



浙江零跑科技股份有限公司

ZHEJIANG LEAPMOTOR TECHNOLOGY CO., LTD.

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

Stock code: 9863



2025 ANNUAL REPORT

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# Company Information

## DIRECTORS

### Executive Directors

Mr. Zhu Jiangming (朱江明) (*Founder, Chairperson of the Board and Chief Executive Officer*)  
Mr. Cao Li (曹力) (*Senior Vice President*)  
Mr. Zhou Hongtao (周洪濤) (*Senior Vice President*)

### Non-executive Directors

Mr. Grégoire Olivier  
Mr. Douglas Ostermann (*resigned on 8 December 2025*)  
Mr. Davide Mele (*appointed on 8 December 2025*)  
Mr. Jin Yufeng (金宇峰)

### Independent Non-executive Directors

Mr. Fu Yuwu (付于武)  
Ms. Drina C Yue (萬家樂)  
Mr. Shen Linhua (沈林華)

## SUPERVISORS

Mr. Wu Yefeng (吳燁鋒) (*resigned on 25 June 2025*)  
Ms. Yao Tianzhi (姚甜芝)  
Mr. Mo Chengrui (莫承銳)  
Mr. Zhao Zhiding (趙志定) (*appointed on 25 June 2025*)

## AUDIT COMMITTEE

Mr. Shen Linhua (沈林華) (*Chairperson*)  
Mr. Fu Yuwu (付于武)  
Ms. Drina C Yue (萬家樂)

## REMUNERATION COMMITTEE

Ms. Drina C Yue (萬家樂) (*Chairperson*)  
Mr. Zhu Jiangming (朱江明)  
Mr. Shen Linhua (沈林華)

## NOMINATION AND ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE (ESG) COMMITTEE

Mr. Zhu Jiangming (朱江明) (*Chairperson*)  
Mr. Fu Yuwu (付于武)  
Ms. Drina C Yue (萬家樂)

## JOINT COMPANY SECRETARIES

Ms. Lee Mei Yi (李美儀) (*FCG, HKFCG*)  
Mr. Shen Ke (沈珂)

## AUTHORISED REPRESENTATIVES

Mr. Zhu Jiangming (朱江明)  
Ms. Lee Mei Yi (李美儀) (*FCG, HKFCG*)

## H SHARE REGISTRAR

### Tricor Investor Services Limited

17/F, Far East Finance Centre  
16 Harcourt Road  
Hong Kong

## PRINCIPAL BANKS

Industrial and Commercial Bank of China Limited,  
Hangzhou Binjiang Sub-branch  
Industrial Bank Co., Ltd., Yiwu Branch  
China CITIC Bank Corporation Limited,  
Hangzhou Yan'an Sub-branch

## HEADQUARTER AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

1/F, No. 451 Wulianwang Street  
Binjiang District, Hangzhou  
Zhejiang Province, China

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1922, 19/F, Lee Garden One  
33 Hysan Avenue, Causeway Bay  
Hong Kong

## REGISTERED OFFICE

1/F, No. 451 Wulianwang Street  
Binjiang District, Hangzhou  
Zhejiang Province, China

## REPORTING ACCOUNTANT AND INDEPENDENT AUDITOR

PricewaterhouseCoopers  
*Certified Public Accountants*  
*Registered Public Interest Entity Auditor*  
22/F, Prince's Building, Central, Hong Kong

## LEGAL ADVISOR TO THE COMPANY

Clifford Chance  
27/F, Jardine House  
1 Connaught Place  
Central, Hong Kong

## STOCK CODE

9863

## COMPANY WEBSITE

[www.leapmotor.com](http://www.leapmotor.com)

## Key Highlights

## FINANCIAL HIGHLIGHTS

	For the Year Ended 31 December		
	2025	2024	Change (%)
	(RMB in thousands, except percentages)		
<b>Revenue</b>	<b>64,731,860</b>	32,164,184	101.3%
<b>Cost of sales</b>	<b>(55,319,907)</b>	(29,469,759)	87.7%
<b>Gross profit</b>	<b>9,411,953</b>	2,694,425	249.3%
<b>Operating profit</b>	<b>177,375</b>	(3,171,077)	N/A
<b>Finance income – net</b>	<b>293,728</b>	308,654	-4.8%
<b>Profit before income tax</b>	<b>538,392</b>	(2,820,716)	N/A
<b>Total profit for the year attributable to the equity holders of our Company</b>	<b>538,392</b>	(2,820,796)	N/A
<b>Earnings/(Loss) per share attributable to the equity holders of our Company (in RMB)</b>	<b>0.39</b>	(2.11)	N/A

## Business Highlights

- In 2025, Leapmotor ranked first among China's emerging auto brands in vehicle sales, with total annual deliveries of 596,555 units, representing an increase of 103.1% from 293,724 units for the same period in 2024. It achieved a doubling of sales for two consecutive years and was the only Chinese emerging auto brand company with monthly deliveries exceeding 70,000 units;
- In 2025, the Company ranked first among China's emerging auto brands in export volume, reaching 67,052 units. As of the end of February 2026, Leapmotor's cumulative exports had exceeded 100,000 units;
- In 2025, the Company achieved profitability for the year, with net profit reaching RMB0.54 billion, becoming the second Chinese emerging auto company to achieve full-year profitability;
- Gross margin was 14.5% for 2025, representing an increase of 6.1 percentage points from 8.4% for the same period of 2024, hitting a record high in annual gross margin; gross margin of the Company for the fourth quarter of 2025 was 15.0%, setting a new high in gross margin for a single quarter;
- By the end of 2025, the Company's cash on hand amounted to RMB37.88 billion, representing an increase of RMB13.42 billion, or 54.9%, from 2024.

## Key Highlights

### Finance

- Revenue was RMB64.73 billion for 2025, representing an increase of 101.3% from RMB32.16 billion for the same period of 2024;
- Gross margin was 14.5% for 2025, representing an increase of 6.1 percentage points from 8.4% for the same period of 2024, hitting a record high in annual gross margin; gross margin of the Company for the fourth quarter of 2025 was 15.0%, setting a new high in gross margin for a single quarter;
- Net profit attributable to equity holders of the Company was RMB0.54 billion for 2025, representing an increase of RMB3.36 billion compared with RMB(2.82) billion for 2024. Excluding the share-based payment, the adjusted net profit (non-IFRS) was RMB1.08 billion for 2025, representing an increase of RMB3.43 billion compared with RMB(2.35) billion for 2024;
- Net cash generated from operating activities was RMB12.62 billion for 2025, representing an increase of RMB4.15 billion compared with RMB8.47 billion for 2024; In 2025, the Company's free cash flow amounted to RMB7.82 billion, representing an increase of RMB1.50 billion from RMB6.32 billion in 2024;
- The balance of cash and cash equivalents, restricted cash, financial assets at fair value through profit or loss and bank time deposits as of 31 December 2025 was RMB37.88 billion.

### Sales Volume

- In 2025, the Company's annual sales reached 596,555 units, ranking first among China's emerging auto brands, representing an increase of 103.1% from 293,724 units for the same period in 2024. It achieved a doubling of sales for two consecutive years and was the only Chinese emerging auto brand company with monthly deliveries exceeding 70,000 units;
- As of 31 December 2025, the Group's cumulative deliveries exceeded 1.2 million units;
- As of 31 December 2025, cumulative sales of C11 exceeded 300,000 units, solidifying its benchmark position in the midsized SUV market; cumulative sales of C10 exceeded 200,000 units within 18 months of launch, with monthly sales exceeding 20,000 units; cumulative sales of C16 exceeded 100,000 units, ranking first in consumer net recommendation in the sub-RMB200,000 large and midsized SUV market;
- As of the end of February 2026, cumulative sales of Platform B were nearly 200,000 units, ranking among the first tier in sales of mainstream NEVs in the RMB100,000 segment, among which cumulative sales of Lafa5 exceeded 20,000 units within three months of launch, monthly sales of B01 exceeded 10,000 units for consecutive months starting from the second month after launch, and cumulative sales of B10 exceeded 100,000 units within 11 months of launch.

## Five Year Financial Summary

	2021	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	3,132,059	12,384,630	16,746,689	32,164,184	<b>64,731,860</b>
Cost of sales	(4,519,690)	(14,295,946)	(16,666,219)	(29,469,759)	<b>(55,319,907)</b>
<b>Gross profit</b>	<b>(1,387,631)</b>	<b>(1,911,316)</b>	<b>80,470</b>	<b>2,694,425</b>	<b>9,411,953</b>
Selling expenses	(427,855)	(1,113,589)	(1,795,195)	(2,138,296)	<b>(3,654,178)</b>
Administrative expenses	(398,310)	(842,097)	(857,510)	(1,137,032)	<b>(1,941,164)</b>
Research and development expenses	(740,015)	(1,410,645)	(1,919,790)	(2,896,400)	<b>(4,292,381)</b>
<b>Profit before income tax</b>	<b>(2,845,773)</b>	<b>(5,108,838)</b>	<b>(4,216,198)</b>	<b>(2,820,716)</b>	<b>538,392</b>
<b>Profit for the year attributable to the equity holders of the Company</b>	<b>(2,845,773)</b>	<b>(5,108,886)</b>	<b>(4,216,274)</b>	<b>(2,820,796)</b>	<b>538,392</b>
Current assets	8,954,853	13,638,402	22,469,740	26,452,642	<b>39,661,689</b>
Non-current assets	3,571,623	5,629,446	5,983,677	11,193,878	<b>23,156,450</b>
<b>Total assets</b>	<b>12,526,476</b>	<b>19,267,848</b>	<b>28,453,417</b>	<b>37,646,520</b>	<b>62,818,139</b>
Current liabilities	4,329,522	9,257,387	13,953,704	24,974,916	<b>42,829,292</b>
Non-current liabilities	966,738	1,751,612	2,001,517	2,600,938	<b>5,871,053</b>
<b>Total liabilities</b>	<b>5,296,260</b>	<b>11,008,999</b>	<b>15,955,221</b>	<b>27,575,854</b>	<b>48,700,345</b>
Total equity	7,230,216	8,258,849	12,498,196	10,070,666	<b>14,117,794</b>
<b>Total equity and liabilities</b>	<b>12,526,476</b>	<b>19,267,848</b>	<b>28,453,417</b>	<b>37,646,520</b>	<b>62,818,139</b>

# Business Review

## Products

In 2025, the Company launched three new models based on Platform B and carried out major upgrades to three existing SUV models based on Platform C. At the same time, A10 under Platform A and D19 and D99 under Platform D have also made their debut, bringing users a richer product portfolio and providing product support and new growth drivers for the Company's sales target in 2026.

The all-new B Series of Leapmotor built on the LEAP 3.5 technical architecture not only enjoys absolute advantages in technical architecture, but also features global design standards, global quality standards and global manufacturing processes, making intelligent technology evolve from being "exclusive to luxury cars" to "essential for everyone", bringing excellence within reach.

Leapmotor B10 was launched on 10 April 2025. Built on Leapmotor's all-new LEAP 3.5 architecture, it is equipped with premium luxury configurations including leading lidar, the Qualcomm 8650 assisted driving chip, the Qualcomm 8295 intelligent cockpit chip, the end-to-end assisted driving large model, the all-new Leapmotor OS 4.0 plus system, and run-flat stability control, setting a new value benchmark for SUVs in the RMB120,000 segment and successfully earning the trust and positive word of mouth of young users. Within one month of its launch, B10 won 18 prestigious awards, including becoming China's first complete vehicle to receive the "Thermal Comfort Star" and "Energy-Efficient Cabin Star" titles for pure electric vehicles under the latest standards. It was also China's first vehicle to receive the 2024 International CMF Design Award • Green Design Award, the first vehicle in its class to receive the Platinum Award at the Good Design Award in the United States, and the only vehicle in its class to receive Gold Awards at the French Design Award and the London Design Award.

Leapmotor B01 was launched on 24 July 2025 and is positioned as "a high-quality intelligent sedan for young people". Starting from the month immediately following its launch, B01 achieved monthly sales exceeding 10,000 units for four consecutive months. With its image as a versatile, fully-equipped "all-rounder", it entered the A-segment sedan market by virtue of its disruptive product capabilities. B01 won awards and recognitions including the 2025 (11th) China Automotive Golden Wheel Award for Annual Best-selling Intelligent Sedan, the "Zero Formaldehyde" vehicle award issued by CATARC, and the Low Drag Vehicle – Special Grade award selected by CATARC.

Leapmotor Lafa5 was launched on 27 November 2025, officially opening a new chapter for Leapmotor's young and trendy series. With "Lifestyle, Attitude, Freedom and Art" as its core values, this series creates a trendy and personalized mobility lifestyle for urban young people. Lafa5 is positioned as a stylish sporty coupe, combining outstanding aesthetics, European-style driving and handling, flagship intelligence and premium quality. Lafa5 will enter the global market in the second quarter of 2026.

D19, the first "technology luxury flagship SUV" model under Leapmotor's Platform D, made its global debut in Shanghai on 16 October 2025. With the core mission of creating "the best of the best, the flagship among flagships", as the first model under Leapmotor's flagship Platform D, it embodies the culmination of a decade of technological achievements, represents the highest expression of Leapmotor's philosophy of making technology accessible, and is a masterpiece for the brand's upward breakthrough. With flagship-level aesthetics, comfort, range, intelligence, driving and control, and safety experience, Leapmotor D19 redefines the value benchmark for full-size flagship SUVs in the RMB300,000 segment.

D99, Leapmotor's first "technology luxury flagship MPV", made its debut on 28 December 2025 at Leapmotor's 10th anniversary brand launch event. D99 is another luxury representative model of Leapmotor, fully leveraging the strengths of Platform D to provide users with six flagship luxury experiences, namely flagship aesthetics, flagship comfort, flagship range, flagship intelligence, flagship driving and control, and flagship safety, becoming a new flagship and benchmark in the RMB300,000 MPV segment with its ultimate product strength. With its all-round strength upgrades, D99 is designed not only for happy families but also for success, and is a masterpiece of Leapmotor's comprehensive upward progress. With RMB1 million-class technology, Platform D will fully empower D99 and make flagship products accessible.

A10, the first model under Leapmotor's A Series, was launched on 26 March 2026. As a global model positioned as an "intelligent premium long-range SUV", Leapmotor A10 adopts "premium quality without a premium price, technology for all" as its core concept, integrating premium configurations including over 500 km CLTC ultra-long range, the 8650 assisted driving chip and 8295 intelligent cockpit chip, full-scenario intelligent assistance from parking spot to parking spot, oil-cooled electric drive and an 88.1% space utilization rate, providing mainstream families and users pursuing quality with a mobility solution of "no compromise across all scenarios".

## Research and Development

On 10 March 2025, the Company unveiled the LEAP 3.5 technical architecture, which adopted a combined solution of the Qualcomm 8650 assisted driving chip and the Qualcomm 8295 intelligent cockpit chip. This innovative integration achieved a unified cockpit-driving system for combined assisted driving, while centralizing regional controllers into a single master regional controller. This resulted in the world's highest level of integration for central domain control system, enabling brand-new upgrades to intelligent driving, intelligent cockpits, electric drive, battery, thermal management, and chassis technologies with central domain control as the foundation. To provide users with a more efficient and convenient mobility experience, all-new and upgraded Leapmotor models launched in 2025 are equipped with the LEAP 3.5 technical architecture, among which all BEV models of the C Series are equipped with the 800V high-voltage platform.

On 16 October 2025, the Company released six major technologies for the new flagship Platform D: (1) flagship extended-range technology, under which the extended-range version is equipped with an 80.3 kWh large battery to realize 500 km pure electric range and innovatively adopts an intelligent four-wheel-drive range-extender system; (2) flagship kilovolt pure electric technology, featuring the debut of a 115 kWh super hybrid battery cell, a full-stack 1000V three-electric system and a 34-in-1 super thermal management module; (3) flagship intelligence, featuring the debut of dual 8797 chips providing 1280 TOPS computing power and enabling VLA assisted driving and an on-device large-model cockpit; (4) flagship driving and control, equipped with the LMC2.0 chassis system to realize functions such as high-speed dual-wheel run-flat stability and a turning radius for compass turns at the 3.6-meter level; (5) flagship safety, with configurations including sixteen sections of 2GPa high-strength steel and ten layers of battery safety protection; and (6) flagship comfort, equipped with Nappa leather and 120° posture zero-gravity seats, and also the first in the industry to integrate an automotive-grade oxygen concentrator into a vehicle to create a "forest oxygen cabin", opening up a new dimension of healthy and comfortable mobility.

## Business Review

The Company's end-to-end assisted driving technology accelerated its implementation. In June 2025, the City Commuting Navigation Assistance function (CNAP) was officially launched and was gradually rolled out across Platform B/C. In February 2026, the City Navigation Assistance function was launched for the first time on Platform B/C, covering multiple cities and significantly improving the assisted driving experience in urban areas. In the second quarter of 2026, the Company will launch a nationwide City Navigation Assistance function, reaching the upper tier of the industry; it is expected that, by the end of 2026, the R&D of the intelligent driving foundation model and the assisted driving solution based on AI large models will be completed, reaching an industry-leading level.

In 2025, the Company achieved a strategic breakthrough in its electric drive business, with compressors and power products successfully entering mass production. The quality of its products has reached an industry-leading level, and its NVH performance has set an industry benchmark. The core technology fields of the electric drive business achieved three milestone advances: (1) the self-developed torque vector control technology successfully passed complete-vehicle validation in extremely cold regions, with torque control response speed reaching the 0.5 ms level, enabling precise, smooth, stable and reliable vehicle handling; (2) the industry's first new-generation hybrid electric drive system completed pre-research; and (3) the new hybrid transmission technology and "three-level" controller technology simultaneously entered the engineering validation stage, further deepening the Company's in-house development of core technologies and laying a solid foundation for future industry leadership.

In 2025, the Company's battery business continued to pursue sustainable and high-quality development: (1) the CTC battery-chassis integration technology became one of the first batch to pass the 2025 edition of the new national standards for power batteries one year ahead of schedule, demonstrating that Leapmotor's technological capabilities in the battery field have received official and authoritative recognition; (2) it actively advanced the deployment of cutting-edge industry technologies such as new battery system architecture, 5C fast charging, solid-state batteries, immersion cooling and lightweight technologies, supporting the continued leadership of products and technologies; and (3) it was granted the CTF (Customer Testing Facility) and QTL (Qualified Testing Location) witnessed laboratory qualifications by SGS, an internationally authoritative certification body, and obtained a certificate for functional safety management and development process system meeting the highest automotive functional safety grade (ASIL D) requirements, jointly certified by TÜV NORD and China Quality Certification Centre.

### Channels

As of 31 December 2025, Leapmotor's sales and service network covered 295 cities, representing an increase of 31 cities compared with the same period last year, with a cumulative network of 950 sales stores (including 407 Leapmotor Centers and 543 Experience Centers) and 526 service stores.

Since 2025, the Company launched the Gold and Silver Seed Investor Program to encourage high – quality investors within the system to increase investment and to attract local strong investors. In 2025, the Gold and Silver Seed Investors contributed to the addition of a total of 205 sales and service stores. The Company's average store efficiency per outlet in 2025 increased by 85.1% compared with 2024, further enhancing channel quality. At the same time, to further improve the car-buying experience for consumers, the Company has fully promoted the implementation of the SI3.5 new image, expanding showroom and delivery areas to enhance channel image.

### Retail

Since 2025, the Company has focused on the full user lifecycle with user satisfaction as the core, continuously promoting the systematization of retail operations through refined process management, achieving comprehensive breakthroughs in key operating metrics. Through the full standardization of potential customer operations, customer reception processes, and logistics yard management, the potential customer visit-to-store rate increased by 2.6 percentage points year-on-year, and order numbers increased by over 100% year-on-year. Satisfaction management focused on three key steps – order placement, test drive, and delivery – with scoring tightened from “4-5 stars” to “5 stars only”, aiming to drive stores with higher standards and deliver a five-star retail experience for customers. Delivery management focused on process optimization and efficiency improvement, with annual deliveries increasing by 103.1% year-on-year. The Company’s market share in the new energy passenger vehicle market increased from 2.5% to 3.9%, ranking first among emerging auto brands and maintaining a leading position.

### Service

The Company continued to implement the core service philosophy of “Three Quicks and Two Saves” (quick response, quick repairs, quick parts supply, saving time, and saving hassle), aiming to make user service capability Leapmotor’s hallmark. In 2025, the Company’s service NPS reached 47, representing an increase of 74% as compared to the previous period.

In vehicle maintenance and parts supply, the Company accelerated the construction of digital repair capabilities, continuously improving service quality. By expanding sub-warehouses for parts and optimizing planning and forecasting, the first-time fulfillment rate for parts increased to 98%, and the 48-hour delivery rate increased by over 23 percentage points year-on-year. In user service experience, the Company implemented a one-hour vehicle delivery for scheduled maintenance and electronic work order system across the network, promoting more efficient and transparent services. In addition, Leapmotor released its four service commitments: “Worry-free holiday trips, all-round protection”, “Scheduled maintenance, one-step completion”, “Maintenance electronic work order, clear at a glance”, and “Star-night service, full attention”, comprehensively enhancing users’ sense of safety and convenience throughout vehicle use, strongly supporting brand building in service.

### Capital and Strategic Cooperation

On 26 March 2025, the China Securities Regulatory Commission issued the “Approval for the Registration of the Issue of Shares by Zhejiang Leapmotor Co., Ltd. to Specific Recipients” (Zheng Jian License [2025] No. 614), approving Leapmotor’s private placement of domestic shares. In August 2025, the Company officially completed the private placement of domestic shares, raising a total of RMB2.6 billion and issuing 70,213,338 new shares.

On 8 December 2025, the Company was officially included in the Hang Seng TECH Index, marking important recognition from the capital market in terms of technology innovation, R&D investment, revenue growth, market capitalization, and liquidity, effectively broadening the investor base and enhancing brand influence.

## Business Review

On 3 March 2025, China FAW and the Company signed a strategic cooperation memorandum of understanding, pursuant to which both parties will fully leverage their respective technological expertise in R&D to jointly develop new energy passenger vehicles and collaborate on components. Currently, the first jointly developed vehicle model project has already been launched, and subsequent work is being actively advanced. On 28 December 2025, the Company entered into a domestic share subscription agreement with FAW Equity, under which FAW Equity will invest RMB3.74 billion in the Company, laying a solid foundation for the parties to achieve full-chain resource synergy.

On 6 January 2026, the Company entered into the Jinyi High-tech Domestic Shares Subscription Agreement with Jinyi High-tech, under which Jinyi High-tech will invest RMB3.0 billion in the Company, laying a foundation for establishing and strengthening potential commercial and industrial cooperation in Jindong District.

### Globalization

In 2025, the Company ranked first among China's emerging auto brands in export volume, reaching 67,052 units. As of the end of February 2026, Leapmotor's cumulative exports had exceeded 100,000 units. In 2025, Leapmotor's BEV sales ranked among the top three Chinese passenger car brands in 29 European countries, notably ranking second among Chinese passenger car brands in the fourth quarter.

As of 31 December 2025, Leapmotor International had established approximately 900 outlets worldwide integrating sales and after-sales services across approximately 40 international markets in Europe, the Middle East, Africa, South America, and the Asia-Pacific regions, including over 800 outlets in Europe, over 50 in the Asia-Pacific market and over 30 in South America.

On 4 November 2025, Leapmotor C10 and B10 were officially launched in Brazil, with C10 taking the lead in going on sale. Currently, the number of Leapmotor International's stores in Brazil has exceeded 30. On 21 November, Leapmotor C10, B10 and C16 were unveiled at the São Paulo Auto Show, marking Leapmotor's official entry into the South American market.

On 11 January 2026, the intelligent premium long-range SUV Leapmotor A10 debuted at the Brussels Auto Show in Belgium. With a more classic and flexible body design, it precisely meets European users' needs for urban mobility and gained significant attention from European media and consumers.

Currently, the CKD project in Spain has received project approval and plans to introduce the Leapmotor B10 and B05. B10 has entered the OTS phase of local vehicle production, with the first pilot vehicle already produced. It is expected to officially start mass production in October 2026. B05 is expected to start trial production in June 2026 and commence mass production in 2027. The battery factory supporting the aforesaid two models has completed site selection and is currently in the plant renovation phase, with the first battery pack trial production planned to start in April 2026 and mass production to begin in July 2026.

