'000* (*unaudited*)
Profit before tax	1,203,092	1,592,428	1,093,031	1,268,714
Tax at the domestic income tax rate	189,162	252,844	168,819	199,190
(Over-provision)/under-provision in prior years/periods	(334)	310	310	2,190
Tax effect of income not taxable for tax purposes	–	(116)	–	–
Tax effect of expenses not deductible for tax purposes	1,333	2,632	2,287	625
Additional deduction of expenses	(74,402)	(76,178)	(56,036)	(76,620)
Temporary difference and tax loss not recognized	(14,798)	4,653	448	2,300
	100,961	184,145	115,828	127,685

13. DIRECTORS' AND SUPERVISORS' EMOLUMENTS AND EMOLUMENTS OF EMPLOYEES

Directors' and supervisors' emoluments

The emoluments paid or payable to the directors and supervisors of the Company during the reporting period are as follow:

	Directors' fees	Salaries, allowances and benefits in kind	Bonuses	Pension scheme contributions and social welfare	Share-based payment	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
For the year ended December 31, 2023						
Directors:						
Ms. Zhou Xiaoping ("**Ms. Zhou**")	–	1,100	–	–	–	1,100
Mr. Gao Guohua	–	–	–	–	–	–
Mr. Yu Zhiming ("**Mr. Yu**")	–	404	60	22	–	486
Mr. Xu Huiyi ("**Mr. Xu**")	–	464	41	22	–	527
Independent Directors:						
Mr. Ma Peilin ("**Mr. Ma**")	180	–	–	–	–	180
Ms. Han Jian ("**Ms. Han**")	180	–	–	–	–	180
Mr. Li Xiang ("**Mr. Li**")	180	–	–	–	–	180
Supervisors:						
Mr. Xu Xiaoping	–	343	53	22	–	418
Mr. Wang Shihai ("**Mr. Wang**")	–	–	–	–	–	–
Ms. Liu Lingling ("**Ms. Liu**")	–	155	16	14	–	185
	540	2,466	170	80	–	3,256

	Directors' fees	Salaries, allowances and benefits in kind	Bonuses	Pension scheme contributions and social welfare	Share-based payment	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
For the year ended December 31, 2024						
Directors:						
Ms. Zhou	–	1,100	–	–	–	1,100
Mr. Gao Guohua	–	–	–	–	–	–
Mr. Yu	–	376	119	22	–	517
Mr. Xu	–	423	112	22	–	557
Independent Directors:						
Mr. Ma	180	–	–	–	–	180
Ms. Han	180	–	–	–	–	180
Mr. Li	180	–	–	–	–	180
Supervisors:						
Mr. Xu Xiaoping	–	351	80	22	24	477
Mr. Wang	–	–	–	–	–	–
Ms. Liu	–	157	27	18	–	202
	540	2,407	338	84	24	3,393

	Directors' fees	Salaries, allowances and benefits in kind	Bonuses	Pension scheme contributions and social welfare	Share-based payment	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
For the period ended September 30, 2024 (unaudited)						
Directors:						
Ms. Zhou	–	820	–	–	–	820
Mr. Gao Guohua	–	–	–	–	–	–
Mr. Yu	–	263	80	17	–	360
Mr. Xu	–	283	80	17	–	380
Independent Directors:						
Mr. Ma	135	–	–	–	–	135
Ms. Han	135	–	–	–	–	135
Mr. Li	135	–	–	–	–	135
Supervisors:						
Mr. Xu Xiaoping	–	243	60	17	–	320
Mr. Wang	–	–	–	–	–	–
Ms. Liu	–	116	10	14	–	140
	405	1,725	230	65	–	2,425

	Directors' fees	Salaries, allowances and benefits in kind	Bonuses	Pension scheme contributions and social welfare	Share-based payment	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
For the period ended September 30, 2025 (unaudited)						
Directors:						
Ms. Zhou	–	820	–	–	–	820
Mr. Zhou Yuheng ("**Mr. Zhou**") *(note (i))*	–	334	67	15	–	416
Mr. Gao Guohua *(note (iii))*	–	–	–	–	–	–
Mr. Yu *(note (iii))*	–	316	95	20	–	431
Mr. Xu	–	312	95	22	–	429
Mr. Wang *(note (ii))*	–	–	–	–	–	–
Independent Directors:						
Mr. Ma	135	–	–	–	–	135
Ms. Han	135	–	–	–	–	135
Mr. Li	135	–	–	–	–	135
Supervisors:						
Mr. Xu Xiaoping	–	252	63	23	229	567
Mr. Wang *(note (ii))*	–	–	–	–	–	–
Ms. Liu	–	118	24	14	–	156
Mr. Li Miao *(note ((iv))*	–	64	16	9	–	89
	405	2,216	360	103	229	3,313

notes:

(i) Mr. Zhou has been appointed as Director of the Company with effect from April 10, 2025.

(ii) Mr. Wang resigned as supervisor of the Company and reappointed as Director of the Company with effect from April 10, 2025.

(iii) Mr. Gao Guohua and Mr. Yu resigned as Directors of the Company with effect from April 10, 2025.

(iv) Mr. Li Miao has been appointed as supervisor of the Company with effect from April 10, 2025.

The directors' and supervisors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.

There was no arrangement under which the directors or supervisors of the Company waived or agreed to waive any emoluments during the reporting period.

Emoluments of employees

The five highest paid employees of the Group for the years ended December 31, 2023 and 2024 and the nine months ended September 30, 2024 and 2025 included 1, 1, 1 (unaudited) and 1 (unaudited) directors, respectively and details of whose remuneration are set out in above. Details of the remuneration for the reporting period of the remaining individuals are as follows:

	Year ended December 31,		**Nine months ended September 30,**	
	2023	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000 (unaudited)*
Salaries, allowances and benefits in kind	4,105	4,207	2,947	2,718
Bonuses	718	671	832	855
Pension scheme contributions and social welfare	198	200	191	236
Share-based payment	–	60	–	344
	5,021	5,138	3,970	4,153

The number of the highest paid employees who are not the directors of the Company whose remuneration fell within the following bands is as follows:

	Year ended December 31,		**Nine months ended September 30,**	
	2023	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000 (unaudited)*
Nil to RMB1,000,000	1	–	3	2
RMB1,000,001 to RMB1,500,000	2	3	1	2
RMB1,500,001 to RMB2,000,000	1	1	–	–
	4	4	4	4

During the reporting period, no emoluments were paid by the Group to any of the five highest paid individuals of the Group as an inducement to join or upon joining the Group or as compensation for loss of office.

14. DIVIDENDS

For the year ended December 31, 2023

On April 20, 2023, the Company declared dividends of RMB11 per 10 shares, in aggregate of approximately RMB314,247,000 to its shareholders. Dividends of approximately RMB314,247,000 were originally declared for distribution. Following the subsequent share repurchases as mentioned in Note 33, the distributable dividend is reduced to approximately RMB312,437,000. The dividends were paid during the year ended December 31, 2023.

For the year ended December 31, 2024

On April 18, 2024, the Company declared dividends of RMB12 per 10 shares, in aggregate of approximately RMB340,522,000 to its shareholders. The dividends were paid during the year ended December 31, 2024.

On September 6, 2024, the Company declared dividends of RMB2 per 10 shares, in aggregate of approximately RMB56,754,000 to its shareholders. The dividends were paid during the year ended December 31, 2024.

For the nine months ended September 30, 2025 (unaudited)

On April 10, 2025, the Company declared dividends of RMB13 per 10 shares, in aggregate of approximately RMB369,600,000 to its shareholders. The dividends were paid during the nine months ended September 30, 2025.

On September 19, 2025, the Company declared dividends of RMB2 per 10 shares, in aggregate of approximately RMB56,862,000 to its shareholders. The dividends were remained unsettled as at September 30, 2025.

15. EARNINGS PER SHARE

(a) Basic

Basic earnings per share ("**EPS**") is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue (excluding shares held for share award schemes) during the year/period.

	Year ended 31 December		Nine months ended 30 September	
	2023	**2024**	**2024**	**2025**
			(unaudited)	*(unaudited)*
Profit for the year/period attributable to the equity holders of the Company for purpose of basic EPS *(RMB'000)*	1,102,131	1,408,283	977,203	1,141,029
Weighted average number of ordinary shares for the purpose of basic EPS *('000)*	284,956	283,768	283,768	283,768
Basic EPS *(RMB per share)*	3.87	4.96	3.44	4.02

(b) Diluted

The share awards granted by the Company have potential dilutive effect on the EPS. Diluted EPS is calculated by adjusting the weighted average number of ordinary shares outstanding by the assumption of the conversion of all potential dilutive ordinary shares arising from share awards granted by the Company (collectively forming the denominator for computing the diluted EPS), which is determined under the treasury stock method.

In addition, the profit attributable to equity holders of the Company (numerator) has been adjusted by the effect of the share awards granted.

	Year ended 31 December		Nine months ended 30 September	
	2023	**2024**	**2024**	**2025**
			(unaudited)	*(unaudited)*
Profit for the year/period attributable to the equity holders of the Company for purpose of basic EPS *(RMB'000)*	1,102,131	1,408,283	977,203	1,141,029
Dilution effect arising from share awards granted	–	–	–	(810)
Profit for the year/period attributable to the equity holders of the company for purpose of diluted EPS *(RMB'000)*	1,102,131	1,408,283	977,203	1,140,219
Weighted average number of ordinary shares for the purpose of basic EPS *('000)*	284,956	283,768	283,768	283,768
Adjustments for shares award	–	45	–	540
Weighted average number of ordinary shares for the purpose of diluted EPS *('000)*	284,956	283,813	283,768	284,308
Diluted EPS *(RMB per share)*	3.87	4.96	3.44	4.01

16. PROPERTY, PLANT AND EQUIPMENT

The Group

	Building	Plant and machinery	Office equipment	Motor vehicle	Others	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cost:							
As at January 1, 2023	1,541,569	2,385,713	135,091	16,231	69,078	597,390	4,745,072
Additions	39,541	350,607	132,728	2,416	21,998	354,729	902,019
Transfer	100,034	118,047	1,376	–	8,253	(227,710)	–
Disposal	–	(16,988)	(1,012)	(2,104)	(704)	–	(20,808)
Exchange alignment	10,965	1,053	147	24	22	8,004	20,215
As at December 31, 2023 and January 1, 2024	1,692,109	2,838,432	268,330	16,567	98,647	732,413	5,646,498
Additions	30,218	354,133	117,458	2,482	32,489	155,890	692,670
Transfer	301,391	203,979	160	–	–	(505,530)	–
Disposal	–	(47,643)	(4,178)	(561)	(1,090)	–	(53,472)
Exchange alignment	(6,053)	(6,681)	(35)	(96)	(19)	(7,618)	(20,502)
As at December 31, 2024 and January 1, 2025	2,017,665	3,342,220	381,735	18,392	130,027	375,155	6,265,194
Additions	16,636	143,390	136,783	2,090	20,287	148,498	467,684
Transfer	43,924	49,872	23,709	–	62	(117,567)	–
Disposal	–	(21,810)	(4,232)	(484)	(998)	–	(27,524)
Exchange alignment	17,722	25,215	804	56	51	5,604	49,452
As at September 30, 2025 (unaudited)	2,095,947	3,538,887	538,799	20,054	149,429	411,690	6,754,806

	Building	Plant and machinery	Office equipment	Motor vehicle	Others	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Accumulated depreciation:							
As at January 1, 2023	338,718	925,550	51,958	10,806	39,273	–	1,366,305
Charge for the year	87,867	261,909	52,584	2,001	11,990	–	416,351
Disposal	–	(14,337)	(378)	(1,007)	(684)	–	(16,406)
Exchange alignment	123	100	35	14	5	–	277
As at December 31, 2023 and January 1, 2024	426,708	1,173,222	104,199	11,814	50,584	–	1,766,527
Charge for the year	107,647	287,387	89,530	2,062	15,019	–	501,645
Disposal	–	(31,624)	(2,810)	(535)	(1,044)	–	(36,013)
Exchange alignment	(305)	(380)	(43)	(19)	(6)	–	(753)
As at December 31, 2024 and January 1, 2025	534,050	1,428,605	190,876	13,322	64,553	–	2,231,406
Charge for the period	86,693	225,697	88,105	1,505	14,428	–	416,428
Disposal	–	(12,981)	(3,111)	(465)	(836)	–	(17,393)
Exchange alignment	722	2,114	170	39	23	–	3,068
As at September 30, 2025 (unaudited)	621,465	1,643,435	276,040	14,401	78,168	–	2,633,509
Net book value:							
As at December 31, 2023	1,265,401	1,665,210	164,131	4,753	48,063	732,413	3,879,971
As at December 31, 2024	1,483,615	1,913,615	190,859	5,070	65,474	375,155	4,033,788
As at September 30, 2025 (unaudited)	1,474,482	1,895,452	262,759	5,653	71,261	411,690	4,121,297

The Company

	Building	Plant and machinery	Office equipment	Motor vehicle	Others	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cost:							
As at January 1, 2023	1,107,708	2,126,336	116,289	14,280	65,939	504,317	3,934,869
Additions	32,644	297,304	126,453	2,416	19,132	215,183	693,132
Transfer	100,034	91,798	824	–	7,985	(200,641)	–
Disposal	–	(16,907)	(1,012)	(1,989)	(704)	–	(20,612)
As at December 31, 2023 and January 1, 2024	1,240,386	2,498,531	242,554	14,707	92,352	518,859	4,607,389
Additions	28,343	335,594	105,090	2,421	30,857	115,988	618,293
Transfer	301,391	–	–	–	–	(301,391)	–
Disposal	–	(38,342)	(4,132)	(561)	(1,090)	–	(44,125)
As at December 31, 2024 and January 1, 2025	1,570,120	2,795,783	343,512	16,567	122,119	333,456	5,181,557
Additions	13,982	116,141	115,005	2,090	17,743	121,614	386,575
Transfer	43,924	80,956	8,681	–	–	(133,561)	–
Disposal	–	(10,218)	(3,428)	(484)	(736)	–	(14,866)
As at September 30, 2025 (unaudited)	1,628,026	2,982,662	463,770	18,173	139,126	321,509	5,553,266

	Building	Plant and machinery	Office equipment	Motor vehicle	Others	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Accumulated depreciation:							
As at January 1, 2023	269,543	846,141	46,282	9,658	37,914	–	1,209,538
Charge for the year	67,405	230,453	46,859	1,752	11,289	–	357,758
Disposal	–	(14,260)	(378)	(921)	(684)	–	(16,243)
As at December 31, 2023 and January 1, 2024	336,948	1,062,334	92,763	10,489	48,519	–	1,551,053
Charge for the year	87,277	250,687	81,459	1,892	13,939	–	435,254
Disposal	–	(27,080)	(2,800)	(535)	(1,044)	–	(31,459)
As at December 31, 2024 and January 1, 2025	424,225	1,285,941	171,422	11,846	61,414	–	1,954,848
Charge for the period	70,908	185,393	77,216	1,407	13,331	–	348,255
Disposal	–	(7,473)	(2,534)	(465)	(701)	–	(11,173)
As at September 30, 2025 (unaudited)	495,133	1,463,861	246,104	12,788	74,044	–	2,291,930
Net book value:							
As at December 31, 2023	903,438	1,436,197	149,791	4,218	43,833	518,859	3,056,336
As at December 31, 2024	1,145,895	1,509,842	172,090	4,721	60,705	333,456	3,226,709
As at September 30, 2025 (unaudited)	1,132,893	1,518,801	217,666	5,385	65,082	321,509	3,261,336

17. RIGHT-OF-USE ASSETS

The Group

	Leasehold lands	Leased properties	Total
	RMB'000	*RMB'000*	*RMB'000*
Cost:			
As at January 1, 2023	452,202	18,563	470,765
Additions	–	50,552	50,552
Write-off	–	(17,989)	(17,989)
Exchange alignment	2,699	–	2,699
As at December 31, 2023 and January 1, 2024	454,901	51,126	506,027
Additions	4,500	2,538	7,038
Disposal	(31,204)	–	(31,204)
Exchange alignment	(1,466)	–	(1,466)
As at December 31, 2024 and January 1, 2025	426,731	53,664	480,395
Additions	106,180	–	106,180
Exchange alignment	4,413	–	4,413
As at September 30, 2025 (unaudited)	537,324	53,664	590,988
Accumulated depreciation:			
As at January 1, 2023	58,776	14,466	73,242
Charge for the year	9,685	15,539	25,224
Write-off	–	(17,989)	(17,989)
Exchange alignment	142	–	142
As at December 31, 2023 and January 1, 2024	68,603	12,016	80,619
Charge for the year	9,592	14,673	24,265
Disposal	(2,220)	–	(2,220)
Exchange alignment	(115)	–	(115)

	Leasehold lands	Leased properties	Total
	RMB'000	*RMB'000*	*RMB'000*
As at December 31, 2024 and January 1, 2025	75,860	26,689	102,549
Charge for the period	7,013	12,096	19,109
Exchange alignment	401	–	401
As at September 30, 2025 (unaudited)	83,274	38,785	122,059
Net book value:			
As at December 31, 2023	386,298	39,110	425,408
As at December 31, 2024	350,871	26,975	377,846
As at September 30, 2025 (unaudited)	454,050	14,879	468,929

	Year ended December 31,		Nine months ended September 30,	
	2023	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000* (unaudited)
Expenses relating to short term leases	20,771	5,162	4,169	3,680
Total cash outflows for leases	38,676	18,444	15,757	16,809
Additions to right-of-use assets	50,552	7,038	3,965	106,180

The Group leases various offices for its operations. Lease contracts are entered into for fixed term of 2 to 5 years. Lease terms are negotiated on an individual basis and contain different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

The Company

	Leasehold lands	Leased properties	Total
	RMB'000	*RMB'000*	*RMB'000*
Cost:			
As at January 1, 2023	332,578	18,563	351,141
Additions	–	50,552	50,552
Write-off	–	(17,989)	(17,989)
As at December 31, 2023 and January 1, 2024	332,578	51,126	383,704
Additions	4,500	–	4,500
As at December 31, 2024 and January 1, 2025	337,078	51,126	388,204
Additions	106,180	–	106,180
As at September 30, 2025 (unaudited)	443,258	51,126	494,384
Accumulated depreciation:			
As at January 1, 2023	47,558	14,466	62,024
Charge for the year	7,258	15,539	22,797
Write-off	–	(17,989)	(17,989)
As at December 31, 2023 and January 1, 2024	54,816	12,016	66,832
Charge for the year	7,794	14,547	22,341
As at December 31, 2024 and January 1, 2025	62,610	26,563	89,173
Charge for the period	5,621	10,942	16,563
As at September 30, 2025 (unaudited)	68,231	37,505	105,736
Net book value:			
As at December 31, 2023	277,762	39,110	316,872
As at December 31, 2024	274,468	24,563	299,031
As at September 30, 2025 (unaudited)	375,027	13,621	388,648

18. INTANGIBLE ASSETS

The Group

	Patent	Non-patented technology	Total
	RMB'000	*RMB'000*	*RMB'000*
Cost:			
As at January 1, 2023	96,348	28,100	124,448
Additions	40,825	660	41,485
Exchange alignment	12	–	12
As at December 31, 2023 and January 1, 2024	137,185	28,760	165,945
Additions	49,607	–	49,607
Exchange alignment	(48)	–	(48)
As at December 31, 2024 and January 1, 2025	186,744	28,760	215,504
Additions	28,696	–	28,696
Write-off	(2,622)	–	(2,622)
Exchange alignment	161	–	161
As at September 30, 2025 (unaudited)	212,979	28,760	241,739
Accumulated amortization:			
As at January 1, 2023	75,805	2,342	78,147
Charge for the year	14,838	2,854	17,692
Exchange alignment	9	–	9
As at December 31, 2023 and January 1, 2024	90,652	5,196	95,848
Charge for the year	31,382	3,354	34,736
Exchange alignment	(41)	–	(41)
As at December 31, 2024 and January 1, 2025	121,993	8,550	130,543
Charge for the period	29,692	2,586	32,278
Write-off	(2,622)	–	(2,622)
Exchange alignment	61	–	61
As at September 30, 2025 (unaudited)	149,124	11,136	160,260
Net book value:			
As at December 31, 2023	46,533	23,564	70,097
As at December 31, 2024	64,751	20,210	84,961
As at September 30, 2025 (unaudited)	63,855	17,624	81,479

The Company

	Patent	Non-patented technology	Total
	RMB'000	*RMB'000*	*RMB'000*
Cost:			
As at January 1, 2023	95,564	28,100	123,664
Additions	33,504	660	34,164
As at December 31, 2023 and January 1, 2024	129,068	28,760	157,828
Additions	49,560	–	49,560
As at December 31, 2024 and January 1, 2025	178,628	28,760	207,388
Additions	26,378	–	26,378
Write-off	(2,622)	–	(2,622)
As at September 30, 2025 (unaudited)	202,384	28,760	231,144
Accumulated amortization:			
As at January 1, 2023	75,145	2,342	77,487
Charge for the year	13,731	2,854	16,585
As at December 31, 2023 and January 1, 2024	88,876	5,196	94,072
Charge for the year	28,981	3,354	32,335
As at December 31, 2024 and January 1, 2025	117,857	8,550	126,407
Charge for the period	27,721	2,586	30,307
Write-off	(2,622)	–	(2,622)
As at September 30, 2025 (unaudited)	142,956	11,136	154,092
Net book value:			
As at December 31, 2023	40,192	23,564	63,756
As at December 31, 2024	60,771	20,210	80,981
As at September 30, 2025 (unaudited)	59,428	17,624	77,052

19. INVENTORIES

The Group

	As at December 31,		As at September 30,
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000* *(unaudited)*
Raw materials	542,600	470,115	543,029
Work in progress	244,769	176,164	102,976
Finished goods	1,458,038	1,982,973	2,007,050
	2,245,407	2,629,252	2,653,055

The Company

	As at December 31,		As at September 30,
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000* *(unaudited)*
Raw materials	418,352	392,947	441,997
Work in progress	237,586	160,066	94,533
Finished goods	1,415,647	1,894,451	1,927,955
	2,071,585	2,447,464	2,464,485

20. TRADE AND BILLS RECEIVABLES

The Group

	As at December 31,		As at September 30,
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000* *(unaudited)*
Trade receivables, gross	3,227,344	4,754,372	4,018,004
Less: allowance for credit losses	(161,402)	(237,726)	(201,007)
Trade receivables, net	3,065,942	4,516,646	3,816,997
Bills receivables, gross	1,353,040	1,592,683	2,433,454
Less: allowance for credit losses	(20,846)	(396)	(462)
Bills receivables, net	1,332,194	1,592,287	2,432,992
Trade and bills receivables	4,398,136	6,108,933	6,249,989

Trade receivables

As at January 1, 2023, the Group had trade receivables (net of allowance for credit losses) amounted to approximately RMB1,301,863,000.

The Group generally allows credit period ranging from 30 to 90 days after issuance of invoice. The Group will assess the credit quality of each potential customer and define rating and credit limit for each customer.