The Company and Stellantis Group are actively exploring diversified cooperation in complete vehicles and components, with some projects already entering advanced negotiation stages.

In 2025, leveraging Leapmotor's leading technology and high cost-performance products, combined with Stellantis' commercial and channel capabilities, Leapmotor International successfully achieved annual profitability in its second year after establishment, delivering solid investment returns for the Company.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”)

Leapmotor has always deeply integrated the ESG philosophy into its daily operations, and has continued to make meticulous and sustained efforts on the path of sustainable development. The Company received an MSCI ESG rating of AA for the third consecutive year, remaining at the forefront among global industry peers. Meanwhile, in the latest assessment by the internationally authoritative rating agency EcoVadis, the Company’s rating was upgraded from Bronze to Silver, and its overall ranking leaped from the top 35% to the top 15% among participating companies worldwide, marking a new level in the Company’s management capabilities and governance effectiveness in the ESG field. In addition, the Company further advanced the development of its green manufacturing system and was successfully recognised as a “National Green Factory”. Looking ahead, we will actively explore new models for the coordinated advancement of sustainable development and business growth, and stay committed to creating more outstanding comprehensive value for shareholders and all stakeholders.

## RECENT DEVELOPMENTS AFTER THE REPORTING PERIOD

Between January and March 2026, the Company recorded cumulative sales of 110,155 units, representing an increase of 25.82% from the same period in 2025. In March, Leapmotor delivered 50,029 vehicles, representing a year-on-year increase of 35%, steadily surpassing the 50,000-unit milestone and demonstrating strong development resilience.

On 20 March 2026, Leapmotor’s European Innovation Center officially commenced operations in Munich, which also marks Leapmotor’s first overseas innovation center. Starting from this new milestone, Leapmotor’s design language will continue to evolve and iterate in the birthplace of the automotive industry, where the concept designs of its future models will also be conceived and nurtured.

On 16 April 2026, Leapmotor’s flagship model D19 ushered in its global launch event. As the first model under Leapmotor’s flagship D Platform, D19 not only interprets the concept of “the best of the best, the flagship among flagships”, but also represents the highest expression of Leapmotor’s philosophy of making technology accessible.

On 24 April, Leapmotor made a strong appearance at the 2026 Beijing International Automotive Exhibition under the theme of “New Answer for the World, Leapmotor Takes Another Step Forward”, showcasing its full ABCD product portfolio, and officially announced the global launch of the Leapmotor Lafa5 Ultra at the event. Positioned as “a fully-equipped sporty coupe within easier reach”, the new model is available in two versions, namely the 500 Ultra and the 600 Ultra. With all-round capabilities that exceed expectations in every dimension, it is set to redefine the value ceiling for sporty coupes priced below RMB150,000 for younger users.

# Management Discussion and Analysis

## FINANCIAL ANALYSIS

### Revenue

Total revenue was RMB64.73 billion in 2025, representing an increase of 101.3% from RMB32.16 billion in 2024. The increase was mainly attributable to the increase in the delivery of vehicles and spare parts.

Sales of electric vehicles and parts amounted to RMB62.01 billion in 2025, representing an increase of 96.0% from RMB31.63 billion in 2024. The increase was mainly attributable to the increase in the delivery of vehicles and spare parts.

Revenue from services and other sales amounted to RMB2.72 billion in 2025, representing an increase of 413.2% from RMB0.53 billion in 2024. The increase was primarily due to the substantial increase in overseas vehicle sales, which drove the increase in the related revenue from carbon credit trading.

### Cost of Sales

Cost of sales was RMB55.32 billion in 2025, representing an increase of 87.7% from RMB29.47 billion in 2024. The increase was primarily due to an increase in sales volume, partially offset by ongoing cost management.

### Gross Profit and Gross Margin

Gross profit was RMB9.41 billion in 2025, representing an increase of 249.8% from gross profit of RMB2.69 billion in 2024.

Gross margin increased from 8.4% in 2024 to 14.5% in 2025, primarily due to (i) ongoing cost management; (ii) the optimisation of product mix; and (iii) revenue from other businesses.

### Selling Expenses

Selling expenses were RMB3.65 billion in 2025, representing an increase of 70.6% from RMB2.14 billion in 2024. The increase was primarily due to the intensified efforts in advertising and promotional activities and the simultaneous expansion of the sales team.

### Administrative Expenses

Administrative expenses were RMB1.94 billion in 2025, representing an increase of 70.2% from RMB1.14 billion in 2024. This increase was primarily due to the expansion of the administrative team along with business growth, as well as the increase in related taxes and surcharges.

### R&D Expenses

R&D expenses were RMB4.29 billion in 2025, representing an increase of 47.9% from RMB2.90 billion in 2024. This increase was primarily due to the increased investment in research and development, as well as the expansion of the R&D team.

### Operating Profit

Operating profit was RMB0.18 billion in 2025, compared with RMB(3.17) billion in 2024. The increase in operating profit was mainly attributable to the substantial increase in gross profit driven by the rapidly growing sales volume.

**Net Finance Income**

Net finance income was RMB0.29 billion in 2025, representing a decrease of 6.5% from RMB0.31 billion in 2024. This decrease was primarily due to the increase in interest expenses.

**Share of Net Profit of Associates**

Share of net profit of associates accounted for using the equity method was RMB0.07 billion in 2025, representing an increase of 75.0% from RMB0.04 billion in 2024. This increase was primarily due to the growth in the performance of associates.

**Net Profit and Adjusted Net Profit**

Net profit was RMB0.54 billion in 2025, compared with RMB(2.82) billion in 2024. Excluding the share-based payment as part of employee benefit expenses, the adjusted net profit (non-IFRS) was RMB1.08 billion in 2025, compared with RMB(2.35) billion in 2024. See “— Non-IFRS Measure.”

**Basic and Diluted Earnings Per Share**

Basic and diluted earnings per share was RMB0.4 in 2025, compared with RMB(2.1) per share in 2024.

**LIQUIDITY AND CAPITAL RESOURCES, NET CASH GENERATED FROM OPERATING ACTIVITIES AND FREE CASH FLOW**

As at 31 December 2025, the Group’s cash and cash equivalents, restricted cash, financial assets at fair value through profit or loss and short-term and long-term bank time deposits amounted to RMB37.88 billion, representing an increase of 54.9% from RMB24.46 billion as at 31 December 2024. Having considered our business development and expansion plans, we believe that our capital resources, including available cash and cash equivalents, restricted cash, financial assets at fair value through profit or loss, short-term and long-term bank time deposits, cash generated from operating activities and available credit facilities, are sufficient to finance our continuing operations.

Net cash generated from operating activities was RMB12.62 billion in 2025, compared with net cash generated from operating activities of RMB8.47 billion in the corresponding period of 2024. Net cash generated from operating activities increased by RMB4.15 billion over the same period of last year. The increase in net cash generated from operating activities on a year-on-year basis was primarily due to (i) the increase in product deliveries; (ii) the optimisation of per-vehicle revenue generation capability; and (iii) the optimisation of operating cash flow management.

Free cash flow amounted to RMB7.82 billion in 2025, compared with RMB6.32 billion in the corresponding period of 2024.

**INTEREST EXPENSES ON BANK AND OTHER BORROWINGS**

Interest expenses on bank and other borrowings were RMB0.11 billion for the year ended 31 December 2025, representing an increase of 83.3% from RMB0.06 billion for the year ended 31 December 2024.

**BORROWINGS**

As at 31 December 2025 and 31 December 2024, the Company had total borrowings of RMB2.96 billion and RMB2.37 billion, respectively. Our bank and other borrowings were denominated in RMB.

**GEARING RATIO**

We monitored capital using gearing ratio. As at 31 December 2025, the Group’s gearing ratio was negative value, which is calculated as net debt divided by total capital at the end of each financial period. Net debt equals our total borrowings and lease liabilities less our cash and cash equivalents. Total capital is calculated as total equity plus net debt.

## Management Discussion and Analysis

### TREASURY POLICY

If the Company determines that its cash requirements exceed the amount of cash and cash equivalents it has on hand at the time, it may seek to issue equity or debt securities or obtain credit facilities.

### PLEDGE OF ASSETS

As at 31 December 2025, the Company pledged restricted deposits of RMB3.97 billion, representing an increase of 100.5% from RMB1.98 billion as at 31 December 2024. Such restricted deposits included restricted cash and bank time deposits.

As at 31 December 2025, the Group pledged certain financial assets at FVOCI, land use rights and property, plant and equipment to obtain borrowings and issue bank acceptance notes.

### SIGNIFICANT INVESTMENTS HELD

For the year ended 31 December 2025, the Company did not have any significant investments (including any investment in an investee company with a value of 5% or more of the Group's total assets as at 31 December 2025).

### FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As at 31 December 2025, the Group did not have any specific plan for material investments and acquisition of capital assets.

### CAPITAL COMMITMENTS AND CAPITAL EXPENDITURES

The Company had capital commitments amounting to RMB5.04 billion primarily for the acquisition of property, plant and equipment as at 31 December 2025. The Company recorded capital expenditures of RMB4.80 billion for the year ended 31 December 2025, which were primarily used for investment in machinery and equipment in new plants and introduction of new model production lines in existing plants.

### CONTINGENT LIABILITIES

As at 31 December 2025, the Company did not have any material contingent liabilities.

### MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

For the year ended 31 December 2025, the Company did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures.

### NON-IFRS MEASURE

To supplement our annual results, which are presented in accordance with IFRS, we also use adjusted net profit as an additional financial measure, which is not required by, or presented in accordance with IFRS. We believe this non-IFRS measure facilitates comparisons of operating performance from year to year and company to company by eliminating potential impacts of items.

## Management Discussion and Analysis

We believe this measure provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as our management. However, our presentation of adjusted net profit may not be comparable to similarly titled measures presented by other companies. The use of this non-IFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for an analysis of, our results of operations or financial condition as reported under IFRS. We define adjusted net profit as net profit for the period adjusted by adding back share-based payment expenses.

The following table reconciles our adjusted net profit for the years presented to the most directly comparable financial measure calculated and presented in accordance with IFRS, which is net profit for the year:

	Year ended 31 December	
	2025	2024
	RMB billion	RMB billion
<b>Reconciliation of net loss to adjusted net loss:</b>		
Net profit/(loss) for the year	<b>0.54</b>	(2.82)
Add:		
– Share-based payment expenses <sup>(1)</sup>	<b>0.54</b>	0.47
Adjusted net profit/(loss) (Non-IFRS measure)	<b>1.08</b>	(2.35)

Note:

- (1) Share-based payment expenses mainly represent the arrangement that we receive services from employees as consideration for our equity instruments. Share-based payment is not expected to result in future cash payments.

## RISK MANAGEMENT

### Foreign Exchange Risk

Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the functional currency of the Group. The Company and its major subsidiaries were incorporated in Mainland China. The Company considers RMB as the functional currency and believes that it currently does not have any significant direct foreign exchange risk arising from its operating activities. As at 31 December 2025, the Company did not hold any financial instruments for hedging purposes.

### Interest Rate Risk

The Group's interest-rate risk mainly arises from borrowings. Borrowings obtained at variable rates expose the Group to cash flow interest-rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest-rate risk. The Group did not use any interest rate swap contracts or other financial instruments to hedge against its interest rate risk for the Reporting Period.

# Directors' Report

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

## GENERAL INFORMATION ABOUT THE COMPANY

### List of Directors

During the Reporting Period and up to the date of this annual report, the members of the Board of the Company are set out below:

#### Executive Directors

Mr. Zhu Jiangming (朱江明) (*Founder, Chairperson of the Board and Chief Executive Officer*)

Mr. Cao Li (曹力) (*Senior Vice President*)

Mr. Zhou Hongtao (周洪濤) (*Senior Vice President*)

#### Non-executive Directors

Mr. Grégoire Olivier

Mr. Douglas Ostermann (*resigned on 8 December 2025*)

Mr. Davide Mele (*appointed on 8 December 2025*)

Mr. Jin Yufeng (金宇峰)

#### Independent Non-executive Directors

Mr. Fu Yuwu (付于武)

Ms. Drina C Yue (萬家樂)

Mr. Shen Linhua (沈林華)

For the biographical details of the existing Directors, please refer to the section headed "Directors, Supervisors and Senior Management – Biographical Details of Directors" in this annual report.

### Principal Activities

Founded in 2015, the Company is an NEV company based in China that possesses full-suite in-house R&D capabilities in NEV core technologies, with its business scope covering intelligent electric vehicle design, R&D and manufacturing, assisted driving, electric motor and electronic control systems, battery system development, and vehicle internet solutions based on cloud computing. As a technology company, Leapmotor has always adhered to full-suite in-house R&D of core technologies, with 65% of the cost of a complete vehicle represented by high value-added core components that are self-developed and self-manufactured. We have launched a number of leading smart electric technologies, including the industry's first 8-in-1 electric drive, the industry's first mass-produced CTC battery-chassis integration technology and the industry's first centrally integrated electronic and electrical architecture integrating four domains into one. Leapmotor's product portfolio covers the four major series of A, B, C and D, forming a complete matrix spanning sedans, SUVs and MPVs. Products currently on sale include A10, Lafa5, B01, B10, D19, C16, C10, C11, C01 and T03. We also offer dual power options of battery electric and extended-range electric to meet the diversified needs of different consumers. In 2023, Stellantis Group became a shareholder of Leapmotor. In May 2024, the two parties formally established Leapmotor International, a joint venture company, to explore international markets. Leapmotor's light-asset "reverse overseas expansion" has created a new paradigm for Chinese automakers going global. Leveraging the international channel resources of Stellantis Group, Leapmotor has refreshed the speed record of overseas expansion by emerging forces. On 3 March 2025, China FAW and the Company signed a Strategic Cooperation Memorandum of Understanding, under which both parties will fully leverage their respective technological expertise in R&D to jointly develop new energy passenger vehicles and collaborate on components. On 28 December 2025, the parties entered into a domestic shares subscription agreement, laying a solid foundation for both parties to achieve full-chain resource synergy. As at the date of this report, Leapmotor's cumulative deliveries had exceeded 1.3 million units, ranking among the first echelon of emerging auto brands.

## Business Review

A fair review of the business of the Group as required by Schedule 5 to the Companies Ordinance, including an analysis of the Group's financial performance, an indication of likely future developments in the Group's business, a description of the principal risks and uncertainties facing the Group and the Group's key relationships with its stakeholders who have a significant impact on the Group and on which the Group's success depends, is set out in the sections headed "Business Review" and "Management Discussion and Analysis" of this annual report. These discussions form part of the Group's business review.

## Results and Appropriations

The results of the Group for the year ended 31 December 2025 are set out in the consolidated statement of profit or loss.

The Company has adopted a dividend policy in relation to the declaration, payment or distribution of the Company's net profits as dividends to the Shareholders. For details regarding the dividend policy, please refer to the section headed "Dividend Policy" of the Corporate Governance Report. In compliance with this policy and upon due consideration of the Shareholders' and the Company's long-term interests, the Board has resolved not to recommend any final dividend for the year ended 31 December 2025.

During the Reporting Period, there is no arrangement under which a Shareholder has waived or agreed to waive any dividends.

## Five-Year Financial Summary

A summary of the condensed consolidated results and financial positions of the Group is set out on page 5 of this annual report.

## Property, Plant and Equipment

Details of movements in the property, plant and equipment of the Group during the Reporting Period are set out in Note 14 to the consolidated financial statements.

## Share Capital

Details of movements in the share capital of the Company during the Reporting Period are set out in Note 24 to the consolidated financial statements.

## Distributable Reserves

As at 31 December 2025, the Company had no distributable reserves.

Details of the movements in the reserves of the Company during the Reporting Period are set out in Note 25 to the consolidated financial statements.

## Bank Loans and Other Borrowings

Particulars of bank loans and other borrowings of the Group as at 31 December 2025 are set out in Note 28 to the consolidated financial statements.

## Issuance of Debentures

During the Reporting Period and up to the date of this annual report, the Group has not issued any debentures.

## Public Float

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

## Purchase, Sale or Redemption of the Company's Listed Securities

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including the sales of treasury shares (as defined in the Listing Rules)). As of the end of the Reporting Period, neither the Company nor any of its subsidiaries held treasury shares.

## Pre-Emptive Rights

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

## Directors' Report

### Tax Relief

The Company is not aware of any tax relief available to the Shareholders by reason of their holding of the Company's securities. If the Shareholders are unsure about the taxation implications of purchasing, holding, disposing of, dealing in, or the exercise of any rights (including entitlements to any relief of taxation) in relation to the Shares, they are advised to consult an expert.

### Donations

During the Reporting Period, charitable donations made by the Group amounted to approximately RMB5.1 million.

### Major Customers and Suppliers

For the Reporting Period, revenue generated from the five largest customers of the Group accounted for approximately 12.3% of the Group's total revenue, and the revenue generated from the largest customer accounted for approximately 8.7% of the Group's total revenue.

For the Reporting Period, purchase amounts from the five largest suppliers of the Group accounted for approximately 20.1% of the Group's total purchases, and the purchase amounts from the largest supplier accounted for approximately 5.4% of the Group's total purchases.

For the Reporting Period, Stellantis, a substantial shareholder of the Company, held 51% of the shares in Leapmotor International and 100% of the shares in Stellantis Auto SAS, both of which were among the five largest customers during the Reporting Period. Save as disclosed above, none of the Directors, their close associates or any Shareholders who to the knowledge of the Directors own more than 5% of the Company's issued share capital had an interest in the share capital of any of the Group's five largest customers and suppliers.

### Management Contracts

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

### Legal Proceedings and Compliance

During the Reporting Period, the Company had not been and was not a party to any material legal, arbitral or administrative proceedings that could, individually or in the aggregate, have a material adverse effect on its business, financial condition and results of operations.

During the Reporting Period, the Company had complied with the applicable laws and regulations in relation to its business in all material respects and was not involved in any non-compliance incidents which the Directors believe would, individually or in aggregate, have a material adverse effect on its business as a whole.

### Corporate Governance

For details regarding the Company's corporate governance, please refer to the Corporate Governance Report on pages 64 to 81 of this annual report.

### Equity-Linked Agreements

Save as disclosed in the section headed "Employee Incentive Schemes" of the Directors' Report, no equity-linked agreements that will or may result in the Company issuing shares, or that require the Company to enter into any agreements that will or may result in the Company issuing shares, were entered into by the Company during the Reporting Period or subsisted as at the date of this annual report.

### EMOLUMENTS OF DIRECTORS AND THE FIVE HIGHEST PAID INDIVIDUALS

In compliance with the Corporate Governance Code as set out in Appendix C1 to the Listing Rules (the "**Corporate Governance Code**"), the Company has established the Remuneration Committee to formulate remuneration policies.

The remuneration is determined and recommended based on each Director's and senior management personnel's qualification, position and seniority. The Company offers our executive Directors, Supervisors and senior management members, who are also the Company's employees, compensation in the form of fees, salaries, retirement benefit scheme contributions, discretionary bonus, housing allowances and other benefits in kind. Our independent non-executive Directors receive compensation with reference to their respective positions and duties, including being a member or the chairperson of Board committees.

The Directors and the senior management personnel are eligible participants of Employee Incentive Schemes, details of which are set out in the section headed "Directors' Report – Employee Incentive Schemes" of this annual report and Note 26 to the consolidated financial statements.

Details of the remuneration of the five highest paid individuals are set out in Note 9 to the consolidated financial statements.

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

### **Directors' and Supervisors' Service Contracts and Appointment Letters**

Each of our Directors has entered into service contracts with our Company. The principal particulars of these service contracts comprise (a) a term of three years which is equivalent to the term of the Board; and (b) termination provisions in accordance with their respective terms. Our Directors may be re-appointed subject to Shareholders' approval. The service contracts can be renewed pursuant to our Articles of Association and applicable rules.

Each of our Supervisors has entered into a contract with our Company. Each contract contains provisions relating to compliance with relevant laws and regulations, observation of our Articles of Association and resolution of disputes by means of arbitration.

Save as disclosed above, none of the Directors or the Supervisors has or will have a service contract with any member of the Group, other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation).

Details of the emoluments of the Directors and the Supervisors during the year ended 31 December 2025 are set out in Note 38 to the consolidated financial statements in this annual report.

### **Directors' and Supervisors' Interests in Transactions, Arrangements or Contracts of Significance**

Save as disclosed in this annual report, none of the Directors or Supervisors or entities connected with them was materially interested in any transaction, contract or arrangement subsisting during or at the end of the Reporting Period which was significant in relation to the business of the Group taken as a whole.

### **Directors' Rights to Acquire Shares or Debentures**

Save as disclosed in this annual report, neither the Company nor its subsidiaries were a party to any arrangement that would enable the Directors to acquire benefits by means of acquisition of Shares in, or debentures of, the Company or any other body corporate, and none of the Directors or any of their spouses or children under the age of 18 were granted any right to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right at any time during the Reporting Period.

## Directors' Report

### Directors' Interests in Competing Business

During the Reporting Period, none of the Directors had any interest in any business which competes, or is likely to compete, directly or indirectly, with the Company's business, and requires disclosure under Rule 8.10(2) of the Listing Rules.

### Permitted Indemnity Provision

Subject to the Articles of Association and the applicable laws and regulations, every Director shall, in the absence of actual fraud or wilful default or as otherwise required by law, be indemnified by the Company against all costs, losses, damages and expenses which he may incur or become liable in respect of by reason of any contract entered into, or act or thing done by him as Director or in any way in or about the execution of his duties.

During the Reporting Period, such permitted indemnity provision was in force. The Company has taken out and maintained appropriate insurance coverage for the Directors.

## CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

During the Reporting Period, we have entered into the following transactions:

- (1) CONNECTED TRANSACTION

### Property Lease

#### Principal Terms

On 24 December 2024, we entered into the 2025 Property Lease Agreement with Hangzhou Xintu Technology Co., Ltd. ("**Hangzhou Xintu**"), pursuant to which the Group leased certain properties from Hangzhou Xintu as office, storage space and parking space to meet the administrative needs of the Company. Meanwhile, Hangzhou Xintu will charge the Company certain property management fees.

The term of the 2025 Property Lease Agreement is three years from the date of the relevant lease agreement.

As of the end of the Reporting Period, Hangzhou Xintu is held as to 70% by Mr. Zhu and 30% by Ms. Liu and is therefore a connected person of the Company.

As the highest applicable percentage ratio for the gross value of right-of-use assets to be recognised by the Group under the 2025 Property Lease Agreement is higher than 0.1% but lower than 5%, the transactions under the 2025 Property Lease Agreement and the arrangement for the payment of rental are subject to the reporting and announcement requirements, but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules. As all applicable percentage ratios for the amount of the annual property fee and parking space rental fee are less than 0.1%, the arrangement for the payment of the property fee and parking space rental fee is exempted from the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

### Accounting Treatment

In accordance with International Financial Reporting Standards (IFRS) 16 "Leases", as the payment to be paid by the Company under the 2025 Property Lease Agreement comprises a lease (i.e. rental) portion and a non-lease and expedient treatment (i.e. property fee and parking space rental fee) portion, different accounting treatments will be applied to such payments.

For the lease portion, the Group will recognize right-of-use assets and related lease liabilities for the 2025 Property Lease Agreement in the consolidated statement of financial position. The estimated value of the right-of-use assets to be recognized by the Group under the 2025 Property Lease Agreement is approximately RMB60 million, which was calculated based on the present value of lease payments and estimated restoration costs under IFRS 16. The annual discount rate used in calculating the present value of the lease payments is 3.6%. Please note that the above figures are unaudited and subject to adjustment in the future.

For the non-lease and expedient treatment portion, property fee and parking space rental fee will be recognised as expenses in the consolidated statement of profit or loss of the Group.

### Annual Transaction Amount

For each of the three years ended 31 December 2025, 2026 and 2027, the rental payable by the Company to Hangzhou Xintu pursuant to the 2025 Property Lease Agreement will be RMB20.5 million, RMB20.5 million and RMB20.5 million, respectively, the property fee payable by the Company to Hangzhou Xintu pursuant to the 2025 Property Lease Agreement is estimated to be not more than RMB11.2 million, RMB11.2 million and RMB11.2 million, and the parking space rental fee is estimated to be no more than RMB0.8 million, RMB0.8 million and RMB0.8 million.

For details of the 2025 Property Lease Agreement, please refer to the announcement of the Company dated 24 December 2024.

### Brand Development & Market Insights Service Agreement

#### Principal Terms

On 26 December 2025, ZLPSS and LPMIB entered into the Brand Development & Market Insights Service Agreement, pursuant to which LPMIB will provide brand development and market insights service for the internationalization of LEAPMOTOR Brand. In consideration for the brand development and market insights service provided by LPMIB, ZLPSS shall pay a service fee of EUR42 million (equivalent to RMB347.5374 million at the exchange rate of EUR1 to RMB8.2747, the central parity rates of Renminbi in the interbank foreign exchange market as authorised and published by the China Foreign Exchange Trade System as of the date of the Brand Development & Market Insights Service Agreement) to LPMIB.

As of the end of the Reporting Period, LPMI was held as to 51% by Stellantis and 49% by the Company and Stellantis holds 19.99% of the total number of issued shares of the Company, and LPMIB is wholly owned by LPMI. Therefore, LPMI and LPMIB, its wholly-owned subsidiary, constitute connected persons of the Company, while the Brand Development & Market Insights Service Agreement and the transaction contemplated thereunder constitute a connected transaction of the Company. As one or more of the applicable percentage ratios in respect of the transaction contemplated under the Brand Development & Market Insights Service Agreement exceed 0.1% but are less than 5%, the transactions contemplated thereunder are subject to the reporting and announcement requirement under Chapter 14A of the Listing Rules but are exempt from the independent Shareholders' approval requirement.

For details of the Brand Development & Market Insights Service Agreement, please refer to the announcement of the Company dated 26 December 2025.

### (2) CONTINUING CONNECTED TRANSACTIONS

#### Procurement of Assembly Services

##### Principal Terms

On 24 December 2024, the Company and Dahua Zhilian entered into the 2025 Services Procurement Framework Agreement, pursuant to which the Company will outsource its veneer processing and assembly to Dahua Zhilian from time to time. The term of the 2025 Services Procurement Framework Agreement is from 1 January 2025 to 31 December 2027.

## Directors' Report

As of the end of the Reporting Period, Dahua Zhilian was wholly owned by Dahua Technology, and as at the date of this report, Dahua Technology was owned as to 31.15%, 4.37% and 2.17% by Mr. Fu, Mr. Zhu and Ms. Chen, respectively, all of whom are members of the Single Largest Group of Shareholders holding in aggregate 23.75% of the total issued shares of the Company. Therefore, Dahua Zhilian is a connected person of the Company. As one or more of the applicable percentage ratios in respect of the proposed annual caps under the 2025 Services Procurement Framework Agreement for the years ending 31 December 2027 exceed 0.1% but are less than 5%, the transactions contemplated under the 2025 Services Procurement Framework Agreement are subject to the reporting, annual review and announcement requirements, but are exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

### Basis of Consideration

The pricing of the procurement of the assembly services from Dahua Zhilian shall be (i) in the form of a fixed unit price; (ii) determined on an arm's length basis by the parties; (iii) subject to the Group's standard vendor selection process by comparing the quotations from various suppliers; and (iv) with reference to the order size and specification the assembly services required by the Group. The Group will set out its requirements for the assembly services and its assessment basis in the vendor selection invitation. The Group will then conduct an overall assessment of the technical capability and the terms (including the prices and the sizes of such orders) offered by the potential suppliers (including at least two suppliers who are Independent Third Parties) and the service purchasing order will be given to the supplier with the highest overall ranking. Based on the quotations provided by various suppliers in the vendor selection process and taking into account other factors such as unit price, scope of services and delivery arrangement, we will be able to ensure that the price paid to Dahua Zhilian by our Group represents the prevailing market price and is on normal commercial terms.

### Annual Caps

The maximum aggregate annual transaction amounts in respect of the 2025 Services Procurement Framework Agreement for the period ending 31 December 2027 shall not exceed the caps set out below:

	Proposed annual caps for the year ending 31 December		
	2025 (RMB million)	2026 (RMB million)	2027 (RMB million)
The Group's purchase amount from Dahua Zhilian	300.0	300.0	300.0

For the year ended 31 December 2025, the actual aggregate annual transaction amount under the Services Procurement Framework Agreement was RMB183.4 million.

## Electric Drive Project Cooperation Agreement

### Principal Terms

On 29 April 2025, Lingsheng Powertech, a subsidiary of the Company, and Peugeot Citroën entered into the Electric Drive Project Cooperation Agreement, pursuant to which, Lingsheng Powertech will provide the electric drive assembly development and factory prototype finished products and corresponding special testing services under the product specifications and special testing requirements defined by Peugeot Citroën. The term of the Electric Drive Project Cooperation Agreement is from 29 April 2025 to 30 June 2027.

As of the end of the Reporting Period, Peugeot Citroën is a wholly-owned subsidiary of Stellantis, which in turn holds 19.99% of the total number of issued shares of the Company, and therefore both Peugeot Citroën and Stellantis are connected persons of the Company. Pursuant to Chapter 14A of the Listing Rules, the Electric Drive Project Cooperation Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company. As one or more of the applicable percentage ratios in respect of the highest proposed annual caps under the Electric Drive Project Cooperation Agreement is more than 0.1% but less than 5%, the Electric Drive Project Cooperation Agreement and the transactions contemplated thereunder are subject to reporting, annual review and announcement requirements but are exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

### **Basis of Consideration**

The fees for providing electric drive assembly development and prototype services to Peugeot Citroën shall be determined through arm's length negotiation between the parties based on (i) special testing cost; (ii) human resource cost of research and development; (iii) the purchase and/or design costs of molds used for research and development; (iv) the cost of the trial manufacture of prototype; (v) specialized development costs; and (vi) other expenses, such as research and development and travel, and other expenses.

At the same time, the Company has made reference to the prices of at least two transactions for services/projects of similar nature provided to independent third-party customers to ensure that the fees for development and special testing services are in line with the prevailing market rates and are not lower than the service fees charged by the Company from other independent third-party customers.

### **Annual Caps**

	<b>Proposed annual caps for the year ending 31 December</b>		
	2025	2026	<b>2027</b>
	(RMB million)		
Fees for development and special testing services received by Lingsheng Powertech from Peugeot Citroën	67.11	77.99	<b>4.90</b>

For the year ended 31 December 2025, the actual annual transaction amount under the Electric Drive Project Cooperation Agreement was RMB2.5 million.

## Directors' Report

### Transfer of Carbon Dioxide Credits

#### Principal Terms

On 30 June 2025, Leapmotor, a subsidiary of the Company, entered into a carbon dioxide credits transfer agreement with Stellantis Subsidiaries, pursuant to which Leapmotor agreed to transfer and Stellantis subsidiaries agreed to accept the carbon dioxide credits generated by the sale and registration of all battery electric vehicles (BEV) and range extended electric vehicles (REEV) under the Leapmotor brand in the European and UK markets in 2025. The term of the Carbon Dioxide Credits Transfer Agreement is from 30 June 2025 to 31 December 2025.

As of the end of the Reporting Period, Stellantis Subsidiaries are wholly-owned subsidiaries directly or indirectly controlled by Stellantis, and Stellantis holds 19.99% of the total number of issued shares of the Company. Therefore, both Stellantis Subsidiaries and Stellantis are connected persons of the Company. Pursuant to Chapter 14A of the Listing Rules, the Carbon Dioxide Credits Transfer Agreement and the transactions contemplated thereunder constitute connected transactions of the Company. As the applicable percentage ratios in respect of the transaction amounts under the Carbon Dioxide Credits Transfer Agreement are more than 0.1% but less than 5%, the Carbon Dioxide Credits Transfer Agreement and the transactions thereunder are subject to reporting and announcement requirements but are exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

**Basis of Consideration**

The transfer price was determined after arm's length negotiation between the two parties with reference to the market price and the supply and demand of carbon dioxide credits. The Company will make reference to the quotations and terms of transactions of a similar nature from at least two independent third parties to ensure the fairness of the terms of the Carbon Dioxide Credits Transfer Agreement.

**Annual Caps**

	<b>Proposed annual caps for the year ending 31 December 2025</b> (RMB million)
Consideration for the transfer of carbon dioxide credits from Leapmotor to Stellantis Subsidiaries	1,500.0

For the year ended 31 December 2025, the actual annual transaction amount under the Carbon Dioxide Credits Transfer Agreement was RMB1,109.6 million.

**Purchase of Supporting Products****Principal Terms**

On 17 November 2025, the Company entered into a framework agreement with Hangzhou Poer for the purchase of supporting products, pursuant to which the Company will from time to time purchase supporting products such as charging piles and charging guns for vehicles from Hangzhou Poer, including AC charging piles, AC charging gun assemblies, discharge guns/discharge sockets, etc. The term of the Supporting Products Purchase Framework Agreement is from 17 November 2025 to 31 December 2026.

As of the end of the Reporting Period, Hangzhou Poer is held as to approximately 42.79% by Mr. Zhu, the chairman, executive Director, and chief executive officer, and a member of the Single Largest Group of Shareholders of the Company, and his spouse, Ms. Liu. Therefore, Hangzhou Poer constitutes a connected person of the Company. As one or more of the applicable percentage ratios of the proposed annual caps as of 31 December 2026 under the Supporting Products Purchase Framework Agreement are more than 0.1% but less than 5%, the transactions contemplated under the Supporting Products Purchase Framework Agreement are subject to the reporting, annual review and announcement requirements, but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

## Directors' Report

**Basis of Consideration**

The pricing for the Group's purchase of the charging piles, charging guns and other products from Hangzhou Poer under the Supporting Products Purchase Framework Agreement shall be (i) in the form of a fixed unit price; (ii) determined on an arm's length basis by the parties; (iii) subject to the Group's standard vendor selection process by comparing the quotations from at least two suppliers who are Independent Third Parties; and (iv) with reference to the prevailing market price of similar products. The Group will set out its requirements for the relevant products, including the specifications and its assessment basis in the vendor selection invitation. The Group will then conduct an overall assessment of the technical capability and the terms (including the prices) offered by the potential suppliers (including at least two suppliers who are Independent Third Parties) and the purchasing order will be given to the supplier with the highest overall ranking. Based on the quotations provided by various suppliers in the vendor selection process and taking into account other factors such as unit price, types of products and delivery arrangement, we will be able to ensure that the price paid to Hangzhou Poer by our Group represents the prevailing market price and is on normal commercial terms.

**Annual Caps**

For the year ended 31 December 2025, the cumulative amount of purchases to be made by the Group from Hangzhou Poer under the Supporting Products Purchase Framework Agreement shall not exceed RMB140.0 million.

For the year ending 31 December 2026, the cumulative amount of purchases to be made by the Group from Hangzhou Poer under the Supporting Products Purchase Framework Agreement shall not exceed RMB640.0 million.

For the year ended 31 December 2025, the actual annual transaction amount under the Supporting Products Purchase Framework Agreement was RMB125.4 million.

**Procurement of Components****Principal Terms**

On 24 December 2024, the Company and Huaruijie Technology entered into the 2025 Components Procurement Framework Agreement, pursuant to which the Company will purchase certain types of camera assembly and radar assembly from Huaruijie Technology on a subscription basis from time to time. The term of the 2025 Components Procurement Framework Agreement is from 1 January 2025 to 31 December 2025.

As of the end of the Reporting Period, Huaruijie Technology was owned as to 49.04% by Dahua Technology, and as at the date of this report, Dahua Technology was owned as to 31.15%, 4.37% and 2.17% by Mr. Fu, Mr. Zhu and Ms. Chen, respectively, all of whom are members of the Single Largest Group of Shareholders holding in aggregate 23.75% of the total issued Shares of the Company, therefore, each of Huaruijie Technology and Dahua Technology constitutes a connected person of the Company. As one or more of the applicable percentage ratios to the proposed annual cap of the 2025 Components Procurement Framework Agreement for the year ended 31 December 2025 is more than 0.1% but less than 5%, the transactions contemplated under the 2025 Components Procurement Framework Agreement are subject to the reporting, annual review and announcement requirements, but are exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

**Basis of Consideration**

The consideration for the procurement of automotive components and systems under the 2025 Components Procurement Framework Agreement from Huaruijie Technology shall be (i) in the form of a fixed unit price; (ii) determined on an arm's length basis by the parties; (iii) subject to the Group's standard vendor selection process by comparing the quotations from at least two suppliers who are Independent Third Parties; and (iv) with reference to the prevailing market price of similar systems and components.

The Group will set out its requirements for the components, including the specifications and its assessment basis in the vendor selection invitation. The Group will then conduct an overall assessment of the technical capability and the terms (including the prices) offered by the potential suppliers (including at least two suppliers who are Independent Third Parties) and the purchasing order will be given to the supplier with the highest overall ranking. Based on the quotations provided by various suppliers in the vendor selection process and taking into account other factors such as unit price, components types and delivery arrangement, we will be able to ensure that the price paid to Huaruijie Technology by our Group represents the prevailing market price and is on normal commercial terms.

### Annual Caps

As of the the year ended 31 December 2025, the maximum aggregate annual transaction amount of the 2025 Components Procurement Framework Agreement shall not exceed the cap as set out below:

	<b>Proposed annual caps for the year ending 31 December 2025 (RMB million)</b>
The Group's purchase amount from Huaruijie Technology	817.0

For the year ended 31 December 2025, the actual annual transaction amount under the 2025 Components Procurement Framework Agreement was RMB424.4 million.

The 2025 Components Procurement Framework Agreement expired on 31 December 2025. On 26 December 2025, the Company entered into the 2026 Components Procurement Framework Agreement with Huaruijie Technology. For details, please refer to the announcement of the Company dated 26 December 2025.

### New Product Purchase and Sale Agreement

#### Principal Terms

On 24 December 2024, we entered into a new product purchase and sale framework agreement (the "**New Product Purchase and Sale Framework Agreement**") with Zhejiang Hyxi Technology Co., Ltd. ("**Hyxi Technology**"), pursuant to which the Company will sell battery packs and other components to Hyxi Technology from time to time, and will purchase energy storage systems, such as commercial and industrial energy storage cabinet systems and container energy storage systems, from Hyxi Technology from time to time. The term of the New Product Purchase and Sale Framework Agreement shall commence on 24 December 2024 and expire on 31 December 2026, subject to renewal by mutual consent.

On 17 November 2025, the Company entered into the Supplemental Agreement to the New Product Purchase and Sale Framework Agreement with Hyxi Technology to revise the annual caps for 2025 and 2026 under the New Product Purchase and Sale Framework Agreement. Save for the revisions to the existing annual caps, all other terms under the New Product Purchase and Sale Framework Agreement remain unchanged.

As of the end of the Reporting Period, Hyxi Technology is held as to 92.4% by Mr. Fu, a member of the Single Largest Group of Shareholders of the Company. Therefore, Hyxi Technology constitutes a connected person of the Company.

## Directors' Report

As one or more of the applicable percentage ratios of the proposed annual caps as of 31 December 2026 under the New Product Purchase and Sale Framework Agreement are more than 0.1% but less than 5%, the transactions contemplated under the New Product Purchase and Sale Framework Agreement are subject to the reporting, annual review and announcement requirements, but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

### Basis of Consideration

The pricing for the Group's procurement of the energy storage systems from Hyxi Technology under the New Product Purchase and Sale Framework Agreement shall be (i) in the form of a fixed unit price; (ii) determined on an arm's length basis by the parties; (iii) subject to the Group's standard vendor selection process by comparing the quotations from at least two suppliers who are Independent Third Parties; and (iv) with reference to the prevailing market price of similar products. The Group will set out its requirements for the relevant products, including the specifications and its assessment basis in the vendor selection invitation. The Group will then conduct an overall assessment of the technical capability and the terms (including the prices) offered by the potential suppliers (including at least two suppliers who are Independent Third Parties) and the purchasing order will be given to the supplier with the highest overall ranking. Based on the quotations provided by various suppliers in the vendor selection process and taking into account other factors such as unit price, types of products and delivery arrangement, we will be able to ensure that the price paid to Hyxi Technology by our Group represents the prevailing market price and is on normal commercial terms.

Pursuant to the New Product Purchase and Sale Framework Agreement, the consideration for the Group's sale of components to Hyxi Technology will be determined (i) in the form of a fixed unit price; (ii) determined on an arm's length basis by the parties; (iii) with reference to comparable transaction price of the same or similar products provided by the Group to at least two Independent Third Parties during the same period; and (iv) with reference to the prevailing market price of the similar products. The Group will provide products to Hyxi Technology at a price not less than the comparable transaction price of the same or similar products provided by the Group to Independent Third Parties during the same period.

### Annual Caps

As of the period ending 31 December 2026, the maximum aggregate annual transaction amount of the New Product Purchase and Sale Framework Agreement shall not exceed the caps as set out below:

	Proposed annual caps for the year ending 31		
	December		
	2024	2025	2026
	(RMB million)	(RMB million)	(RMB million)
The Group's purchase amount	85.0	192.0	400.0
The Group's sales amount	30.0	280.0	550.0

For the year ended 31 December 2025, the actual aggregate annual purchase amount under the New Product Purchase and Sale Framework Agreement was RMB2.4 million, and the actual aggregate annual sales amount was RMB77.8 million.

## The Exclusive License Agreement

### Principal Terms

References are made to the announcement of the Company dated 26 October 2023 and the circular of the Company dated 31 October 2023. Upon establishment of the JV Company at the closing of the JV Formation Agreement, the Company and the JV Company will enter into an exclusive license agreement (the **“Exclusive License Agreement”**), pursuant to which the Company shall grant the JV Company an exclusive licence of the intellectual property and other rights required to enable the JV Company to (a) sell and distribute LPM Products, Post-sale Services Parts and Locally Manufactured LPM Products in the Territories, (b) manufacture and sell Locally Manufactured LPM Products and Locally Manufactured Post-sale Services Parts, and manufacture the Components and Parts in the Territories, and (c) provide services and ancillary activities related to the foregoing. The exclusivity of the licence shall be subject to the applicable term of exclusivity as set out in the JV Formation Agreement. If both the Company and Stellantis decide that the exclusivity arrangement does not continue, the licence granted shall automatically become non-exclusive.

The Exclusive License Agreement shall take effect on the date of execution, and shall remain in force until the 28th anniversary of the date of the Exclusive License Agreement, unless otherwise mutually agreed between the Company and the JV Company (the **“License Term”**). Commencing from 1 July 2037, the parties shall have a six-month period to review and discuss in good faith whether to continue with the Exclusive License Agreement, and unless both parties decide not to continue with the Exclusive License Agreement after 1 January 2038, the Exclusive License Agreement shall automatically continue until the end of the License Term.

As at the date of this annual report, Stellantis Group holds approximately 19.99% of the total issued share capital of the Company and thus constitutes a substantial shareholder of the Company. Upon establishment of the JV Company, the JV Company will be owned as to 49% by the Company and 51% by Stellantis Group. The JV Company will be a consolidated subsidiary of Stellantis Group and thus will constitute a connected person of the Company upon its establishment. Since the highest applicable percentage ratio of the Exclusive License Agreement is below 0.1%, it will be exempt pursuant to Rule 14A.76 of the Listing Rules from the reporting, announcement, annual review and independent shareholders' approval requirements under the Listing Rules.

### Basis of Consideration and Annual Caps

There is no licence fee arrangement under the Exclusive License Agreement, and all of the fee arrangements (including in respect of intellectual property rights) in relation to the sales of the LPM Products and the Locally Manufactured LPM Products and manufacturing of the Locally Manufactured LPM Products, the Components and Parts and the Locally Manufactured Post-sale Services Parts are reflected and included in the pricing policies in the Sales of Goods Framework Agreement as set out below.

During the Reporting Period and up to the date of this annual report, the Company and the JV Company have not yet entered into the Exclusive License Agreement, and no transaction has been conducted between the Company and the JV Company pursuant to the Exclusive License Agreement.

## Directors' Report

**The Sales of Goods Framework Agreement****Principal Terms**

Upon establishment of the JV Company at the closing of the JV Formation Agreement, the Company and the JV Company entered into a sales of goods framework agreement (the “**Sales of Goods Framework Agreement**”), pursuant to which the Company will, from time to time, sell (i) the LPM Products to the JV Group for distribution in the Territories, (ii) the Components and Parts, as required from time to time, for manufacturing Locally Manufactured LPM Products, and (iii) the Post-sale Services Parts, as required for after-sales services from time to time.

The Sales of Goods Framework Agreement shall have a term of 28 years from the date of execution of the Sales of Goods Framework Agreement (the “**Effective Date**”) to the 28th anniversary of the Effective Date (the “**Term**”). Commencing from 1 July 2037, the Company and the JV Company shall have a six-month period to review and discuss in good faith whether to continue with the Sales of Goods Framework Agreement, and unless both the Company and the JV Company decide not to continue with the Sales of Goods Framework Agreement after 1 January 2038, the Sales of Goods Framework Agreement shall automatically continue until the end of the Term.

As at the date of this annual report, Stellantis holds approximately 19.99% of the total issued share capital of the Company and thus constitutes a substantial shareholder of the Company. Upon establishment of the JV Company, the JV Company will be owned as to 49% by the Company and 51% by Stellantis. The JV Company will be a consolidated subsidiary of Stellantis and thus will constitute a connected person of the Company.

**Basis of Consideration and Annual Caps**

For the pricing policy, pricing mechanism and proposed annual caps for the transactions contemplated under the Sales of Goods Framework Agreement, please refer to the announcement of the Company dated 26 October 2023 and the circular of the Company dated 31 October 2023.

For the year ended 31 December 2025, the actual aggregate annual sales amount for the sales of the LPM Products/Components and Parts under the Sales of Goods Framework Agreement was RMB6,167.9 million, and the sales of the Post-sale Services Parts was RMB76.0 million.

**Confirmation from Independent Non-executive Directors**

The independent non-executive Directors of the Company have reviewed the above continuing connected transactions, and confirmed that such continuing connected transactions had been entered into:

- (i) in the ordinary and usual course of business of the Group;
- (ii) on normal commercial terms or better; and
- (iii) according to the agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

**Confirmation from the Auditor**

The Auditor has performed the relevant procedures regarding the continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” and with reference to Practice Note 740 “Auditor’s Letter on Continuing Connected Transactions under the Hong Kong Listing Rules” issued by the Hong Kong Institute of Certified Public Accountants. The Auditor has issued an unqualified letter containing its findings and conclusions in respect of the continuing connected transactions disclosed by the Group in this annual report in accordance with Rule 14A.56 of the Listing Rules.

The Auditor has performed agreed-upon procedures regarding the continuing connected transactions entered into by the Group during the Reporting Period as set out above and states that:

- (i) nothing has come to its attention that causes it to believe that the disclosed continuing connected transactions have not been approved by the Board;
- (ii) nothing has come to its attention that causes it to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing the transactions; or
- (iii) nothing has come to its attention that causes it to believe that the disclosed continuing connected transactions have exceeded the annual caps set by the Company.

Certain related party transactions as disclosed in Note 37 to the consolidated financial statements constituted connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules and are in compliance with the disclosure requirements under Chapter 14A of the Listing Rules.

Save as disclosed in this annual report, during the Reporting Period, the Company had no other related party transactions which fell to be disclosed in accordance with the provisions under Chapter 14A of the Listing Rules in relation to the disclosure of connected transactions and continuing connected transactions.

## **EMPLOYEES AND REMUNERATION POLICIES**

As at 31 December 2025, the Group had 28,785 full-time employees, the majority of whom are based in Zhejiang Province, China.

The Group primarily recruits employees through campus recruitment fairs, online recruitment, internal referrals and recruitment firms or agents, to satisfy our demand for different types of talents. The Group conducts safety awareness, quality awareness and corporate culture training for R&D and manufacturing staff, and implements a comprehensive training system for all employees. The Group also holds various training courses conducted online and offline on a weekly basis.