The following is an aged analysis of trade receivables, net of allowance for credit losses presented based on the dates of acceptance of goods, which approximate the respective revenue recognition dates, at the end of each of the reporting period:

	As at December 31,		As at September 30,
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000* *(unaudited)*
Within 1 year	3,065,315	4,516,621	3,815,116
1 to 2 years	627	4	1,875
2 to 3 years	–	21	6
	3,065,942	4,516,646	3,816,997

The movements in the allowance for credit losses of trade receivables are as follows:

	As at December 31,		As at September 30,
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000* *(unaudited)*
At the beginning of year/period	73,634	161,402	237,726
ECL recognized/(reversed)	92,833	76,771	(37,242)
Written-off	(5,200)	(228)	(192)
Exchange alignment	135	(219)	715
At the end of year/period	161,402	237,726	201,007

The Group applies the simplified approach in calculating ECL for trade receivables. Trade receivables relating to customers not sharing similar credit risk with others are assessed individually for impairment allowance, for instance, customers with known financial difficulties or significant doubt on collection. The remaining trade receivables are grouped and collectively assessed for impairment allowance. Under the collective approach, an impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on ageing analysis for grouping of customers that have similar loss patterns. The calculation reflects the age of the balance, existence of disputes, recent historical payment patterns, any other available information concerning the creditworthiness of counterparties and influence from macro economy.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

	Past due within 1 year	Past due from 1 to 2 years	Past due from 2 to 3 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2023				
On a collective basis:				
ECL rate	5.0%	10.0%	N/A	5.0%
Gross carrying amount	3,226,647	697	–	3,227,344
ECL	161,332	70	–	161,402
As at December 31, 2024				
On a collective basis:				
ECL rate	5.0%	10.0%	30.0%	5.0%
Gross carrying amount	4,754,338	5	29	4,754,372
ECL	237,717	1	8	237,726
As at September 30, 2025 (unaudited)				
On a collective basis:				
ECL rate	5.0%	10.0%	30.0%	5.00%
Gross carrying amount	4,015,911	2,084	9	4,018,004
ECL	200,795	209	3	201,007

Bills receivables

As at January 1, 2023, the Group had bills receivables (net of allowance for credit losses) amounted to approximately RMB1,158,462,000.

An aging analysis of the Group's bills receivables, based on recognition date and net of allowance for credit losses, at the end of each of the reporting period is as follows:

	As at December 31,		As at September 30,
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000* *(unaudited)*
Within 3 months	780,806	1,501,601	1,434,141
3 to 6 months	551,388	90,686	998,851
	1,332,194	1,592,287	2,432,992

The movements in the allowance for credit losses of bills receivables are as follows:

	As at December 31,		As at September 30,
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000* *(unaudited)*
At the beginning of year/period	15,424	20,846	396
ECL recognized/(reversed)	5,422	(20,450)	66
At the end of year/period	20,846	396	462

The Company

	As at December 31,		As at September 30,
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000* *(unaudited)*
Trade receivables, gross	3,308,201	4,742,352	3,934,455
Less: allowance for credit losses	(320,395)	(384,404)	(292,961)
Trade receivables, net	2,987,806	4,357,948	3,641,494
Bills receivables, gross	1,519,040	1,742,683	2,583,454
Less: allowance for credit losses	(20,846)	(396)	(462)
Bills receivables, net	1,498,194	1,742,287	2,582,992
Trade and bills receivables	4,486,000	6,100,235	6,224,486

21. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

The Group

	As at December 31,		As at September 30,
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000* *(unaudited)*
Non-current portion:			
Prepayments for property, plant and equipment	76,606	109,267	151,474
Current portion:			
Prepayments *(note)*	43,330	48,865	41,241
Other assets	9,114	12,482	10,224
Other tax recoverable	3,890	9,295	7,085
Deposits paid	4,791	1,983	7,199
Other receivables	653	2,707	1,071
	61,778	75,332	66,820
Less: allowance for credit losses	(1,880)	(2,514)	(3,302)
	59,898	72,818	63,518
	136,504	182,085	214,992

note: Prepayments mainly comprise prepaid electricity cost.

At the end of each of the reporting period, the ECL of the financial assets included in deposits and other receivables were measured based on the 12-month ECL if they were not past due and there was no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, they were measured based on the lifetime ECL. An impairment analysis was performed at the end of each of the reporting period.

The movement in the allowance for credit losses of deposits and other receivables are as follows:

	12-month ECL	Lifetime ECL (not credit-impaired)	Total
	RMB'000	*RMB'000*	*RMB'000*
As at January 1, 2023	89	1,548	1,637
Transfer	(1)	1	–
ECL recognized	13	233	246
Written off	–	(4)	(4)
Exchange alignment	1	–	1
As at December 31, 2023 and January 1, 2024	102	1,778	1,880
Transfer	(15)	15	–
ECL (reversed)/recognized	(18)	654	636
Exchange alignment	(2)	–	(2)
As at December 31, 2024 and January 1, 2025	67	2,447	2,514
Transfer	(24)	24	–
ECL recognized	190	595	785
Exchange alignment	3	–	3
As at September 30, 2025 (unaudited)	236	3,066	3,302

The Company

	As at December 31,		As at September 30,
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000* *(unaudited)*
Non-current portion:			
Prepayments for property, plant and equipment	51,394	79,778	121,984
Current portion:			
Prepayments	30,543	47,000	38,851
Amounts due from subsidiaries	25,399	25,379	25,379
Other assets	8,735	12,393	10,216
Deposits paid	4,640	1,252	6,516
Other receivables	375	2,560	842
Other tax recoverable	–	28	–
	69,692	88,612	81,804
Less: allowance for credit losses	(20,517)	(21,772)	(20,837)
	49,175	66,840	60,967
	100,569	146,618	182,951

22. FINANCIAL ASSETS AT FVTOCI

The Group

	As at December 31,		As at September 30,
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000* *(unaudited)*
Equity instruments at fair value	335,844	353,556	543,301

note:

Financial assets at FVTOCI comprise listed and unlisted equity securities which are not held for trading and which the Group had irrevocably elected at initial recognition to recognize in this category. These are strategic investments and the Group considers this classification to be more relevant.

The Company

	As at December 31,		As at September 30,
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000* *(unaudited)*
Equity instruments at fair value	259,947	274,947	423,837

23. FINANCIAL ASSETS AT FVTPL

The Group

	As at December 31,		As at September 30,
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000* *(unaudited)*
Structured deposits and wealth management products, at fair value	1,156,956	1,122,399	1,452,438

During the reporting period, the Group entered into several contracts of structured deposits and wealth management products with reputable banks in the PRC, of which will be matured within 12 months.

The Company

	As at December 31,		As at September 30,
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000* *(unaudited)*
Structured deposits and wealth management products, at fair value	1,156,956	1,122,399	1,231,406

24. CASH AND CASH EQUIVALENTS AND RESTRICTED BANK DEPOSITS

The Group

	As at December 31,		As at September 30,
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000* *(unaudited)*
Cash and cash equivalents	2,014,837	1,925,079	2,361,758
Restricted bank deposits	89,825	98,500	50,280
	2,104,662	2,023,579	2,412,038

Cash and cash equivalents include cash at banks earns at floating rates based on daily bank deposits rates and short-term deposits for the purpose of meeting the Group's short term cash commitments, which carry interest at market rates.

Included in the bank balances were amounts in RMB of approximately RMB1,903,230,000, RMB1,743,540,000 and RMB2,260,818,000 (unaudited) as at December 31, 2023 and 2024 and September 30, 2025, which are subject to relevant rules and regulations of foreign exchange control promulgated by the government of the PRC.

Details of impairment assessment of cash and cash equivalent and restricted bank deposits are set out in Note 39 to the Historical Financial Information.

The Company

	As at December 31,		As at September 30,
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000* *(unaudited)*
Cash and cash equivalents	1,865,528	1,752,502	2,189,876
Restricted bank deposits	89,825	98,500	50,280
	1,955,353	1,851,002	2,240,156

25. TRADE AND BILLS PAYABLES

The Group

	As at December 31,		As at September 30,
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000* *(unaudited)*
Trade payables	1,954,545	2,691,143	2,856,717
Bills payables	1,984,992	2,448,206	2,729,906
	3,939,537	5,139,349	5,586,623

The following is an aging analysis of trade and bills payables presented based on the recognition date, at the end of each of the reporting period:

	As at December 31,		As at September 30,
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000* *(unaudited)*
Within 1 year	3,919,491	5,137,029	5,581,608
1 to 2 years	19,531	1,536	4,427
2 to 3 years	222	665	248
3 to 4 years	293	119	340
	3,939,537	5,139,349	5,586,623

The credit period on purchases of goods and services of the Group normally ranging from 30 days to 90 days after invoicing.

The Company

	As at December 31,		As at September 30,
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000* *(unaudited)*
Trade payables	1,926,282	2,614,787	2,718,671
Bills payables	1,950,596	2,395,865	2,654,755
	3,876,878	5,010,652	5,373,426

26. ACCRUALS AND OTHER PAYABLES

The Group

	As at December 31,		As at September 30,
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000* *(unaudited)*
Accrued expenses	502,601	511,889	472,567
Accrued salaries	196,783	200,126	168,436
Other payables related to the acquisition of property, plant and equipment	119,873	96,112	99,133
Dividend payables	–	–	56,862
Other tax payables	32,557	36,400	28,337
Other payables	9,486	7,861	6,095
Deposits received	1,638	2,160	2,157
	862,938	854,548	833,587

The Company

	As at December 31,		As at September 30,
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000* *(unaudited)*
Accrued expenses	497,528	504,388	464,684
Accrued salaries	190,219	192,132	159,613
Other payables related to the acquisition of property, plant and equipment	97,787	94,858	92,818
Dividend payables	–	–	56,862
Other tax payables	30,420	30,213	26,081
Other payables	3,739	2,219	1,841
Deposits received	1,600	2,108	2,100
	821,293	825,918	803,999

27. CONTRACT LIABILITIES

	As at December 31,		As at September 30,
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000* *(unaudited)*
Sales of lighting products	7,465	3,381	5,542

As at January 1, 2023, the Group had contract liabilities of approximately RMB16,746,000.

When the Group receives a deposit before production activity commences, this will give rise to contract liabilities at the start of a contract, until the revenue recognized on the relevant contract exceeds the amount of the deposit. The Group typically receives a deposit on acceptance of contract.

All of the contract liabilities at the beginning of the reporting period have been recognized as revenue during the respective financial reporting period as the Group will normally deliver the goods to satisfy the remaining performance obligations of the relevant contract liabilities within one year or less.

The Group classifies these contract liabilities as current because the Group expects them to be settled in its normal operating cycle which is within 12 months after the end of the reporting period.

28. LEASE LIABILITIES

	As at December 31,		As at September 30,
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000* *(unaudited)*
Lease liabilities payable:			
Within one year	12,972	16,789	9,809
Within a period of more than one year but not exceeding two years	14,213	7,235	5,167
Within a period of more than two years but not exceeding five years	10,137	3,615	–
	37,322	27,639	14,976
Less: amount due for settlement within 12 months shown under current liabilities	(12,972)	(16,789)	(9,809)
Amount due for settlement after 12 months shown under non-current liabilities	24,350	10,850	5,167

The weighted average incremental borrowing rates applied to lease liabilities range from 3.10% to 4.30%.

29. PROVISIONS

The Group

	As at December 31,		As at September 30,
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000* *(unaudited)*
Warranty provision:			
At the beginning of the year/period	50,383	59,249	72,495
Additional provision in the year/period	61,648	135,398	69,455
Utilization of provision	(52,782)	(122,152)	(91,387)
At the end of the year/period	59,249	72,495	50,563

Management estimates the related provision for future warranty claims based on historical warranty claim information, as well as recent trends that might suggest that past cost information may differ from future claims.

The Company

	As at December 31,		As at September 30,
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000* *(unaudited)*
Warranty provision	58,580	71,973	50,046

30. DEFERRED INCOME

The Group

	As at December 31,		As at September 30,
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000* *(unaudited)*
Asset-related government grants	634,820	559,682	530,915

The movements of asset-related government grants are as follows:

	As at December 31,		As at September 30,
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000* *(unaudited)*
At the beginning of the year/period	519,061	634,820	559,682
Government grants received	173,700	–	13,440
Income recognized	(63,317)	(72,217)	(50,996)
Exchange alignment	5,376	(2,921)	8,789
At the end of the year/period	634,820	559,682	530,915

The grants related to assets will be recognized in profit or loss over the expected useful life of the relevant asset by equal annual instalments upon the compliance with the conditions attached to the grants and the government's acknowledgement of acceptance.

The Company

	As at December 31,		As at September 30,
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000* *(unaudited)*
Asset-related government grants	532,718	462,199	425,767

31. DEFERRED TAX

The Group

Deferred tax assets

	ECL	Write-down of inventories	Provision	Tax losses	Accrued expenses	Deferred income	Unrealized profit on intra-group transactions	Share-based payment	Lease liabilities	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2023	13,853	5,477	7,635	17,406	3,574	65,824	3,910	–	625	118,304
Deferred tax credited/(charged) to profit or loss during the year	13,376	136	1,319	2,540	3,356	16,627	(729)	–	5,242	41,867
Exchange alignment	–	12	–	(38)	–	–	–	–	–	(26)
As at December 31, 2023 and January 1, 2024	27,229	5,625	8,954	19,908	6,930	82,451	3,181	–	5,867	160,145
Deferred tax credited/(charged) to profit or loss during the year	8,042	102	1,972	7,825	(1,151)	(11,002)	(989)	244	(2,263)	2,780
Deferred tax credited to share-based payment reserve	–	–	–	–	–	–	–	2	–	2
Exchange alignment	–	(1)	–	(145)	–	–	–	–	–	(146)
As at December 31, 2024 and January 1, 2025	35,271	5,726	10,926	27,588	5,779	71,449	2,192	246	3,604	162,781
Deferred tax (charged)/credited to profit or loss during the period	(5,085)	2,022	(3,290)	(118)	(314)	(5,746)	271	1,293	(1,641)	(12,608)
Exchange alignment	–	3	–	224	–	–	–	–	–	227
As at September 30, 2025 (unaudited)	30,186	7,751	7,636	27,694	5,465	65,703	2,463	1,539	1,963	150,400

Deferred tax liabilities

	Accelerated tax depreciation	Fair value change of FVTPL	Fair value change of FVTOCI	Right-of-use assets	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2023	123,130	1,849	2,586	614	128,179
Deferred tax charged/(credited) to profit or loss during the year	29,513	(1,556)	–	4,984	32,941
Deferred tax charged to other comprehensive income during the year	–	–	1,606	–	1,606
As at December 31, 2023 and January 1, 2024	152,643	293	4,192	5,598	162,726
Deferred tax charged/(credited) to profit or loss during the year	16,946	67	–	(1,854)	15,159
Deferred tax charged to other comprehensive income during the year	–	–	173	–	173
As at December 31, 2024 and January 1, 2025	169,589	360	4,365	3,744	178,058
Deferred tax charged/(credited) to profit or loss during the period	14,679	135	–	(1,783)	13,031
Deferred tax charged to other comprehensive income during the period	–	–	12,073	–	12,073
As at September 30, 2025 (unaudited)	184,268	495	16,438	1,961	203,162

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	As at December 31,		As at September 30,
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000* *(unaudited)*
Net deferred tax assets recognized in the consolidated statements of financial position	21,433	27,668	28,080
Net deferred tax liabilities recognized in the consolidated statements of financial position	(24,014)	(42,945)	(80,842)

Deferred tax assets not recognized

Deferred tax assets have not been recognized in respect of the following items:

	As at December 31,		As at September 30,
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000* *(unaudited)*
Tax losses	38,938	38,931	38,931

The Group has tax losses arising in the Hong Kong of approximately RMB38,938,000, RMB38,931,000 and RMB38,931,000 (unaudited) as at December 31, 2023 and 2024 and September 30, 2025 respectively. The management believes that it is not considered probable that taxable profits will be available against which the tax losses can be utilized, accordingly, deferred tax assets have not been recognized in respect of these losses.

The Company

Deferred tax assets

	ECL	Write-down of inventories	Provision	Accrued expenses	Deferred income	Share-based payment	Lease liabilities	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2023	13,340	5,463	7,441	2,886	63,456	–	625	93,211
Deferred tax credited to profit or loss during the year	13,177	148	1,346	2,775	16,452	–	5,242	39,140
As at December 31, 2023 and January 1, 2024	26,517	5,611	8,787	5,661	79,908	–	5,867	132,351
Deferred tax credited/(charged) to profit or loss during the year	7,924	102	2,009	(977)	(10,578)	244	(2,263)	(3,539)
Deferred tax credited to share-based payment reserve	–	–	–	–	–	2	–	2
As at December 31, 2024 and January 1, 2025	34,441	5,713	10,796	4,684	69,330	246	3,604	128,814
Deferred tax (charged)/credited to profit or loss during the period	(5,481)	2,024	(3,289)	(273)	(5,465)	1,293	(1,641)	(12,832)
As at September 30, 2025 (unaudited)	28,960	7,737	7,507	4,411	63,865	1,539	1,963	115,982

Deferred tax liabilities

	Accelerated tax depreciation	Fair value change of FVTPL	Fair value change of FVTOCI	Right-of-use assets	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2023	116,645	1,849	2,586	614	121,694
Deferred tax charged/(credited) to profit or loss during the year	29,637	(1,556)	–	4,984	33,065
Deferred tax charged to other comprehensive income during the year	–	–	1,606	–	1,606
As at December 31, 2023 and January 1, 2024	146,282	293	4,192	5,598	156,365
Deferred tax charged/(credited) to profit or loss during the year	17,007	67	–	(1,854)	15,220
As at December 31, 2024 and January 1, 2025	163,289	360	4,192	3,744	171,585
Deferred tax charged/(credited) to profit or loss during the period	14,641	135	–	(1,783)	12,993
As at 30 September 2025 (unaudited)	177,930	495	4,192	1,961	184,578

For the purpose of presentation in the statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	As at December 31,		As at September 30,
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000* *(unaudited)*
Net deferred tax liabilities recognized in the statements of financial position	(24,014)	(42,771)	(68,596)

32. SHARE CAPITAL

The Group and the Company

	Number of shares	Share capital
	'000	*RMB'000*
Issued and fully paid share capital:		
As at January 1, 2023, December 31, 2023, January 1, 2024, December 31, 2024 and September 30, 2025 (unaudited)	285,679	285,679

33. SHARE AWARDS

Restricted share stock schemes

The following is a summary of the principal terms of employee stock scheme approved by shareholders on December 2, 2024 (the "**Employee Stock Scheme**"). The terms of Employee Stock Schemes are substantially similar and are summarized below.

(i) Purpose

The purpose of the Employee Stock Scheme is to establish a community of shared future and career community among the Group, shareholders and key employees, which will enhance the interest sharing mechanism among the same, mobilizing and boosting the cohesion, initiative, and creativity of the teams. The Employee Stock Scheme will incentivize key employees to strive toward building the Company into an outstanding industry leader in the long term, continuously improving corporate governance, and promoting the Company's long-term, sustainable, and healthy development.

(ii) Administration

The Employee Stock Scheme is executed by the board of directors of the Company subject to the approval by the Shareholders' meeting. The meeting of all participants of the Employee Stock Scheme (the "**Participants**") shall have the full power to administer the Employee Stock Scheme. A management committee, the members of which are elected by the meetings of the Participants, is authorized to oversee the day-to-day management of the Employee Stock Scheme.

(iii) Participation

The Participants will consist of senior and middle-level management, technology experts and staff, and other core employees of the Group as the board of the directors of the Company determines from time to time to receive awards under the Employee Stock Scheme. The numbers of Participants under Employee Stock Scheme shall be no more than 63.

(iv) Source and maximum number of shares

The shares underlying the Employee Stock Scheme shall be ordinary share issued by the Company, which are listed on the Shanghai Stock Exchange (the "**A Shares**") repurchased by the Company from the open market and transferred to the Employee Stock Scheme. Each award granted represents the entitlement to the corresponding portion of A Shares underlying the Employee Stock Scheme (the "**Awards**"). These Awards are subject to a lock-up period and will only be unlocked upon fulfilling the unlocking conditions stipulated. The maximum number of shares in respect of the Awards that can be granted under each of the Employee Stock Scheme is as follows:

Employee Stock Scheme	**Maximum number of shares granted under the Employee Stock Scheme**	**Number of Participants**
Employee Stock Scheme	540,000	No more than 63

(v) Date of grant and term of schemes

The term of each Employee Stock Scheme shall be 72 months commencing from the date of the public announcement regarding the transfer of the last tranche of relevant A Shares into the stock account under the relevant Employee Stock Scheme (the "**Commencement Date**"). Should the Employee Stock Scheme not be extended upon its expiration, it will automatically terminate. On December 19, 2024, the Company made announcements that all A shares relevant to the Employee Stock Scheme has been transferred to the stock account for the Employee Stock Scheme.

Each of the Employee Stock Scheme will be automatically terminated if not extended upon the expiration of the 72 months. Either Employee Stock Scheme can be early terminated or extended before the expiration of its valid term subject to 2/3 approvals (inclusive) by the Participants attending the Participants' meeting and the approval by the board of directors of the Company. The Employee Stock Scheme shall also be early cancelled if all of the A shares under either Employee Stock Scheme have been unlocked, sold and distributed.

(vi) Performance targets and lock-up

Subject to the comprehensive performance evaluation by the remuneration committee under the board of directors of the Company regarding the fulfillment and the performance of each Participant, covering the evaluation period from 2024 to 2026 under the Employee Stock Scheme, the Awards held by the Participants shall be unlocked in three installments in the proportion of 40%, 30% and 30%, commencing from 12 months, 24 months and 36 months respectively after the Commencement Date under the corresponding Employee Stock Scheme. The unlocked Awards shall be distributed in combination of the following manners:

(a) sold by the management committee as authorized by the meetings of the Participants, with the proceeds to be distributed to the relevant Participants proportionately;

(b) Arrange non-transaction transfer of the relevant portion of the A shares underlying the unlocked granted Awards to the individual stock account of a Participant; or

(c) a combination of the above (a) and (b).

The shares derived from the underlying A Shares obtained under the Employee Stock Scheme as a result of events such as the distribution of share dividends and capitalization of capital reserve by the Company shall also be subject to the above lock-up arrangement.

(vii) Grant price

The participant shall pay the grant price at RMB72 per share under the Employee Stock Scheme.

(viii) Dividend and participant's rights

Under this Employee Stock Scheme, Participants shall be entitled to the beneficial interest in the shares in proportion to their actual contribution, including but not limited to the right to dividends, right to share allocation, right to capital conversion, etc. The restricted shares shall not be transferred, pledged, mortgaged, used for debts repayment or any other similar disposals unless otherwise permitted by applicable laws and regulations or approved by the management committee.

Purchase of shares

During the year ended December 31, 2024 and the nine months ended September 30, 2025, the Company has not purchased share of the Company. During the year ended December 31, 2023, the Company has purchased 1,911,151 shares of the Company, with an aggregate amount of approximately RMB220,031,000.