The Group offers its employees competitive compensation packages and a dynamic work environment that encourages initiative. The Group participates in various government statutory employee benefit plans, including social insurance, namely pension insurance, medical insurance, unemployment insurance, work-related injury insurance and maternity insurance, and housing funds. In addition, the Group also purchased employer's liability insurance and additional commercial health insurance to enhance insurance coverage of its employees.

## Directors' Report

## INTERESTS AND/OR SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVES IN SHARES, UNDERLYING SHARES AND DEBENTURES OF OUR COMPANY OR ITS ASSOCIATED CORPORATIONS

As at 31 December 2025, the interests and short positions of the Directors and chief executives of our Company in the Shares, underlying Shares and debentures of our Company or its associated corporations (within the meaning of Part XV of the SFO), which were required (a) 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 they were taken or deemed to have under such provisions of the SFO); or (b) to be recorded in the register required to be kept by our Company pursuant to Section 352 of the SFO; or (c) as otherwise notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules are set out as follows:

Name	Position	Nature of interest	Number and class of Shares held <sup>(1)</sup>	Approximate percentage of shareholding in the relevant class of Shares <sup>(1)</sup>	Approximate percentage of shareholding in the total share capital of our Company <sup>(1)</sup>
<b>Domestic Shares</b>					
Mr. Zhu	Founder, chairperson of the Board, executive Director and chief executive officer	Beneficial owner	55,557,839	19.11%	3.91%
		Interests held jointly with another person <sup>(3)</sup>	72,960,000	25.09%	5.13%
<b>H Shares</b>					
Mr. Zhu	Founder, chairperson of the Board, executive Director and chief executive officer	Beneficial owner	50,064,359	4.43%	3.52%
		Interests in controlled corporations <sup>(2)</sup>	47,605,238	4.21%	3.35%
		Interests held jointly with another person <sup>(3)</sup>	133,192,207	11.78%	9.37%
Mr. Cao Li (曹力)	Executive Director and senior vice president	Beneficial owner <sup>(4)</sup>	1,500,000	0.13%	0.11%
		Spouse interest <sup>(4)</sup>	50,400	0.00%	0.00%
Mr. Zhou Hongtao (周洪濤)	Executive Director and senior vice president	Beneficial owner <sup>(5)</sup>	2,000,000	0.18%	0.14%

## Notes:

- (1) All interests stated are long positions. The calculation is based on the total number of 290,765,512 Domestic Shares in issue and 1,131,047,140 H Shares in issue as at 31 December 2025. Figures for the percentage of shares held have been corrected to the nearest second decimal place.
- (2) Hangzhou Xintu is held as to 70% and 30% by Mr. Zhu and Ms. Liu (the spouse of Mr. Zhu), respectively. Mr. Zhu is therefore deemed to be interested in the 4,077,472 H Shares converted from Domestic Shares held through Hangzhou Xintu. Mr. Zhu is the general partner of Ningbo Jinghang and Hangzhou Mingzhao and therefore Mr. Zhu is deemed to be interested in the 23,606,500 H Shares converted from Domestic Shares held through Ningbo Jinghang and Wanzai Mingzhao. Mr. Zhu Jiangming acquired a 48.31% partnership interest in Ningbo Gulin Equity Investment L.P. (寧波顧麟股權投資合夥企業(有限合夥)) and is deemed to be the controller of Ningbo Gulin Equity Investment L.P. (寧波顧麟股權投資合夥企業(有限合夥)). Therefore, Mr. Zhu is deemed to be interested in an aggregate of 47,605,238 H Shares through Hangzhou Xintu, Ningbo Jinghang, Ningbo Gulin and Hangzhou Mingzhao.
- (3) Pursuant to an acting-in-concert agreement renewed by Mr. Zhu Jiangming (朱江明) and Mr. Fu Liquan (傅利泉) on 5 March 2025, Mr. Zhu Jiangming (朱江明) and Mr. Fu Liquan (傅利泉) agreed to act in concert by aligning their votes at the Board and Shareholders' meetings of Zhejiang Leapmotor Technology Co., Ltd. in accordance with the consensus achieved among them. In the event that they are unable to reach consensus on any matter presented, the parties shall vote in accordance with the direction of Mr. Zhu, subject to applicable laws and regulations and without prejudice to the interests of the Company, Shareholders and creditors. The term of the agreement will expire on 28 September 2028. Ms. Chen, as spouse of Mr. Fu, and her controlled entity, Ningbo Hualing, have been acting in concert with Mr. Fu and Mr. Zhu on voting and making decisions in respect of her interest in the Company. Ms. Liu, as spouse of Mr. Zhu, has also been acting in concert with Mr. Zhu and Mr. Fu. Accordingly, Mr. Zhu, Mr. Fu, Ms. Liu and Ms. Chen are members of the Single Largest Group of Shareholders with respect to their shareholding in the Company. Therefore, under the SFO, in addition to their respective direct shareholding or interests in controlled corporations, each of such individuals is also deemed to be interested in the interests of the other individuals.
- (4) Mr. Cao Li (曹力) and his spouse, Ms. Yu, are entitled to receive 2,000,000 Shares and 100,700 Shares, respectively, pursuant to the options granted to them under the Pre-IPO Share Option Scheme, subject to vesting conditions. On 1 September 2025, Mr. Cao Li (曹力) and his spouse, Ms. Yu Shuyue (虞舒悅), completed the disposal of 500,000 vested Shares and 50,300 vested Shares, respectively. For details of the Pre-IPO Share Option Scheme, please refer to the paragraph headed "Employee Incentive Schemes" below.

- (5) Mr. Zhou Hongtao (周洪濤) is entitled to receive 2,000,000 Shares pursuant to the options granted to him under the Pre-IPO Share Option Scheme, subject to vesting conditions. For details of the Pre-IPO Share Option Scheme, please refer to the paragraph headed "Employee Incentive Schemes" below.

Save as disclosed herein, as at 31 December 2025, none of the Directors, the Supervisors or the chief executives of our Company held or was deemed to hold any interests or short positions in the Shares, underlying Shares or debentures of our Company or any associated corporations (within the meaning of Part XV of the SFO), which were required (a) 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 they were taken or deemed to have under such provisions of the SFO); or (b) to be recorded in the register required to be kept by our Company pursuant to Section 352 of the SFO; or (c) as otherwise notified to our Company and the Stock Exchange pursuant to the Model Code.

## Directors' Report

**INTERESTS AND/OR SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN SHARES AND UNDERLYING SHARES OF OUR COMPANY**

So far as the Directors or chief executive of our Company are aware, as at 31 December 2025, the following persons (other than the Directors or chief executives of our Company) had interests and/or short positions in the Shares or underlying Shares of our Company which shall be disclosed pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO or recorded in the register required to be kept pursuant to Section 336 of the SFO or had otherwise notified to our Company:

Name of Shareholder	Nature of interest	Number of Shares <sup>(1)</sup>	Approximate percentage of shareholding in relevant class of Shares <sup>(1)</sup>	Approximate percentage of shareholding in total share capital of our Company <sup>(1)</sup>
<b>Domestic Shares</b>				
Ms. Liu	Deemed interests <sup>(3)</sup>	55,557,839	19.11%	3.91%
	Interests held jointly with another person <sup>(2)</sup>	72,960,000	25.09%	5.13%
Mr. Fu	Beneficial owner	72,960,000	25.09%	5.13%
	Interests held jointly with another person <sup>(2)</sup>	55,557,839	19.11%	3.91%
Ms. Chen	Interests held jointly with another person <sup>(2)</sup>	128,517,839	44.20%	9.04%
Stellantis	Beneficial owner <sup>(7)</sup>	45,000,000	15.48%	3.16%
Hangzhou Guoshun Lingpao Equity Investment Partnership (Limited Partnership) (杭州國舜領跑股權投資合夥企業(有限合夥)) ("Guoshun Lingpao")	Beneficial owner <sup>(8)</sup>	12,107,202	4.16%	0.85%
Ningbo Meishan Free Trade Zone Sequoia Zhisheng Capital Investment L.P. (寧波梅山保稅港區紅杉智盛股權投資合夥企業(有限合夥)) ("Sequoia Zhisheng")	Beneficial owner <sup>(10)</sup>	11,229,358	3.86%	0.79%
	Interests in controlled corporations <sup>(11)</sup>	1,223,242	0.42%	0.09%

Name of Shareholder	Nature of interest	Number of Shares <sup>(1)</sup>	Approximate percentage of shareholding in relevant class of Shares <sup>(1)</sup>	Approximate percentage of shareholding in total share capital of our Company <sup>(1)</sup>
<b>H Shares</b>				
Ms. Liu	Deemed interests <sup>(6)</sup>	209,100,538	18.49%	14.71%
Mr. Fu	Beneficial owner	30,883,200	2.73%	2.17%
	Interests in controlled corporations <sup>(4)</sup>	45,761,266	4.05%	3.22%
	Deemed interests <sup>(6)</sup>	56,547,741	5.00%	3.98%
	Interests held jointly with another person <sup>(2)</sup>	97,669,597	8.64%	6.87%
	Interests in controlled corporations <sup>(12)</sup>	6,120,000	0.54%	0.43%
Ms. Chen	Interests in controlled corporations <sup>(6)</sup>	56,547,741	5.00%	3.98%
	Deemed interests <sup>(6)</sup>	76,644,466	6.78%	5.39%
	Interests held jointly with another person <sup>(2)</sup>	97,669,597	8.64%	6.87%
	Deemed interests <sup>(12)</sup>	6,120,000	0.54%	0.43%
Stellantis	Beneficial owner <sup>(7)</sup>	239,260,030	21.15%	16.83%
Guosen Securities Co., Ltd. (國信證券股份有限公司) (“Guosen Securities”)	Trustee <sup>(9)</sup>	47,709,764	4.22%	3.36%
Ningbo Hualing	Beneficial owner <sup>(14)</sup>	56,547,741	5.00%	3.98%

## Notes:

- (1) The information on the individuals/entities in which the interests are held, the nature of such interests and the number of Shares in the above table is based on information available on the website of the Stock Exchange (<http://www.hkexnews.hk/>). All interests stated are long positions. The calculation is based on the total number of 290,765,512 Domestic Shares in issue and 1,131,047,140 H Shares in issue as at 31 December 2025. Figures for the percentage of shares held have been corrected to the nearest second decimal place.
- (2) Pursuant to an acting-in-concert agreement renewed by Mr. Zhu Jiangming (朱江明) and Mr. Fu Liquan (傅利泉) on 5 March 2025, Mr. Zhu Jiangming (朱江明) and Mr. Fu Liquan (傅利泉) agreed to act in concert by aligning their votes at the Board and Shareholders' meetings of Zhejiang Leapmotor Technology Co., Ltd. in accordance with the consensus achieved among them. In the event that they are unable to reach consensus on any matter presented, the parties shall vote in accordance with the direction of Mr. Zhu, subject to applicable laws and regulations and without prejudice to the interests of the Company, Shareholders and creditors. The term of the agreement will expire on 28 September 2028. Ms. Chen, as spouse of Mr. Fu, and her controlled entity, Ningbo Hualing, have been acting in concert with Mr. Fu and Mr. Zhu on voting and making decisions in respect of her interest in the Company. Ms. Liu, as spouse of Mr. Zhu, has also been acting in concert with Mr. Zhu and Mr. Fu. Accordingly, Mr. Zhu, Mr. Fu, Ms. Liu and Ms. Chen are members of the Single Largest Group of Shareholders with respect to their shareholding in the Company. Therefore, under the SFO, in addition to their respective direct shareholding or interests in controlled corporations, each of such individuals is also deemed to be interested in the interests of the other individuals.

## Directors' Report

- (3) Mr. Zhu and Ms. Liu are spouses. Therefore, under the SFO, Mr. Zhu and Ms. Liu are deemed to be interested in the Shares of the Company held by each other.
- (4) Mr. Fu is the general partner of Ningbo Huayang and Ningbo Gulin. Therefore, Mr. Fu is deemed to be interested in an aggregate of 45,761,266 H Shares converted from Domestic Shares held through Ningbo Huayang and Ningbo Gulin.
- (5) Mr. Fu and Ms. Chen are spouses. Therefore, under the SFO, Mr. Fu and Ms. Chen are deemed to be interested in the Shares of the Company held by each other.
- (6) Ms. Chen is the general partner of Ningbo Hualing. Therefore, Ms. Chen is deemed to be interested in 56,547,741 H Shares held through Ningbo Hualing.
- (7) Stellantis is listed on the New York Stock Exchange (stock code: STLA).
- (8) Guoshun Lingpao is one of our major Pre-IPO Investors and is a limited partnership established in the PRC. The general partner of Guoshun Lingpao is Hangzhou Guoyi Enterprise Management Co., Ltd. (杭州國屹企業管理有限公司), which holds approximately 0.0018% therein and is wholly owned by Hangzhou Industrial Investment Group Co., Ltd. (杭州產投集團有限公司). The remaining interests are held by three limited partners, including 60.6% by Hangzhou Industrial Investment Co., Ltd. (杭州產業投資有限公司) ("**Hangzhou Industrial Investment**"), 9.09% by Hangzhou Heda Industrial Fund Investment Co., Ltd. (杭州和達產業基金投資有限公司) ("**Heda Industrial Fund**") and 30.3% by Hangzhou Industrial Development Investment Co., Ltd. (杭州市產業發展投資有限公司), each of which is a state-owned enterprise.
- (9) Guosen Securities is the manager of Guosen Securities Leapmotor Technology Employee Shareholding No. 1 Single Asset Management Plan (國信證券零跑科技員工持股 1 號單一資產管理計劃) (the "**Employee Shareholding Plan**"), our Company's employee shareholding plan. For details of our Employee Shareholding Plan, please refer to the paragraph headed "Employee Incentive Schemes" below.
- (10) Sequoia Zhisheng is one of our major Pre-IPO Investors and is a limited partnership established in the PRC. The general partner of Sequoia Zhisheng is Jiaxing Sequoia Kunsheng Investment Management Partnership (嘉興紅杉坤盛投資管理合夥企業(有限合夥)) ("**Sequoia Kunsheng**") and the general partner of Sequoia Kunsheng is Ningbo Meishan Bonded Port Area Sequoia Huanjia Investment Management Limited (寧波梅山保稅港區紅杉桓嘉投資管理有限公司), which is ultimately controlled by an Independent Third Party, Mr. Zhou Kui (周達). Sequoia Zhisheng is owned as to (i) 0.01% by Sequoia Kunsheng, and (ii) 59.99% and 40.0% by Ningbo Meishan Free Trade Port Sequoia Mingsheng Equity Investment Partnership (Limited Partnership) (寧波梅山保稅港區紅杉銘盛股權投資合夥企業(有限合夥)) and Ningbo Meishan Bonded Port Area Sequoia Jiasheng Equity Investment Partnership (Limited Partnership) (寧波梅山保稅港區紅杉嘉盛股權投資合夥企業(有限合夥)) respectively, which are limited partnerships themselves with the general partner being Sequoia Kunsheng.
- (11) Ningbo Sequoia Jiesheng Equity Investment L.P (寧波紅杉捷盛股權投資合夥企業(有限合夥)) is interested in 1,223,242 Domestic Shares of the Company. As Ningbo Sequoia Jiesheng Equity Investment L.P is held as to 58.83% by Sequoia Zhisheng, Sequoia Zhisheng is deemed interested in the Domestic Shares held by Ningbo Sequoia Jiesheng Equity Investment L.P.
- (12) The general partner of Hangzhou Jingbo Equity Investment L.P. (杭州景博股權投資合夥企業(有限合夥)) ("**Hangzhou Jingbo**") is Mr. Zhang Xingming (張興明), an Independent Third Party holding 29.17% interest therein. The limited partners of Hangzhou Jingbo are Mr. Fu and an Independent Third Party, holding 41.67% and 29.17% interest therein respectively. Therefore, under the SFO, Mr. Fu is deemed to be interested in the 10,800,000 H Shares converted from Domestic Shares held through Hangzhou Jingbo.
- (13) Mr. Fu and Ms. Chen are spouses. Therefore, under the SFO, Ms. Chen is deemed to be interested in 6,120,000 H Shares converted from Domestic Shares held by Mr. Fu through Hangzhou Jingbo.
- (14) Ningbo Hualing is controlled by Mr. Fu Yiqin. Therefore, Mr. Fu Yiqin is deemed to be interested in the 56,547,741 H Shares held through Ningbo Hualing.

Save as disclosed herein, as at 31 December 2025, there was no other person known to the Directors or chief executive of our Company who had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 under Part XV of the SFO or who was, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company.

## EMPLOYEE INCENTIVE SCHEMES

### A. Share Award Scheme I

The following is a summary of the principal terms of our Share Award Scheme I adopted on 31 January 2021.

**Purpose.** The purpose of the Share Award Scheme I is to recognise the contributions of our key employees and motivate them to further promote the development of our Company.

**Number of Shares.** The total number of Shares available for issue under the Share Award Scheme I is 12,806,500, representing approximately 0.90% of the share capital in issue (excluding treasury shares) of our Company as at the date of this annual report.

**Participants.** We granted awards to key employees of our Company and its subsidiaries in office or those with major contributions to our Company (the “**Participants of Share Award Scheme I**”).

Restricted share units are granted under the Share Award Scheme I to the Participants of Share Award Scheme I as awards. The award incentive shares are held by Ningbo Jinghang, which has a business operation period until September 2037. After the grant of the Awards, the Participants will become limited partners of Ningbo Jinghang and are indirectly beneficially interested in the incentive shares under the terms and conditions contained in the relevant agreements of Share Award Scheme I.

**Administration.** The Share Award Scheme I is managed by the executive partner of Ningbo Jinghang (the “**Executive Partner**”). As at the date of this annual report, the Executive Partner was Mr. Zhu Jiangming, the chairperson of our Board, an executive Director and chief executive officer. The Executive Partner has the power to manage the

Share Award Scheme I, including determining the persons with major contributions to our Company as the Participants of Share Award Scheme I and exercising the conditions and other terms in relation to the Awards granted.

**Rights and Restrictions as Attached to the Awards.** During the lock-up period of the Share Award Scheme I, Shares of our Company held under the Share Award Scheme I shall not be transferred to external parties, and the Participants of Share Award Scheme I shall not request to dispose of any interests in Ningbo Jinghang during the lock-up period.

After the expiration of the lock-up period of the Share Award Scheme I, the Participants of Share Award Scheme I are entitled to apply to the Executive Partner for disposal of their limited partnership interests in Ningbo Jinghang. The Executive Partner will reduce, based on the application of the Participants of Share Award Scheme I, the corresponding number of Shares in accordance with the applicable principles under the relevant agreements of the Share Award Scheme I and the conditions of the secondary market.

**Remaining Life.** The remaining life of the Share Award Scheme I is 11 years.

**Details of the Awards Granted.** A total of 12,806,500 Shares were granted under the Share Award Scheme I, representing approximately 0.90% of the issued share capital of our Company as at the date of this annual report.

## Directors' Report

The details are set out as follows:

Name of the grantees	Position held in our Group	Grant date	Outstanding and subject to vesting conditions as at 1 January 2025	Granted during the Reporting Period	Vested during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Outstanding and subject to vesting conditions as at 31 December 2025	Vesting Period1	Purchase Price2
<i>Directors</i>										
Mr. Zhu	Founder, chairperson of the Board, executive Director and chief executive officer of the Company	23/02/2021	10,000	-	3,000	-	-	7,000	23/02/2021 – 29/09/2025	RMB 1.27
Mr. Wu Baojun (吳保軍) <sup>(2)</sup>	Former executive Director	23/02/2021	3,000,000	-	3,000,000	-	-	-	23/02/2021 – 29/09/2025	RMB 1.27
<i>Employee Participants other than Directors</i>										
Ms. Jing Hua (敬華)	Senior vice president of the Company (left the Company)	23/02/2021	643,600	-	193,080	-	-	450,520	23/02/2021 – 29/09/2025	RMB 1.27
Mr. Xu Wei (許偉)	Former Director of our Company and a subsidiary of the Company	23/02/2021	3,152,900	-	945,870	-	-	2,207,030	23/02/2021 – 29/09/2025	RMB 1.27
Employees		21/11/2025	-	3,234,900	-	-	-	3,234,900	21/11/2025-21/11/2028	RMB 2
<i>Subtotal of Employee Participants other than Directors</i>			3,796,500	3,234,900	1,138,950	-	-	5,892,450		
<b>Total</b>			<b>6,806,500</b>	<b>3,234,900</b>	<b>4,141,950</b>	<b>-</b>	<b>-</b>	<b>5,899,450</b>		

## Notes:

- (1) All of the Shares granted under the Share Award Scheme I shall be vested on the third anniversary of the Listing Date. The vesting of the Awards is subject to the decision of the Board and the evaluation result of the grantees.
- (2) The purchase price of the Awards under the Share Award Scheme I shall be determined with reference to (i) the nominal value of RMB1 of the Shares, (ii) purchase price paid by our Company to the original shareholders for the Shares which became the underlying Shares of the Share Award Scheme I, and (iii) the estimated costs and the costs of recovering the incentive shares for the administration and operation of the Share Award Scheme I. Pursuant to the terms of the Share Award Scheme I, the payment of the purchase price shall be settled on or before the date of grant and our Company did not provide any financial assistance for the purchase of the Awards.
- (3) For the fair value of the share awards granted during the Reporting Period at the grant date and the accounting standards and policies adopted, please refer to Notes 26 and 42 to the consolidated financial statements.
- (4) There were no Participants that had been granted Shares exceeding 1% of the total number of issued Shares.
- (5) Mr. Wu Baojun (吳保軍) resigned as a Director of our Company on 25 June 2024. Pursuant to the terms of the Share Award Scheme I, the Company has retained 3,000,000 incentive shares of Mr. Wu Baojun (吳保軍) in consideration of his contribution to the Company, all of which were disposed of by him in January 2026.
- (6) Ms. Jing Hua (敬華) resigned as a senior vice president of the Company on 20 November 2025.
- (7) As at 1 January 2025 and 31 December 2025, the number of awards available for grant under Share Award Scheme I was 6,000,000 Shares and 2,765,100 Shares, respectively.

## B. Share Award Scheme II

The following is a summary of the principal terms of our Share Award Scheme II adopted on 31 January 2021.

**Purpose.** The purpose of the Share Award Scheme II is to recognise the contributions of our key employees and motivate them to further promote the development of our Company.

**Number of Shares.** The total number of Shares available for issue under Share Award Scheme II is 57,723,164 Shares granted under Share Award Scheme II, representing approximately 4.06% of the issued share capital of the Company as at the date of this annual report.

**Participants.** We granted awards to Directors, Supervisors and senior management of our Company, key employees of our Company and its subsidiaries and other employees as considered and approved by the Board of our Company (the “**Participants of Share Award Scheme II**”).

Restricted share units are granted under the Share Award Scheme II to the Participants of Share Award Scheme II as awards. The awarded incentive shares are held by Guosen Securities as the manager of our employee shareholding plan, Guosen Securities Leapmotor Technology Employee Shareholding No. 1 Single Asset Management Plan (國信證券零跑科技員工持股 1 號單一資產管理計劃).

**Validity Period.** The Share Award Scheme II has a term of 10 years from the date of the Shareholders' approval of the Share Award Scheme II.

**Administration.** Upon subscription of the Shares held under the Share Award Scheme II, a Participant of Share Award Scheme II shall become a holder under the Share Award Scheme II (the “**Holder**”). The Holders' meeting is the highest internal management body of the Share Award Scheme II. The Holders have the right to convene meetings, consider and decide on the election and removal of members of the Management Committee and authorize the Management Committee to supervise the daily management of the Share Award Scheme II and other matters.

A Management Committee (the “**Management Committee**”) is separately established for the Share Award Scheme II, comprising three members, including one chairperson. The members of the Management Committee shall be elected by the Holders' meeting. The Management Committee oversees the daily management of the Share Award Scheme II and exercises Shareholders' rights on behalf of the Holders or authorizes the management body to exercise the Shareholders' rights.

The Board is responsible for formulating and amending the terms of the Share Award Scheme II and handling other related matters of the Share Award Scheme II within the scope of authorization of the general meeting. Guosen Securities, which possesses the qualification for asset management business, has been entrusted to manage the Share Award Scheme II.

**Rights and Restrictions as Attached to the Awards.** During the lock-up period of the Share Award Scheme II, Shares of our Company held under the Share Award Scheme II shall not be transferred to external parties, and the Participants of Share Award Scheme II shall not request to dispose of any Shares awarded under the Share Award Scheme II.

## Directors' Report

Upon the expiration of the lock-up period of the Share Award Scheme II, the Holder has the right to apply to the Management Committee for disposal of the Shares awarded under the Share Award Scheme II. The Management Committee will, upon the application of the Holders, reduce the corresponding number of Shares in accordance with the applicable principles under the relevant agreements of the Share Award Scheme II and the conditions of the secondary market.

**Remaining Life.** The remaining life of the Share Award Scheme II is 5 years.

**Details of the Awards Granted.** A total of 56,554,974 Shares were granted under the Share Award Scheme II, representing approximately 3.98% of the issued share capital of our Company as at 31 December 2025. The number of Shares exercised during the Reporting Period was 1,293,400 Shares, and the number of Shares exercised after the Reporting Period was 8,720,000 Shares, representing an aggregate of 10,013,400 Shares. The details are set out as follows:

Name of the grantees	Position held in our Group	Grant date	Outstanding and subject to vesting conditions as at 1 January 2025	Granted during the Reporting Period	Vested during the Reporting Period	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Outstanding and subject to vesting conditions as at 31 December 2025	Vesting Period <sup>(1)</sup>	Purchase Price <sup>(2)</sup>
<i>Directors and Supervisors</i>											
Mr. Zhu	Founder, chairperson of the Board, executive Director and chief executive officer of the Company	23/02/2021	419,214	-	-	-	-	419,214	-	23/02/2021 – 29/09/2025	RMB 1.4
Mr. Cao Li (曹力)	Executive Director and senior vice president of the Company	23/02/2021	1,600,000	-	480,000	-	-	-	1,600,000	23/02/2021 – 29/09/2025	RMB 1.4
Mr. Zhou Hongtao (周洪涛)	Executive Director and senior vice president of the Company	23/02/2021	1,150,000	-	345,000	14,854	-	-	1,135,146	23/02/2021 – 29/09/2025	RMB 1.4
		31/05/2022	450,000	-	135,000	5,813	-	-	444,187	31/05/2022 – 29/09/2025	RMB 1.4
		16/08/2023	400,000	-	120,000	5,167	-	-	394,833	16/08/2023 – 29/09/2025	RMB 2
Mr. Mo Chengrui (莫承锐)	Supervisor of the Company	23/02/2021	550,000	-	165,000	-	-	-	550,000	23/02/2021 – 29/09/2025	RMB 1.4

Name of the grantees	Position held in our Group	Grant date	Outstanding and subject to vesting conditions as at 1 January 2025	Granted during the Reporting Period	Vested during the Reporting Period	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Outstanding and subject to vesting conditions as at 31 December 2025	Vesting Period <sup>(1)</sup>	Purchase Price <sup>(2)</sup>
Ms. Yao Tianzhi (姚甜芝)	Employee representative	23/02/2021	67,000	-	20,100	1,292	-	-	65,708	23/02/2021 - 29/09/2025	RMB 1.4
	Supervisor of the Company	31/05/2022	100,000	-	30,000	1,938	-	-	98,062	31/05/2022 - 29/09/2025	RMB 1.4
Mr. Zhao Zhiding (趙志定)	Supervisor of the Company	23/02/2021	460,600	-	138,180	7,634	-	-	452,966	23/02/2021- 29/09/2025	RMB 1.4
		26/07/2023	100,000	-	30,000	1,666	-	-	98,334	26/07/2023- 29/09/2025	RMB 2
<i>Employee Participants other than Directors or Supervisors</i>											
Ms. Jing Hua (敬華)	Senior vice president of the Company (left the Company)	23/02/2021	100,000	-	30,000	3,875	-	-	96,125	23/02/2021 - 29/09/2025	RMB 1.4
Aggregate of five / highest paid individuals other than Directors		23/02/2021	2,378,900	-	713,670	45,682	-	-	2,333,218	23/02/2021 - 29/09/2025	RMB 1.4
		31/05/2022	271,100	-	81,330	6,630	-	-	264,470	31/05/2022 - 29/09/2025	RMB 1.4
		19/08/2022	500,000	-	150,000	-	-	-	500,000	19/08/2022- 29/09/2025	RMB 2
		16/08/2023	300,000	-	90,000	3,875	-	-	296,125	16/08/2023 - 29/09/2025	RMB 2
<i>Other Participants that are not Directors, Supervisors, senior management or five highest paid individuals of the Company</i>		23/02/2021	37,696,060	-	12,414,337	934,522	-	54,100	36,707,438	23/02/2021 - 29/09/2025	RMB 1.4
		31/12/2021	129,060	-	42,218	4,133	-	-	124,927	31/12/2021 - 29/09/2025	RMB 1.4
		31/05/2022	1,895,000	-	614,000	11,841	-	-	1,883,159	31/05/2022 - 29/09/2025	RMB 1.4
		19/08/2022	1,253,040	-	557,912	37,786	-	-	1,215,254	19/08/2022 - 29/09/2025	RMB 1.4

## Directors' Report

Name of the grantees	Position held in our Group	Grant date	Outstanding and subject to vesting conditions as at 1 January 2025	Granted during the Reporting Period	Vested during the Reporting Period	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Outstanding and subject to vesting conditions as at 31 December 2025	Vesting Period <sup>(1)</sup>	Purchase Price <sup>(2)</sup>
		26/07/2023	500,000	-	171,000	7,246	-	-	492,754	26/07/2023 – 29/09/2025	Of which, 188,710 shares at RMB1.4/share; 304,044 shares at RMB2/share
		16/08/2023	2,535,000	-	800,000	38,750	-	20,000	2,476,250	16/08/2023 – 29/09/2025	Of which, 450,532 shares at RMB1.4/share; 2,025,718 shares at RMB2/share
		02/11/2023	1,100,000	-	330,000	37,303	-	-	1,062,697	02/11/2023 – 29/09/2025	RMB 2
		29/12/2023	390,000	-	152,000	16,598	-	-	373,402	29/12/2023 – 29/09/2025	RMB 2
		09/02/2024	225,000	-	67,500	7,815	-	-	217,185	09/02/2024 – 29/09/2025	RMB 2
		22/04/2024	380,000	-	121,000	13,563	-	-	366,437	22/04/2024 – 29/09/2025	RMB 2
		13/05/2024	260,000	-	78,000	10,075	-	-	249,925	13/05/2024 – 29/09/2025	Of which, 192,250 shares at RMB1.4/share; 57,675 shares at RMB2/share
		17/10/2024	290,000	-	87,000	6,329	-	-	283,671	17/10/2024 – 29/09/2025	RMB 2
		26/11/2024	780,000	-	234,000	2,713	-	-	777,287	26/11/2024 – 29/09/2025	RMB 2

Name of the grantees	Position held in our Group	Grant date	Outstanding and subject to vesting conditions as at 1 January 2025	Granted during the Reporting Period	Vested during the Reporting Period	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Outstanding and subject to vesting conditions as at 31 December 2025	Vesting Period <sup>(1)</sup>	Purchase Price <sup>(2)</sup>
		05/12/2024	275,000	-	63,000	4,237	-	107,000	163,763	05/12/2024 – 29/09/2025	RMB 2
		03/01/2025	-	419,214	335,214	41,850	-	-	377,364	03/01/2025-29/09/2025	RMB 2
		13/01/2025	-	60,786	18,786	1,550	-	-	59,236	13/01/2025-29/09/2025	RMB 2
		07/04/2025	-	280,000	84,000	4,392	-	-	275,608	07/04/2025-29/09/2025	RMB 2
		17/04/2025	-	105,000	28,500	2,325	-	10,000	92,675	17/04/2025-29/09/2025	RMB 2
		02/07/2025	-	740,000	192,500	9,365	-	-	730,635	02/07/2025-29/09/2025	RMB 2
		01/08/2025	-	156,504	87,900	2,583	-	-	153,921	01/08/2025-29/09/2025	RMB 2
		24/09/2025	-	17,000	5,100	-	-	-	17,000	24/09/2025-29/09/2025	RMB 2
<i>Subtotal of Employee Participants other than Directors or Supervisors</i>		/	51,258,160	1,778,504	17,548,967	1,255,037	-	191,100	51,590,527	/	
<b>Total</b>		/	<b>56,554,974</b>	<b>1,778,504</b>	<b>19,012,247</b>	<b>1,293,400</b>	<b>-</b>	<b>610,314</b>	<b>56,429,764</b>		

## Directors' Report

## Notes:

- (1) All of the Shares granted under the Share Award Scheme II shall be vested on the third anniversary of the Listing Date. The vesting of the Awards is subject to the decision of the Board and the evaluation result of the grantees.
- (2) The purchase price of the Awards under the Share Award Scheme II shall be determined with reference to (i) the nominal value of RMB1 of the Shares, (ii) the purchase price paid by our Company to the original shareholders for the Shares which became the underlying Shares of the Share Award Scheme II, and (iii) the estimated costs and the costs of recovering the incentive shares for the administration and operation of the Share Award Scheme II. Pursuant to the terms of the Share Award Scheme II, the payment of the purchase price shall be settled on or before the date of grant and our Company did not provide any financial assistance for the purchase of the Awards.
- (3) For the fair value of the share awards granted during the Reporting Period at the grant date and the accounting standards and policies adopted, please refer to Notes 26 and 42 to the consolidated financial statements. The fair value of the awards under the Share Award Scheme II during the Reporting Period was calculated based on the closing price of the Company's H Shares at the grant date. Details are set out as follows:

Grant date	Aggregate Fair Value of Awards Granted (RMB)
3 January 2025	12,329,084
13 January 2025	1,715,989
7 April 2025	10,838,800
17 April 2025	4,383,750
2 July 2025	37,059,200
1 August 2025	8,324,448
24 September 2025	963,730

- (4) There were no Participants that had been granted Shares exceeding 1% of the total number of issued Shares.
- (5) The trading days immediately preceding the grant dates of the awards under Share Award Scheme II during the Reporting Period were 2 January 2025, 10 January 2025, 3 April 2025, 16 April 2025, 1 July 2025, 31 July 2025 and 23 September 2025, respectively, and the closing prices of the H Shares of the Company on those dates were HK\$31.4, HK\$30.50, HK\$55.45, HK\$44.35, HK\$54.70, HK\$60.65 and HK\$63.45, respectively.
- (6) As at 1 January 2025 and 31 December 2025, the number of awards available for grant under the Share Award Scheme II were 1,168,190 and 610,314, respectively.
- (7) Ms. Jing Hua (敬華) resigned as a senior vice president of the Company on 20 November 2025.

### C. Pre-IPO Share Option Scheme

The following is a summary of the principal terms of our Pre-IPO Share Option Scheme adopted on 22 June 2022. No further options will be granted under the Pre-IPO Share Option Scheme after Listing.

**Purpose.** The purpose of the Pre-IPO Share Option Scheme is to improve our Company's incentive mechanism, attract and retain outstanding talents, better align the interests of our Company's employees with those of the shareholders and our Company, and promote the long-term development of our Company.

**Maximum Number of Shares.** The maximum number of Shares which may be issued pursuant to all options under the Pre-IPO Share Option Scheme is 50,594,348 Shares, representing approximately 3.78% of the issued share capital of our Company as at the date of this annual report. Each option entitles the holder to purchase one Share. There is no reserved entitlement under the Pre-IPO Share Option Scheme.

**Participants.** We granted options to management personnel and core employees (save for independent non-executive Directors) working for our Company and its subsidiaries.

**Exercise Price of Share Options.** The exercise price of the Pre-IPO Share Option Scheme is RMB27.26 per Share, which was determined with reference to the subscription price of the Shares in the equity financing of our Company immediately prior to the adoption of the Pre-IPO Share Option Scheme.

**Exercise Period and Validity Period.** The period commencing from the Listing Date and ending on the date on which the participants exercise all of their options shall not exceed 6 years.

**Vesting Period.** The options granted under the Pre-IPO Share Option Scheme may be vested in tranches as per the agreed proportions upon satisfaction of the vesting conditions. The vesting date must be a trading day within the validity period of the Pre-IPO Share Option Scheme. Details of the vesting period and vesting arrangements are as follows:

Vesting Period	Vesting Time	Vesting Proportion
First vesting period	The expiry of 12 months from the date of the initial public offering of the Company	25%
Second vesting period	The expiry of 24 months from the date of the initial public offering of the Company	25%
Third vesting period	The expiry of 36 months from the date of the initial public offering of the Company	25%
Fourth vesting period	The expiry of 48 months from the date of the initial public offering of the Company	25%

**Remaining Life.** The remaining life of the Pre-IPO Share Option Scheme is 3 years.

**Outstanding Grants.** As of the end of the Reporting Period, a total of 19,701,448 options remained outstanding. All the options were granted on 5 August 2022, with an exercise price of RMB27.26 per Share. During the Reporting Period, a total of 14,633,225 options were exercised.

## Directors' Report

All the options were granted to employees of our Company. Details of the options granted under the Pre-IPO Share Option Scheme as at 31 December 2025 are set out below:

Name of the grantees	Position held in the Group/connected relationship	Outstanding options as at 1 January 2025	Granted during the Reporting Period1	Vested during the Reporting Period	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Outstanding options as at 31 December 2025
<i>Directors and Supervisors</i>								
Mr. Cao Li (曹力)	Executive Director and senior vice president	2,000,000	-	500,000	500,000	-	-	1,500,000
Mr. Zhou Hongtao (周洪濤)	Executive Director and senior vice president	2,000,000	-	500,000	-	-	-	2,000,000
Mr. Mo Chengrui (莫承銳)	Supervisor	170,000	-	42,500	26,000	-	-	144,000
Ms. Yao Tianzhi (姚甜芝)	Employee representative Supervisor	100,000	-	25,000	50,000	-	-	50,000
Mr. Zhao Zhiding (趙志定)	Supervisor	180,000	-	45,000	90,000	-	-	90,000
<i>Employee Participants other than Directors or Supervisors</i>								
Ms. Jing Hua (敬華)	Senior vice president (left the Company)	500,000	-	125,000	250,000	-	-	250,000
Mr. Wu Cun (巫存)	Vice president	1,500,000	-	375,000	750,000	-	-	750,000
Mr. Shu Chuncheng (舒春成)	Vice president	1,500,000	-	375,000	750,000	-	-	750,000
Employees that are not Directors, Supervisors, senior management, or other connected persons of the Company	/	26,750,773	-	6,525,412	12,217,225	366,100	-	14,167,448
<i>Subtotal of Employee Participants other than Directors or Supervisors</i>	/	30,250,773	-	7,400,412	13,967,225	366,100	-	15,917,448
<b>Total</b>	/	<b>34,700,773</b>	<b>-</b>	<b>8,512,912</b>	<b>14,633,225</b>	<b>366,100</b>	<b>-</b>	<b>19,701,448</b>

## Notes:

- (1) All the options were granted on 5 August 2022, with an exercise price of RMB27.26. The exercise period for the options granted is 6 years, and the options will be vested in four equal tranches each year from 29 September 2022 to 29 September 2026.
- (2) Pursuant to the terms of the Pre-IPO Share Option Scheme, there is no performance target for the options in the first two vesting periods. The performance target for the options in the third vesting period is that the audited net cash generated from operating activities for the year 2024 shall be positive, and the performance target for the options in the fourth vesting period is that the realized net profit for the year 2025 shall be positive.
- (3) For the fair value of the share options granted during the Reporting Period at the grant date and the accounting standards and policies adopted, please refer to Notes 26 and 42 to the consolidated financial statements.
- (4) There were no Participants that had been granted options exceeding 1% of the total number of issued Shares.
- (5) As at 1 January 2025 and 31 December 2025, there were no options under the Pre-IPO Share Option Scheme available for grant under the scheme mandate.

For the twelve months ended 31 December 2025, the percentage of the number of Shares that may be issued in respect of options and awards granted under the Employee Incentive Schemes during the Reporting Period, totalling 14,633,225 Shares, divided by the weighted average number of H Shares in issue for the Reporting Period was 1.3%.

## **EQUITY FINANCING AND USE OF PROCEEDS**

### **The Subscriptions by FAW Equity and Jinyi High-tech**

On 28 December 2025, the Company entered into the FAW Equity Domestic Share Subscription Agreement with FAW Equity, pursuant to which the Company conditionally agreed to issue 74,832,245 Domestic Shares to FAW Equity at the Subscription Price of RMB50.03 (equivalent to HK\$55.29 at the exchange rate of HK\$1 to RMB0.90486, the central parity rates of Renminbi in the interbank foreign exchange market as authorized and published by the China Foreign Exchange Trade System as of the date of the Domestic Share Subscription Agreement) per Domestic Subscription Share. The Domestic Subscription Shares will be issued pursuant to the General Mandate. The Subscription Price represents

a premium to (i) the closing price per H Share as quoted on the Stock Exchange on the last trading date prior to the date of the FAW Equity Domestic Share Subscription Agreement (i.e. 24 December 2025), being HK\$49.94, and (ii) the average closing price per H Share as quoted on the Stock Exchange for the five consecutive trading days immediately preceding the date of the FAW Equity Domestic Share Subscription Agreement (i.e. 18 December 2025 to 24 December 2025), being HK\$49.23.

On 6 January 2026, the Company entered into the Jinyi High-tech Domestic Share Subscription Agreement with Jinyi High-tech, pursuant to which the Company conditionally agreed to issue 59,964,021 Domestic Shares to Jinyi High-tech at the Subscription Price of RMB50.03 (equivalent to HK\$55.49 at the exchange rate of HK\$1 to RMB0.90161, the central parity rates of Renminbi in the interbank foreign exchange market as authorized and published by the China Foreign Exchange Trade System as of the date of the Jinyi High-tech Domestic Share Subscription Agreement) per Domestic Subscription Share. The Domestic Subscription Shares will be issued pursuant to the General Mandate. The Subscription Price represents a premium to (i) the closing price per H Share as quoted on the Stock Exchange on the date of the Jinyi High-tech Domestic Share Subscription Agreement (i.e. 6 January 2026), being HK\$50.50, and (ii) the average closing price per H Share as quoted on the Stock Exchange for the five consecutive trading days immediately preceding the date of the Jinyi High-tech Domestic Share Subscription Agreement (i.e. 29 December 2025 to 5 January 2026), being HK\$49.31.

Accordingly, the Company has conditionally agreed to issue 74,832,245 Domestic Shares to FAW Equity, together with 59,964,021 Domestic Shares to Jinyi High-Tech, resulting in the issuance of a total of 134,796,266 Domestic Shares by the Company to FAW Equity and Jinyi High-tech (the **"New Domestic Share Subscriptions"**).

## Directors' Report

The aggregate nominal value of subscription shares under the New Domestic Share Subscriptions is RMB134,796,266. 134,796,266 Domestic Shares to be subscribed for by FAW Equity and Jinyi High-tech represent (i) approximately 46.36% and 31.67% of the total issued Domestic Shares of the Company as of the date of this annual report and the total enlarged issued Domestic Shares of the Company as enlarged by the Domestic Shares Subscriptions, respectively, and (ii) approximately 9.48% and 8.66% of the total issued Shares of the Company as of the date of this annual report and the total enlarged issued Shares of the Company as enlarged by the Domestic Shares Subscriptions, respectively.

The total proceeds from the New Domestic Share Subscriptions will be approximately RMB6,743.86 million, among which, (i) approximately 70%, or RMB4,720.70 million, will be used for research and development investment; (ii) approximately 30%, or RMB2,023.16 million, will be used for replenishment of working capital and general corporate purposes.

As at the date of this annual report, the Domestic Share Subscriptions have not yet been completed. After receiving the relevant proceeds, the Company intends to utilize such proceeds according to the uses set out above.

The New Domestic Shares Subscription is a strategic investment made by FAW Equity and Jinyi High-tech, demonstrating their confidence in the Company's NEV and smart electric vehicle business and the long-term development and prospect of the Company. The New Domestic Shares Subscription will lay the foundation for commercial and industrial cooperation between the Company and FAW Equity and its related parties, and for fostering and strengthening the Company's potential commercial and industrial cooperation in the Jindong District. Such commercial and industrial cooperation will benefit both the Company and the local economy of the Jindong District.

For more details of the New Domestic Share Subscriptions, please refer to the announcements of the Company dated 28 December 2025 and 6 January 2026.

### The Subscription by Stellantis

On 26 October 2023 (before trading hours), the Company entered into a subscription agreement with Stellantis (the "**Stellantis Subscription Agreement**"), pursuant to which the Company has conditionally agreed to allot and issue 194,260,030 H Shares (the "**Stellantis Subscription Shares**") to Stellantis at the subscription price of HK\$43.8 per Stellantis Subscription Share. The Stellantis Subscription Shares were allotted and issued pursuant to the general mandate granted by the Shareholders' meeting on 11 October 2023 (the "**General Mandate**") and the aggregate nominal value of the subscription shares is approximately RMB194.3 million. The net price to the Company of each Stellantis Subscription Share is HK\$43.8 per Subscription Share, and the closing price per H Share as quoted on the Stock Exchange on 25 October 2023, being the date on which the terms of the issue were fixed, was HK\$36.80. The subscription by Stellantis was completed on 20 November 2023.

The subscription by Stellantis raised total proceeds of approximately HK\$8,508.6 million for the Company. The proceeds were utilized as follows:

Intended use	% of use of proceeds	Total proceeds (HK\$ million)	Unutilized	Utilized	Accumulative	Unutilized	Expected usage timeline
			amount as of 1 January 2025 (HK\$ million)	amount for the year ended 31 December 2025 (HK\$ million)	utilized amount as of 31 December 2025 (HK\$ million)	amount as of 31 December 2025 (HK\$ million)	
Expanding and upgrading smart EV portfolio, expanding the research and development team, advancement of electrification technology, and enhancing the development of advanced vehicle intelligence technologies, including autonomous driving and smart cockpit systems	40%	3,403.4	2,617.4	2,193.6	2,979.6	423.8	Three years from the settlement date
Marketing, expansion of sales and service network, enhancing brand presence and overseas market expansion	25%	2,127.1	424.9	–	1,702.2	424.9	Three years from the settlement date
Enhancing production capacity and automation capabilities, improving vertical integration and operational efficiency	15%	1,276.3	920.0	81.2	437.5	838.8	Three years from the settlement date
Working capital and general corporate purposes	20%	1,701.7	1,639.8	1,639.8	1,701.7		Three years from the settlement date
<b>Total</b>	<b>100%</b>	<b>8,508.6</b>	<b>5,602.1</b>	<b>3,914.6</b>	<b>6,821.0</b>	<b>1,687.5</b>	

During the Reporting Period and up to the date of this annual report, there has been no change in the intended use of the net proceeds as disclosed above.

The Group is a smart electric vehicle company headquartered in China and primarily focused on the mid – to high-end segment of China's new energy vehicle market. As disclosed in the Prospectus, one of the Company's strategies is to expand globally and establish its international presence by entering into the European market. The Company's long-term strategy is to expand into other major electric vehicle markets to become a global electric vehicle company. The strategic cooperation with Stellantis will assist the Company in achieving such goals. Stellantis has a strong global presence through its wide range of automobile brands. It has an extensive service and distribution network which the Company can fully leverage. The Stellantis Subscription, together with the other transactions disclosed in the announcement of the Company dated 26 October 2023, are all important parts of the strategic cooperation between the Company and Stellantis, which enable the Company's vehicles to be distributed in those regions.

## Directors' Report

For more details of the subscription by Stellantis, please refer to the announcements of the Company dated 26 October 2023 and 20 November 2023.