34. COMMITMENTS

The Group had the following capital commitments at the end of each of the reporting period:

	As at December 31,		**As at September 30,**
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*
Property, plant and equipment	497,801	411,852	506,207

35. RETIREMENT BENEFITS SCHEME

Chinese mainland

Employees of the Company and its subsidiaries in the PRC are covered by the retirement and pension schemes defined by local practice and regulations. The Company and subsidiaries are required to contribute a specific percentage of their payroll costs to the retirement and pension schemes. The calculation of contributions for PRC eligible staff is based on certain percentage of the applicable payroll costs. The only obligation of the Group in respect of the retirement benefits scheme is to make the specified contribution.

Outside Chinese mainland

The Group contributes on a monthly basis to various defined contribution plans organized by the relevant government authorities in various areas other than Chinese mainland. The Group's liability in respected of these plans is limited to the contributions payable at the end of each of the reporting period. Contributions to these plans are expensed as incurred.

36. PLEDGE OF ASSETS

The following assets have been pledge to various banks for securing of the Group's issuance of bank acceptance bills, letter of credit and letter of guarantee at the end of each of the reporting period were summarised below:

	As at December 31,		As at September 30,
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000* *(unaudited)*
Bills receivables	329,567	319,670	439,194
Restricted bank deposits	89,825	98,500	50,280
	419,392	418,170	489,474

37. MATERIAL RELATED PARTY TRANSACTIONS

The Group

Transactions with related parties

During the reporting period, save as disclosed elsewhere in the Historical Financial Information, the Group had the following material related party transactions:

	Year ended December 31,		Nine months ended September 30,	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000* *(unaudited)*
Rental income from Changzhou Xingyu Investment Management Co., Ltd.* (常州星宇投資管理有限公司)	9	9	7	7
Rental income from a company controlled by Ms. Zhou	9	9	7	7
Purchase of goods from a company significantly influenced by Ms. Zhou	124	141	141	17

* *The official name of these entities in Chinese. The English is for identification purpose only.*

Compensation of key management personnel of the Group

	Year ended December 31,		Nine months ended September 30,	
	2023	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000* *(unaudited)*
Directors' fees	540	540	405	405
Salaries, allowances and benefits in kind	6,277	6,327	4,666	5,262
Bonuses	975	1,306	957	1,120
Pension scheme contributions and social welfare	212	216	167	241
Share-based payment	–	204	–	1,949
	8,004	8,593	6,195	8,977

Further details of directors' and supervisors' emoluments are included in Note 13 to the Historical Financial Information.

The Company

Guarantee

For the business development needs of Xingyu Serbia, Xingyu Serbia has entered into the "Transfer Agreement for Construction Land of Public Property in the Republic of Serbia" with the Government of Niš, Serbia. The Government of Niš intends to transfer the immovable property (with cadastral parcel numbers 16156/7, 16156/11, 16153/70, 16154/63, and 16154/66, totaling 6,024.00 square meters) in Serbia to Xingyu Serbia. The Company provides a guarantee for Xingyu Serbia, with a guarantee period until December 31, 2030, and a guarantee amount of approximately Euro ("**EUR**") 303,000.

38. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance. The Group's overall strategy remains unchanged throughout the reporting period.

The capital structure of the Group consists of cash and cash equivalents and equity attributable to equity holders of the Company, comprising issued share capital, share premium, retained earnings and other reserves.

The management of the Group reviews the capital structure regularly. As part of this review, the management of the Group considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the management of the Group, the Group will balance its overall capital structure through the payment of dividends.

39. FINANCIAL INSTRUMENTS

Categories of financial instruments

	FVTOCI	FVTPL	Amortized cost	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2023				
Financial assets				
Trade and bills receivables	–	–	4,398,136	4,398,136
Deposits and other receivables	–	–	3,564	3,564
Financial assets at FVTOCI	335,844	–	–	335,844
Financial assets at FVTPL	–	1,156,956	–	1,156,956
Cash and cash equivalents and restricted bank deposits	–	–	2,104,662	2,104,662
	335,844	1,156,956	6,506,362	7,999,162
Financial liabilities				
Trade and bills payables	–	–	3,939,537	3,939,537
Accruals and other payables	–	–	830,381	830,381
Lease liabilities	–	–	37,322	37,322
	–	–	4,807,240	4,807,240

	FVTOCI	FVTPL	Amortized cost	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2024				
Financial assets				
Trade and bills receivables	–	–	6,108,933	6,108,933
Deposits and other receivables	–	–	2,176	2,176
Financial assets at FVTOCI	353,556	–	–	353,556
Financial assets at FVTPL	–	1,122,399	–	1,122,399
Cash and cash equivalents and restricted bank deposits	–	–	2,023,579	2,023,579
	353,556	1,122,399	8,134,688	9,610,643
Financial liabilities				
Trade and bills payables	–	–	5,139,349	5,139,349
Accruals and other payables	–	–	818,148	818,148
Lease liabilities	–	–	27,639	27,639
	–	–	5,985,136	5,985,136

	FVTOCI	FVTPL	Amortized cost	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at September 30, 2025 (unaudited)				
Financial assets				
Trade and bills receivables	–	–	6,249,989	6,249,989
Deposits and other receivables	–	–	4,968	4,968
Financial assets at FVTOCI	543,301	–	–	543,301
Financial assets at FVTPL	–	1,452,438	–	1,452,438
Cash and cash equivalents and restricted bank deposits	–	–	2,412,038	2,412,038
	543,301	1,452,438	8,666,995	10,662,734
Financial liabilities				
Trade and bills payables	–	–	5,586,623	5,586,623
Accruals and other payables	–	–	805,250	805,250
Lease liabilities	–	–	14,976	14,976
	–	–	6,406,849	6,406,849

Financial risk management objectives and policies

The Group's major financial instruments include trade and bills receivables, deposits and other receivables, financial assets at FVTOCI, financial assets at FVTPL, cash and cash equivalents and restricted bank deposits, trade and bills payables, accruals and other payables and lease liabilities. Details of the financial instruments are disclosed in respective notes.

The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

Market risk

Currency risk

The Group is mainly exposed to foreign exchange risk arising from future commercial transactions, and from recognized assets and liabilities. The functional currency of the Company and its major subsidiaries in the PRC is RMB in which most of the transactions are denominated. The functional currencies of subsidiary operating in the Serbia is RSD in which most of their transactions are denominated. The Group is mainly exposed to foreign exchange risk in respect of exchange fluctuations of RMB against RSD. The Group does not have foreign currency hedging policy in respect of foreign currency assets and liabilities during the reporting period. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

The Group did not have any significant financial assets or financial liabilities that are denominated in a currency other than their functional currency during the reporting period. Therefore, the management does not expect that there will be any significant currency risk.

No sensitivity analysis on currency risk is presented as management consider the sensitivity on currency risk is insignificant.

Interest rate risk

The Group is exposed to fair value interest rate risk in relation to lease liabilities. The Group is also exposed to cash flow interest rate risk in relation to variable-rate financial assets at FVTPL and bank balance. The Group manages its interest rate exposures by assessing the potential impact arising from any interest rate movements based on interest rate level and outlook.

No sensitivity analysis on interest rate risk on financial assets at FVTPL and bank balance is presented as management consider the sensitivity on interest rate risk on financial assets at FVTPL and bank balance is insignificant.

Other price risk

The Group is exposed to equity price risk through its investments in equity securities measured at FVTOCI. For equity securities measured at FVTOCI quoted in the Stock Exchange, the management of the Group manages this exposure by maintaining a portfolio of investments with different risks. In addition, the Group also invested in certain unquoted equity securities for investees operating in relevant industry sector for long term strategic purposes which had been designated as FVTOCI. The Group has appointed a special team to monitor the price risk and will consider hedging the risk exposure should the need arise. The directors manage this risk exposure by maintaining a portfolio of investments with different risk and return profiles and will consider hedging the risk exposure should the need arise if necessary.

As at December 31, 2023 and 2024 and September 30, 2025, if equity prices had increased/decreased by 10% and all other variables were held constant, post-tax other comprehensive income for the year/period would increase/decrease by approximately RMB28,433,000, RMB29,934,000 and RMB38,807,000 (unaudited) respectively and the equity other than investment revaluation reserve would remain unchanged.

The sensitivity analysis has been determined by assuming that the price change had occurred at the reporting date and has been applied to the Group's investments at that date. In the management's opinion, the sensitivity analysis is unrepresentative of the inherent price risk as the exposure at the end of the reporting period does not reflect the exposure during the year.

Credit risk and impairment assessment

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk exposures are primarily attributable to trade and bills receivables, deposits and other receivables, cash and cash equivalents and restricted bank deposits. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

The Group performed impairment assessment for financial assets and other items under ECL model. Information about the Group's credit risk management, maximum credit risk exposures and the related impairment assessment, if applicable, are summarized as below:

Trade and bills receivables

In order to minimize the credit risk, the management of the Group has delegated a team responsible for determination of credit limits and credit approvals. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. In addition, the Group performs impairment assessment under ECL model upon application of IFRS 9 based on individually assessment for significant balances and on provision matrix for the remaining.

The Group's concentration of credit risk on trade receivables by geographical locations is mainly in the PRC. As at December 31, 2023 and 2024 and September 30, 2025, the Group has concentration of credit risk as 34.0%, 36.3% and 18.0% (unaudited) of the gross trade receivables was due from the Group's largest debtor respectively and 69.3%, 76.4% and 62.9% (unaudited) of the gross trade receivables was due from the Group's five largest debtors respectively. In order to minimize the credit risk, the management of the Group has delegated a team responsible for determination of credit limits and credit approvals.

Deposits and other receivables

For deposits and other receivables, the management makes periodic individual assessment on the recoverability of deposits and other receivables based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The management believes that there are no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12-month ECL. For the reporting period, the Group assessed the ECL for deposits and other receivables in accordance with the note below.

Cash and cash equivalents and restricted bank deposits

Credit risk on cash and cash equivalents and restricted bank deposits is limited because the counterparties are reputable banks with high credit ratings assigned by credit agencies. The Group assessed 12-month ECL for cash and cash equivalents and restricted bank deposits by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external credit rating agencies. Based on the average loss rates, the 12-month ECL on cash and cash equivalents and restricted bank deposits is considered to be insignificant and therefore no loss allowance was recognized.

The tables below detail the credit risk exposures of the Group's financial assets, which are subject to ECL assessment:

	Notes	**12-month or lifetime ECL**	**As at December 31, 2023**	**As at December 31, 2024**	**As at September 30, 2025**
			RMB'000	*RMB'000*	*RMB'000* *(unaudited)*
Trade and bills receivables . .	*20*	Lifetime ECL (provision matrix)	4,580,384	6,347,055	6,451,458
Deposits and other receivables	*21 & note*	12-month ECL	2,046	1,333	4,713
		Lifetime ECL	3,398	3,357	3,557
Cash and cash equivalents . . .	*24*	12-month ECL	2,014,837	1,925,079	2,361,758
Restricted bank deposits	*24*	12-month ECL	89,825	98,500	50,280

Note:

For the purpose of internal credit risk management, the Group uses past due information to assess the credit risk of counterparties.

As at December 31, 2023

	Non-default	Default	Total
	RMB'000	*RMB'000*	*RMB'000*
Deposits and other receivables . . .	2,046	3,398	5,444

As at December 31, 2024

	Non-default	Default	Total
	RMB'000	*RMB'000*	*RMB'000*
Deposits and other receivables . . .	1,333	3,357	4,690

As at September 30, 2025 (unaudited)

	Non-default	Default	Total
	RMB'000	*RMB'000*	*RMB'000*
Deposits and other receivables . . .	4,713	3,557	8,270

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following table details the Group's remaining contractual maturity for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

	Weighted average interest rate	On demand or within 1 year	More than 1 year but less than 5 years	Over 5 years	Total undiscounted cash flows	Total carrying amount
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2023						
Non-derivative financial liabilities						
Trade and bills payables		3,939,537	–	–	3,939,537	3,939,537
Accruals and other payables		830,381	–	–	830,381	830,381
Lease liabilities	4.02%	12,972	26,202	–	39,174	37,322
		4,782,890	26,202	–	4,809,092	4,807,240

	Weighted average interest rate	On demand or within 1 year	More than 1 year but less than 5 years	Over 5 years	Total undiscounted cash flows	Total carrying amount
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2024						
Non-derivative financial liabilities						
Trade and bills payables		5,139,349	–	–	5,139,349	5,139,349
Accruals and other payables		818,148	–	–	818,148	818,148
Lease liabilities	4.02%	16,857	11,763	–	28,620	27,639
		5,974,354	11,763	–	5,986,117	5,985,136

	Weighted average interest rate	On demand or within 1 year	More than 1 year but less than 5 years	Over 5 years	Total undiscounted cash flows	Total carrying amount
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at September 30, 2025 (unaudited)						
Non-derivative financial liabilities						
Trade and bills payables		5,586,623	–	–	5,586,623	5,586,623
Accruals and other payables		805,250	–	–	805,250	805,250
Lease liabilities	4.10%	9,840	5,552	–	15,392	14,976
		6,401,713	5,552	–	6,407,265	6,406,849

40. FAIR VALUE MEASUREMENT

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period, categorized into the three-level fair value hierarchy as defined in IFRS 13 "Fair Value Measurement". The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets and liabilities at the measurement date

- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available

- Level 3 valuations: Fair value measured using significant unobservable inputs

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group uses its own internal expertise or engages third party qualified valuers to perform the valuation. Valuation is prepared at each interim and annual reporting date, and is reviewed and approved by the management.

Fair value of financial instruments measured at fair value

The following table presents financial instruments measured at fair value on a recurring basis in the consolidated statement of financial position according to the fair value hierarchy:

	Level 1	**Level 2**	**Level 3**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2023				
Financial assets at FVTOCI				
– Unlisted equity securities *(note (ii))*	–	–	335,844	335,844
Financial assets at FVTPL *(note (iii))*	–	–	1,156,956	1,156,956
	–	–	1,492,800	1,492,800
As at December 31, 2024				
Financial assets at FVTOCI				
– Listed equity securities *(note (i))*	78,610	–	–	78,610
– Unlisted equity securities *(note (ii))*	–	–	274,946	274,946
Financial assets at FVTPL *(note (iii))*	–	–	1,122,399	1,122,399
	78,610	–	1,397,345	1,475,955

	Level 1	Level 2	Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at September 30, 2025 (unaudited)				
Financial assets at FVTOCI				
– Listed equity securities *(note (i))*	263,355	–	–	263,355
– Unlisted equity securities *(note (ii))*	–	–	279,946	279,946
Financial assets at FVTPL *(note (iii))*	–	–	1,452,438	1,452,438
	263,355	–	1,732,384	1,995,739

There was transfer of Level 3 to Level 1 of approximately RMB83,579,000 during the year ended December 31, 2024. The transfer is attributable to successful of initial public offering of certain equity securities during the year. Except for the above, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 during the reporting period. The Group's policy is to recognize transfers between levels of fair value hierarchy at the date of the event or change in circumstances that caused the transfer.

notes:

(i) The fair value of the listed equity securities has been determined by reference to their quoted transaction prices at the end of each of the reporting period.

(ii) The fair value of the unlisted equity securities of approximately RMB235,844,000, RMB174,946,000 and RMB174,946,000 (unaudited) as at December 31, 2023 and 2024 and September 30, 2025 has been determined with reference to the recent transaction price, such as recent fund-raising transactions undertaken by the investees.

The fair value of the unlisted equity securities of approximately RMB100,000,000, RMB100,000,000 and RMB100,000,000 (unaudited) as at December 31, 2023 and 2024 and September 30, 2025 has been determined based on market approach.

(iii) Fair value of the methodology of structured deposits and wealth management products has been determined by discounted cash flow method using the expected return based on unobservable market inputs.

Future cash flows are estimated using the expected rate of return, which serves as the significant unobservable input ranging from 2.50%, 2.00% to 2.50% and 1.50% (unaudited) to 2.05% (unaudited) as at December 31, 2023 and 2024 and September 30, 2025 respectively. The higher the expected return rate, the higher the fair value.

(iv) The movement of the financial instruments measured at fair value based on significant unobservable inputs (i.e. Level 3) is as follows:

	Financial assets at FVTOCI – unlisted equity securities	Financial assets at FVTPL	Total
	RMB'000	*RMB'000*	*RMB'000*
As at January 1, 2023	264,055	2,623,326	2,887,381
Purchases	60,000	6,459,270	6,519,270
Fair value change	10,705	56,388	67,093
Disposal	–	(7,982,028)	(7,982,028)
Exchange alignment	1,084	–	1,084
As at December 31 , 2023 and January 1, 2024	335,844	1,156,956	1,492,800
Purchases	15,000	5,357,331	5,372,331
Fair value change	7,683	46,428	54,111
Disposal	–	(5,438,316)	(5,438,316)
Transfer to Level 1	(83,581)	–	(83,581)
As at December 31 , 2024 and January 1, 2025	274,946	1,122,399	1,397,345
Purchases	5,000	4,654,141	4,659,141
Fair value change	–	32,677	32,677
Disposal	–	(4,356,779)	(4,356,779)
As at September 30, 2025 (unaudited)	279,946	1,452,438	1,732,384

41. MAJOR NON-CASH TRANSACTIONS

Save as disclosed elsewhere in the consolidated financial statements, the Group entered into the following major non-cash transactions during the reporting period:

For the year ended December 31, 2023

During the year ended 31 December, 2023, the Group entered into new lease agreements for the use of leased properties. On the lease commencement, the Group recognized approximately RMB50,552,000 of right-of-use asset and approximately RMB50,552,000 of lease liability for the year ended December 31, 2023.

For the year ended December 31, 2024

During the year ended 31 December, 2024, the Group entered into new lease agreements for the use of leased properties. On the lease commencement, the Group recognized approximately RMB2,538,000 of right-of-use asset and approximately RMB2,538,000 of lease liability for the year ended December 31, 2024.

42. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be classified in the consolidated statement of cash flows as cash flows from financing activities.

	Lease liabilities
	RMB'000
As at January 1, 2023	3,578
Changes from financing cash flows	
– Repayments of lease liabilities	(17,905)
Non-cash changes	
– Increase in lease liabilities from entering into new leases during the year	50,552
– Interest on lease liabilities *(Note 10)*	1,097
	51,649
As at December 31, 2023 and January 1, 2024	37,322
Changes from financing cash flows	
– Repayments of lease liabilities	(13,282)
Non-cash changes	
– Increase in lease liabilities from entering into new leases during the year	2,538
– Interest on lease liabilities *(Note 10)*	1,061
	3,599
As at December 31, 2024 and January 1, 2025	27,639
Changes from financing cash flows	
– Repayments of lease liabilities	(13,129)
Non-cash changes	
– Interest on lease liabilities *(Note 10)*	466
As at September 30, 2025 (unaudited)	14,976

43. PARTICULAR OF PRINCIPAL SUBSIDIARIES

The Group

Name of subsidiary	Place of incorporation/ Establishment	Issued and fully paid share capital	As at December 31, 2023	As at December 31, 2024	As at September 30, 2025	Principal activities	note
Directly hold							
Changzhou Xinghang Import and Export Trading Co., Ltd.* (常州星航進出口貿易有限公司)	PRC	RMB1,000,000	100%	100%	100%	Import and export of goods	*iii*
Jilin Xingyu Automotive Lighting Systems Co., Ltd* (吉林省星宇車燈有限公司)	PRC	RMB185,000,000	100%	100%	100%	Manufacturing and sales of automotive lighting products	*iii*
Shanghai Xingyu Zhixing Technology Co., Ltd* (上海星宇智行技術有限公司)	PRC	RMB20,000,000	100%	100%	100%	Research and development	*iii*
Xingyu Automotive Japan Co., Ltd^ (星宇車燈日本株式會社)	Japan	Japanese Yen 91,020,000	100%	100%	100%	Research and development	*iii*
Xingyu Automotive Lighting Systems d.o.o. Niš	Serbia	RSD4,210,368,871.30	100%	100%	100%	Manufacturing and sales of automotive lighting products	*i*
Xingyu Automotive Lighting Systems Europe GmbH	Federal Republic of Germany	EUR100,000	100%	100%	100%	Research and development and sales of automotive lighting products	*iii*
Xingyu Automotive Lighting (Hong Kong) Co., Ltd	Hong Kong	Hong Kong dollars 62,800,000	100%	100%	100%	Investment	*iii*
Xingyu Foshan Automotive Lighting Co., Ltd.* (佛山星宇車燈有限公司)	PRC	RMB195,000,000	100%	100%	100%	Research and development, manufacturing and sales of automotive lighting products	*ii*

* *The official name of these entities in Chinese. The English is for identification purpose only.*

^ *The official name of these entities in Japanese. The English is for identification purpose only.*

notes:

(i) The statutory financial statements of this subsidiary for the years ended December 31, 2023 and 2024 was audited by Premium Audit d.o.o and FinExpertiza d.o.o. Belgrade respectively.

(ii) The statutory financial statements of this subsidiary for the years ended December 31, 2023 and 2024 was audited by Talent Certified Public Accountants* (天衡會計師事務所(特殊普通合夥)).

(iii) No audited financial statements were prepared for these entities during the reporting period.

The Company

	As at December 31,		As at September 30,
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000* *(unaudited)*
Interests in subsidiaries	294,448	314,400	464,469
Amounts due from subsidiaries, included in trade and bills receivables and prepayments, deposits and other receivables	66,412	55,353	53,693
Amounts due to subsidiaries, included in trade and bills payables and accruals and other payables	10,588	29,476	33,096

44. RESERVES

(a) Nature and purpose of reserves

Capital reserve

The capital reserve of the Group represents the differences between the net considerations received and the nominal amount of share capital issued by the Company.

Shares held for share award scheme

The shares held for share award scheme represent the cost of the Company's own shares purchased from the market under the share award scheme, which are deducted from shareholders' equity until vested and transferred to employees.

Contribution reserve

The contribution reserve represents the consideration paid by the employees to the Company for enrolling in the share award scheme.

Share-based payment reserve

The share-based payment reserve is for recognizing the grant date fair value of share issued to employees of the Group under the share-based incentive scheme which are not yet vested or exercised in accordance with the accounting policy adopted for equity-settled share-based payments.

Investment revaluation reserve

The investment revaluation reserve comprises all cumulative fair value changes arising from equity instruments measured at FVTOCI, which are recognized in other comprehensive income and transferred directly to retained earnings on disposal without recycling to profit or loss.

Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial information of operations with functional currency other than RMB.

Statutory reserve

Pursuant to the Articles of Association of the Group's PRC companies and relevant statutory regulations, appropriations to the statutory reserve fund were made at 10% of profit after tax determined in accordance with accounting rules and regulations of the PRC until the reserve balance reaches 50% of the registered capital. This reserve fund can be utilized in setting off accumulated losses or increasing capital of the PRC companies provided that the balance after such conversion is not less than 25% of their registered capital, and is non-distributable other than in liquidation.

(b) Movements in components of equity

Year ended December 31, 2023

	Attributable to equity holders of the Company								
	Share capital	Capital reserve	Shares held for share award scheme	Contribution reserve	Share-based payment reserve	Investment revaluation reserve	Statutory reserve	Retained earnings	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2023	285,679	4,176,293	–	–	–	14,655	179,346	3,175,045	7,831,018
Profit for the year	–	–	–	–	–	–	–	1,021,720	1,021,720
Other comprehensive income for the year									
– Change in fair value of investments in equity instruments at FVTOCI	–	–	–	–	–	9,099	–	–	9,099
Total comprehensive income for the year	–	–	–	–	–	9,099	–	1,021,720	1,030,819
Purchase of shares	–	–	(220,031)	–	–	–	–	–	(220,031)
Dividend declared	–	–	–	–	–	–	–	(312,437)	(312,437)
As at December 31, 2023	285,679	4,176,293	(220,031)	–	–	23,754	179,346	3,884,328	8,329,369

Year ended December 31, 2024

	Attributable to equity holders of the Company								
	Share capital	Capital reserve	Shares held for share award scheme	Contribution reserve	Share-based payment reserve	Investment revaluation reserve	Statutory reserve	Retained earnings	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2024	285,679	4,176,293	(220,031)	–	–	23,754	179,346	3,884,328	8,329,369
Profit for the year	–	–	–	–	–	–	–	1,381,586	1,381,586
Total comprehensive income for the year	–	–	–	–	–	–	–	1,381,586	1,381,586
Grant of shares under share award scheme	–	–	–	38,880	–	–	–	–	38,880
Share-based payment	–	–	–	–	1,626	–	–	–	1,626
Tax impact of share-based payment	–	–	–	–	2	–	–	–	2
Dividend declared	–	–	–	–	–	–	–	(397,276)	(397,276)
As at December 31, 2024	285,679	4,176,293	(220,031)	38,880	1,628	23,754	179,346	4,868,638	9,354,187

Nine months ended September 30, 2024 (unaudited)

	Attributable to equity holders of the Company								
	Share capital	Capital reserve	Shares held for share award scheme	Contribution Reserve	Share-based payment reserve	Investment revaluation reserve	Statutory reserve	Retained earnings	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2024	285,679	4,176,293	(220,031)	–	–	23,754	179,346	3,884,328	8,329,369
Profit for the period	–	–	–	–	–	–	–	916,034	916,034
Total comprehensive income for the period	–	–	–	–	–	–	–	916,034	916,034
Dividend declared	–	–	–	–	–	–	–	(397,276)	(397,276)
As at September 30, 2024 (unaudited)	285,679	4,176,293	(220,031)	–	–	23,754	179,346	4,403,086	8,848,127

Nine months ended September 30, 2025 (unaudited)

	Attributable to equity holders of the Company								
	Share capital	Capital reserve	Shares held for share award scheme	Contribution reserve	Share-based payment reserve	Investment revaluation reserve	Statutory reserve	Retained earnings	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2025	285,679	4,176,293	(220,031)	38,880	1,628	23,754	179,346	4,868,638	9,354,187
Profit for the period	–	–	–	–	–	–	–	1,232,429	1,232,429
Total comprehensive income for the period	–	–	–	–	–	–	–	1,232,429	1,232,429
Share-based payment	–	–	–	–	15,468	–	–	–	15,468
Dividend declared	–	–	–	–	–	–	–	(426,462)	(426,462)
As at September 30, 2025 (unaudited)	285,679	4,176,293	(220,031)	38,880	17,096	23,754	179,346	5,674,605	10,175,622

45. EVENT AFTER REPORTING PERIOD

Save as disclosed elsewhere the Company has no other significant event after the reporting period that needs to be disclosed.

46. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any of the companies comprising the Group in respect of any period subsequent to December 31, 2024.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

This appendix sets out a summary of the principal terms of the Company's Articles of Association that will be applicable after this [**REDACTED**] and [**REDACTED**]. The primary purpose of this appendix is to provide prospective [**REDACTED**] with an overview of the Company's Articles of Association, and therefore it may not contain all information that is important to prospective [**REDACTED**].

ISSUE OF SHARES

The company shall issue Shares under the principles of openness, fairness and equality. Each Share of the same class shall have equal rights. Shares of the same class issued at the same time shall be issued on the same terms and at the same price per Share; the same price shall be paid for each Share subscribed for by subscribers.

INCREASE, REDUCTION, REPURCHASE AND TRANSFER OF SHARES

Increase and Reduction of Shares

The company may increase its capital in the following ways based on the needs of its operation and development, and in accordance with the provisions of laws and regulations, and upon the separate resolution of the shareholders' meeting:

(1) Issuing shares to non-specific objects;

(2) Issuing shares to specific objects;

(3) Issuing bonus shares to shareholders;

(4) Increasing share capital with the reserved funds;

(5) Other ways regulated by laws and administrative regulations and the securities regulatory authorities of the place where the Company's shares are listed.

The Company may reduce its registered capital. The Company shall reduce its registered capital in accordance with the procedures set out in the Company Law and other relevant regulations as well as the Articles of Association.

Repurchase of Shares

The Company shall not acquire its own shares, except in any of the following circumstances:

(1) to reduce the registered capital of the company;

(2) to merger with other companies holding the Company's shares;

(3) to use the shares for employee stock ownership plan or equity incentives plan;

(4) request by any shareholders of the company to acquire their shares due to their objection to the shareholders' meeting resolution on the merger or division of the company;

(5) to use the shares for the conversion of corporate bonds issued by the company that are convertible into shares;

(6) necessary for the company to safeguard the value of the company and shareholders' rights and interests.

The Company may acquire its own shares by means of public centralized trading or other means that are approved by laws, administrative regulations and securities regulatory authorities of the place where the Company's shares are listed. If the Company acquires its own shares under the circumstances set out in items (3), (5) and (6) of the preceding paragraph, it shall be conducted by means of public centralized trading.

If the Company acquires its own shares for the reasons specified in items (1) and (2) of the preceding paragraph, resolutions related thereto shall be adopted at the shareholders' meeting. If the Company acquires its own shares under the circumstances set out in items (3), (5) and (6) of the preceding paragraph, resolutions related thereto shall be adopted at Board meeting with more than two-thirds of the directors attending subject to applicable securities regulatory rules of the place where the Company's shares are listed. After the acquisition of the Company's shares, the Company shall fulfill its information disclosure obligations in accordance with the Securities Law and the rules of the securities regulatory authorities of the place where the Company's shares are listed and the Stock Exchange. After the Company acquires its own shares in accordance with above provisions, if it falls under item (1), the shares shall be canceled within 10 days from the date of acquisition; if it falls under items (2), (4), the shares shall be transferred or canceled within 6 months. If the Company acquires its own shares in accordance with the provisions of items (3), (5), and (6) above, the total number of shares held by the Company shall not exceed 10% of the total issued shares of the Company, and the shares shall be transferred or canceled within 3 years.

Transfer of Shares

No transfer of the shares of the Company issued before its public offering of A shares shall be made within 1 year from the date on which the shares of the Company are listed and traded on the Shanghai Stock Exchange.

The directors, general managers and senior management members of the Company shall report to the Company their shareholdings and the changes thereof, and shall not transfer in a given year during their terms of office determined upon appointment more than 25% of the total number of shares of the Company held by them; the shares of the Company held by them shall not be transferred within 1 year from the date on which the shares of the Company are listed and traded. The aforesaid persons shall not transfer the shares of the Company held by them within six months from the date of their resignations.

If the securities regulatory rules of the place where the Company's shares are listed impose additional restrictions on the transfer of the Company's shares, shall also comply with such provisions.

Directors, senior management members, and shareholders holding 5% or more of the Company's shares of the company, sells the Company's shares or other securities of an equity nature held within 6 months after purchase, or repurchase them within 6 months after sale, the proceeds thus earned shall belong to the Company, and the Board of the Company shall recover the proceeds, except for the securities companies holding more than 5% of the shares as a result of underwriting the purchase of the remaining shares after the sale and other circumstances specified by CSRC. Where the securities regulatory rules of the place where the Company's shares are listed provide otherwise, such rules shall prevail.

The shares or other securities of an equity nature held by directors, senior management members and natural person shareholders referred to in the preceding paragraph include the shares or other securities of an equity nature held by their spouses, parents and children, as well as shares or other securities of an equity nature held through the account of others.

If the Board of the Company does not abide by the provisions of paragraph 1 of this Article, shareholders shall have the right to request the Board to do so within 30 days. If the Board of the Company fails to do so within the said period, shareholders shall have the right to file a lawsuit directly with the people's court in their own name for the benefit of the Company.

If the Board of the Company does not abide by the provisions of paragraph 1 of this Article, the responsible directors shall be jointly liable according to law.

SHAREHOLDERS AND SHAREHOLDERS' MEETING

Shareholders

The Company makes a register of shareholders in accordance with evidentiary documents provided by the securities registration authorities. The register of shareholders is sufficient evidence to prove that the shareholders hold the Company's shares. Shareholders shall enjoy rights and assume obligations according to the class of shares they hold. Shareholders holding shares of the same class shall enjoy the same rights and assume the same obligations.

Shareholders of the Company shall enjoy the following rights:

(1) to receive distribution of dividends and other forms of benefits according to the proportion of shares held;

(2) to request to hold, convene, preside over, participate in or authorize proxies to attend the shareholders' meeting and exercise corresponding voting rights;

(3) to supervise the operations of our Company, provide suggestions or submit queries;

(4) to transfer, grant and pledge the Company's shares held in accordance with the laws, administrative regulations and the Articles of Association;

(5) to inspect and copy the Articles of Association, the register of shareholders, shareholders' meeting minutes, resolutions of Board meetings and financial and accounting reports, and eligible shareholders may inspect the company's accounting books and accounting vouchers;

(6) to participate in the distribution of the remaining assets of the Company according to the proportion of shares held upon our termination or liquidation;

(7) to acquire the shares of shareholders who have voted against the resolutions on the merger or division of the Company at a shareholders' meeting upon their request;

(8) other rights stipulate by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

Shareholders requesting to inspect or copy the Company's relevant materials shall comply with the provisions of laws and administrative regulations such as the Company Law and the Securities Law.

The shareholders of the Company shall assume the following obligations:

(1) to comply with the laws, administrative regulations and the Articles of Association;

(2) to pay capital contribution as per the shares subscribed for and the method of subscription;

(3) not to withdraw shares unless in the circumstances stipulated by laws and regulations;

(4) not to abuse shareholder's rights to harm the interests of the Company or other shareholders; not to abuse the Company's position as a independent legal entity or shareholder's limited liability to harm the interests of the creditors of the Company;

(5) to fulfill other obligations stipulated by the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

If any shareholder of the Company abuses his/her shareholder's right, thereby causing any loss to the Company or other shareholders, the said shareholder shall be liable for compensation according to the laws. If any shareholder of the Company abuses the Company's position as an independent legal entity or shareholder's limited liability for the purpose of evading repayment of debts, thereby severely damaging the interests of the creditors of the Company, the shareholder shall bear joint liabilities for the Company's debts.

General Rules for the Shareholders' Meeting

The shareholders' meeting of the Company shall be composed of all shareholders. The shareholders' meeting shall be the authority of the Company and shall exercise the following functions and powers:

(1) to elect and replace the directors who are not employee representatives, and decide on matters relating to the remuneration of the directors;

(2) to consider and approve reports of the Board;

(3) to consider and approve the Company's profit distribution plans and plans for making up losses;

(4) to resolve on increase or reduction in the Company's registered capital;

(5) to resolve on the issuance of corporate bonds;

(6) to resolve on merger, division, dissolution, liquidation or change of corporate form of the Company;

(7) to amend the Articles of Association;

(8) to resolve on the Company's appointment or removal of the accounting firm responsible for the Company's audit business, and determine its remuneration;

(9) to consider and approve the guarantees of the Articles of Association;

(10) to consider the Company's purchase or disposal of material assets within one year which reach over 30% of the latest audited total assets of the Company;

(11) to consider and approve matters relating to changes in the use of proceeds raised;

(12) to consider equity incentive plan and employee stock ownership plans;

(13) to resolve on the establishment by the Board of Directors of specialized committees such as the Strategy and ESG Committee, the Audit Committee, the Nomination Committee, and the Remuneration and Evaluation Committee;

(14) to decide on matters concerning the Company's acquisition of its own shares under specific circumstances stipulated in the Company's Articles of Association.

(15) to consider other matters as required by the laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association which shall be decided by the shareholders' meeting.

The shareholders' meeting may authorize the Board of Directors to resolve on the issuance of corporate bonds.

Unless otherwise provided by laws, administrative regulations, the securities regulatory authorities of the place where the Company's shares are listed, or the rules of the stock exchange, the aforementioned functions and powers of the shareholders' meeting may not be conferred to the Board of Directors or other institutions or individuals through authorization.

Shareholders' meetings are classified as annual shareholders' meetings and extraordinary shareholders' meetings. Annual shareholders' meetings shall be convened once a year and be held within six months after the end of the previous accounting year.

In the event of any of the following circumstances, the company shall convene an extraordinary general meeting within two months from the date of occurrence of the fact:

(1) the number of directors is less than the minimum number required by the Company Law or is less than two-thirds of the number prescribed in the Articles of Association;

(2) the uncovered losses of the Company amount to one-third of its total paid-in share capital;

(3) upon the written request of shareholder(s) individually or collectively holding more than 10% of the Company's shares;

(4) it is deemed necessary by the Board;

(5) it is proposed to be convened by the audit committee;

(6) such other circumstances as provided by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

Convening of Shareholders' Meeting

With the consent of more than half of all independent directors, independent directors have the right to propose to the Board to convene an extraordinary shareholders' meeting. Regarding the proposal of independent directors to convene an extraordinary shareholders' meeting, the Board shall, in accordance with laws and administrative regulations, Securities regulatory rules of the place where the company's shares are listed and the provisions of the company's Articles of Association, and provide written feedback on whether or not to agree to convene an extraordinary shareholders' meeting within 10 days after receiving the proposal. If the Board agrees to convene an extraordinary shareholders' meeting, it shall issue a notice of convening the shareholders' meeting within 5 days after the resolution of the Board is made.

The Audit Committee has the right to propose to the Board the convening of an extraordinary shareholders' meeting, and shall submit the proposal to the Board in writing. The Board shall, in accordance with laws, administrative regulations, securities regulatory rules of the place where the company's shares are listed and the company's Articles of Association, provide written feedback on whether it agrees or disagrees with the convening of an extraordinary shareholders' meeting within 10 days after receiving the proposal. If the Board agrees to convene an extraordinary shareholders' meeting, it shall issue a notice of convening the shareholders' meeting within 5 days after the resolution of the Board is made, and any changes to the original proposal in the notice shall be approved by the Audit Committee. If the Board does not agree to convene an extraordinary shareholders' meeting, or fails to give feedback within 10 days after receiving the proposal, it shall be deemed that the Board is unable to perform or fails to perform its duties of convening the shareholders' meeting, and the Audit Committee may convene and preside over the meeting by itself.

Shareholders individually or jointly holding more than 10% of the Company's shares shall have the right to request the Board to convene an extraordinary shareholders' meeting, and shall submit a proposal to the Board in writing. The Board shall, in accordance with laws, administrative regulations, securities regulatory rules of the place where the company's shares are listed and the company's Articles of Association, provide written feedback on whether it agrees or disagrees with the convening of an extraordinary shareholders' meeting within 10 days after receiving the request. If the Board agrees to convene an extraordinary shareholders' meeting, it shall issue a notice of convening the shareholders' meeting within 5 days after the resolution of the Board is made, and the consent of the relevant shareholders shall be obtained for any changes to the original request in the notice.

If the Board does not agree to convene the extraordinary shareholders' meeting, or fails to give feedback within 10 days after receiving the request, shareholders individually or jointly holding more than 10% of the shares of the Company have the right to propose to the Audit Committee the convening of the extraordinary shareholders' meeting, and shall submit a request to the Audit Committee in writing.

If the Audit Committee agrees to convene an extraordinary shareholders' meeting, it shall issue a notice of convening the shareholders' meeting within 5 days after receiving the request. Changes to the original request in the notice shall obtain the consent of the relevant shareholders.

If the Audit Committee fails to issue the notice of the shareholders' meeting within the prescribed time limit, it shall be deemed that the Audit Committee has not convened and presided over the shareholders' meeting. Shareholders who individually or collectively hold more than 10% of the company's shares for more than 90 consecutive days may convene and preside over the meeting themselves.

Proposals and Notices of Shareholders' Meeting

When the company convenes a shareholders' meeting, the Board, the Audit Committee and shareholders individually or jointly holding more than 1% of the company's shares have the right to put proposals to the company.

Shareholders individually or collectively holding more than 1% of the company's shares may put temporary proposals and submit them in writing to the convener 10 days before the shareholders' meeting. The convener shall issue a supplementary notice of the shareholders' meeting within 2 days after receiving the proposal, announce the contents of the temporary proposal and submit the temporary proposal to the shareholders' meeting for consideration. However, this does not apply to extraordinary proposals that violate laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, or the provisions of the Company's Articles of

Association, or to extraordinary proposals that do not fall within the scope of the functions and powers of the shareholders' meeting.

Save as specified in the preceding paragraph, the convener shall not change the proposal set out in the notice of shareholders' meeting or add any new proposal after the said notice announcement is served.

Proposals which are not specified in the notice of the shareholders' meeting or which do not comply with the Articles of Association shall not be voted and resolved at the shareholders' meeting and become resolutions.

When the convener convenes an annual general meeting, an announcement of the meeting shall be given 21 days before the date of the meeting to notify all of the shareholders, and when the convener convenes an extraordinary general meeting, an announcement of the meeting shall be given 15 days before the date of the meeting to notify all of the shareholders. In determining the commencement date and the period, the date of the meeting convened shall be excluded.

A notice of shareholders' meeting shall include the following content:

(I) specify the time and the place and the duration of the meeting;

(II) state the matters and motions to be discussed at the meeting;

(III) contain a conspicuous statement that Shareholders are entitled to attend the shareholders' meeting and vote, and the shareholder may appoint a proxy in writing to attend the meeting and vote on his/her behalf and that a proxy need not be a shareholder of the Company;

(IV) specify the record date for determining the shareholders who are entitled to attend the shareholders' meeting;

(V) state the names and telephone numbers of the standing contact persons for the meeting;

(VI) specify the time and procedure for online voting or through other means.

After the notice of the shareholders' meeting is issued, the shareholders' meeting shall not be postponed or cancelled, and the motions set out in such notice shall not be cancelled without valid reasons. Where a meeting has to be postponed or cancelled, the convener shall publish a public announcement at least 2 working days before the original date of the meeting and state the reasons.

Holding of Shareholders' Meetings

All Shareholders recorded in the register as at the shareholding record date or their proxies shall have the right to attend the shareholders' meeting and speak at the shareholders' meeting and exercise the voting rights in accordance with the relevant provisions of laws, regulations, the securities regulatory rules of the place where the company's shares are listed and the Articles of Association.

A shareholder may attend the shareholders' meeting in person or appoint a proxy to attend and vote on his behalf. The proxy need not be a shareholder of the Company.

When a shareholders' meeting requests directors and senior management to be present at the meeting, the directors and senior management shall be present at the meeting and accept questions from shareholders. Subject to compliance with the securities regulatory rules of the place where the shares of the Company are listed, the aforementioned persons may be present at the meeting via online, video, telephone or other means of equivalent effect.

A shareholders' meeting shall be presided over by the chairman of the board of directors. If the chairman of the board of directors is unable or fails to perform his/her duties, the vice chairman shall act on behalf of the chairman to perform the chairman's duties; if both the chairman and the vice chairman are unable or fail to perform their duties, one director designated by more than half of the directors shall preside over the meeting.

If a shareholders' meeting is convened by the audit committee, the convener of the audit committee shall preside over the meeting. In the event that the convener of the audit committee is unable or fails to perform his/her duties, one audit committee member designated by more than half of the audit committee members shall preside over the meeting.

If a shareholders' meeting is convened by the shareholders themselves, the convener or his/her nominated representative shall preside over the meeting.

When a shareholders' meeting is convened, if the chairman of the meeting contravenes the rules of procedures, rendering the meeting impossible to proceed, with the consent from more than half of the shareholders with voting rights present on-site at the shareholders' meeting, one person may be nominated at the shareholders' meeting to serve as the chairman and the meeting may proceed.

The Company shall formulate the Rules of Procedure for Shareholders' Meetings, specifying in detail the procedures for summoning, convening and voting at the shareholders' meeting, including notice, registration, reviewing of proposals, voting, counting of votes, announcement of voting results, formation of meeting resolutions, minutes of meeting and their signing, public announcements as well as the principle for the authorization granted to the board of directors by the shareholders' meeting, and the authorization content shall be clear and specific. The Rules of Procedure for Shareholders' Meetings shall be appended to the Articles of Association, which shall be formulated by the board of directors and approved by the shareholders' meeting.

Voting and Resolutions of Shareholders' Meetings

Resolutions of shareholders' meetings shall be divided into ordinary resolutions and special resolutions.

To adopt an ordinary resolution, more than half of the voting rights represented by the shareholders (including shareholders' proxies) present at the shareholders' meeting must be exercised in favour of the resolution.

To adopt a special resolution, more than two-thirds of the voting rights represented by the shareholders (including shareholders' proxies) present at the shareholders' meeting must be exercised in favour of the resolution.

The following matters shall be resolved by way of an ordinary resolution of the shareholders' meeting:

(I) work reports of the Board;

(II) plans for the distribution of profits and making up of losses proposed by the Board;

(III) appointment or dismissal of the members of the Board, and their remuneration and payment methods;

(IV) matters other than those that laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association require to be passed by way of a special resolution.

The following matters shall be resolved by way of a special resolution of the shareholders' meeting:

(I) increase or reduction of the Company's registered capital;

(II) issuance of corporate bonds by the Company;

(III) division, spin-off, merger, dissolution and liquidation of the Company;

(IV) amendment of the Articles of Association;

(V) any purchase or disposal of substantial assets made or guarantee provided to others by the Company within one year, the amount of which exceeds thirty percent (30%) of the total assets as presented in the latest audited financial statements of the Company;

(VI) repurchase of the Company's own shares;

(VII) share incentive plans;

(VIII) adjustment or change of the Company's profit distribution policy;

(IX) matters as required by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association, or other matters that, as resolved by way of an ordinary resolution of the shareholders' meeting, may have a significant impact on the Company and require adoption by way of a special resolution.

Shareholders (including shareholders' proxies) shall exercise their voting rights according to the number of voting shares they represent, with each share carrying one vote. To the extent permitted by the applicable securities regulatory rules of the place where the shares are listed, a shareholder (including a shareholder's proxy) with two or more votes need not cast all of his/her/its votes for or against a resolution or abstain from voting in respect of all such votes.

Where material issues affecting the interests of small and medium investors are being considered at the shareholders' meeting, the votes by small and medium investors shall be counted separately. The results of such separate counting shall be publicly disclosed in a timely manner.

Shares in the Company held by the Company itself do not carry any voting rights and shall not be counted in the total number of voting shares represented by shareholders present at a shareholders' meeting.