### 2024 Domestic Share Subscriptions

On 9 October 2024, the Company entered into domestic share subscription agreements with Wuyi County Financial Investment, Jinhua Industrial Fund, Hangzhou Hehe and Huzhou Xinchuang, respectively (collectively, the “**2024 Domestic Share Subscription Agreements**”), pursuant to which the Company has conditionally agreed to allot and issue 10,802,052 Domestic Shares to Wuyi County Financial Investment, 5,401,026 Domestic Shares to Jinhua Industrial Fund, 27,005,130 Domestic Shares to Hangzhou Hehe and 27,005,130 Domestic Shares to Huzhou Xinchuang. The subscription price is HK\$40.80 per Domestic Subscription Share (equivalent to RMB37.03 at the exchange rate of HK\$1:RMB0.90767, being the central parity rate of Renminbi exchange rates in the interbank foreign exchange market published under the authorization of the China Foreign Exchange Trade System as of the date of the Domestic Share Subscription Agreements). On 29 August 2025, the Company was notified by China Securities Depository and Clearing Corporation Limited that the share registration for the non-public issuance of 70,213,338 Domestic Shares pursuant to the Domestic Share Subscription Agreements had been completed on 22 August 2025.

Pursuant to the domestic share subscription agreements entered into between the Company and Wuyi County Financial Investment and Jinhua Industrial Fund, respectively, the H Share Subscription Agreement dated 19 January 2024 entered into between the Company and Jinhua Industrial Fund, and the Domestic Share Subscription Agreement dated 19 January 2024 entered into between the Company and Wuyi County Financial Investment, have been terminated, respectively.

The aggregate nominal value of the 2024 Domestic Subscription Shares is RMB70,213,338, representing (i) approximately 31.84% and 24.15% of the total issued Domestic Shares of the Company as at the date of this annual report and the enlarged issued Domestic Shares of the Company as enlarged by the Domestic Share Subscriptions, respectively; and (ii) approximately 5.19% and 4.94% of the total issued Shares of the Company as at the date of this annual report and the enlarged issued Shares of the Company as enlarged by the Domestic Share Subscriptions, respectively.

The closing price per H Share of the Company as quoted on the Stock Exchange on the date of the 2024 Domestic Share Subscription Agreements was HK\$31.60. The net price to the Company of each Domestic Share under the Domestic Share Subscriptions was RMB36.99.

The net proceeds from the 2024 Domestic Share Subscriptions, after deduction of the relevant issuance expenses, amounted to RMB2,597.3 million, among which, (i) approximately 75% or RMB1,948.0 million will be used for research and development of new electric vehicle models and upgrading existing models; and (ii) approximately 25% or RMB649.3 million will be used for replenishment of working capital and general corporate purposes.

During the Reporting Period and up to the date of this annual report, there has been no change in the intended use of the net proceeds as disclosed above.

The total proceeds from the 2024 Domestic Share Subscription amounted to RMB2,600.0 million, of which (i) approximately 75% or RMB1,950.0 million will be used for research and development of new electric vehicle models and upgrading of existing models; and (ii) approximately 25% or RMB650.0 million will be used for replenishment of working capital and general corporate purposes.

During the Reporting Period and up to the date of this annual report, there has been no change to the intended use of the total proceeds as disclosed above.

As at the date of this annual report, the 2024 Domestic Share Subscriptions have been completed. During the Reporting Period, the proceeds were utilized as follows:

Intended use	% of use of proceeds	Total proceeds (RMB million)	Unutilized amount as of 1 January 2025 (RMB million)	Utilized amount for the year ended	Accumulative utilized amount as of	Unutilized amount as of	Expected usage timeline
				31 December 2025 (RMB million)	31 December 2025 (RMB million)	31 December 2025 (RMB million)	
Research and development of new electric vehicle models and upgrading existing models	75%	1,950.0	1,950.0	269.9	269.9	1,680.1	Three years from the settlement date
Replenishment of working capital and general corporate purposes	25%	650.0	650.0	650.0	650.0	-	Three years from the settlement date
<b>Total</b>	<b>100%</b>	<b>2,600.0</b>	<b>2,600.0</b>	<b>919.9</b>	<b>919.9</b>	<b>1,680.1</b>	

The 2024 Domestic Share Subscriptions are strategic investments made by the investors, similar in nature to the other strategic investments recently introduced by the Company. The 2024 Domestic Share Subscriptions demonstrate the confidence of Jinhua Industrial Fund, Wuyi County Financial Investment, Hangzhou Hehe and Huzhou Xinchuang in the Company's new energy and smart electric vehicle business and the long-term development and prospect of the Company. The 2024 Domestic Share Subscriptions will also lay the foundation for fostering and strengthening the Company's potential commercial and industrial cooperation in Wuyi County, Jinhua, Hangzhou and Huzhou. Such commercial and industrial cooperation will benefit both the Company and the local economies of Wuyi County, Jinhua, Hangzhou and Huzhou.

For more details of the 2024 Domestic Share Subscriptions, please refer to the announcements of the Company dated 9 October 2024, 31 March 2025 and 29 August 2025.

## Directors' Report

**USE OF PROCEEDS FROM THE GLOBAL OFFERING**

On 29 September 2022, the H Shares of our Company were listed on the Main Board of the Stock Exchange. The net proceeds from the Global Offering, after deducting underwriting discounts and commissions, were approximately HK\$6,168.9 million, which will be used in accordance with the use of proceeds as disclosed in the Prospectus as follows:

- Approximately 40.0% of the net proceeds, for our research and development
- Approximately 25.0% of the net proceeds, for enhancing our production capacity and capabilities, as part of our efforts to improve vertical integration and operational efficiency
- Approximately 25.0% of the net proceeds, for expanding our sales and service network and establishing a stronger brand presence
- Approximately 10.0% of the net proceeds, for working capital and general corporate purposes

As at 31 December 2025, the Group had utilized the net proceeds as set out in the table below:

Intended use	% of use of proceeds	Net proceeds (HK\$ million)	Unutilized amount as of 1 January 2025 (HK\$ million)	Utilized	Accumulative	Unutilized	Expected usage timeline
				amount for the year ended 31 December 2025 (HK\$ million)	utilized amount as of 31 December 2025 (HK\$ million)	amount as of 31 December 2025 (HK\$ million)	
For our research and development	40%	2,467.6	609.4	258.0	2,116.2	351.4	Five years from the Listing Date
For enhancing our production capacity and capabilities, as part of our efforts to improve vertical integration and operational efficiency	25%	1,542.2	76.8	–	1,465.4	76.8	Five years from the Listing Date
For expanding our sales and service network and establishing a stronger brand presence	25%	1,542.2	242.4	–	1,299.8	242.4	Five years from the Listing Date
For working capital and general corporate purposes	10%	617.0	572.9	572.9	617.0	–	Five years from the Listing Date

## MATERIAL LITIGATION

The Company was not involved in any material litigation or arbitration during the Reporting Period.

## SUBSEQUENT EVENTS

After the Reporting Period and up to the date of this annual report, save as otherwise disclosed in this annual report, there were no other significant events which have had a material adverse impact on the performance and value of the Group.

## REVIEW OF ANNUAL RESULTS AND APPROVAL OF ANNUAL REPORT

The Audit Committee of the Company comprises Mr. Shen Linhua, Mr. Fu Yuwu and Ms. Drina C Yue, all of whom are independent non-executive Directors. The Audit Committee of our Company has reviewed the audited annual results and the annual report of the Company for the year ended 31 December 2025. The annual report and the consolidated financial statements of the Group for the year ended 31 December 2025 were approved and authorised for issue by the Board on 24 April 2026.

## APPRECIATION

The Company would like to express its appreciation to all the staff for their outstanding contribution towards the Group's development. The Board wishes to sincerely thank the management for their dedication and diligence, which are the key factors for the Company to continue its success in the future. Also, the Company wishes to extend its gratitude for the continued support from its shareholders, customers and business partners. The Company will continue to deliver sustainable business development, so as to create more value for all its shareholders.

By order of the Board

**Zhejiang Leapmotor Technology Co., Ltd.**

*Founder, Chairperson of the Board and  
Chief Executive Officer*

**Mr. Zhu Jiangming**

24 April 2026

# Report of the Supervisory Committee

In 2025, the Supervisory Committee of the Company strictly fulfilled its duties in accordance with relevant regulations, including the Company Law, the Articles of Association, and the Rules of Procedure of the Supervisory Committee (《監事會議事規則》). This involved legally inspecting the Company's financial status and supervising the legality and compliance of the Directors and senior management in performing their duties, thereby safeguarding the legitimate rights and interests of both the Company and its shareholders. The work situation for 2025 is reported as follows:

## I. Work Situation of the Supervisory Committee

Number of Meetings Convened		2
Date of Meeting	Name of Meeting	Agenda of the Supervisory Committee Meeting
29 May 2025	The second meeting of the second session of the Supervisory Committee	<ol style="list-style-type: none"> <li>Proposal regarding reviewing 2024 Work Report of the Supervisory Committee of Zhejiang Leapmotor Technology Co., Ltd. (《浙江零跑科技股份有限公司2024年度監事會工作報告》)</li> <li>Proposal regarding the By-election of a Supervisor (《關於補選監事的議案》)</li> <li>Proposal regarding the Confirmation of the Remuneration of the Supervisors of the Company for 2024 (《關於確認公司2024年度監事薪酬的議案》)</li> <li>Proposal regarding Submission to the 2024 Annual General Meeting of the Company for Consideration (《關於提交公司2024年年度股東大會審議的議案》)</li> </ol>
25 June 2025	The third meeting of the second session 1. of the Supervisory Committee	Proposal regarding the Election of the Chairman of the Supervisory Committee of Zhejiang Leapmotor Technology Co., Ltd. (《關於選舉浙江零跑科技股份有限公司監事會主席的議案》)

During the year, to regulate the Company's management conduct, the Supervisory Committee focused on enhancing supervision in the following areas and faithfully fulfilling its supervisory duties.

### 1. Supervision of Business Activities

Supervisory Committee members attended all meetings of the Company's Board of Directors to supervise major decisions in the Company's operation. The Supervisory Committee timely reviewed relevant reports regarding the management's implementation of resolutions of the shareholders' meeting and the Board of Directors, as well as business plans, major investment proposals, and financial budget and final account proposals, to understand the specific circumstances of the Company's business management activities and provide corresponding opinions and suggestions.

### 2. Supervision of Financial Activities

The Supervisory Committee made inspecting and supervising the Company's finances a key focus. Firstly, it required the Company's finance department to regularly provide financial reports and related financial information to ensure timely insight into the Company's financial activities. Secondly, it urged the Company to establish and improve financial management systems and internal control systems. Thirdly, it conducted financial inspections, irregularly examining the Company's financial activities according to relevant national laws, regulations, and policies. Additionally, based on the characteristics of the Company, it proposed targeted improvement suggestions to further enhance the Company's financial management.

### 3. Supervision of Management Personnel

To effectively exercise its supervisory function over the Company's Directors and senior management personnel, the Supervisory Committee, while fulfilling its daily supervisory duties, urged the Company to attach importance to and strengthen publicity and education work. The committee conscientiously organized management personnel to study laws and regulations, thereby enhancing their legal awareness and improving their consciousness of compliance. This ensured that the Company's business activities were conducted in accordance with laws.

## II. Independent Opinions of the Supervisory Committee on the Company's Legal Operation Situation

During the Reporting Period, the Supervisory Committee lawfully supervised and inspected the Company's operation situation, and holds the view that the Company's decision-making procedures are legal. It established relatively sound internal control systems and did not find any actions by the Directors, general manager, or other senior management personnel that violated laws, regulations, the articles of association, or harmed the interests of the Company during the performance of their duties.

## III. Independent Opinions of the Supervisory Committee on Inspecting the Company's Financial Situation

The Supervisory Committee reviewed the Company's financial report for the year 2025 and holds the view that it objectively reflects the Company's financial condition and operating results, and complies with the relevant provisions of the Enterprise Accounting Standards, Enterprise Accounting Policy, and other financial accounting regulations. It also holds the view that the audit report issued by PricewaterhouseCoopers on the Company's financial report for the year 2025 is objective and fair.

## IV. Independent Opinions of the Supervisory Committee on the Company's Related Party Transactions

The Supervisory Committee believes that the related party transactions that occurred during the Reporting Period are objectively and fairly priced, with fair and reasonable transaction terms and arrangements, complying with the related party transaction rules, and there were no circumstances harming the interests of the Company or other shareholders, reflecting the principles of fairness, impartiality, and integrity.

In 2025, the Supervisory Committee of the Company will continue to faithfully and diligently fulfill its duties in accordance with relevant regulations such as the Company Law and the Articles of Association, continuously improve the effectiveness and pertinence of the supervisory functions of the Supervisory Committee, promote the standardized operation of the Company, guard against operational risks, safeguard the legitimate rights and interests of the Company and all shareholders, and work unrelentingly with all shareholders for the development of the Company.

**Zhejiang Leapmotor Technology Co., Ltd.**

**Ms. Yao Tianzhi**

*Chairman of the Supervisory Committee*

24 April 2026

# Directors, Supervisors and Senior Management

## BIOGRAPHICAL DETAILS OF DIRECTORS

### Executive Directors

**Mr. Zhu Jiangming (朱江明先生)**, aged 59, is our founder, chairperson of the Board, executive Director and chief executive officer. Mr. Zhu founded our Company in 2015. He is responsible for overall business strategies and operations of our Group. Mr. Zhu also currently serves as a director at other subsidiaries within our Group.

Mr. Zhu is a world-class engineer and visionary entrepreneur with nearly 30 years of experience in electronics and AI technologies. Prior to founding our Company, Mr. Zhu co-established Dahua Technology in 1993, where he was mainly responsible for product R&D, production and supply chain management. From 2008 to 2010, Mr. Zhu joined and worked at Motorola Hangzhou Co., Ltd. (摩托羅拉杭州公司). Mr. Zhu returned to Dahua Technology (a company listed on the Shenzhen Stock Exchange, stock code: 002236) in 2010 and served as its director until December 2021.

Mr. Zhu led his team to invent the patented technology of HDCVI video transmission, which became an international standard in 2014 with extensive application in international video transmission. Mr. Zhu was awarded the Second Prize of Zhejiang Science and Technology Award (浙江省科學技術獎二等獎) and the First Prize of Zhejiang Science and Technology Progress Award (浙江省科學技術進步獎一等獎) by the People's Government of Zhejiang Province in 2011 and 2015, respectively. In May and November 2025, Mr. Zhu was awarded the titles of Scientific Entrepreneur of Zhejiang Province for 2025 (2025年度浙江省科學企業家) and Outstanding Builder of the Cause of Socialism with Chinese Characteristics for a New Era in Zhejiang Province (浙江省新時代中國特色社會主義事業優秀建設者), respectively. In January 2026, Mr. Zhu received the honour of "Outstanding Entrepreneur of Zhejiang Province (浙江省優秀企業家)".

Mr. Zhu received a bachelor's degree in electronic engineering from Zhejiang University (浙江大學) in the PRC in July 1990.

**Mr. Cao Li (曹力先生)**, aged 41, is our executive Director and senior vice president. He is responsible for automotive related R&D and manufacturing of our Group. Mr. Cao joined our Group in February 2016.

Mr. Cao has more than 10 years of experience in product design. Prior to joining our Group, Mr. Cao served as a senior industrial engineer of Dahua Technology from 2013 to 2016, and the director of design of Liubai Industry and Trade (Shanghai) Co., Ltd. (留白工貿(上海)有限公司) from 2011 to 2013. Before that, Mr. Cao was a design manager of Qianfang Industrial Product Design (Shanghai) Co., Ltd. (千方工業產品設計(上海)有限公司) from 2009 to 2011.

Mr. Cao received a number of design awards, including the Red Dot Award: Product Design awarded by Design Zentrum Nordrhein Westfalen in 2014 and the iF Product Design Award awarded by iF Industrie Forum Design in 2014.

Mr. Cao received a bachelor's degree in industrial design from Zhejiang Polytechnic University (浙江理工大學) in the PRC in June 2007.

## Directors, Supervisors and Senior Management

Mr. Zhou Hongtao (周洪濤先生), aged 47, is our executive Director and senior vice president. He is responsible for R&D and manufacturing of autonomous driving and automotive electronics of our Group. Mr. Zhou joined our Group in February 2016.

Mr. Zhou has nearly 20 years of experience in the software and automotive electronics industries. Prior to joining our Group, Mr. Zhou worked at Zhejiang Dahua Technology Co., Ltd. from 2001 to 2016, where he was responsible for software-related work and oversaw the completion of a number of major projects.

Mr. Zhou received a bachelor's degree in industrial automation from the School of Electronic Engineering of Xidian University (西安電子科技大學) in the PRC in July 2001.

**Non-executive Directors**

**Mr. Grégoire Olivier (Grégoire Olivier先生)**, aged 65, is our non-executive Director. Mr. Olivier joined our Group in November 2023.

Mr. Olivier is a member of the executive committee, executive vice president and chief operating officer of Stellantis Group for China and the Asia Pacific Region. Mr. Olivier has held a variety of operational and managerial responsibilities in the industrial sector for more than twenty years before joining PSA Group in 2006.

In 1984, Mr. Olivier started as a civil servant in the French Ministry of Industry, and was appointed as an advisor to the French Prime Minister, covering Industry and Environment, in 1990. After holding various positions at Pechiney and Alcatel, Mr. Olivier was appointed as the Chairman of the Sagem Management Board in 2001.

In 2006, Mr. Olivier joined PSA and was appointed as the chairman and chief executive officer of Faurecia. In 2007, Mr. Olivier was appointed as the executive vice president for automobile programs and strategy and a member of the managing board of PSA Group. In September 2010, Mr. Olivier was dispatched to China and was appointed as the executive vice-president, China and ASEAN, of PSA Group. In September 2016, Mr. Olivier was appointed as the executive vice president of mobility services, and became general secretary of PSA in February 2018. In February 2021, Mr. Olivier came back to Shanghai to become the executive vice president China of Stellantis.

In 2015, Mr. Olivier was awarded the "Magnolia Silver Award" by the Shanghai Municipal People's Government.

Mr. Olivier is a graduate of Ecole Polytechnique (France), holds an engineering degree from Ecole des Mines de Paris and an MBA from the University of Chicago.

## Directors, Supervisors and Senior Management

**Mr. Davide Mele (Davide Mele 先生)**, aged 52, serving as a member of the Stellantis Leadership team, responsible for Product Planning. He joined Fiat Group in 2001 as a Senior Auditor and held various roles in Europe, North America and LATAM, serving as Head of Group and North America Platform Finance & Capital Expenditure, Financial Planning & Analysis, Chief Financial Officer and Head of Business Development for LATAM and then Deputy COO for LATAM leading the launch of Jeep for the region. In 2018, he was appointed Deputy COO for FCA's EMEA Region, focusing on brands, leading the electrification challenge, and on business development, with the merger between FCA and Groupe PSA becoming Deputy COO for Enlarged Europe of the new Stellantis. Since June 2025, he has been serving as Head of Programs & Product Planning of Stellantis. Prior to June 2025 he was Head of Global Parts & Services of Stellantis.

Mr. Davide Mele holds a degree in engineering from Politecnico di Torino (Italy).

**Mr. Jin Yufeng (金宇峰先生)**, aged 49, is our non-executive Director. Mr. Jin joined our Group in December 2021.

Mr. Jin has more than 20 years of experience in private equity investment and financial services. Since 2015, Mr. Jin has served as the general manager, chairperson of the board of directors and general manager of Hangzhou Heda Financial Services Group Co., Ltd. (杭州和達金融服務集團有限公司). Prior to that, Mr. Jin served a number of positions in various companies, including as the general manager of Hangzhou Wanguo Investment Management Co., Ltd. (杭州萬國投資管理有限公司).

In July 1999, Mr. Jin received a bachelor's degree in economics majoring in land management from the Business School of Renmin University of China (中國人民大學工商管理學院).

## Directors, Supervisors and Senior Management

**Independent non-executive Directors**

**Mr. Fu Yuwu (付于武先生)**, aged 81, is our independent non-executive Director. Mr. Fu joined our Group in December 2021.

Mr. Fu has nearly 40 years of automotive industry experience in engineering and management. Mr. Fu has served as the honorary chairperson of China Automotive Talents Society (中國汽車人才研究會) since 2018 and the president of Beijing China Automobile Culture Foundation (北京華汽汽車文化基金會) since 2014. In 1999, Mr. Fu joined the China Society of Automotive Engineers (中國汽車工程學會), where he successively served as the executive vice chairperson and secretary general. Mr. Fu is currently the honorary chairperson of the China Society of Automotive Engineers (中國汽車工程學會). From 1970 to 1999, Mr. Fu successively served as the deputy factory director and chief engineer of Harbin Automobile Gearbox Factory of the First Automobile Manufacturing Factory of China (中國一汽哈爾濱變速箱廠) and the deputy general manager and general manager of Harbin Automotive Industry Corporation (哈爾濱汽車工業總公司).

At present, Mr. Fu serves as an independent director for the following companies listed on the Shanghai Stock Exchange, namely Chongqing Sokon Industry Group Stock Co., Ltd. (重慶小康工業集團股份有限公司) (stock code: 601127.SH) since September 2016, Hunan Corun New Energy Co., Ltd. (湖南科力遠新能源股份有限公司) (stock code: 600478.SH) since August 2017 and Hanma Technology Group Co., Ltd. (漢馬科技集團股份有限公司) (stock code: 600375.SH) since October 2020.

In the last three years immediately preceding the date of this annual report, Mr. Fu served as a director of the following companies listed on the Shanghai Stock Exchange and the Hong Kong Stock Exchange, including an independent non-executive director of Guangzhou Automobile Group Co., Ltd. (廣州汽車集團股份有限公司) (stock code: 601238.SH; 02238.HK) from December 2013 to May 2020 and an independent director of Changchun Yidong Clutch Co., Ltd. (長春一東離合器股份有限公司) (stock code: 600148.SH) from January 2018 to July 2020.

In December 2017, Mr. Fu was awarded the Lifetime Achievement Award (終身成就獎) by the China Society of Automotive Engineers (中國汽車工程學會).

Mr. Fu received a bachelor's degree in mechanics from Beijing Institute of Mechanical Engineering (北京機械學院) in the PRC in July 1970. Mr. Fu obtained the qualification of a senior engineer (高級工程師) from the Jilin Provincial Department of Personnel (吉林省人事廳) in December 1989.

**Ms. Drina C Yue (萬家樂女士)**, aged 68, is our independent non-executive Director. Ms. Yue joined our Group in December 2021.

Ms. Yue has more than 30 years of experience in the telecommunications and payment industry and has served a number of senior executive positions for different global conglomerates. Prior to joining our Group, she served as a senior advisor of the Asia region for the Global System for Mobile Communications (GSMA) from 2015 to 2016. From 2011 to 2014 Ms. Yue served on the Brambles Asian Advisory Board for Brambles Limited (stock code: BXB.ASX, a company listed on the Australian Securities Exchange). Ms. Yue served as the senior vice president and managing director of Western Union, Asia Pacific from 2010 to 2014. Ms. Yue served as the executive director of Asia Pacific Broadband Communications of Motorola Asia Pacific Limited from 2004 to 2010, during which she oversaw and developed the broadband communications business for Motorola in Asia. From March 2000 to February 2004, Ms. Yue served as the president of iSteelAsia.com Limited (later known as North Asia Strategic Holdings Ltd.). From 1999 to 2000, Ms. Yue served as the chief of staff to the president of Motorola's wireless infrastructure business in the PRC.

Ms. Yue served on a number of government advisory committees in Hong Kong. She served on the Unsolicited Electronic Messages (Enforcement Notices) Appeal Board from 2010 to 2016, the Personalized Vehicle Registration Marks Vetting Committee from 2008 to 2014, the Solicitors Disciplinary Tribunal Panel from 2005 to 2011, the Appeal Board on Closure Orders (Immediate Health Hazard) from 2002 to 2008, and the Information Infrastructure Advisory Committee from 2000 to 2004.

## Directors, Supervisors and Senior Management

Ms. Yue has been an independent non-executive director and a member of the audit committee and remuneration committee of Taiwan Mobile (stock code: 3045.TPE, a company listed on the Taiwan Stock Exchange) since June 2020 and a board member of Christian Action Asia (a non-profit organisation based in the United States) since October 2016. Ms. Yue served as an independent non-executive director and a member of the audit committee and compensation committee for Gemalto N.V. (an international digital security company based in the Netherlands and listed on Euronext Paris, the Paris Stock Exchange (stock code: NL0000400653)) from June 2012 to May 2016.