If a shareholder purchases shares of the Company carrying voting rights in violation of the provisions of Paragraph 1 and Paragraph 2 of Article 63 of the Securities Law, the portion of such shares exceeding the prescribed proportion shall not be entitled to exercise voting rights for thirty-six (36) months after the purchase and shall not be counted in the total number of shares with voting rights represented at a shareholders' meeting.

In accordance with applicable laws, regulations and the Hong Kong Listing Rules, if any shareholder is required to abstain from voting on a resolution or is restricted to voting only in favour of (or against) a resolution, any votes cast by such shareholder or its representative in violation of such requirement or restriction shall not be counted in the total number of voting shares.

The Board, independent directors, shareholders holding more than one percent (1%) of the voting shares of the Company or investor protection institutions established in accordance with laws, administrative regulations or the provisions of the securities regulatory authority of the State Council may, as soliciting parties, on their own or by engaging a securities company or securities service institution, publicly request the shareholders of the listed company to authorize them to attend the shareholders' meeting on their behalf and to exercise shareholders' rights such as proposal rights and voting rights. Shareholders' voting rights shall be solicited with full disclosure of specific voting intentions and other information to the persons whose rights are being solicited. Solicitation of shareholders' voting rights for consideration or de facto consideration is prohibited. Except as required by statutory conditions, neither the Company nor the convener of a shareholders' meeting shall impose any minimum shareholding ratio threshold for soliciting voting rights.

DIRECTORS AND THE BOARD OF DIRECTORS

Directors

The directors of the Company include executive directors, non-executive directors and independent directors (i.e., independent non-executive directors). Non-executive directors refer to directors who do not hold any management position in the Company.

Directors shall be elected or changed by the shareholders' meeting and may be removed from office by the shareholders' meeting prior to the expiry of their term of office. The term of office of a director is three (3) years. Upon expiry of the term, a director may serve consecutive terms if re-elected in accordance with the securities regulatory rules of the place where the Company's shares are listed.

A director's term of service commences from the date he/she takes office and ends upon the expiry of the term of office of the current Board of Directors. If a re-election is not conducted in a timely manner upon the expiry of a director's term of office, the outgoing director shall continue to perform his/her duties as a director in accordance with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association until the re-elected director takes office.

Directors may concurrently serve as senior management personnel, provided that the aggregate number of directors concurrently serving as senior management personnel and directors who are employee representatives shall not exceed one half of the total number of directors of the Company.

Directors shall comply with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, and shall faithfully perform their obligations to the Company. Directors shall take measures to avoid conflicts between their own interests and the interests of the Company, and shall not procure any undue benefit by taking advantage of their functions and powers.

Directors shall comply with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, and shall diligently perform their obligations to the Company. In performing their duties, directors shall exercise the reasonable care normally expected of a manager in the best interests of the Company.

Independent Directors

The Company shall have independent directors. Independent directors refer to directors who do not hold any position other than that of a director in the Company and have no relationship with the listed company which appointed them or its major shareholders that may affect their independent and objective judgment; at the same time, independent directors shall also satisfy the relevant requirements for "independent non-executive directors" under the Hong Kong Listing Rules.

The Company shall have at least three (3) independent directors on its Board of Directors, and the proportion of independent directors shall not be lower than one third of the total number of Board members. At least one independent director must possess appropriate professional qualifications as required by the securities regulatory rules of the place where the Company's shares are listed, or be an accounting professional with appropriate expertise in accounting or related financial management.

Board of Directors

The Board of Directors shall be composed of nine (9) directors, including four (4) independent directors and five (5) non-independent directors. The Board of Directors shall have one (1) chairman and one (1) vice chairman.

The Board of Directors shall exercise the following functions and powers:

(I) to convene shareholders' meetings and report its work to the shareholders' meetings;

(II) to implement the resolutions of the shareholders' meetings;

(III) to determine the business plans and investment plans of the Company;

(IV) to formulate the Company's profit distribution plans and loss recovery plans;

(V) to formulate the Company's plans for increase or reduction of registered capital, issuance of bonds or other securities, and the listing thereof;

(VI) to formulate plans for material acquisitions by the Company, purchase of the Company's own shares, merger, division, dissolution or change of corporate form of the Company;

(VII) to determine, within the scope of authority granted by the shareholders' meeting, matters such as external investments, acquisition and disposal of assets, asset mortgages, external guarantees, entrusted wealth management, connected transactions, and external donations;

(VIII) to determine the establishment of the Company's internal management organs;

(IX) to elect the chairman and the vice chairman of the Board, and to decide on the appointment or dismissal of the general manager of the Company; based on the nominations of the chairman of the Board, to decide on the appointment or dismissal of the secretary to the Board and other management personnel, and to determine their remuneration, rewards and penalties; based on the nominations of the general manager, to decide on the appointment or dismissal of deputy manager(s), the financial controller and other senior management personnel of the Company, and to determine their remuneration, rewards and penalties;

(X) to establish the basic management systems of the Company;

(XI) to formulate proposals for amendments to the Articles of Association;

(XII) to manage information disclosure matters of the Company;

(XIII) to propose to the shareholders' meeting the appointment or change of the accounting firm engaged to audit the Company;

(XIV) to listen to work reports from and review the work of the general manager of the Company;

(XV) to formulate proposals for the establishment of various special committees under the Board of Directors, determine their composition, and submit such proposals to the shareholders' meeting for approval;

(XVI) to initiate the "freeze upon misappropriation" mechanism against the shares of the Company held by a controlling shareholder upon discovery by the Board that the controlling shareholder has misappropriated the Company's assets; that is, upon discovery of asset misappropriation by a controlling shareholder, the Board shall immediately demand repayment within a specified time limit, failing which it shall apply for judicial freezing of such shares; if repayment cannot be made in cash, the misappropriated assets shall be recovered by liquidating the equity;

(XVII) where a director or senior management personnel of the Company assists or connives in a controlling shareholder or its affiliated enterprises misappropriating the Company's assets, the Board shall impose sanctions on the persons directly responsible according to the seriousness of the circumstances and propose to the shareholders' meeting the dismissal of any director who bears serious responsibility;

(XVIII) to decide on matters concerning the Company's purchase of its own shares under the circumstances specified in items (III), (V) and (VI) of Article 26 of the Articles of Association;

(XIX) other functions and powers granted by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed, these Articles of Association or the shareholders' meeting.

The Board of Directors shall formulate the Rules of Procedure for the Board of Directors to ensure the implementation of resolutions of the shareholders' meetings, improve work efficiency, and guarantee scientific decision-making. The Rules of Procedure for the Board of Directors shall be appended to the Articles of Association, and shall be formulated by the Board of Directors and approved by the shareholders' meeting.

The Board of Directors shall determine the authorization limits for matters such as external investments, acquisition and disposal of assets, asset mortgages, external guarantees, entrusted wealth management, connected transactions, and external donations, and establish strict review and decision-making procedures; major investment projects shall be evaluated by relevant experts and professionals and submitted to the shareholders' meeting for approval. Subject to compliance with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, and other provisions of these Articles of Association, the authority of the Company's Board of Directors for reviewing transactions shall be made by reference to the provisions of the Hong Kong Listing Rules.

The chairman of the Board shall exercise the following functions and powers:

(I) to preside over shareholders' meetings and convene and preside over meetings of the Board of Directors;

(II) to supervise and inspect the implementation of the resolutions of the Board of Directors;

(III) to sign the Company's shares, corporate bonds, and other securities;

(IV) to sign important documents of the Board of Directors and other documents that should be signed by the legal representative of the Company;

(V) to exercise the functions and powers of the legal representative;

(VI) in the event of an emergency caused by force majeure such as a severe natural disaster, to exercise special dispository powers over the Company's affairs in a manner consistent with legal provisions and the Company's interests, and to report to the Board of Directors and the shareholders' meeting of the Company afterwards;

(VII) other functions and powers granted by the Board of Directors.

Board meetings shall be held at least four times every year, and shall be convened by the chairperson; regarding regular meetings of the Board, all the Directors shall be notified in writing 14 days before the meeting.

The chairman shall convene Extraordinary Board meetings within 10 days after receiving the proposal under any of the following circumstances:

(i) the chairperson considers it necessary;

(ii) over 1/3 of the Directors jointly file a proposal;

(iii) the Audit Committee file a proposal;

(iv) it is proposed by more than 1/10 of the shareholders with voting rights;

(v) over 1/2 of the independent Directors file a proposal;

(vi) at the request of the relevant securities regulatory authorities;

(vii) other circumstances as stipulated by the Articles of Association.

The notice on Extraordinary board meeting convened by the Board shall be delivered in writing 5 working days before the convening of the meeting to all Directors. If the situation is urgent and it is necessary to convene an Extraordinary Board meeting as soon as possible, the meeting notice may be sent by telephone or other oral means at any time, but the convener shall make an explanation at the meeting.

A meeting of the Board shall be held only if more than half of the Directors are present. Unless otherwise stipulated in the Articles of Association and its annexes, resolutions of the Board must be passed by a majority of all Directors.

The voting on the resolution of the Board of Directors shall be one person, one vote.

Special Committee of the Board

The Board of the Company shall establish an Audit Committee to exercise the functions and powers of the Supervisory Committee as stipulated in the Company Law.

The Audit Committee consists of three to five Directors, all of whom must be non-executive Directors, of whom more than half are independent Directors, and accounting professionals among the independent Directors act as convener (chairman).

In addition to the Audit Committee, the Board of the Company shall establish special committees, such as the Strategy and ESG committee, the nomination committee and the Remuneration and Evaluation Committee in accordance with the resolutions of the Shareholders' meeting.

Board Secretary

The Board shall have a Board Secretary. The Board Secretary is the officer of the company and is responsible to the Board.

Directors or officers of the company may concurrently serve as the Board Secretary of the company's Board. Certified public accountants of accounting firms and lawyers of law firms hired by the company shall not concurrently serve as the Board Secretary of the company's Board.

The Board Secretary shall be nominated by the chairman of the Board and appointed or dismissed by the Board. If a Director concurrently serves as the Board Secretary, if a certain act needs to be done by the Director and the Board Secretary separately, the person who concurrently serves as the Director and the Board Secretary of the company shall not do it in dual capacities.

General Manager and other officers

A company shall have one general manager who shall be decided to be appointed or removed by the Board.

The Company shall have several deputy general managers, of whom shall be decided to be appointed or removed by the Board.

The Directors may hold the position of general manager, deputy general manager or other officers, but the number of the Directors holding such positions shall not exceed half of the total number of the Directors of the company.

General manager, deputy manager, financial officer, Board Secretary of the company are the company's officers.

The general manager shall be accountable to the Board and shall exercise the following functions and powers:

(i) to be in charge of the Company's production, operation and management, and to organize and implement the resolutions of the Board and report on works to the Board;

(ii) to organize and implement the Company's annual plan and investment proposals;

(iii) to draft plans for the establishment of the Company's internal management organizations;

(iv) to draft the Company's basic management system;

(v) to formulate specific rules and regulations for the Company;

(vi) to propose to the Board on the appointment or dismissal of deputy general manager and financial officer of the Company;

(vii) to decide on the appointment or dismissal of management personnel other than those required to be appointed or dismissed by the Board;

(viii) to propose salaries, welfare, reward and penalty, and determine employment and dismissal of the Company's staff;

(ix) to exercise other powers conferred by the Articles of Association and the Board.

The general manager shall be present at meetings of the Board. the general manager who is not a Director of the Company has no voting right at the Boarding meetings.

Officers of the Company shall perform their duties honestly, and protect the best interests of the Company and all the shareholders. Officers of the Company shall be liable for compensation in accordance with the laws for any damage caused to the interests of the Company and public shareholders as a result of their failure to perform duties honestly or violation of their fiduciary duties.

FINANCIAL AND ACCOUNTING SYSTEM

A company shall establish its own financial and accounting systems according to the laws, administrative regulations and the provisions stipulated by the relevant authorities of the People's Republic of China.

A share periodic report disclosure: the company shall submit and disclose annual reports to the dispatched offices of CSRC and Shanghai Stock Exchange within 4 months from the end of each fiscal year, and submit and disclose interim reports to the dispatched offices of CSRC and Shanghai Stock Exchange within 2 months from the end of the first half of each fiscal year.

H share periodic report disclosure: the periodic reports on H shares of the Company include annual reports and interim reports. The Company shall disclose the preliminary announcement of annual results within 3 months from the end of each fiscal year, and prepare and disclose the annual report within 4 months from the end of each fiscal year and at least 21 days before the date of the annual general meeting. The company shall disclose the preliminary announcement of the interim results within 2 months from the end of the first 6 months of each fiscal year, and prepare and disclose the interim report within 3 months from the end of the first 6 months of each fiscal year.

The above annual report and interim report are prepared in accordance with relevant laws, administrative regulations and the provisions of the securities regulatory authorities and stock exchanges in the places where the Company's shares are listed.

The Company shall not establish the statutory account books accounts other than those provided by law. Any funds of the Company shall not be kept under any account opened in the name of any individual.

When the aggregate balance in the statutory reserve fund has reached 50% or more of the Company's registered capital, the Company needs not to make any further allocations to that fund. After withdrawing the statutory reserve fund, whether to withdraw the discretionary reserve fund is decided by the shareholders' meeting.

After making up for the losses and making allocations to the reserve fund, any remaining after tax profits shall be distributed by the Company to its shareholders in proportion to their respective shareholdings unless it is stipulated that such distribution shall not be made in proportion to the shareholdings pursuant to the Articles of Association.

If the shareholders' meeting has, in violation of the Company Laws, distributed profits to shareholders before the Company has made up for its losses and made allocations to its statutory reserve fund, the shareholders shall return to the Company the profit distributed in violation of the provision; If the Company incurs losses due to such distribution, the Shareholders and the Directors and officers who are held accountable shall be liable for compensation.

Shares held by the Company itself do not participate in the profit distribution.

The Company shall appoint one or more collection agents for H shareholders in Hong Kong. The collection agents shall collect on behalf of the relevant H shareholders the dividends distributed and other funds payable by the Company in respect of the H shares, and hold such monies in their custody pending payment to the H shareholders concerned. The collection agents appointed by the Company shall meet the requirements of the laws, regulations and the securities regulatory rules of the place where the Company's shares are listed.

Reserve funds of the Company are used for recovering losses of the Company and expanding scale of operation of the Company or conversion into its registered capital. Where the reserve fund of the Company is used for making up losses, the discretionary reserve and statutory reserve shall be firstly used; if losses still cannot be made up, the capital reserve can be used according to the relevant provisions.

Upon the transfer of the statutory common reserve fund into capital, the balance of the fund shall not be less than 25% of the registered capital of the company before such transfer.

The distribution of dividends (or shares) shall be completed within two months after the profit distribution plan has been resolved at shareholders' meeting or the Board of the Company formulates a specific plan in accordance with the conditions and cap for the following year's interim dividend approved by the annual shareholders' meeting.

Internal Audit

The Company has implemented an internal audit system equipped with full-time auditors to conduct internal audit and supervision on the Company's financial revenues and expenditures and economic activities. The Company shall implement an internal audit system and clarify the leadership system, duties and authorities, staffing, financial support, application of audit results, and accountability. The internal audit system of the Company shall be implemented upon approval by the board and disclosed to the public.

The internal audit institution of the Company shall conduct supervision and inspection on the Company's business activities, risk management, internal control, financial information and other matters.

Appointment of accounting firm

The Company shall appoint an accounting firm in compliance with the Securities Law and the Hong Kong Listing Rules to conduct accounting statements audit, net assets verification and other related consulting services for a term of one year, which may be renewed.

The appointment of an accounting firm by a company must be decided by the Shareholders' meeting, and the Board may not appoint an accounting firm before the Shareholders' meeting decides.

The Company guarantees that it will provide the accounting firm with true and complete accounting vouchers, accounting books, financial accounting reports and other accounting information, and shall not refuse, conceal or misrepresent them.

The audit fee to an accounting firm or the method for determining such fees shall be decided by the Shareholders' meeting.

When the Company intends to dismiss or not to reappoint an accounting firm, it shall give 30 days prior notice to the accounting firm. When a Shareholders' meeting of the Company votes on the dismissal of the accounting firm, the firm shall be allowed to represent its opinions.

Where the accounting firm resigns, it shall state to the Shareholders' meeting whether the Company has improper circumstances.

MERGER, DIVISION, CAPITAL INCREASE AND CAPITAL REDUCTION

The merger of the Company may take the form of either merger by absorption or merger by establishment of a new entity.

One company absorbing another company is merger by absorption, and the company being absorbed shall be dissolved. Merger of two or more companies through establishment of a new company is merger by establishment of a new entity, and the parties to the merger shall be dissolved.

If the consideration to be paid by the Company for the merger does not exceed 10% of the Company's net assets, it may not be subject to resolution of the shareholders' meeting, unless otherwise stipulated in the Articles of Association of the Company.

If the Company merges in accordance with the provisions of the preceding paragraphs without the approval of the shareholders' meeting, it should be approved by the Board.

In the event of a merger, the parties to the merger shall enter into a merger agreement and prepare balance sheets and property list. The Company shall notify its creditors within 10 days of the date of the Shareholders' meeting's resolution on merger and shall make announcements in the China Securities Journal or the National Enterprise Credit Information Publicity System within 30 days of the date of the Shareholders' meeting's resolution on merger. A creditor has the right, within 30 days of receiving the notice or, in the case of a creditor who does not receive the notice, within 45 days from the date of the initial announcement, to require the Company to repay its debt or provide a corresponding guarantee for such debt.

When the Company is merged, the claims and debts of each party to the merger shall be succeeded to by the company surviving the merger or the new company established subsequent to the merger.

If the Company is to be divided, its property shall be divided accordingly.

If the Company is to be divided, it shall prepare a balance sheet and a property list. The Company shall notify its creditors within 10 days of the date of the resolution on division and shall make announcements in the China Securities Journal or the National Enterprise Credit Information Publicity System within 30 days of the date of the resolution on division.

Debts incurred by the Company before its division shall be jointly borne by the companies after the division. However, unless otherwise agreed by the Company and creditors on settling liabilities in writing prior to the division.

The Company shall prepare balance sheets and property lists when it reduces its registered capital.

The Company shall notify its creditors within 10 days of the date of the Shareholders' meeting's resolution to reduce the registered capital is adopted and shall make announcements in the China Securities Journal or the National Enterprise Credit Information Publicity System within 30 days of the date of the Shareholders' meeting's resolution to reduce the registered capital is adopted. A creditor has the right, within 30 days of receiving the notice or, in the case of a creditor who does not receive the notice, within 45 days from the date of the initial announcement, to require the Company to repay its debt or provide a corresponding guarantee for such debt.

When the merger or division of the Company involves changes in registered particulars, such changes shall be registered with the company registration authority in accordance with the law; When the Company dissolves, the Company shall cancel its registration in accordance with the law; When a new company is established, its establishment shall be registered in accordance with the law.

The increase or decrease in registered capital of the company shall be registered with the company registration authority in accordance with the law.

DISSOLUTION AND LIQUIDATION

The Company shall be dissolved and liquidated in accordance with the law upon the occurrence of any of the following events:

(i) any dissolution events as stipulated by the Articles of Association occur;

(ii) a resolution on dissolution is passed by a Shareholders' meeting;

(iii) dissolution is required due to the merger or division of the Company;

(iv) the business license of the Company is revoked or the Company is ordered to close down or dissolved in accordance with the laws;

(v) the Company suffers significant hardships in operation and management, and its continued existence would cause significant losses to Shareholders' interests, and such issues cannot be resolved through other means, Shareholders representing 10% or above of the total voting rights of the Company may plead the people's court to dissolve the Company. If the company has the reasons for dissolution specified in the preceding paragraph, it shall publicize the reasons for dissolution through the national enterprise credit information publicity system within 10 days.

If the Company is in the situation as described in Item (1) it can continue to exist by amending the Articles of Association. Amendments to the Articles of Association in accordance with preceding paragraph shall be passed by a vote representing more than 2/3 of the voting rights of the shareholders present at the shareholders' meeting.

Where the company is dissolved under the circumstances set forth in paragraph (i), (ii), (iv) or (v) above, it should establish a liquidation group within 15 days of the date on which the dissolution matter occurs to commence liquidation. The members of the liquidation group shall be composed of Directors or any other person determined by a shareholders' meeting. If the company fails to establish the liquidation group and carry out the liquidation within the time limit, its creditors may petition the people's court to designate relevant persons to form a liquidation group and carry out the liquidation.

If the liquidation group, having thoroughly liquidated the Company's assets and having prepared the balance sheet and the property list, discovers that the Company's assets are insufficient to pay its debts in full, it shall file an application to the People's Court for bankruptcy liquidation.

Following such bankruptcy declaration by the people's court, the liquidation group shall hand over the administration of the liquidation to the people's court. After the People's Court accepts the application for bankruptcy, the liquidation group shall hand over the liquidation matters to the bankruptcy administrator designated by the People's Court.

Upon completion of the liquidation, the liquidation group shall prepare the liquidation report to be submitted to the Shareholders' meeting or the People's Court for confirmation, and submit the liquidation report to the company registration authority to apply for cancellation of the Company's registration and announce the termination of the company.

AMENDMENT TO THE ARTICLES OF ASSOCIATION

The Company shall amend the Articles of Association in any of the following circumstances:

(i) provisions of the Articles conflict with the Company Law or related laws, administrative regulations and the securities regulatory rules of the place where the company's shares are listed after such laws are amended;

(ii) a change occurs in the company's situation and such change is inconsistent with the matters stated herein;

(iii) the Shareholders' meeting has resolved to amend the Articles of Association.

Where the amendments to the Articles of Association passed by resolutions of the Shareholders' meetings require approval of the competent authorities, the amendments shall be submitted to the relevant authorities for approval; where the amendments involve registration matters of the Company, the involved changes shall be registered in accordance with the laws.

FURTHER INFORMATION ABOUT OUR COMPANY AND OUR SUBSIDIARIES

Incorporation

Our former entity, Changzhou Xingyu Automotive Lighting Co., Ltd. (常州星宇車燈有限公司), was established by Ms. Zhou Xiaoping (周曉萍) and Mr. Zhou Bajin (周八斤) on May 18, 2000, primarily engaged in supplying automotive lighting products. On October 10, 2007, it was converted into a joint stock company and renamed as Changzhou Xingyu Automotive Lighting Systems Co., Ltd. (常州星宇車燈股份有限公司). Our Company completed the initial public offering and listing of our A Shares on the Shanghai Stock Exchange (601799.SH) in February 2011. For further details of the A Shares Listing, see "History, Development and Corporate Structure — Our Corporate Development — Listing on the Shanghai Stock Exchange in February 2011" of the Document.

Our registered office is located at No. 398 Hanjiang Road, Xinbei, Changzhou, Jiangsu Province, China. Our company has submitted the application to register as a non-Hong Kong company under Part 16 of the Companies Ordinance with the Registrar of Companies in Hong Kong on January 15, 2026 and our principal place of business in Hong Kong is at Room A5, 7/F, China United Plaza, 1008 Tai Nan West Street, Cheung Sha Wan, Kowloon, Hong Kong. Mr. Au Wai Keung has been appointed as the authorized representatives of our Company for the acceptance of service of process in Hong Kong. The address for service of process on our Company in Hong Kong is the same as our principal place of business in Hong Kong as set out above.

As the Company was established in the PRC, its operations are subject to the relevant laws and regulations of the PRC. The relevant laws and regulations of the PRC and the Articles of Association are set out in "Regulatory Overview" of the Document.

Changes in Share Capital of Our Company

There has been no alteration in our share capital within two years immediately preceding the date of the Document.

Changes in the Share Capital of Our Subsidiaries

The share capital of our Subsidiaries took place within the two years immediately preceding the date of this Document:

Xingyu Serbia	In January 2025, the registered capital of Xingyu Serbia was increased to RSD 4,210,368,871.30 and fully paid.
Xingyu Mexico	In March 2024, the registered capital of Xingyu Mexico was increased to MXN (Mecican Peso) 4,877,516.00, of which MXN 4,877,016.00 has been paid.

Save as disclosed above, there has been no alteration in the share capital of the Subsidiaries of the Company within two years immediately preceding the date of this Document.

Resolutions of Our Shareholders

Pursuant to the shareholders' meeting held on January 15, 2026, the following resolutions, among others, were duly passed:

(a) the [**REDACTED**] by the Company of H Shares with a nominal value of RMB1.00 each and such H Shares be [**REDACTED**] on the Hong Kong Stock Exchange;

(b) the number of H Shares to be issued before the exercise of the [**REDACTED**] shall not exceed [**REDACTED**]% of the enlarged share capital of our Company upon completion of the [**REDACTED**], and the granting the [**REDACTED**] the [**REDACTED**] of no more than [**REDACTED**]% of the above number of H Shares to be issued;

(c) authorization of the Board or its authorized individual to handle all matters relating to, among other things, the [**REDACTED**], the [**REDACTED**] and [**REDACTED**] of H Shares on the Hong Kong Stock Exchange; and

(d) subject to the completion of the [**REDACTED**], the conditional adoption of the revised Articles of Association, which shall become effective on the [**REDACTED**], and authorization to our Board to amend the Articles of Association to the extent necessary in accordance with the requirements of the relevant laws and regulations for the purpose of the [**REDACTED**].

FURTHER INFORMATION ABOUT OUR BUSINESS

Summary of Material Contracts

The following are contracts (not being contracts entered into in the ordinary course of business) entered into by any member of our Group within the two years immediately preceding the date of this Document that are or may be material:

(a) the Hong Kong [**REDACTED**]

Intellectual Property Rights

Trademarks

As of the Latest Practicable Date, we had registered the following trademarks which we consider to be or may be material to our business:

No.	Trademark	Registration Place	Holder	Category	Number	Expiration Date
1	NDAS	PRC	the Company	7	19491713	2027.05.13
2	NDAS	PRC	the Company	11	19491866	2027.05.13
3	NDAS	PRC	the Company	12	19492249	2027.05.13
4		PRC	the Company	2	19551440	2027.05.20
5		PRC	the Company	10	19552070	2027.05.20
6		PRC	the Company	24	19553624	2027.05.20
7		PRC	the Company	28	19554070	2027.05.20
8		PRC	the Company	19	19552957	2027.05.27
9		PRC	the Company	29	19554224	2027.05.27
10		PRC	the Company	31	19554450	2027.05.27
11		PRC	the Company	32	19554482	2027.05.27
12		PRC	the Company	45	19555973	2027.05.27

No.	Trademark	Registration Place	Holder	Category	Number	Expiration Date
13		PRC	the Company	9	19551855	2027.06.27
14		PRC	the Company	1	19551533	2027.08.20
15		PRC	the Company	13	19552134	2027.08.20
16		PRC	the Company	21	19553183	2027.08.20
17		PRC	the Company	27	19553936	2027.08.20
18		PRC	the Company	34	19554658	2027.08.20
19		PRC	the Company	36	19554850	2027.08.20
20		PRC	the Company	37	19554976	2027.08.20
21		PRC	the Company	42	19555715	2027.08.20
22		PRC	the Company	43	19555849	2027.08.20
23		PRC	the Company	41	23038550	2028.02.27
24		PRC	the Company	11	4659500	2028.03.13
25		PRC	the Company	3	19551633	2028.11.20

No.	Trademark	Registration Place	Holder	Category	Number	Expiration Date
26		PRC	the Company	5	19551691	2028.11.20
27	XYL星宇	PRC	the Company	11	5418787	2029.05.06
28	星 宇	PRC	the Company	11	1334506	2029.11.13
29	星怡	PRC	the Company	7	6829767	2030.04.20
30	SHINYE	PRC	the Company	11	6126955	2030.04.27
31		PRC	the Company	12	6829764	2030.05.06
32		PRC	the Company	7	6829765	2030.05.06
33	星宇	PRC	the Company	11	6480838	2030.06.20
34	星怡	PRC	the Company	11	6829766	2030.07.13
35		PRC	the Company	12	6829761	2030.08.27
36		PRC	the Company	7	6829763	2030.08.27
37	宇星	PRC	the Company	11	6829768	2030.09.27
38	星宇股份 XINGYU CO., LTD.	PRC	the Company	11	44230344	2031.10.06
39	星一	PRC	the Company	11	6480839	2032.01.20
40		PRC	the Company	11	9676830	2032.09.06

No.	Trademark	Registration Place	Holder	Category	Number	Expiration Date
41	星宇梦 XINGYU DREAM	PRC	the Company	11	66681339	2033.02.06
42	星宇梦 XINGYU DREAM	PRC	the Company	41	66687865	2033.04.13
43		PRC	the Company	12	10483513	2033.07.27
44		PRC	the Company	11	10483547	2033.09.20
45		PRC	the Company	11	10398135	2034.05.13
46	XYL	PRC	the Company	11	11882137	2034.05.27
47		PRC	the Company	7	10483578	2034.06.06
48	UTASNOVA	PRC	the Company	11	3564522	2035.01.13
49	XYL	PRC	the Company	11	13103565	2035.01.13
50	星苑	PRC	the Company	11	3564521	2035.09.13
51	星怡	PRC	the Company	11	792473	2035.11.20

Software Copyright

As of the Latest Practicable Date, we had registered the following Software copyrights which we consider to be or may be material to our business:

No.	Software Copyright	Place of Registration	Copyright Owner	Registration Number	Registration Date
1	Algorithm Software for Emergency Lane Keeping Assist in Vehicles V1.0 (一種車輛緊急車道保持駕駛輔助的算法軟件V1.0)	PRC	the Company	2024SR0401473	2024.03.18
2	Version 1.0 of an auxiliary driving toggle switch lane-changing application software (一種輔助駕駛撥杆變道應用軟件V1.0)	PRC	the Company	2024SR0401907	2024.03.18
3	Algorithm Software for Predicting and Alerting Autonomous Vehicle Lane Departures V1.0 (預測自主駕駛車輛偏離車道並報警的算法軟件V1.0)	PRC	the Company	2024SR0402726	2024.03.18
4	Version 1.0 of an Intelligent High Beam Driving Assistance System Software (一種智能遠光燈駕駛輔助系統軟件V1.0)	PRC	the Company	2024SR0406745	2024.03.19
5	Instruction Lane Change Function Road Test Data Analysis Software V1.0 (指令換道功能道路測試數據分析軟件V1.0)	PRC	the Company	2024SR0453452	2024.04.01
6	Software for Online Beam Pattern Detection of Rear Fog Lights in Vehicles, Version 1.0 (汽車後霧燈在線配光檢測系統軟件V1.0)	PRC	the Company	2024SR0498734	2024.04.12
7	Objective Selection Software for an Adaptive Cruise Control System [abbreviated as OSL] Version 1.0 (一種自適應巡航系統的目標選擇軟件[簡稱：OSL]V1.0)	PRC	the Company	2024SR0555661	2024.04.24
8	Software for Automated Testing of Single LED-Controlled Traffic Lights, Version 1.0 (適用於單顆LED控制的信號燈測試自動化程序軟件V1.0)	PRC	the Company	2024SR0713031	2024.05.24

No.	Software Copyright	Place of Registration	Copyright Owner	Registration Number	Registration Date
9	Application A/B Dual Partition Upgrade Software V1.0 Based on Domain Controller (基於域控制器的應用程序A/B雙分區升級軟件V1.0)	PRC	the Company	2024SR0713495	2024.05.24
10	LED Arrangement Combinator Software V1.0 (LED排列組合生成器軟件V1.0)	PRC	the Company	2024SR0900419	2024.07.01
11	Front Grille Light Uniformity Inspection System Software V1.0 (前格柵燈亮度均勻性檢測系統軟件V1.0)	PRC	the Company	2024SR0900424	2024.07.01
12	Automotive Emergency Event Data Recording Software Based on Domain Controller V1.0 (基於域控制器的汽車緊急事件數據記錄軟件V1.0)	PRC	the Company	2024SR0997639	2024.07.15
13	Smart Interaction Grid Left Light Control Software V1.0 (智能交互格柵左燈控制軟件V1.0)	PRC	the Company	2024SR0997938	2024.07.15
14	Car Rear Turn Signal Module Control Software V1.0 (汽車尾部轉向燈模塊控制軟件V1.0)	PRC	the Company	2024SR0998029	2024.07.15
15	Automotive Headlight Lens Defect Detection Algorithm Software V1.0 (車燈透鏡瑕疵檢測算法軟件V1.0)	PRC	the Company	2024SR1195688	2024.08.16
16	HD High-Precision Adaptive Headlight Software V1.0 (HD高精度自適應車頭燈軟件V1.0)	PRC	the Company	2024SR1196121	2024.08.16
17	A Visual Perception-Based Traffic Speed Limit Sign Recognition Algorithm Software V1.0 (一種基於視覺感知交通限速牌識別算法軟件V1.0)	PRC	the Company	2024SR1196622	2024.08.16
18	Automated Program for Testing Constant Current Channel Failures in Lamp Controllers (Version 1.0) (適用於燈具控制器燈具恒流通道故障測試自動化程序V1.0)	PRC	the Company	2024SR1248722	2024.08.27
19	Automated Testing Program for Single LED-Controlled Signal Lights, Version 2.0 (適用於單顆LED控制的信號燈測試自動化程序V2.0)	PRC	the Company	2024SR1359553	2024.09.12

No.	Software Copyright	Place of Registration	Copyright Owner	Registration Number	Registration Date
20	Front Light Control System Based on CAN Communication V1.1 (基於Can通訊前燈控制系統V1.1)	PRC	the Company	2024SR1374182	2024.09.13
21	MiniLED Intelligent Vehicle Light Signal Automatic Generation Algorithm Software V1.0 (MiniLed智能車燈顯示信號自動生成算法軟件V1.0)	PRC	the Company	2024SR1395454	2024.09.19
22	Functional Software V1.0 for PWM Welcome Signal Acquisition and Utilization Based on Vehicle Lights (基於車燈PWM迎賓信號採集及使用的功能軟件V1.0)	PRC	the Company	2024SR1414986	2024.09.24
23	Rear Turn Signal Module Control Software V1.5 (汽車尾部轉向燈模塊控制軟件V1.5)	PRC	the Company	2024SR1426658	2024.09.25
24	Automated Testing Software for Headlight Status and Feedback Time V1.0 (前照燈狀態及反饋時間自動化測試軟件V1.0)	PRC	the Company	2024SR1543274	2024.10.16
25	Interactive Traffic Light Control Software [Abbreviated as: Front Interactive Traffic Light Control Software] V1.1 (交互式信號燈隨寫隨畫控制軟件[簡稱：前交互式信號燈控制軟件]V1.1)	PRC	the Company	2024SR1551854	2024.10.17
26	Based on the LIN communication headlight control system V1.1 (基於lin通訊前燈控制系統V1.1)	PRC	the Company	2024SR1555037	2024.10.18
27	High-Pixel LED Lighting Control Software Based on MCU V1.0 (基於MCU的高像素LED燈具控制軟件V1.0)	PRC	the Company	2024SR1668765	2024.11.01
28	Based on the Rear Combination Light Control Software [abbreviated as: Rear Combination Light Host Computer] V1.0 (基於後組合燈控制軟件[簡稱：後組合燈上位機]V1.0)	PRC	the Company	2024SR1811869	2024.11.18
29	OLED Tail Light Signal Automatic Generation Algorithm Software V1.0 (OLED尾燈顯示信號自動生成算法軟件V1.0)	PRC	the Company	2024SR2234480	2024.12.30

No.	Software Copyright	Place of Registration	Copyright Owner	Registration Number	Registration Date
30	Automotive Headlight Control System [Abbreviated: Headlight] V1.0 (汽車前大燈控制系統[簡稱：前大燈]V1.0)	PRC	the Company	2024SR2234737	2024.12.30
31	Dynamic Display Tail Light Control Software Based on OLED V1.0 (基於OLED的動態顯示尾燈控制軟件V1.0)	PRC	the Company	2024SR2235221	2024.12.30
32	ISD Smart Interactive Headlight Control Software V1.0 (ISD智能交互車燈控制軟件V1.0)	PRC	the Company	2024SR2235468	2024.12.30
33	Traceability System V1.0 for Automotive Lamp Production Line (車燈生產線的追溯系統V1.0)	PRC	the Company	2025SR0230544	2025.02.10
34	HD car light self closing ring data storage management software V2.0 (HD車燈自閉環數據存儲管理軟件V2.0)	PRC	the Company	2025SR0539564	2025.03.28
35	An Intelligent Manufacturing Digital Twin System V1.0 Based on Automotive Lamp Automation Production Line (一種基於車燈自動化生產線的智能製造數字孿生系統V1.0)	PRC	the Company	2025SR0728775	2025.05.06
36	Car Lamp CAN Communication Lighting Control Software V1.0 (車燈CAN通訊點亮控制軟件V1.0)	PRC	the Company	2025SR1234462	2025.07.11
37	ADB and HD dual-mode intelligent interactive car light control software V1.0 (ADB與HD雙模組智能交互車燈控制軟件V1.0)	PRC	the Company	2025SR1235505	2025.07.11
38	ADB Intelligent Light Control Software V1.0 (ADB智能車燈控制軟件V1.0)	PRC	the Company	2025SR1238294	2025.07.11
39	Sealing quality testing algorithm software for sealant [abbreviated as F2FLD] V1.0 (密封膠密封質量檢測算法軟件[簡稱：F2FLD]V1.0)	PRC	the Company	2025SR1314413	2025.07.21
40	Autonomous driving vehicle automatic emergency braking algorithm software V1.0 (自主駕駛車輛自動緊急制動算法軟件V1.0)	PRC	the Company	2025SR1447602	2025.08.05

No.	Software Copyright	Place of Registration	Copyright Owner	Registration Number	Registration Date
41	AI_CMS electronic rearview mirror status switching and status monitoring function software V1.0 (AI_CMS電子後視鏡狀態切換和狀態監測功能軟件V1.0)	PRC	the Company	2025SR1448253	2025.08.05
42	Vehicle ISD Intelligent Control System V1.0 (車載ISD智能控制系統V1.0)	PRC	the Company	2025SR1493992	2025.08.08
43	Intelligent Projection Lamp Calibration Software V1.0 (智能投影車燈標定軟件V1.0)	PRC	the Company	2025SR1613388	2025.08.25
44	Industrial Visual Production Process Monitoring Software V1.0 (工業視覺生產流程監測軟件V1.0)	PRC	the Company	2025SR1613435	2025.08.25
45	AI_CMS electronic rearview mirror fault query and reporting function software V1.0 (AI_CMS電子後視鏡故障查詢與上報功能軟件V1.0)	PRC	the Company	2025SR1613443	2025.08.25
46	ISD Animation Download and Storage Automation Testing Platform V1.0 (ISD動畫下載存儲自動化測試平台V1.0)	PRC	the Company	2025SR1613449	2025.08.25
47	Pixel feature extraction software for intelligent car light interaction technology V1.0 (智能車燈交互技術的像素特徵提取軟件V1.0)	PRC	the Company	2025SR1822137	2025.09.19
48	Vehicle Lamp Controller Dynamic Lighting Automatic Testing System V1.0 (車燈控制器動態燈光自動測試系統V1.0)	PRC	the Company	2025SR1822148	2025.09.19
49	Display based luminous front grille light software V1.0 (顯示化發光前格柵燈軟件V1.0)	PRC	the Company	2025SR1822149	2025.09.19
50	Automotive Intelligent Lamp Effect Configuration System V1.0 (汽車智能燈效配置系統V1.0)	PRC	the Company	2025SR1828076	2025.09.19

As of the Latest Practicable Date, we had registered the following copyrights which we consider to be or may be material to our business:

No.	Copyright	Place of Registration	Copyright Owner	Registration Number	Registration Date
1	夜間智能輔助駕駛系統	PRC	the Company	蘇作登字-2016-F-00023219	2016.03.22
2	DMD LED HEADLAMP	PRC	the Company	蘇作登字-2016-F-00025217	2016.03.28
3	INTELLIGENT LED HEADLAMP	PRC	the Company	蘇作登字-2016-F-00025219	2016.03.28
4	ARRAY LED HEADLAMP	PRC	the Company	蘇作登字-2016-F-00025214	2016.03.28
5	FULL LED HEADLAMP	PRC	the Company	蘇作登字-2016-F-00025216	2016.03.28
6	DMD DIGITAL MICROMIRROR DEVICE	PRC	the Company	蘇作登字-2016-F-00025218	2016.03.28
7	MATRIX LED HEADLAMP	PRC	the Company	蘇作登字-2016-F-00025215	2016.03.28
8	NDAS	PRC	the Company	蘇作登字-2016-F-00028700	2016.04.08
9	ADS智能遠光系統	PRC	the Company	蘇作登字-2016-F-00028701	2016.04.08
10	adaptive driving beam	PRC	the Company	蘇作登字-2016-F-00028727	2016.04.08
11	星宇股份(中英版)	PRC	the Company	國作登字-2021-F-00240157	2021.10.19
12	XINGYU	PRC	the Company	國作登字-2021-F-00240154	2021.10.19
13	星宇股份 (中塞版)	PRC	the Company	國作登字-2021-F-00240155	2021.10.19
14	星宇雲	PRC	the Company	國作登字-2022-F-10234734	2022.11.10
15	星宇三十周年	PRC	the Company	國作登字-2023-F-00172319	2023.08.11
16	星光璀璨 宇您同行	PRC	the Company	國作登字-2023-F-00172318	2023.08.11
17	星光	PRC	the Company	國作登字-2023-B-00172317	2023.08.11
18	蘋果樹	PRC	the Company	國作登字-2023-F-00172316	2023.08.11
19	星宇職工子女託管班班徽	PRC	the Company	國作登字-2025-F-00011383	2025.01.10
20	iVISION智眸大燈產品標識	PRC	the Company	國作登字-2025-F-00284181	2025.09.25

Patents

As of the Latest Practicable Date, we had registered the following patents which we consider to be or may be material to our business:

No.	Patent Names	Place of Registration	Patentee	Patent Number	Application Date
1	An adaptive headlight switching module based on Hall sensor (一種基於霍爾傳感器的自適應前照燈光型切換模組)	PRC	the Company	ZL201710007227.2	2017.01.05
2	Circuit breaking system for suppressing temperature drift (抑制溫度漂移的斷路關斷系統)	PRC	the Company	ZL201710043959.7	2017.01.19
3	Matrix LED Headlamp Driver Fault Monitoring System and Monitoring Method (矩陣式LED前照燈驅動器故障監測系統及監測方法)	PRC	the Company	ZL201710092128.9	2017.02.21
4	A transmissive laser LED composite high and low beam, auxiliary high beam module (一種透射式激光LED複合遠近光、輔助遠光模組)	PRC	the Company	ZL201710095374.X	2017.02.22
5	A device and method for adjusting the reflective mirror of car lights based on image processing (一種基於圖像處理的車燈反射鏡調整裝置及方法)	PRC	the Company	ZL201710186555.3	2017.03.27
6	A pixel based adaptive automotive headlight control system based on DLP (一種基於DLP的像素式自適應汽車前照燈控制系統)	PRC	the Company	ZL201710255961.0	2017.04.19
7	A control system and control method for LED headlights (一種LED前照燈的控制系統及其控制方法)	PRC	the Company	ZL201710481125.4	2017.06.22
8	Reuse driving circuit and driving method for daily running, position, and turn signals in vehicles (車用日行、位置、轉向燈的複用驅動電路及其驅動方法)	PRC	the Company	ZL201710499625.0	2017.06.27
9	A dual lens LED front fog lamp (一種雙透鏡LED前霧燈)	PRC	the Company	ZL201710589687.0	2017.07.19
10	An integrated single module control full LED headlight circuit (一種一體式單模塊控制全LED前燈電路)	PRC	the Company	ZL201710594850.2	2017.07.20
11	A LED protection circuit for car lights (一種用於車燈的LED保護電路)	PRC	the Company	ZL201710610074.0	2017.07.25
12	Using thermistor PTC to increase current to a stable circuit with temperature rise (運用熱敏電阻PTC隨溫度升高提升電流至穩定的電路)	PRC	the Company	ZL201710679040.7	2017.08.10
13	A compact LED headlight high beam module (一種緊湊型LED前照燈遠光模組)	PRC	the Company	ZL201710705322.X	2017.08.17
14	A switch power supply single string LED short circuit detection feedback circuit (一種開關電源單串LED短路檢測反饋電路)	PRC	the Company	ZL201710733916.1	2017.08.24
15	A double-layer rotary injection mold structure for monochrome molding machines (一種用於單色成型機的雙層旋轉注塑模具結構)	PRC	the Company	ZL201710747721.2	2017.08.28
16	A new type of projection headlight module (一種新型投射式前燈模組)	PRC	the Company	ZL201710762915.X	2017.08.30