Ms. Yue received the Distinguished Alumni Award from Computer Science Department of University of Illinois in 2017, and the Distinguished Service Award from College of Engineering of University of Illinois in 2021.

Ms. Yue received a master's degree in computer science and a bachelor's degree in electronic engineering from University of Illinois at Urbana-Champaign of the United States in August 1984 and June 1980, respectively.

**Mr. Shen Linhua (沈林華先生)**, aged 60, is our independent non-executive Director. Mr. Shen joined our Group in June 2024.

Mr. Shen has served as a director of Lawton Development Co., Ltd. (羅頓發展股份有限公司) since February 2026. Mr. Shen served as a director and chief financial officer of Lawton Development Co., Ltd. (羅頓發展股份有限公司) from October 2024 to February 2026, and a director, general manager and chief financial officer of Lawton Development Co., Ltd. (羅頓發展股份有限公司) from August 2022 to October 2024. He was a director and general manager of Beijing Zhongguang Yunmei Network Technology Co., Ltd. (北京中廣雲媒網絡技術有限公司) from January 2019 to July 2022, and a deputy general manager and a member of the party committee of Wasu Digital TV Media Group Co., Ltd. (華數數字電視傳媒集團有限公司) from October 2013 to December 2018. Mr. Shen has been an independent director of Baoding Technology Co., Ltd. (寶鼎科技股份有限公司) (stock code: 002552.SZ) since April 2024 and an independent director of Insigma Technology Co., Ltd. (浙大網新科技股份有限公司) (stock code: 600797.SH) since May 2021.

Mr. Shen was granted the qualification of senior accountant by the Department of Personnel of Zhejiang Province in 2000, and was granted the qualification of independent directorship by the Shanghai Stock Exchange in July 2021. He graduated from the Correspondence Institute of the Party School of the Central Committee of the CPC (中央黨校函授學院) in December 1993, majoring in economics and management.

## Directors, Supervisors and Senior Management

**BIOGRAPHICAL DETAILS OF SUPERVISORS**

**Ms. Yao Tianzhi (姚甜芝女士)**, aged 31, is the chairperson of the Supervisory Committee and an employees' representative Supervisor. Ms. Yao joined our Group and served as the director of the general manager's office of the Company in June 2016. She is also a supervisor of other subsidiaries within our Group.

Ms. Yao received a bachelor's degree in logistics management from the Hangzhou Business School of Zhejiang Gongshang University (浙江工商大學杭州商學院) in the PRC in June 2016.

**Mr. Mo Chengrui (莫承銳先生)**, aged 53, is our Supervisor. Mr. Mo joined our Group in February 2016.

Prior to joining our Group, Mr. Mo served a number of positions at Chang'an Automobile Shanghai Research Institute (長安汽車上海研究院), including the director of the general arrangement office, vehicle project design chief and vehicle project director, from 2005 to 2016. From 2001 to 2005, Mr. Mo served as the director and head of product development for Jiangyin Xietong Automobile Accessories Co., Ltd. (江陰協統汽車附件有限公司). Before that, Mr. Mo worked at Jiangsu Alfa Bus Co., Ltd. (江蘇常隆客車有限公司) and Yto (Jiangsu) Group Corporation (中國一拖(江蘇)集團公司).

Mr. Mo received a bachelor's degree in automotive engineering from Hubei Institute of Automotive Industry (湖北汽車工業學院) in the PRC in July 1997. Mr. Mo was qualified as an intermediate engineer by the Shanghai Light Industry Professional Engineering Series Intermediate Professional Technical Position Qualification Review Committee (上海輕工業專業工程系列中級專業技術職務任職資格評審委員會) in December 2013.

**Mr. Zhao Zhiding (趙志定先生)**, aged 41, is our shareholder representative Supervisor. Mr. Zhao joined the Group in February 2016, when he was responsible for automotive electronics software development of the Company. From April 2022 to May 2024, Mr. Zhao served as the director of intelligent connected vehicle products of Zhejiang Leapmotor New Energy Vehicle Parts Technology Co., Ltd. (浙江零跑新能源汽車零部件技術有限公司). Since June 2024, he has served as the deputy general manager of the intelligent connected vehicle product line of the Company. Prior to that, from July 2010 to January 2016, Mr. Zhao served as the head of intelligent transportation development of Zhejiang Dahua Technology Co., Ltd. (浙江大華技術股份有限公司).

Mr. Zhao received a bachelor's degree in communication engineering from Zhejiang University of Technology (浙江工業大學) in June 2007 and a master's degree in communication and information systems from Zhejiang University of Technology (浙江工業大學) in June 2010, respectively.

**BIOGRAPHICAL DETAILS OF SENIOR MANAGEMENT**

**Mr. Zhu Jiangming (朱江明先生)**, is our founder, chairperson of the Board, executive Director and chief executive officer. Please refer to the section headed "Biographical Details of Directors" for further details.

**Mr. Cao Li (曹力先生)**, is our executive Director and senior vice president. Please refer to the section headed "Biographical Details of Directors" for further details.

**Mr. Zhou Hongtao (周洪濤先生)**, is our executive Director and senior vice president. Please refer to the section headed "Biographical Details of Directors" for further details.

## Directors, Supervisors and Senior Management

**Mr. Xu Jun (徐軍先生)**, aged 54, joined our Company in July 2022 and serves as the senior vice president and chief operating officer of the Company since January 2023. Mr. Xu Jun has extensive experience in marketing. He served as chief marketing expert in Shanghai Geonol Enterprise Management Consulting Co., Ltd. (上海喬諾企業管理諮詢公司) from September 2020 to July 2022; and successively as the director and vice president of sales of the open channel of consumer business in the Greater China Region, and the director of the Asia Pacific Channel of consumer business in Huawei Technologies Co., Ltd. from June 2012 to January 2020. From January 2010 to May 2012, he served as the China-region national channel director in Motorola (China) Co., Ltd. (摩托羅拉(中國)有限公司). From February 2003 to **December 2009**, he served as regional manager, deputy general manager of the western region and senior key account manager in Nokia (China) Co., Ltd. (諾基亞(中國)有限公司).

**Mr. Wu Cun (巫存先生)**, aged 46, is our vice president. He is responsible for R&D and manufacturing of electric drives of our Group. Mr. Wu joined our Group in February 2016.

Mr. Wu has nearly 20 years of experience in the engineering and automotive electronics industries. Prior to joining our Group, Mr. Wu served as the chief engineer of Bosch Automotive Products (Suzhou) Co., Ltd. (博世汽車部件(蘇州)有限公司) from 2014 to 2015, a senior engineer of Emerson (Suzhou) Climate Technologies Company Limited (艾默生環境優化技術(蘇州)有限公司) from 2011 to 2014, and the head of the compressor motor development section of Suzhou Samsung Electronics Co., Ltd. (蘇州三星電子有限公司) from 2003 to 2010. Prior to that, Mr. Wu worked for Jiangyin Fasten Group (江陰市法爾勝集團).

Mr. Wu graduated from Suzhou University (蘇州大學) in mechanical engineering and automation in the PRC in June 2002.

**Mr. Shu Chuncheng (舒春成先生)**, aged 42, is our vice president. He is responsible for supply chain management of our Group. Mr. Shu joined our Group in May 2016.

Mr. Shu has nearly 20 years of experience in automotive supply chain management. Prior to joining our Group, Mr. Shu served as a senior procurement manager of Chery Automobile Co., Ltd. (奇瑞汽車股份有限公司) from 2005 to 2016.

Mr. Shu received a bachelor's degree in materials science and engineering from Nanchang University (南昌大學) in the PRC in June 2005.

Save as disclosed above, during the Reporting Period and up to the date of this annual report, our Directors, Supervisors and members of the senior management do not have financial, business, family or other relationship with one another.

**Mr. Shen Ke (沈珂先生)**, aged 44, is our Board Secretary and Joint Company Secretary. He currently serves at the office of the Board of the Company and is responsible for the affairs of the Board, the Supervisory Committee and the shareholders' general meeting of the Company, information disclosure, securities compliance, ESG and other related work. Mr. Shen joined the Company in May 2021. Mr. Shen served as the representative for securities affairs of the Company from May 2021 to June 2024. Prior to joining the Company, Mr. Shen served as the legal director of the legal affairs department of Zhejiang Dahua Technology Co., Ltd. (浙江大華技術股份有限公司) (stock code: 002236.SZ) from November 2008 to April 2021, and an assistant to the general manager of China Otsuka Pharmaceutical Co., Ltd. (中國大塚製藥有限公司) from November 2006 to October 2008. Mr. Shen obtained a master's degree in law from Tsinghua University (清華大學)/Temple University and a bachelor's degree in law from Beijing Institute of Technology (北京理工大學) in November 2006 and June 2004, respectively.

**DISCLOSURE OF CHANGES IN INFORMATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT PURSUANT TO LISTING RULES 13.51B(1)**

On 29 May 2025, due to personal career development reasons, Mr. Wu Yefeng tendered his resignation as the shareholder representative Supervisor and the chairperson of the Supervisory Committee of the Company, with effect from the election of a new supervisor at the Company's annual general meeting. On 25 June 2025, Mr. Zhao Zhiding was elected by the shareholders at the annual general meeting as a shareholder representative Supervisor, and Mr. Wu Yefeng ceased to serve as the shareholder representative Supervisor and the chairperson of the Supervisory Committee of the Company. On the same day, Ms. Yao Tianzhi was elected as the chairperson of the Supervisory Committee at the second session of the Supervisory Committee. For details, please refer to the announcements of the Company dated 29 May 2025 and 25 June 2025, respectively.

On 17 November 2025, upon the proposal from Stellantis Group, a shareholder, the Board proposed to remove Mr. Douglas Ostermann from his position as a non-executive Director of the second session of the Board due to a change in his duties, and at the same time nominated Mr. Davide Mele as a non-executive Director of the second session of the Board. On 8 December 2025, Mr. Davide Mele was elected by the shareholders at the extraordinary general meeting as a non-executive Director, and Mr. Douglas Ostermann ceased to serve as a non-executive Director of the Company. For details, please refer to the announcements of the Company dated 17 November 2025 and 8 December 2025, respectively.

Save as disclosed above, as of the date of this annual report, there has been no change to the information of the Directors, Supervisors and senior management which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

# Corporate Governance Report

## CORPORATE GOVERNANCE PRACTICES

The Company is committed to achieving high standards of corporate governance with a view to safeguarding the interests of its Shareholders. The principles of the Company's corporate governance are to promote effective internal control measures and to enhance the transparency and accountability of the Board to all the Shareholders.

The Company has formulated its corporate governance practices in accordance with the principles and code provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules.

During the Reporting Period, the Company has complied with the code provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules, save for code provision C.2.1 (as explained below), which is further explained in the section headed "Chairperson and Chief Executive Officer" below.

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

## CORPORATE CULTURE

The vision of the Company is to master core technologies, build global influence and a respected corporate image, provide high-quality smart electric vehicle products and services, and become a world-class smart electric vehicle company worthy of respect. The Company is committed to creating maximum value for users' travel and lives. Adhering to a user-centric value proposition, the Company is committed to enhancing the full life cycle experience of vehicle owners. Guided by value maximization, the Company is committed to providing superior products and services.

## BOARD OF DIRECTORS

### Board Composition

As at the date of this annual report, the Board currently comprises the following Directors:

### Executive Directors

Mr. Zhu Jiangming (朱江明) (*Founder, Chairperson of the Board and Chief Executive Officer*)

Mr. Cao Li (曹力) (*Senior Vice President*)

Mr. Zhou Hongtao (周洪濤) (*Senior Vice President*)

### Non-executive Directors

Mr. Grégoire Olivier

Mr. Douglas Ostermann (*resigned on 8 December 2025*)

Mr. Davide Mele (*appointed on 8 December 2025*)

Mr. Jin Yufeng (金宇峰)

### Independent Non-executive Directors

Mr. Fu Yuwu (付于武)

Ms. Drina C Yue (萬家樂)

Mr. Shen Linhua (沈林華)

The following Director appointed during the financial year ended 31 December 2025 has obtained the legal advice referred to in Rule 3.09D of the Listing Rules on the date set out below in relation to the requirements applicable to him as a director of a listed issuer and the possible consequences of making a false declaration or giving false information to the Stock Exchange, and has confirmed that he understands his obligations as a director of a listed issuer:

<b>Name of Director</b>	<b>Date of obtaining legal advice</b>
Mr. Davide Mele	8 December 2025

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

During the Reporting Period, the Board has met the requirements of the Listing Rules regarding the appointment of at least three independent non-executive Directors, representing at least one-third of the Board, with at least one of whom possessing appropriate professional qualifications or accounting or related financial management expertise. To provide transparency to the investor community and in compliance with the Listing Rules and the Corporate Governance Code, the independent non-executive Directors of the Company are clearly identified in all corporate communications containing the names of the Directors.

As at the date of this report, the Company has received confirmation letters from all independent non-executive Directors in respect of their independence and considers all of them to be independent.

### **Responsibilities and Delegation**

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

The Board directly, and indirectly through its committees, leads and provides direction to management by formulating strategies and overseeing their implementation, monitors the Group's operational and financial performance, and ensures that sound risk management and internal control systems are in place.

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

## Corporate Governance Report

The Board exercises its powers in accordance with the Articles of Association, resolutions and authorizations of the Shareholders' meeting and relevant laws and regulations, in relation to policy matters, strategies and budgets, risk management and internal control, material transactions, particularly those that may involve conflicts of interest, financial information and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board and directing and coordinating the daily operation and management of the Company are delegated to the Chief Executive Officer and management. The delegated functions and responsibilities are periodically reviewed by the Board. Approval has to be obtained from the Board prior to any significant transactions entered into by the aforesaid officers.

### Chairperson and Chief Executive Officer

Pursuant to code provision C.2.1 of the Corporate Governance Code, the roles of chairperson and chief executive officer should be segregated and should not be performed by the same individual. The division of responsibilities between the chairperson and chief executive officer should be clearly established and set out in writing. The Company does not have a separate role for chairperson of the Board and chief executive officer and Mr. Zhu Jiangming currently performs these two roles. The Board considers that the balance of power and authority under the present arrangement will not be impaired and that this structure will enable the Company to make and implement decisions promptly and effectively. Taking into account the circumstances of the Group as a whole, the Board will continue to review and consider splitting the roles of chairperson and chief executive officer of the Company when appropriate.

### Board Meetings

The Company adopts the practice of holding Board meetings regularly, at least four times a year and at approximately quarterly intervals. Notices of not less than fourteen days are given for all regular Board meetings to provide all Directors with an opportunity to attend and include matters in the agenda for regular Board meetings.

For other Board meetings and Board committee meetings, reasonable notice is generally given. The agenda and accompanying board papers are despatched to the Directors or Board committee members at least three days before such meetings to ensure that they have sufficient time to review the papers and are adequately prepared for the meetings. When Directors or Board committee members are unable to attend a meeting, they will be advised of the matters to be discussed and given an opportunity to make their views known to the chairperson prior to the meeting.

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

During the Reporting Period, the Company held 9 Board meetings, 4 Audit Committee meetings, 2 Remuneration Committee meetings and 3 Nomination and Environmental, Social and Corporate Governance (ESG) Committee meetings. The attendance record of each Director at the above meetings is set out in the table below:

Name of Director	Attendance/Number of Meetings				
	Board	Audit Committee	Remuneration Committee	Nomination and Environmental, Social and Corporate Governance (ESG) Committee	General Meeting
Mr. Zhu Jiangming (朱江明先生)	9/9	–	2/2	3/3	2/2
Mr. Cao Li (曹力)	9/9	–	–	–	2/2
Mr. Zhou Hongtao (周洪濤)	9/9	–	–	–	2/2
Mr. Grégoire Olivier	9/9	–	–	–	2/2
Mr. Douglas Ostermann <sup>(1)</sup>	8/9	–	–	–	1/2
Mr. Davide Mele <sup>(2)</sup>	1/9	–	–	–	1/2
Mr. Jin Yufeng (金宇峰)	9/9	–	–	–	2/2
Mr. Fu Yuwu (付于武)	9/9	4/4	–	3/3	2/2
Ms. Drina C Yue (萬家樂)	9/9	4/4	2/2	3/3	2/2
Mr. Shen Linhua (沈林華)	9/9	4/4	2/2	–	2/2

Notes:

(1) Resigned as Director on 8 December 2025.

(2) Appointed as Director on 8 December 2025.

In addition to the above meetings, during the Reporting Period, Mr. Zhu Jiangming, the chairperson of the Board, held 2 meetings with the independent non-executive Directors without the presence of the other Directors.

### Appointment and Re-election

Code provision B.2.2 of the Corporate Governance Code states that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

Each Director, including the non-executive Directors and independent non-executive Directors, is appointed for a term of three years. They are subject to re-election in accordance with the provisions of the Articles of Association.

## Corporate Governance Report

**Training and Professional Development**

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

To help the Directors develop and refresh their knowledge and skills, internally facilitated briefings for Directors would be arranged and reading materials on relevant topics would be provided to Directors where appropriate. All Directors are encouraged to attend relevant training courses at the Company's expense.

During the Reporting Period, the Company also arranged for its Hong Kong legal advisor in relation to the Listing to provide training to all Directors, including the independent non-executive Directors. The training session covered a wide range of relevant topics, including directors' duties and responsibilities, corporate governance and requirements under the Listing Rules.

The Directors are required to provide details of the training they received in each financial year to the Company for the maintenance of proper training records. During the Reporting Period, the training received by the Directors was as follows:

<b>Name of Director</b>	<b>Type of continuous professional development</b>
Mr. Zhu Jiangming (朱江明先生)	A and B
Mr. Cao Li (曹力)	A and B
Mr. Zhou Hongtao (周洪濤)	A and B
Mr. Grégoire Olivier	A and B
Mr. Davide Mele ( <i>appointed on 8 December 2025</i> )	A and B
Mr. Jin Yufeng (金宇峰)	A and B
Mr. Fu Yuwu (付于武)	A and B
Ms. Drina C Yue (萬家樂)	A and B
Mr. Shen Linhua (沈林華)	A and B

Notes:

A: Attending seminars, conferences, forums and/or training courses arranged by the Company or external parties.

B: Perusing materials provided by the Company or external parties, such as materials relating to the Company's business updates, directors' duties and responsibilities, corporate governance and regulatory updates, and other applicable regulatory requirements.

Mr. Davide Mele is a first-time director of the Company, with his term taking effect from 8 December 2025. Pursuant to Rule 3.09H of the Listing Rules, Mr. Davide Mele will complete not less than 24 hours of continuous professional development training as required under Rule 3.09F of the Listing Rules within 18 months of his appointment.

## BOARD COMMITTEES

The Board has established three Board committees, namely the Audit Committee, the Remuneration Committee and the Nomination and Environmental, Social and Corporate Governance (ESG) Committee, for overseeing particular aspects of the Company's affairs. All Board committees are established with specific terms of reference which clearly define their authority and duties, and are posted on the Company's website and the Stock Exchange's website.

### Audit Committee

The Company has established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D.3 of Part 2 of the Corporate Governance Code.

As at the date of this annual report, the Audit Committee consists of three Directors, namely Mr. Shen Linhua, Mr. Fu Yuwu and Ms. Drina C Yue. Mr. Shen Linhua possesses the appropriate professional qualifications required under Rules 3.10(2) and 3.21 of the Listing Rules and serves as the chairperson of the Audit Committee. The duties and responsibilities of the Audit Committee include, but are not limited to, the following:

- reviewing the results of internal investigations and management's responses in relation to any suspected dishonesty, non-compliance or suspected violations of laws, rules and regulations;
  - evaluating whether the Company has any major internal control defaults or deficiencies;
  - evaluating the nature and severity of major risks faced by the Company in the preceding financial year;
  - evaluating the performance of the audit function and personnel;
  - proposing the appointment of external auditors to the Board, and reviewing the qualifications, independence and performance of the external auditors; and
  - regularly reviewing the financial reports and annual reports of the Company.
- The attendance records of the Audit Committee are set out in the section headed "Board Meetings" above. During the Reporting Period, the Audit Committee performed the following major duties: (i) reviewed the annual results and annual report of the Company for the year ended 31 December 2024; (ii) reviewed the interim results and interim report of the Company for the six months ended 30 June 2025; (iii) reviewed the quarterly results of the Company for the three months ended 31 March 2025 and for the three months ended 30 September 2025; and (iv) reviewed the effectiveness of the Company's financial controls, internal control and risk management systems, and the internal control function. On 16 March 2026, the Audit Committee reviewed the audited consolidated financial statements and results of the Group for the Reporting Period, discussed the re-appointment of the external auditors and made a recommendation to the Board.
- examining the authenticity of financial reports of the Company and monitoring financial reporting procedures of the Company;
  - examining the effectiveness of the risk management and internal control systems of the Company;
  - ensuring that the Company's resources in accounting, internal audit and financial reporting functions, the qualifications and experience of the Company's accounting and reporting personnel, and the training and budget for relevant expenditures are adequate;

## Corporate Governance Report

The Auditor was invited to attend the Audit Committee meetings to discuss with the Audit Committee issues arising from the audit and financial reporting matters. The Audit Committee also met with the Auditor in the absence of the executive Directors. The Audit Committee is satisfied with the independence and level of engagement of the Auditor. As such, the Audit Committee has recommended its re-appointment.

### Directors' Responsibilities for Financial Statements

The Directors acknowledge their responsibility for preparing the financial statements which should give a true and fair view of the state of affairs of the Company and of the results and cash flows for such reporting period.

In preparing the financial statements, the Board has adopted generally accepted accounting standards in Hong Kong and suitable accounting policies and applied them consistently, made judgments and estimates that are prudent, fair and reasonable, and prepared the financial statements on a going concern basis. The Board is responsible for ensuring that the Company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company.

The Board is not aware of any material uncertainties relating to events or conditions which may cast significant doubt over the Company's ability to continue as a going concern. Accordingly, the Board has continued to adopt the going concern basis in preparing the financial statements.

The Auditor is responsible for auditing the Company's financial statements and reporting its opinion thereon. The independent auditor's report for the Reporting Period is set out in the section headed "Independent Auditor's Report" of this annual report.

### Auditor's Remuneration

For the year ended 31 December 2025, the remuneration for audit services paid to the Auditor amounted to RMB4.82 million, while no non-audit services, which mainly include professional services on tax advisory and internal control consultation services, were provided by the Auditor.

The Company did not change its auditor in the preceding three years.

### Nomination and Environmental, Social and Corporate Governance (ESG) Committee

The Company has established the Nomination Committee with written terms of reference in compliance with paragraph B.3 of Part 2 of the Corporate Governance Code. On 13 January 2023, in order to further enhance the Company's ESG management standards, improve the ESG management system and strengthen ESG management capability, the Company changed the name of the original Nomination Committee to the Nomination and Environmental, Social and Corporate Governance (ESG) Committee, with its composition remaining unchanged and additional responsibilities relating to sustainable development being added.