No.	Patent Names	Place of Registration	Patentee	Patent Number	Application Date
17	A self focusing detection device for car lamp lens and its usage method (一種車燈透鏡自聚焦檢測裝置及其使用方法)	PRC	the Company	ZL201710767708.3	2017.08.31
18	An optical module support and shock absorption system for automotive headlights (一種用於汽車前照燈的光學模組支撐減震系統)	PRC	the Company	ZL201710820058.4	2017.09.13
19	A device for detecting the focal point of sunlight in a car headlight lens and its usage method (一種車燈透鏡太陽光聚焦點檢測裝置及其使用方法)	PRC	the Company	ZL201710905142.6	2017.09.29
20	A fault diagnosis feedback system for automotive LED headlights (一種汽車LED車燈的故障診斷反饋系統)	PRC	the Company	ZL201711024124.3	2017.10.27
21	A circuit for turning on car lights in the start stop state of a car (一種用於汽車啟停狀態下車燈開啟電路)	PRC	the Company	ZL201711068974.3	2017.11.03
22	A light guide structure utilizing total reflection and an illumination device using the same light guide structure (一種利用全反射的光導結構及採用該光導結構的照明裝置)	PRC	the Company	ZL201711076496.0	2017.11.06
23	A transparent baffle for headlight module (一種用於前照燈模組的透明擋板)	PRC	the Company	ZL201711133720.5	2017.11.16
24	An over temperature protection control circuit and control method for LED headlights (一種LED車燈的過溫保護控制電路及其控制方法)	PRC	the Company	ZL201810133025.7	2018.02.09
25	A fault monitoring system and monitoring processing method for LED taillight circuit (一種LED尾燈電路的故障監測系統及監測處理方法)	PRC	the Company	ZL201810160537.2	2018.02.27
26	A high and low beam integrated module of LED light source with corner light function (一種帶有角燈功能的LED光源的遠近光一體模組)	PRC	the Company	ZL201810245765.X	2018.03.23
27	A high-power, low loss adjustable constant current power supply control module (一種大功率低損耗可調恒流電源控制模組)	PRC	the Company	ZL201810396396.4	2018.04.28
28	A wireless power transmission system for car taillights (一種汽車尾燈的無線電能傳輸系統)	PRC	the Company	ZL201810440941.5	2018.05.10
29	A rear combination lamp that achieves uniform light emission through a bidirectional side light guide (一種通過雙向側進光的光導實現均勻發光的後組合燈)	PRC	the Company	ZL201810440943.4	2018.05.10
30	A light resistant shaking blocking device (一種防光型抖動的擋板裝置)	PRC	the Company	ZL201810445564.4	2018.05.11
31	A DC power output protection circuit (一種直流電源輸出保護電路)	PRC	the Company	ZL201810476725.6	2018.05.18
32	A multifunctional steering wheel human vehicle interaction system based on TOF gesture recognition (一種基於TOF手勢識別的多功能方向盤人車交互系統)	PRC	the Company	ZL201810497789.4	2018.05.23

No.	Patent Names	Place of Registration	Patentee	Patent Number	Application Date
33	A thick walled lens mold with microstructure and its processing method (一種具有微結構的厚壁件透鏡模具及其加工方法)	PRC	the Company	ZL201810683348.3	2018.06.28
34	A control device and control method for CAN signal processing and transmission (一種用於CAN信號處理發送的控制裝置及其控制方法)	PRC	the Company	ZL201810760593.X	2018.07.12
35	A matrix based LED high beam optical system (一種矩陣式LED遠光光學系統)	PRC	the Company	ZL201810815981.3	2018.07.24
36	A welcome light with dynamic projection function (一種具有動態投影功能的迎賓燈)	PRC	the Company	ZL201811028723.7	2018.09.05
37	Implementation method of variable spray banner on ABB robot simulation software (一種變量噴塗條幅在ABB機器人仿真軟件上的實現方法)	PRC	the Company	ZL201811194681.4	2018.10.15
38	A verification device for anti fog performance in car headlight design (一種汽車車燈設計用防霧性能的驗證裝置)	PRC	the Company	ZL201811578523.9	2018.12.24
39	Headlights, vibration reduction control methods for headlights, and vehicles (前照燈、前照燈的減振控制方法和車輛)	PRC	the Company	ZL201910061665.6	2019.01.23
40	LED light source headlight high and low beam integrated module and vehicles with it (LED光源車燈遠近光一體模組和具有其的車輛)	PRC	the Company	ZL201910209233.5	2019.03.19
41	Touch sensitive automotive lighting devices and vehicles equipped with them (觸控式汽車用照明裝置和具有其的車輛)	PRC	the Company	ZL201910241979.4	2019.03.28
42	Lamp current increasing circuit and vehicle (車燈增流電路和車輛)	PRC	the Company	ZL201910297079.1	2019.04.15
43	High current multi input anti backflow low voltage drop anti reverse connection circuit, LED driver, and vehicle (大電流多輸入防倒灌低壓降防反接電路、LED驅動器和車輛)	PRC	the Company	ZL201910306321.7	2019.04.17
44	A dynamic flowing light and car light (一種動態流水燈及汽車燈)	PRC	the Company	ZL201910349105.0	2019.04.28
45	A car light detection device and detection method based on CAN bus control (一種基於CAN總線控制的車燈檢測裝置及其檢測方法)	PRC	the Company	ZL201910448718.X	2019.05.28
46	Dot matrix screen headlights and vehicles with them (點陣屏車燈和具有其的車輛)	PRC	the Company	ZL201910451419.1	2019.05.28
47	Lamp components with LED light guide function and vehicles with them (具備LED光導功能的車燈組件和具有其的車輛)	PRC	the Company	ZL201910520352.2	2019.06.17
48	Music rhythm OLED multifunctional taillight and its control method (音樂律動OLED多功能尾燈及其控制方法)	PRC	the Company	ZL201910728964.0	2019.08.08
49	Vehicle taillight adaptive control system, method and vehicle (車輛尾燈自適應控制系統、方法和車輛)	PRC	the Company	ZL201910729103.4	2019.08.08

No.	Patent Names	Place of Registration	Patentee	Patent Number	Application Date
50	A Testing Device for Transmitting Temperature Controlled Laser Excitation of Remote Fluorescent Materials (一種透射式可控溫的激光激發遠程熒光材料的測試裝置)	PRC	the Company	ZL201910929473.2	2019.09.29
51	A vehicle driving danger warning system and its control method (一種車輛駕駛危險預警系統及其控制方法)	PRC	the Company	ZL201910999043.8	2019.10.21
52	A LED multi module spotlight unit splicing type high and low beam system (一種LED多模塊聚光單元拼接型遠近光系統)	PRC	the Company	ZL201911042877.6	2019.10.30
53	A high-precision vibration simulation system and method for lighting fixtures based on multi degree of freedom devices (一種基於多自由度裝置的高精度燈具振動模擬系統和方法)	PRC	the Company	ZL201911290082.7	2019.12.16
54	A vehicle width indicator light control system and control method (一種車寬指示燈控制系統及控制方法)	PRC	the Company	ZL202010267249.4	2020.04.08
55	A Front Lighting System and Its Control Method Based on Micro LED Technology (一種基於Micro LED技術的前照燈系統及其控制方法)	PRC	the Company	ZL202010314906.6	2020.04.21
56	A method and mold structure for IMR transfer injection molding of facade products (一種立面產品IMR轉印注塑的方法和模具結構)	PRC	the Company	ZL202010342624.7	2020.04.27
57	A lamp with reverse warning function and its control method (一種具有倒車警示功能的燈具及其控制方法)	PRC	the Company	ZL202010471510.2	2020.05.29
58	Dynamic current timing detection device and detection method for car lights based on high-speed acquisition board (基於高速採集板卡的車燈動態電流時序檢測裝置及檢測法)	PRC	the Company	ZL202010472889.9	2020.05.29
59	A Design Method for Hyperbolic Collimator Lens for Automotive Lights (一種用於車燈的雙曲面准直透鏡設計方法)	PRC	the Company	ZL202010972703.6	2020.09.16
60	A laser high and low beam vehicle headlight and its usage method (一種激光遠近光的車輛前照燈及其使用方法)	PRC	the Company	ZL202011181756.2	2020.10.29
61	An AFS headlight and its control method (一種AFS前照燈及其控制方法)	PRC	the Company	ZL202011259674.5	2020.11.12
62	A LED dual light module with adaptive function (一種帶自適應功能的LED雙光模組)	PRC	the Company	ZL202011277165.5	2020.11.16
63	Driver emotion detection device and method with facial recognition and inertial measurement (具有面部識別和慣性測量的駕駛員情緒檢測裝置及方法)	PRC	the Company	ZL202011315081.6	2020.11.20
64	A controller with multi-channel constant current output and high side output (一種多通道恒流輸出與高邊輸出的控制器)	PRC	the Company	ZL202011320305.2	2020.11.23

No.	Patent Names	Place of Registration	Patentee	Patent Number	Application Date
65	Method and device for enhancing traffic images in low light environments (低照度環境下交通圖像增強方法和裝置)	PRC	the Company	ZL202011330199.6	2020.11.24
66	An intelligent control chip for car lighting (一種車載照明智能控制芯片)	PRC	the Company	ZL202011336006.8	2020.11.25
67	Vehicle and its vehicle lighting control system and method (車輛及其車輛照明燈控制系統和方法)	PRC	the Company	ZL202011343129.4	2020.11.25
68	A car grille light with image processor (一種帶圖像處理器的汽車格柵燈)	PRC	the Company	ZL202011372058.0	2020.11.30
69	A new optical design method for reversing light reflector using LED light source (一種採用LED光源的新型倒車燈反射鏡光學設計方法)	PRC	the Company	ZL202011507218.8	2020.12.18
70	A dual color product anti impact melting injection mold system and its injection molding method (一種雙色產品防沖融注塑模具系統及其注塑方法)	PRC	the Company	ZL202011613889.2	2020.12.30
71	Vibration test monitoring system and monitoring method for lighting fixtures (燈具的振動試驗監測系統、監測方法)	PRC	the Company	ZL202110088401.7	2021.01.22
72	A circuit for interconnecting automotive lighting fixtures to achieve fault monitoring (一種車用燈具互連實現故障監控的電路)	PRC	the Company	ZL202110237721.4	2021.03.04
73	Detection device and control method in the pre lighting process of automotive lighting fixtures (汽車燈具預點亮工序中的檢測裝置及其控制方法)	PRC	the Company	ZL202110451150.4	2021.04.26
74	A car light control system and control method based on acceleration sensor (一種基於加速度傳感器的車燈控制系統及控制方法)	PRC	the Company	ZL202110618964.2	2021.06.03
75	A three module linkage dimming mechanism (一種三模組聯動調光機構)	PRC	the Company	ZL202110941698.7	2021.08.17
76	A new portable program upgrade method (一種新型便攜式程序升級方法)	PRC	the Company	ZL202111117889.8	2021.09.24
77	Uniform three-dimensional stereoscopic illumination of internal mirrors and manufacturing methods for headlights and internal mirrors (均勻三維立體發光的內配鏡及車燈及內配鏡的製造方法)	PRC	the Company	ZL202111155615.8	2021.09.29
78	Driver and Driving Method for Intelligent Environment Lights in Cars (車內智能環境燈驅動器及驅動方法)	PRC	the Company	ZL202111430841.2	2021.11.29
79	A Design Method and Lens for Hybrid Refractive Diffraction Lens (一種折衍射混合透鏡設計方法及透鏡)	PRC	the Company	ZL202111441846.5	2021.11.30
80	Structure and usage of sealing inserts for two-color molds (雙色模具的封膠鑲件結構及其使用方法)	PRC	the Company	ZL202111489902.2	2021.12.08

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81	A matrix reading light for tracking human hands and its control method (一種燈光追蹤人手的矩陣閱讀燈及其控制方法)	PRC	the Company	ZL202111562444.0	2021.12.20
82	An Intelligent Maintenance System and Prediction Method for Automotive Lamp Malfunctions (一種汽車車燈故障智能運維系統及預測方法)	PRC	the Company	ZL202111578790.8	2021.12.22
83	A locking fixed optical structure (一種鎖扣固定式光學結構)	PRC	the Company	ZL202210140329.2	2022.02.16
84	A car assisted driving warning control device and its judgment method (一種汽車輔助駕駛預警控制裝置及其判斷方法)	PRC	the Company	ZL202210404675.7	2022.04.18
85	A method for evaluating the illumination width of a reflective strip ambient light (一種反射式帶狀氛圍燈照亮寬度的評價方法)	PRC	the Company	ZL202210507775.2	2022.05.11
86	Auxiliary lighting device applied to car lights and its usage method (應用於車燈的輔助照明裝置及其使用方法)	PRC	the Company	ZL202210512963.4	2022.05.12
87	A projection angle adjustment method for high pixel headlights (一種高像素前照燈的投影角度調節方法)	PRC	the Company	ZL202210610970.8	2022.06.01
88	Lens components and car lights using the lens components (透鏡組件及使用該透鏡組件的汽車燈)	PRC	the Company	ZL202210807562.1	2022.07.09
89	Dynamic projection module and its design method applied to car lights (應用於車燈的動態投影模組及其設計方法)	PRC	the Company	ZL202210866159.6	2022.07.22
90	A control method for energy-saving control system of electric vehicle assisted driving (一種電動汽車輔助駕駛節能控制系統的控制方法)	PRC	the Company	ZL202210876657.9	2022.07.25
91	A holographic projection illumination structure for vehicles (一種車用全息投影照明結構)	PRC	the Company	ZL202210914737.9	2022.08.01
92	Multi sensor offline calibration system and method for intelligent driving vehicles (智能駕駛車輛的多傳感器下線標定系統及其方法)	PRC	the Company	ZL202210914738.3	2022.08.01
93	A car mounted LiDAR adjustment system and method for uphill and downhill driving (一種上下坡車載激光雷達調節系統及其方法)	PRC	the Company	ZL202211017307.3	2022.08.23
94	A LED SMT method based on electromagnetic induction (一種基於電磁感應的LED貼片方法)	PRC	the Company	ZL202211063356.0	2022.09.01
95	A laser radar calibration method and detection equipment for wall flatness detection (一種激光雷達標定牆面平整度檢測方法及檢測設備)	PRC	the Company	ZL202211089070.X	2022.09.07
96	Customized taillights and vehicles based on laser technology (基於激光技術的定制尾燈、車輛)	PRC	the Company	ZL202211187434.8	2022.09.28
97	A MOSFET short-circuit fault detection system and method for three-phase bridge inverter circuit (一種三相橋式逆變器電路的MOSFET短路故障檢測系統及方法)	PRC	the Company	ZL202211202994.6	2022.09.29

No.	Patent Names	Place of Registration	Patentee	Patent Number	Application Date
98	A detection device and method for high pixel headlights (一種高像素前照燈的檢測裝置及方法)	PRC	the Company	ZL202211219407.4	2022.09.30
99	A vibration friction welding method for automotive lighting fixtures based on compression and vibration direction (一種基於壓合、振動方向的汽車燈具振動摩擦焊接方法)	PRC	the Company	ZL202211245432.X	2022.10.12
100	Processing method for detecting the expansion of high reflectivity objects at close range using laser radar (激光雷達探測近距離高反物出現膨脹的處理方法)	PRC	the Company	ZL202211271752.2	2022.10.18
101	Lamp fault detection circuit and its usage method (車燈故障檢測電路及其使用方法)	PRC	the Company	ZL202211271894.9	2022.10.18
102	A heat dissipation structure and method for a vehicle mounted millimeter wave radar integrated light group (一種車載毫米波雷達集成燈組散熱結構以及散熱方法)	PRC	the Company	ZL202211271989.0	2022.10.18
103	Thick walled optical module and headlight system with good focusing effect (聚光效果好的厚壁光學模組及車燈系統)	PRC	the Company	ZL202211321807.6	2022.10.27
104	An automatic calibration system and calibration method for ALS and AFS car lights (一種汽車車燈ALS和AFS自動校正系統及校正方法)	PRC	the Company	ZL202211326277.4	2022.10.27
105	Reflective optical modules and lighting devices and vehicles using them (反射式光學模組及使用其的照明裝置及車輛)	PRC	the Company	ZL202211346460.0	2022.10.31
106	A UART controller and data transmission effectiveness detection method (一種UART控制器及數據傳輸有效性檢測方法)	PRC	the Company	ZL202211357271.3	2022.11.01
107	A system and method for increasing brightness contrast of automotive pixel headlights (一種汽車像素車燈的增加亮度對比度系統及方法)	PRC	the Company	ZL202211405331.4	2022.11.10
108	Automated Performance Testing System and Testing Method for Touchable Switches in Automotive Interior Lights (汽車室內燈觸摸式開關性能自動化檢測系統及檢測方法)	PRC	the Company	ZL202211471742.3	2022.11.23
109	A polarizing structure and automotive lighting fixtures (一種偏光結構及汽車燈具)	PRC	the Company	ZL202211495956.4	2022.11.28
110	Device, method and storage medium for determining the preset anchor frame of intelligent driving (智能駕駛預設錨框的確定裝置、方法及存儲介質)	PRC	the Company	ZL202211569394.3	2022.12.08
111	A fault diagnosis system and method for automotive interactive lights (一種汽車交互燈故障診斷系統及診斷方法)	PRC	the Company	ZL202310054930.4	2023.02.03
112	A detection device and control method for automotive lighting domain controller (一種汽車車燈具域控制器檢測裝置及其其控制方法)	PRC	the Company	ZL202310067204.6	2023.02.06

No.	Patent Names	Place of Registration	Patentee	Patent Number	Application Date
113	Laser radar control system and control method for implementing zoom scanning imaging (實現變焦距掃描成像的激光雷達控制系統及其控制方法)	PRC	the Company	ZL202310183522.9	2023.03.01
114	Imaging lens and signal projection lamp using it (成像鏡頭及使用其的信號投影燈)	PRC	the Company	ZL202310184672.1	2023.03.01
115	Vehicle adaptive cruise control device and control method (車輛自適應巡航控制裝置及控制方法)	PRC	the Company	ZL202310190923.7	2023.03.02
116	Automatic control method and control system for high and low beam lights, and vehicles equipped with such a system (遠近光燈自動控制方法、控制系統及具有該系統的車輛)	PRC	the Company	ZL202310209827.2	2023.03.07
117	Total reflection structure and its optical module and headlight (全反射結構及使用其的光學模組和車燈)	PRC	the Company	ZL202310228784.2	2023.03.10
118	A car domain controller and automatic mapping and positioning method for vehicles on commuting roads (一種汽車域控制器及通勤道路上車輛自動建圖和定位方法)	PRC	the Company	ZL202310295808.6	2023.03.24
119	Single eye distance measurement method, device, equipment, medium and vehicle for intelligent driving of vehicles (車輛智能駕駛的單目測距方法、裝置、設備、介質及車輛)	PRC	the Company	ZL202310309920.0	2023.03.28
120	Detection methods, systems, equipment, media, and vehicles for traffic signal lights (交通信號燈的檢測方法、系統、設備、介質及車輛)	PRC	the Company	ZL202310387288.1	2023.04.12
121	Composite lens and its manufacturing method, car lamp, and the manufacturing module of the composite lens (複合透鏡及其製造方法、車燈以及該複合透鏡製造模組)	PRC	the Company	ZL202310405735.1	2023.04.17
122	TOF LiDAR system based on dual wavelength and its anti-interference method (基於雙波長的TOF激光雷達系統及其抗干擾方法)	PRC	the Company	ZL202310431185.0	2023.04.21
123	A detection system and method for automotive laser lamps (一種車用激光燈具的檢測系統及檢測方法)	PRC	the Company	ZL202310438185.3	2023.04.23
124	A SPI communication data transmission and reception anomaly detection control system and detection method (一種SPI通信數據收發異常檢測控制系統及檢測方法)	PRC	the Company	ZL202310438188.7	2023.04.23
125	An adaptive high beam locking and electric inspection device (一種自適應遠光燈鎖付與電檢裝置)	PRC	the Company	ZL202310465408.5	2023.04.27
126	A vehicle collision prevention system and control method (一種車輛防碰撞系統及控制方法)	PRC	the Company	ZL202310495424.9	2023.05.05

No.	Patent Names	Place of Registration	Patentee	Patent Number	Application Date
127	A mechanism for ensuring consistency between the installation of a car light dimming motor and a bracket (一種汽車車燈調光電機與支架安裝一致性保障機構)	PRC	the Company	ZL202310822372.1	2023.07.06
128	Vehicle headlight ADB processing method, processing system, equipment and its medium (車輛前燈ADB處理方法、處理系統、設備及其介質)	PRC	the Company	ZL202310930616.8	2023.07.26
129	CAN data message sending verification method, device, computer equipment and storage medium (CAN數據報文發送校驗方法、裝置、計算機設備及存儲介質)	PRC	the Company	ZL202310935846.3	2023.07.28
130	ADB Function Testing Method and System for Automotive LED Matrix Headlights (汽車LED矩陣大燈的ADB功能測試方法及其系統)	PRC	the Company	ZL202310945491.6	2023.07.31
131	Lens structure, optical system, and headlights used for functional reuse (用於實現功能複用的透鏡結構、光學系統及車燈)	PRC	the Company	ZL202311006654.0	2023.08.11
132	A tooling and manufacturing method for coating car lights (一種用於車燈鍍膜的工裝及製作方法)	PRC	the Company	ZL202311082625.2	2023.08.28
133	A lighting control system and lighting control method based on tracking eye movements (一種基於追蹤眼球動態的燈具控制系統及燈具控制方法)	PRC	the Company	ZL202311082627.1	2023.08.28
134	Horizontal and Vertical Joint Control System and Control Method for Vehicle Assisted Driving (車輛輔助駕駛的橫縱向聯合控制系統及控制方法)	PRC	the Company	ZL202311086242.2	2023.08.28
135	A method for debugging and verifying lane line fitting deviation using scene simulation (一種利用場景仿真調試驗證車道線擬合偏差問題的方法)	PRC	the Company	ZL202311096887.4	2023.08.29
136	Method and mounting system for improving the efficiency of SMT high-precision mounting of black outer edge LEDs (提高SMT高精度貼裝黑色外沿LED效率的方法及貼裝系統)	PRC	the Company	ZL202311140201.7	2023.09.06
137	A target detection method and detection system based on the correlation between front and back frame images (一種基於前後幀圖像關聯的目標檢測方法及檢測系統)	PRC	the Company	ZL202311144258.4	2023.09.06
138	Light emitting devices, optical systems, and vehicle lights used for functional reuse (用於實現功能複用的發光裝置、光學系統及車燈)	PRC	the Company	ZL202311147426.5	2023.09.07
139	A Testing and Verification Method for Intelligent Driving Domain Controller Simulating HIL Bench (一種模擬HIL台架的智能駕駛域控制器測試驗證方法)	PRC	the Company	ZL202311172970.5	2023.09.12
140	Methods, devices, equipment, and media for testing the quality of sealant sealing (密封膠密封質量檢測方法、裝置、設備及其介質)	PRC	the Company	ZL202311175354.5	2023.09.13

No.	Patent Names	Place of Registration	Patentee	Patent Number	Application Date
141	A lane departure warning method and system with adaptive warning time interval (一種具有自適應報警時距的車道偏離報警方法及系統)	PRC	the Company	ZL202311223420.1	2023.09.21
142	A method and system for detecting abnormal UDS service messages in vehicles (一種車輛UDS服務報文異常檢測方法及檢測系統)	PRC	the Company	ZL202311545659.0	2023.11.20
143	A laser radar system and its method for improving the resolution of the region of interest (一種激光雷達系統及其感興趣區域分辨率提升方法)	PRC	the Company	ZL202410339522.8	2024.03.25
144	An intelligent indoor light detection device and method based on CNN convolutional neural network (一種基於CNN卷積神經網絡的智能室內燈檢測裝置及方法)	PRC	the Company	ZL202410353973.7	2024.03.27
145	An ADAS functional testing bench and testing method (一種ADAS功能測試台架及測試方法)	PRC	the Company	ZL202410431413.9	2024.04.11
146	Testing methods, equipment, and media for the luminous quality of through type automotive lighting fixtures (貫穿式汽車燈具發光質量的檢測方法、設備及其介質)	PRC	the Company	ZL202410517492.5	2024.04.28
147	A vehicle mounted LiDAR external parameter calibration system and method (一種車載激光雷達外參標定系統及方法)	PRC	the Company	ZL202410519238.9	2024.04.28
148	Online monitoring method for external parameter accuracy of vehicle sensors (車輛傳感器外參準確性的在線監測方法)	PRC	the Company	ZL202410574023.7	2024.05.10
149	A turning control method for lateral control of vehicle assisted driving (一種車輛輔助駕駛橫向控制的進彎控制方法)	PRC	the Company	ZL202410592346.9	2024.05.14
150	A detection method for automotive low beam characteristic points based on overlapping area changes (一種基於交疊面積變化的汽車近光光型特徵點的檢測方法)	PRC	the Company	ZL202410674965.2	2024.05.29
151	A method for automatic attachment of breathable film based on visual guidance (一種基於視覺引導的透氣膜自動貼附方法)	PRC	the Company	ZL202410677807.2	2024.05.29
152	An Automated Testing Method for Vehicle Diagnosis Based on CAN Bus (一種基於CAN總線的車載診斷自動化測試方法)	PRC	the Company	ZL202410751580.1	2024.06.12
153	Intelligent high beam control method, control system and vehicle for headlights (一種前照燈的智能遠光控制方法、控制系統及車輛)	PRC	the Company	ZL202410791803.7	2024.06.19
154	A method for manufacturing a vehicle mounted planar parallel double lens antenna cover (一種車載平面型並聯雙透鏡天線罩的製作方法)	PRC	the Company	ZL202410940506.4	2024.07.15
155	An adaptive algorithm and system for correcting glare and line of sight differences in car lights (一種自適應車燈防眩目視線差糾正算法及系統)	PRC	the Company	ZL202410993703.2	2024.07.24

No.	Patent Names	Place of Registration	Patentee	Patent Number	Application Date
156	A lighting end angle adjustment control system and method based on a lighting controller (一種基於燈光控制器的燈具端角度調節控制系統及方法)	PRC	the Company	ZL202411141354.8	2024.08.20
157	Vehicle path planning and obstacle avoidance method based on CMS assistance (基於CMS輔助的車輛路徑規劃及避障方法)	PRC	the Company	ZL202411366275.7	2024.09.29
158	A method for correcting the vertical disparity of headlights and a high-definition matrix headlight control system (一種大燈上下視差糾正方法及高清矩陣大燈控制系統)	PRC	the Company	ZL202411421497.4	2024.10.12
159	A point cloud performance testing system and testing method for LiDAR motion scenes (一種激光雷達運動場景下點雲性能測試系統及測試方法)	PRC	the Company	ZL202411442270.8	2024.10.16
160	Multi objective matching optimization method and system for intelligent car light self closing loop system (一種智能車燈自閉環系統的多目標匹配優化方法和系統)	PRC	the Company	ZL202411734205.2	2024.11.29
161	A method and system for detecting defects in car headlight lenses based on traditional image processing (一種基於傳統圖像處理的車燈透鏡瑕疵檢測方法和系統)	PRC	the Company	ZL202411755556.1	2024.12.03
162	A dual lamp calibration and fusion system and method for vehicle lights (一種車燈雙燈標定和融合系統和方法)	PRC	the Company	ZL202411910603.5	2024.12.24
163	Automated testing system and method for AI assisted function of electronic rearview mirrors (電子後視鏡的AI輔助功能自動化測試系統及方法)	PRC	the Company	ZL202411947140.X	2024.12.27
164	An adaptive cruise control anti slip compensation and overtaking assistance control system and method (一種自適應巡航防溜坡補償和超車輔助控制系統及方法)	PRC	the Company	ZL202510061941.4	2025.01.15
165	Optimization method for illumination uniformity of projection image of intelligent self closing ring car light blanket (一種智能自閉環車燈光毯投影圖像照度均勻性的優化方法)	PRC	the Company	ZL202510322532.5	2025.03.19

Domain name

As of the Latest Practicable Date, we owned the following domain names which we consider to be or may be material to our business:

No.	Domain name	Registered owner
1	xyl.cn	the Company

FURTHER INFORMATION ABOUT OUR DIRECTORS AND SENIOR MANAGEMENT

Particulars of the Service Contracts

We [have entered] into a service contract with each of our Directors in respect of, among other things (i) the term of service , (ii) subject to termination in accordance with their respective terms, and (iii) a dispute resolution provision. The service contracts may be renewed in accordance with our Articles of Association and the applicable laws, rules and regulations from time to time.

Save as disclosed above, none of the Directors has or is proposed to have an Service contract with any member of our Group (other than contracts expiring or determinable by the relevant employer within one year without the payment of compensation (other than statutory compensation)).

Directors' and Senior Managements' Remuneration

Our Directors and senior management receive their remuneration from our Group in the form of salaries, bonuses, contributions to social security plans and housing provident fund plans, share-based compensation and other benefits.

For the years ended December 31, 2023, 2024 and the nine months ended September 30, 2025, the aggregate amount of remuneration paid or payable to our Directors amounted to approximately RMB2.7 million, RMB2.7 million and RMB2.5 million, respectively.

Save as disclosed, no other remuneration or benefits have been paid or are payable in respect of the Track Record Period to our Directors by our Group.

Disclosure of Interests

Interest of the Directors and the Chief Executives of Our Company

Save as disclosed in the section headed "Substantial Shareholders" and below, immediately following completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised and no changes are made to our issued share capital), the only interests and/or short positions of our Directors and chief executive in our Shares, underlying shares and debentures of our Company and its associated corporations, within the meaning of Part XV of the SFO, which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she is taken or deemed to have under such provisions of the SFO), or which will be required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein, or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules, will be as follows:

Name	Position	Nature of Interest	Number and Description of Shares	Approximate (%) interest in Shares of our Company immediately before the [REDACTED]	Approximate (%) interest in Shares of our Company immediately after the [REDACTED]
Mr. Xu Huiyi.	Executive Director	Beneficial Owner	106,800 A Shares	0.0374%	**[REDACTED]**%
Mr. Li Shujun	Executive Director and Executive Vice General Manager	Beneficial Owner	24,000 A Shares(1)	0.0084%	**[REDACTED]**%

Note:

(1) As of the Latest Practicable Date, Mr. Li Shujun is interested in the underlying A Shares relating to the subscribed portion under the 2024 Employee Stock Scheme and 2025 Employee Stock Scheme.

Interests of substantial shareholders in Members of Our Group

As of the Latest Practicable Date, save as disclosed below, our Directors are not aware of any other person (other than our Directors or General Manager of our Company) who will, immediately following completion of the [**REDACTED**], assuming no new Shares are issued under the [**REDACTED**], and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the [**REDACTED**], have an interest or short position in our Shares or underlying Shares which would fall to be disclosed to us under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, will be, directly or indirectly, interested in 10% or more of the issued voting shares of any other member of our Group.

Our subsidiaries	Name of substantial shareholder	Approximate percentage of interest
Xingyu Robot	JAKA Robotics Co., Ltd. (節卡機器人股份有限公司)	30%

EMPLOYEE STOCK SCHEMES

The following is a summary of the principal terms of: (i) the 2024 Employee Stock Scheme approved by our shareholders on December 2, 2024 (the "**2024 Employee Stock Scheme**"), and (ii) the 2025 Employee Stock Scheme approved by our shareholders on November 20, 2025 (the "**2025 Employee Stock Scheme**", together with the 2024 Stock Scheme collectively as the "**Employee Stock Schemes**"), which were outstanding as of the Latest Practicable Date. The terms of the Employee Stock Schemes are not subject to the provisions of Chapter 17 of the Listing Rules regarding share schemes involving issue of new shares after our [**REDACTED**]. Save as otherwise disclosed, the terms of each of the Employee Stock Schemes are substantially similar and are summarized below.

(i) Purpose

The purpose of the Employee Stock Schemes is to establish a community of shared future and career community among our Group, our shareholders and our key employees, which will enhance the interest sharing mechanism among the same, mobilizing and boosting the cohesion, initiative and creativity of our teams. The Employee Stock Schemes will incentivize key employees to strive toward building our Company into an outstanding industry leader in the long term, continuously improving our corporate governance, and promoting our Company's long-term, sustainable and healthy development.

(ii) Administration

The Employee Stock Schemes are executed by the Board subject to the approval by the Shareholders' meeting. The meeting of all participants ("**Participants**") shall have the full power to administer the Employee Stock Schemes. A management committee, the members of which are elected by the meetings of the Participants, is authorized to oversee the day-to-day management of the Employee Stock Scheme.

(iii) Participation

The Participants will consist of senior and middle-level management, technology experts and staff, and other core employees of our Group. The numbers of Participants under 2024 Employee Stock Scheme and the 2025 Employee Stock Scheme shall be no more than 63 and 68 respectively.

(iv) Source and Maximum Number of Shares

The Shares underlying the Employee Stock Schemes shall be A Shares repurchased by our Company from the open market and transferred to the Employee Stock Schemes. Each award granted represents the entitlement to the corresponding portion of A Shares underlying the Employee Stock Schemes ("**Awards**"). These Awards are subject to a lock-up period and will only be unlocked upon fulfilling the unlocking conditions stipulated. The maximum number of Shares in respect of the Awards that can be granted under each of the Employee Stock Schemes are as follows:

Employee Stock Scheme	Maximum number of Shares granted under the Employee Stock Schemes	Number of Participants
2024 Employee Stock Scheme	540,000	No more than 63
2025 Employee Stock Scheme	571,200	No more than 68

(v) Date of Grant and Term of Schemes

The term of each Employee Stock Scheme shall be 72 months commencing from the date of the public announcement regarding the transfer of the last tranche of relevant A Shares into the stock account under the relevant Employee Stock Scheme (the "**Commencement Date**"). Should the Employee Stock Scheme not be extended upon its expiration, it will automatically terminate. On December 19, 2024 and December 24, 2025, we made announcements that all A shares relevant to the 2024 Employee Stock Scheme and the 2025 Employee Stock Scheme have been transferred to the stock account for the 2024 Employee Stock Scheme and the 2025 Employee Stock Scheme respectively.

Each of the Employee Stock Scheme will be automatically terminated if not extended upon the expiration of the 72 months. Either Employee Stock Scheme can be early terminated or extended before the expiration of its valid term subject to 2/3 approvals (inclusive) by the Participants attending the Participants' meeting and the approval by the Board of our Company. The Employee Stock Schemes shall also be early cancelled if all of the A shares under either Employee Stock Schemes have been unlocked, sold and distributed.

(vi) Performance Targets and Lock-up

Subject to the comprehensive performance evaluation by the Remuneration Committee under our Board regarding the fulfillment and the performance of each Participant, covering the evaluation period from 2024 to 2026 under the 2024 Employee Stock Scheme and 2025 to 2027 under the 2025 Employee Stock Scheme respectively, the Awards held by the Participants shall be unlocked in three installments in the proportion of 40%, 30% and 30%, commencing from 12 months, 24 months and 36 months respectively after the Commencement Date under the corresponding Employee Stock Scheme. The unlocked Awards shall be distributed in combination of the following manners:

(a) sold by the management committee as authorized by the meetings of the Participants, with the proceeds to be distributed to the relevant Participants proportionately;

(b) Arrange non-transaction transfer of the relevant portion of the A shares underlying the unlocked granted Awards to the individual stock account of a Participant; or

(c) a combination of the above (a) and (b).

The Shares derived from the underlying A Shares obtained under the Employee Stock Schemes as a result of events such as the distribution of share dividends and capitalization of capital reserve by the Company shall also be subject to the above lock-up arrangement.

(vii) Grant Price

The participant shall pay the grant price at RMB72 per share under 2024 Employee Stock Scheme and RMB68 per share under 2025 Employee Stock Scheme.

(viii) Dividend and Participant's Rights

Under this Employee Stock Schemes, Participants shall be entitled to the beneficial interest in the shares in proportion to their actual contribution, including but not limited to the right to dividends, right to share allocation, right to capital conversion, etc. The Awards shall not be transferred, pledged, mortgaged, used for debts repayment or any other similar disposals unless otherwise permitted by applicable laws and regulations or approved by the management committee.

(ix) Details of the Awards granted

2024 Employee Stock Scheme

As of the Latest Practicable Date, under the 2024 Employee Stock Scheme, the aggregate number of A Shares underlying the 2024 Employee Stock Scheme is [326,880], representing approximately 0.11% of the total issued share capital of our Company before the completion of the [**REDACTED**] (assuming that the [**REDACTED**] are not exercised and no changes are made to our issued share capital between the Latest Practicable Date and the [**REDACTED**]).

The following table sets forth the number and status of outstanding Shares granted to the senior management and other Participants under the 2024 Employee Stock Schemes as of the Latest Practicable Date:

Name	Position	Date of Grant	Grant Price (RMB/share)	Number of A Shares underlying the outstanding Awards granted	Approximate percentage of issued Shares immediately after completion of the [REDACTED][(1)]
Senior Management					
Xu Xiaoping (徐小平)	Supervisor[(3)]	December 17, 2024	72	7,200	[REDACTED]%
Li Shujun (李樹軍)	Executive Director, Executive Vice General Manager	December 17, 2024	72	7,200	[REDACTED]%
Liu Shuting (劉樹廷)	Vice General Manager	December 17, 2024	72	7,200	[REDACTED]%
Lin Shudong (林樹棟)	Vice General Manager	December 17, 2024	72	7,200	[REDACTED]%
Chen Liujun (陳留俊)	Vice General Manager	December 17, 2024	72	7,200	[REDACTED]%
Cao Jin (曹進)	Intelligent manufacturing chief[(4)]	December 17, 2024	72	7,200	[REDACTED]%
Li Gang (李鋼)	Technical department director[(4)]	December 17, 2024	72	7,200	[REDACTED]%
Gao Peng (高鵬)	Board Secretary, Vice General Manager and Chief Financial Officer	December 17, 2024	72	7,200	[REDACTED]%
Subtotal				57,600	[REDACTED]%
Other Participants					
Other Participants as core employees (55 persons)	–	December 17, 2024	72	269,280	[REDACTED]%
Total				326,880[(2)]	[REDACTED]%

Note:

(1) The calculation is based on the assumption that no new Shares are issued under the **[REDACTED]** and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the **[REDACTED]**.

(2) On December 17, 2025, the first installment of 213,120 shares under the 2024 Employee Stock Scheme has been unlocked based on performance evaluation.

(3) Pursuant to the resolution approved at the first extraordinary general meeting of shareholders in 2025, the company has abolished the board of supervisors on September 19, 2025, and its functions and powers have been assumed by the Audit Committee.

(4) Both Mr. Li Gang and Mr. Cao Jin became Vice General Manager of our Company in April 2025.

2025 Employee Stock Scheme

As of the Latest Practicable Date, under the 2025 Employee Stock Scheme, the aggregate number of A Shares underlying the 2025 Employee Stock Scheme is 571,200, representing approximately 0.20% of the total issued share capital of our Company before the completion of the **[REDACTED]** (assuming that no changes are made to our issued share capital between the Latest Practicable Date and the **[REDACTED]**).

The following table sets forth the number and status of outstanding Shares granted to the senior management and other Participants under the 2025 Employee Stock Schemes as of the Latest Practicable Date:

Name	Position	Date of Grant	Grant Price (RMB/share)	Number of A Shares underlying the outstanding Awards granted	Approximate percentage of issued Shares immediately after completion of the [REDACTED] (1)
Senior Management					
Li Shujun (李樹軍)	Executive Director, Executive Vice General Manager	November 20, 2025	68	12,000	[REDACTED]%
Liu Shuting (劉樹廷)	Vice General Manager	November 20, 2025	68	12,000	[REDACTED]%
Lin Shudong (林樹棟)	Vice General Manager	November 20, 2025	68	12,000	[REDACTED]%
Chen Liujun (陳留俊)	Vice General Manager	November 20, 2025	68	12,000	[REDACTED]%
Li Gang (李鋼)	Vice General Manager	November 20, 2025	68	12,000	[REDACTED]%
Cao Jin (曹進)	Vice General Manager	November 20, 2025	68	12,000	[REDACTED]%
Gao Peng (高鵬)	Board Secretary, Vice General Manager and Chief Financial Officer	November 20, 2025	68	12,000	[REDACTED]%
Subtotal				84,000	[REDACTED]%
Other Participants					
Other Participants as core employees (61 persons)	–	November 20, 2025	68	487,200	[REDACTED]%
Total				571,200	[REDACTED]%

Note:

(1) The calculation is based on the assumption that no new Shares are issued under the **[REDACTED]** and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the **[REDACTED]**.

Disclaimers

(a) Save as disclosed in this section and the section headed "History, Development and Corporate Structure," none of the Directors, nor any of the experts referred to in "— Other Information — Qualifications and Consents of Experts" below has any direct or indirect interest in the promotion of, or in any assets which have been, within the two years immediately preceding the date of this Document, acquired or disposed of by, or leased to, any member of the Group, or are proposed to be acquired or disposed of by, or leased to, any member of the Group.

(b) Save in connection with the **[REDACTED]**, none of the Directors, nor any of the experts referred to in "— Other Information — Qualifications and Consents of Experts" below, is materially interested in any contract or arrangement subsisting at the date of this Document which is significant in relation to the business of the Group.

(c) No cash, securities or other benefit has been paid, allotted or given within the two years preceding the date of this Document to any promoter of the Company nor is any such cash securities or benefit intended to be paid, allotted or given on the basis of the **[REDACTED]** or related transactions as mentioned.

(d) Save as disclosed in the section headed "Business," none of our Directors or their close associates (as defined in the Listing Rules) or the existing Shareholders (who, to the knowledge of our Directors, owns more than 5% of our issued share capital) has any interest in any of the five largest customers or the five largest suppliers of our Group.

OTHER INFORMATION

Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to fall on our Group.

Litigation

To the best of our Directors' knowledge, no litigation or claim of material importance is pending or threatened against any member of our Group.

Sole Sponsor

The Sole Sponsor has declared its independence pursuant to Rule 3A.07 of the Listing Rules.

The Sole Sponsor has made an application on our behalf to the Stock Exchange for the approval of the **[REDACTED]** of, and permission to deal in, our H Shares to be issued pursuant to the **[REDACTED]** (including any H Shares which may be issued pursuant to the exercise of the **[REDACTED]**). All necessary arrangements have been made to enable the Shares to be admitted into **[REDACTED]**.

Pursuant to the engagement letter entered into between the Company and the Sole Sponsor, we have agreed to pay the Sole Sponsor US$[**REDACTED**] to act as the sponsor of our Company in connection with [**REDACTED**] on the Stock Exchange.

Qualifications and Consents of Experts

The qualification of the experts, as defined under the Listing Rules, who have given opinions of the Document are as follows:

Name	Qualification
Huatai Financial Holdings (Hong Kong) Limited	A licensed corporation under the SFO for type 1 (dealing in securities), type 2 (dealing in futures contracts), type 3 (leveraged foreign exchange trading), type 4 (advising on securities), type 6 (advising on corporate finance), type 7 (providing automated trading services) and type 9 (asset management) of the regulated activities as defined under the SFO
JunHe LLP	PRC Legal Advisor
HLB Hodgson Impey Cheng Limited	Certified Public Accountants under Professional Accountants Ordinance (Cap. 50) and Registered Public Interest Entity Auditor under Accounting and Financial Reporting Council Ordinance (Cap. 588)
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co	Independent industry consultant

As of the Latest Practicable Date, none of the experts named above have any shareholding interest in our Company or any of our subsidiaries or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

Each of the experts has given and has not withdrawn their respective written consents to the issue of this Document with copies of their reports, letters, opinions or summaries of opinions (as the case may be) and the references to their names included herein in the form and context in which they are respectively included.

BINDING EFFECT

This Document shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Companies Ordinance so far as applicable.

PROMOTERS

Within the two years immediately preceding the date of the Document, no cash, securities or other benefit has been paid, allotted or given or is proposed to be paid, allotted or given to any promoter in connection with the **[REDACTED]** and the related transactions described of the Document.

PRELIMINARY EXPENSES

The Company did not incur material preliminary expenses for the purpose of the **[REDACTED]**.

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that to the date of the Document, there has been no material adverse change in our financial, operational or trading positions or prospects since September 30, 2025, being the end of the period reported on as set out in the Accountants' Report included in Appendix I of the Document.

MISCELLANEOUS

(a) Save as disclosed in this section and in the section headed "Financial Information" of the Document, within the two years immediately preceding the date of the Document:

    (i) no loan capital or debenture of our Company or any of our subsidiaries has been issued or agreed to be issued or is proposed to be issued for cash or as fully or partly paid other than in cash or otherwise;

    (ii) no share or loan capital of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option; and

    (iii) no commissions, discounts, brokerages or other special terms have been granted or agreed to be granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries.

(b) There are no founder, management or deferred shares nor any debentures in our Company or any of our subsidiaries;

(c) No share or loan capital or debenture of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;

(d) No commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any share or loan capital of our Company or any of its subsidiaries by our Company for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions, for any shares in or debentures of our Company or any of our subsidiaries;

(e) Save for the A Shares of our Company that are listed on the Shanghai Stock Exchange and save for the H Shares to be issued in connection with **[REDACTED]**, no equity or debt securities of any company within our Group is presently listed on any stock exchange or traded on any trading system nor is any listing or permission to deal being or proposed to be sought;

(f) Our Company has no outstanding convertible debt securities or debentures;

(g) There is no arrangement under which future dividends are waived or agreed to be waived; and

(h) There has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this Document.

BILINGUAL DOCUMENT

The English language and Chinese language versions of the Document are being published separately in reliance upon the exemption provided by section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Cap. 32L).

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to a copy of the Document and delivered to the Registrar of Companies in Hong Kong for registration were:

(i) a copy of each of the material contracts referred to "Statutory and General Information — Further Information about our Business — Summary of Material Contracts" of the Document; and

(ii) the written consents referred to in "Statutory and General Information — Other Information — Qualifications and Consents of Experts" of the Document.

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be published on the Stock Exchange's website at **www.hkexnews.hk** and **www.xyl.cn** during a period of 14 days from the date of the Document:

(a) the Articles of Association;

(b) the Accountants' Report of our Group from HLB Hodgson Impey Cheng Limited, the text of which is set out in Appendix I of the Document;

(c) the audited consolidated financial statements of our Group for the Track Record Period;

(d) the report from HLB Hodgson Impey Cheng Limited on the **[REDACTED]** financial information of our Group, the text of which is set out in Appendix II of the Document;

(e) the industry report issued by Frost & Sullivan (Beijing) Inc. Shanghai Branch Co. referred to in "Industry Overview" of the Document;

(f) the PRC legal opinion issued by JunHe LLP, our PRC Legal Advisor, in respect of, among other things, certain general corporate matters and property interests matters of our Group;

(g) the material contracts referred to in "Statutory and General Information — Further Information about our Business — Summary of Material Contracts" of the Document;

(h) the written consents referred to in "Statutory and General Information — Other Information — Qualifications and Consents of Experts" of the Document; and

(i) the service contracts referred to in Appendix IV — "Statutory and General Information — Further Information about Directors and Senior Management — Particular of the Service Contracts" of the Document.