The Nomination and Environmental, Social and Corporate Governance (ESG) Committee consists of three Directors, namely Mr. Zhu Jiangming, Mr. Fu Yuwu and Ms. Drina C Yue. Mr. Zhu serves as the chairperson of the Nomination and Environmental, Social and Corporate Governance (ESG) Committee. The duties and responsibilities of the Nomination and Environmental, Social and Corporate Governance (ESG) Committee include, but are not limited to, the following:

- in light of the operating activities, asset size and shareholding structure of the Company, reviewing the structure, size, composition and diversity of the Board, including but not limited to gender, age, cultural and educational background, expertise, skills, knowledge and length of service, at least annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- making recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the chairperson of the Board and the general manager;

## Corporate Governance Report

- identifying suitably qualified individuals for appointment as Directors or to fill Board vacancies as and when they arise, and making recommendations to the Board on the selection and nomination of such persons as Directors;
- assisting the Board in assessing and reviewing the independence of the independent non-executive Directors;
- keeping under review the leadership needs of the Company, both executive and non-executive, with a view to ensuring the Company's continued competitiveness in the market;
- performing regular reviews on the contributions made by Directors and whether they have devoted sufficient time to perform their duties, and assessing through performance appraisal whether Directors have devoted sufficient time and effort in performing their duties;
- making recommendations to the Board on the re-appointment of non-executive Directors, including independent non-executive Directors, upon the expiry of their terms of office, and on matters relating to the election or re-election of Directors by Shareholders and the continuation in office of any Director at any time;
- ensuring that a formal letter of appointment is delivered to a Director upon his or her appointment to the Board, clearly setting out the principal terms and conditions of the appointment, including the term of office and the requirement to stand for re-election;
- developing and, where appropriate, reviewing the Board Diversity Policy, and making annual disclosures in the Corporate Governance Report of the annual report in relation to such policy or a summary thereof, and the policy implemented by the Committee for the nomination of Directors, including the nomination procedures adopted by the Nomination and Environmental, Social and Corporate Governance (ESG) Committee for director candidates and the selection and recommendation criteria;
- formulating the Company's corporate governance policies and practices, reviewing their implementation and making recommendations to the Board;
- reviewing and monitoring the training and continuous professional development plans of Directors and senior management;
- reviewing and monitoring the Company's policies and practices regarding compliance with legal and regulatory requirements and their implementation;
- formulating, reviewing and monitoring the code of conduct and compliance manual, if any, applicable to employees and Directors;
- reviewing the Company's compliance with the Corporate Governance Code as set out in Appendix C1 to the Listing Rules and the disclosure in the Corporate Governance Report;
- providing guidance on and formulating the Company's ESG vision, objectives, strategies and framework to ensure that they align with the Company's needs and comply with applicable laws, regulations, regulatory requirements and international standards;

## Corporate Governance Report

- monitoring the development and implementation of the Company's ESG vision, objectives, strategies and framework, including setting the Company's ESG management performance targets, reviewing the progress of implementation of such targets, and making recommendations to management and the Board on improving performance against such targets;
- establishing and maintaining appropriate and effective risk management and internal control systems to monitor and respond to major risks related to environmental, social and governance matters; and
- performing such other matters as may be authorized by the Board from time to time, set out in the Articles of Association from time to time or required by law from time to time.

The attendance records of the Nomination and Environmental, Social and Corporate Governance (ESG) Committee are set out in the section headed "Board Meetings" above. During the Reporting Period, the Nomination and Environmental, Social and Corporate Governance (ESG) Committee reviewed the structure, size and composition of the Board, assessed the independence of the independent non-executive Directors, reviewed the effectiveness of the Board Diversity Policy, made recommendations to the Board on the election of Directors at the extraordinary general meeting, and reviewed the Company's ESG policies and disclosures.

### Board Diversity Policy

To enhance the effectiveness of the Board and maintain a high standard of corporate governance, the Company has adopted the Board Diversity Policy, which sets out the objectives and approach for achieving and maintaining diversity on the Board. Pursuant to the Board Diversity Policy, the Company seeks to achieve Board diversity through consideration of a number of factors in selecting candidates to the Board, including but not limited to gender, skills, age, professional experience, knowledge, cultural background, educational background, ethnicity and length of service. The ultimate decision will be based on merit and the contribution which the selected candidates will bring to the Board.

The Directors have a balanced mix of knowledge and skills, including overall management and strategic development, quality assurance and control, finance and accounting, corporate governance, as well as industry experience relevant to the Group's operations and business. They have obtained degrees in various disciplines, including engineering, economics and business administration. The Company has three independent non-executive Directors with different industry backgrounds, representing one-third of the members of the Board. In addition, the Board has a diverse age and gender composition. Taking into account the Company's existing business model, specific needs and the diverse backgrounds of the Directors, the composition of the Board satisfies the Board Diversity Policy.

The Nomination and Environmental, Social and Corporate Governance (ESG) Committee is responsible for reviewing the structure and diversity of the Board and selecting individuals to be nominated as Directors. After listing, the Nomination and Environmental, Social and Corporate Governance (ESG) Committee monitors and evaluates the implementation of the Board Diversity Policy from time to time to ensure its continued effectiveness and, when necessary, makes any revisions that may be required and recommends such revisions to the Board for consideration and approval. The Nomination and Environmental, Social and Corporate Governance (ESG) Committee will also summarize the Board Diversity Policy in the annual report, including any measurable objectives set for implementing the Board Diversity Policy and the progress made towards achieving those objectives.

In terms of gender diversity, the Board currently has one female member, and the Board is of the view that it has achieved gender diversity. The Board strives to maintain or enhance gender diversity in the foreseeable future. Specifically, the Board's composition will at all times include at least one female Director. To achieve this objective, the Board has been providing more training and opportunities to female members of senior management.

The Company is committed to promoting gender diversity not only within the Board but also across its workforce. As at 31 December 2025, female employees in the Company's senior management accounted for 0%, and the gender ratio of the Company's employees, excluding senior management, is set out below:

Male	83.64%
Female	16.36%
<b>Total</b>	<b>100.0%</b>

The Company is engaged in vehicle manufacturing involving heavy manual labour, resulting in a higher proportion of male employees than female employees. To promote gender diversity in the composition of the Company's management and workforce, all employees enjoy equal opportunities in employment, training and career development, and the Company also strives to create an environment and culture that are friendly to female employees.

#### **Nomination Procedures**

The list of candidates for Directors shall be submitted by way of a proposal to the Shareholders' meeting for voting. Shareholders individually or collectively holding more than 3% of the Company's shares shall have the right to make proposals to the Company. Shareholders individually or collectively holding more than 3% of the Company's shares may submit an interim proposal in writing to the convener 10 days before the Shareholders' meeting. The convener shall issue a supplemental notice of the Shareholders' meeting within two days after receiving the proposal, together with the contents of the interim proposal.

A Shareholder who nominates a Director shall provide information of the nominee required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules. Prior to the Shareholders' meeting for the election of Directors, the Board shall publish the aforesaid information relating to the Directors. A cumulative voting system may be adopted for the election of Directors at the Shareholders' meeting pursuant to the provisions of the Articles of Association or a resolution of the Shareholders' meeting. A cumulative voting system means that, when Directors are elected at a Shareholders' meeting, each share carries voting rights equal to the number of Directors to be elected, and Shareholders may concentrate their voting rights. The Board shall provide Shareholders with the resumes and general information of the candidates.

#### **Mechanisms for the Board to Obtain Independent Views and Opinions**

At Board meetings, Directors are free to express their views, and important decisions can only be made after detailed discussion. Pursuant to the Articles of Association, with the consent of all independent non-executive Directors, the independent non-executive Directors may engage external auditing and consultancy firms in respect of specific matters of the Company, and the costs incurred shall be borne by the Company. If a Director has an interest in a matter proposed at a Board meeting, the relevant Director must withdraw from the discussion of the relevant proposal and abstain from voting, and such Director will not be counted towards the quorum for voting on the proposal. In addition, independent non-executive Directors should also express objective and impartial independent opinions on matters discussed by the Company. The independent non-executive Directors do not hold other positions in the Company, do not have relationships with the Company or its substantial shareholders that may affect their independent and objective judgment, and do not have any business or financial interests in the Company and its subsidiaries. Accordingly, the participation of independent non-executive Directors also ensures a sufficiently strong independent element on the Board.

## Corporate Governance Report

The Board is of the view that, during the Reporting Period, the Board has implemented an effective mechanism to ensure that independent views and input are available to the Board. The Board will review the implementation and effectiveness of the aforesaid mechanism on an annual basis.

### Remuneration Committee

The Company has established the Remuneration Committee with written terms of reference in compliance with paragraph E.1 of Part 2 of the Corporate Governance Code.

The Remuneration Committee consists of three Directors, namely Mr. Zhu Jiangming, Mr. Shen Linhua and Ms. Drina C Yue. Ms. Yue serves as the chairperson of the Remuneration Committee. The duties and responsibilities of the Remuneration Committee include, but are not limited to, the following:

- reviewing and approving compensation payable to executive Directors, Supervisors and members of senior management for loss or termination of office or appointment, so as to ensure that such compensation is consistent with the terms of the relevant contracts, and if such compensation is not determined in accordance with the terms of the relevant contracts, such compensation should be fair and reasonable and not excessive;
  - reviewing and approving compensation arrangements relating to dismissal or removal of Directors for misconduct, so as to ensure that such compensation is consistent with the terms of the relevant contracts, and if such compensation is not determined in accordance with the terms of the relevant contracts, such compensation should be fair and reasonable and not excessive;
  - reviewing and approving matters relating to the Company's share schemes as described in Chapter 17 of the Listing Rules, including but not limited to any changes to the terms of options or awards granted to any participant in an incentive scheme, the vesting period of options or awards, performance targets and/or clawback mechanism, and ensuring that the Company's employee incentive schemes comply with applicable regulations; and
  - dealing with other matters in accordance with laws, regulations, rules, the Articles of Association, the terms of reference and the requirements of applicable securities regulatory authorities, and other matters authorised by the Board.
- formulating the overall remuneration policy and structure of the Company's Directors, Supervisors and members of senior management, formulating proper and transparent remuneration procedures, and making recommendations to the Board;
  - reviewing and approving remuneration proposals of members of senior management in accordance with the Company's policies and objectives as approved by the Board from time to time;
  - making recommendations to the Board on the remuneration of individual executive Directors and members of senior management, including non-monetary benefits, pension rights and compensation amounts, including compensation for loss or termination of office or appointment;
  - making recommendations to the Board on the remuneration of non-executive Directors, including independent non-executive Directors, Supervisors, advisers to the Board, if any, and committees of the Board;

The attendance records of the Remuneration Committee are set out in the section headed "Board Meetings" above. During the Reporting Period, the Remuneration Committee reviewed the remuneration policies of all Directors and senior management and made recommendations to the Board thereon, assessed the performance of executive Directors, reviewed and approved the grant of share awards to grantees, and approved the terms under the service contracts of executive Directors.

Pursuant to code provision E.1.5 of the Corporate Governance Code, the annual remuneration of the members of senior management for the Reporting Period, including members of senior management who also served as executive Directors, excluding share-based compensation, by band is set out below:

<b>Annual Remuneration</b>	<b>Number of individuals</b>
Nil to RMB1,000,000	1
RMB 1,000,001 to RMB2,000,000	1
RMB 2,000,001 to RMB3,000,000	2
RMB 3,000,001 to RMB4,000,000	2
RMB 4,000,001 to RMB5,000,000	–
RMB5,000,001 and above	1

Further details of the remuneration of Directors for the Reporting Period are set out in Note 38 to the consolidated financial statements in this annual report.

## **RISK MANAGEMENT AND INTERNAL CONTROL**

The Company is committed to the establishment and maintenance of a robust risk management and internal control system. We have adopted and continue to improve our internal control mechanisms to ensure the compliance of our business operations. Such mechanisms are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. In addition, we review annually the implementation of our risk management policies and internal control measures to ensure their effectiveness and adequacy.

We have been committed to promoting a culture of compliance and have adopted policies and procedures on various compliance matters, including the Stock Exchange's requirements on corporate governance and environmental, social and governance matters. The Board is collectively responsible for the establishment and operation of mechanisms in relation to corporate governance and environmental, social and governance matters. The Directors participate in the formulation of such mechanisms and the relevant policies.

We have adopted and implemented risk management policies in various aspects of our business operations to address various potential risks in relation to financial reporting, operations, compliance, information security and data privacy, intellectual property and investment.

### **Business Operational Risk Management**

Business operational risk refers to the risk of direct or indirect financial loss resulting from incomplete or problematic internal processes, personnel mistakes, information technology system failures or external events. We have established a series of internal procedures to manage such risks.

We take a comprehensive approach with regard to operational risk management and implement a mechanism with detailed and decentralised responsibilities, and clear reward and penalty systems. Our business operations, finance, information technology and human resources departments are collectively responsible for ensuring that our business operations comply with internal procedures. Upon the occurrence of a material adverse event, the matter will be escalated to senior management and the Board may need to take appropriate measures. Through effective business operational risk management, we expect to identify, measure, monitor and control operational risks, keep operational risks within a reasonable range and thereby reduce potential losses.

## Corporate Governance Report

### Information System Risk Management

We are fully committed to complying with cybersecurity and data privacy laws and protecting customers' data security. When customers purchase electric vehicles, we retain their names, telephone numbers and addresses. We also collect data from smart electric vehicles, including vehicle status, electric drive status, location information and assisted driving information. We have formulated strict data protection policies to ensure that data is collected, used, stored, transmitted and disseminated in compliance with applicable laws and prevailing industry practices.

### Intellectual Property Risk Management

We believe that our proprietary domain names, copyrights, trademarks, trade secrets and other intellectual property are critical to our business operations and fundamental to our success and competitiveness, and we therefore devote substantial time and resources to the development and protection of our intellectual property. We rely on patents, copyrights, trademarks, trade secret laws and restrictions on disclosure to protect our intellectual property. As at 31 December 2025, we had 3,423 registered patents, 5,968 patent applications, 942 registered trademarks, 137 registered software copyrights and 30 registered copyrights. As of the same date, we had registered patents for all our core technologies.

In addition to applying for trademark and patent registration, we also adopt a series of comprehensive measures to protect our intellectual property. Our employees are generally required to enter into a standard employment contract, which includes a confidentiality clause and a clause acknowledging that all inventions, trade secrets, developments and other processes generated by them during their employment with us are our property, and assigning to us any ownership rights that they may claim in those works. We will actively monitor and pursue claims against any unauthorised use of our intellectual property. In addition, we implement screening procedures during the recruitment process, which help us prevent potential disputes arising from hiring former employees of competitors.

In the future, we may need to seek or renew licences related to certain aspects of our products, processes and services. In respect of intellectual property matters, we have established an in-house legal team and intellectual property team, supplemented by professional external intellectual property legal advisers, to assist in the registration, application and examination procedures of relevant patent rights and trademark rights.

### Anti-corruption Risk Management

Anti-corruption risk refers to the risk of using deception, bribery or other unlawful means to (i) pursue improper personal benefits at the expense of the Group's economic interests and (ii) pursue improper interests for the Group. We have established anti-corruption risk management policies prohibiting employees from engaging in any corrupt activities for the pursuit of improper personal benefits or improper interests of the Company. Our internal audit and internal control department is directly responsible for anti-corruption risk management, and an anti-corruption committee has been established under it, comprising designated personnel from the human resources, internal control and legal departments. We have established a whistle-blowing mechanism to encourage internal reporting of suspicious activities. We adopt a zero-tolerance attitude towards corruption and do not employ or promote persons responsible for corruption incidents. We conduct routine internal training and require all suppliers to sign anti-corruption undertakings before engagement.

### Ongoing Review

To monitor the ongoing implementation of our risk management policies, the Audit Committee continuously reviews and supervises our financial reporting procedures and internal control system to ensure that our internal control system effectively identifies, manages and mitigates the risks involved in our business operations.

Our internal audit department is responsible for reviewing the effectiveness of internal controls and reporting issues identified, and continuously identifying internal control failures and deficiencies so as to improve our internal control system and procedures. The internal audit department reports any major issues identified to the Audit Committee and the Board in a timely manner.

In respect of the Reporting Period, the Board, through the Audit Committee, conducted a review of the risk management and internal control systems of the Company and received confirmation from the Company's management on the effectiveness of the risk management and internal control systems. Based on the review and confirmation above, the Board concluded that the risk management and internal control systems of the Company were effective and adequate.

## **SECURITIES DEALING AND HANDLING OF INSIDE INFORMATION**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as its code of conduct regarding Directors' securities transactions.

Having made specific enquiries to all Directors, all Directors confirmed that they had fully complied with all relevant requirements set out in the Model Code during the Reporting Period.

To supplement the Model Code, the Company has also implemented a policy in relation to the handling and dissemination of inside information. At all times before inside information is properly disclosed in accordance with applicable laws and regulations, access to inside information is confined to relevant personnel, namely Directors, senior management and relevant employees, on a need-to-know basis. Directors, senior management and relevant employees in possession of inside information or potential inside information are required to take reasonable steps to preserve confidentiality and to ensure that its recipients recognise their obligations to maintain confidentiality.

## **JOINT COMPANY SECRETARIES**

The Joint Company Secretaries are responsible for advising the Board on corporate governance matters and ensuring that the Board's policies and procedures, as well as applicable laws, rules and regulations, are followed. The current Joint Company Secretaries are Mr. Shen Ke and Ms. Lee Mei Yi. The biographical details of Mr. Shen Ke are set out in the section headed "Directors, Supervisors and Senior Management – Biographical Details of Senior Management" of this annual report. Mr. Shen Ke is the primary corporate contact person of the Company with Ms. Lee Mei Yi.

Ms. Lee Mei Yi was appointed as the other Joint Company Secretary of the Company in September 2022 effective upon Listing. She is an Executive Director of Company Secretarial Services of Tricor Services Limited. Ms. Lee has over 25 years of experience in the corporate secretarial field and has been handling company secretarial compliance work for Hong Kong listed companies, multinational corporations, private and offshore companies. She currently holds the position of company secretary or joint company secretary in various companies listed on the Hong Kong Stock Exchange. Ms. Lee is a Chartered Secretary and a fellow of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom. She obtained an honours bachelor's degree in accountancy from City University of Hong Kong, formerly known as City Polytechnic of Hong Kong, in November 1992.

During the Reporting Period, each of the Joint Company Secretaries attended training courses of no less than 15 hours in aggregate in relation to the Listing Rules, corporate governance, information disclosure, investor relations and the functions and duties of a company secretary of a Hong Kong listed issuer as required under Rule 3.29 of the Listing Rules.

## Corporate Governance Report

**RELATIONSHIP WITH SHAREHOLDERS****Communication with Shareholders**

The Board believes that effective communication with Shareholders is essential for enhancing investor relations and deepening investors' understanding of the Group's business performance and strategies. The Group also recognises the importance of transparency and timely disclosure of corporate information so that Shareholders and investors can make the best investment decisions.

The Company communicates with Shareholders and investors mainly through the Company's financial reports, including interim and annual reports, annual general meetings and other Shareholders' meetings that may be convened, as well as by making available all disclosures submitted to the Stock Exchange, corporate communications and other corporate publications on the Company's website. The Company also convenes conference calls after the publication of its annual, interim and quarterly results to discuss matters of common concern with investors and Shareholders.

**Shareholders' Meetings**

The Shareholders' meetings of the Company serve as an opportunity for the Directors and senior management to communicate with Shareholders. The Company encourages Shareholders to participate in Shareholders' meetings or to appoint proxies to attend and vote at the meetings on their behalf if they are unable to attend. Notice in writing is given by the Company to Shareholders at least 21 days prior to the annual general meeting or at least 15 days prior to an extraordinary general meeting.

Board members, in particular the chairpersons of Board committees or their delegates, appropriate management personnel and external auditors will attend annual general meetings to answer Shareholders' questions.

The Company monitors and reviews the procedures for Shareholders' meetings on a regular basis and makes changes where necessary to ensure that Shareholders' needs are best served.

### Corporate Communications

Corporate communications are provided to Shareholders in plain language and in both English and Chinese versions to facilitate Shareholders' understanding of the contents of the communications. Shareholders have the right to choose the language, either English or Chinese, and the means of receipt of corporate communications, in hard copy or by electronic means. The Company encourages Shareholders to provide their contact details, in particular email addresses, to facilitate timely and effective communication.

### Company Website

The Company maintains a website at [www.leapmotor.com](http://www.leapmotor.com) as a communication platform with Shareholders and investors. Information on the Company's website is updated on a regular basis. Information released by the Company on the website of the Stock Exchange is also posted on the website of the Company immediately thereafter as corporate communications. Such information includes financial statements, results announcements, circulars, notices of Shareholders' meetings and related explanatory documents.

### Shareholders' Enquiries

Shareholders and investors may send written enquiries or requests to the Company for the attention of the Board. The contact details are as follows:

Address: 1/F, No. 451 Wulianwang Street, Binjiang District, Hangzhou, Zhejiang Province, China  
 Email: [ir@leapmotor.com](mailto:ir@leapmotor.com)

Shareholders may direct enquiries about their shareholdings to the Company's H Share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong. The Company ensures that the Hong Kong share registrar maintains the most up-to-date information relating to the Shares at all times so that it can respond effectively to Shareholders' enquiries.

### Policies Relating to Shareholders

#### Shareholders' Communication Policy

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

The Board reviews the shareholders' communication policy on a regular basis to ensure its effectiveness, particularly with regard to the requirements of Part 2 of the Corporate Governance Code. The Board reviewed the implementation and effectiveness of the shareholders' communication policy during its meetings and is of the view that the shareholders' communication policy has been effectively implemented and that information has been effectively disseminated to Shareholders based on the measures adopted above.

#### Dividend Policy

Pursuant to code provision F.1.1 of the Corporate Governance Code, the Company has adopted a dividend policy (the "**Dividend Policy**") in relation to the declaration, payment or distribution of the Company's net profits as dividends to Shareholders.

The Company currently does not have any fixed dividend payout ratio. No dividend shall be declared or payable except out of profits and reserves lawfully available for distribution. According to relevant PRC laws, any future net profit earned by the Company must first be applied to make up for historically accumulated losses, after which the Company is required to allocate 10% of such net profit to the statutory reserve fund until such fund reaches more than 50% of the registered capital. Therefore, the Company may only declare dividends after the following conditions have been satisfied: (i) all historically accumulated losses have been made up; and (ii) the Company has allocated sufficient net profit to the statutory reserve fund as described above.

## Corporate Governance Report

### Shareholders' Rights

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

Pursuant to the Articles of Association, Shareholders individually or in aggregate holding more than 10% of the Company's shares are entitled to request the Board in writing to convene an extraordinary general meeting. If the Board disagrees to convene the extraordinary general meeting, or fails to respond within 10 days upon receipt of the request, Shareholders individually or in aggregate holding more than 10% of the Company's shares are entitled to request the Supervisory Committee in writing to convene an extraordinary general meeting. If the Supervisory Committee fails to issue a notice of Shareholders' meeting within the prescribed time limit, it shall be deemed that the Supervisory Committee does not convene or preside over the Shareholders' meeting, and Shareholders individually or in aggregate holding more than 10% of the Company's shares for more than 90 consecutive days may convene and preside over the meeting on their own. The Company shall bear the costs and expenses necessary for a Shareholders' meeting convened by Shareholders on their own.

Pursuant to Article 65 of the Articles of Association, Shareholders individually or in aggregate holding more than 1% of the Company's shares may submit an interim proposal in writing to the convener 10 days before the Shareholders' meeting. The convener shall issue a supplemental notice of Shareholders' meeting within two days after receiving the proposal and announce the contents of the interim proposal.

### Articles of Association

The Articles of Association are available on the websites of the Company ([www.leapmotor.com](http://www.leapmotor.com)) and the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)). During the Reporting Period and up to the date of this annual report, the following amendments were made to the Articles of Association:

- On 9 October 2024, the Company entered into domestic share subscription agreements with each of Wuyi County Financial Investment, Jinhua Industrial Fund, Hangzhou Hehe and Huzhou Xinchuang. On 26 March 2025, the Domestic Share Subscriptions obtained approval for registration from the CSRC. Upon completion of the Domestic Share Subscriptions, the Board proposed to make corresponding amendments to Articles 6 and 20 of the Articles of Association in respect of the number of shares and registered capital of the Company. At the same time, in accordance with the Company Law of the PRC (revised in 2023), the Guidelines for the Articles of Association of Listed Companies and other laws, regulations, normative documents and the relevant provisions of the Articles of Association, the Board proposed to make corresponding amendments to the relevant provisions of the Articles of Association. On 25 June 2025, the relevant amendments were considered and approved by the Shareholders at the annual general meeting, and the amended Articles of Association took effect on 25 June 2025. For details of the amendments to the Articles of Association, please refer to the announcements of the Company dated 29 May 2025 and 25 June 2025 and the circular of the Company dated 3 June 2025.

- In accordance with the Company Law of the PRC (revised in 2023) and with reference to the Guidelines for the Articles of Association of Listed Companies and other laws, regulations, normative documents and the relevant provisions of the Articles of Association, taking into account the guidance from the market regulatory authorities and the Company's issuance of 14,633,225 H Shares upon the exercise of share options under the Pre-IPO Share Option Scheme, which was adopted on 22 June 2022, the registered capital of the Company increased from RMB1,407,179,427 to RMB1,421,812,652, and the Board proposed to make corresponding amendments to the relevant provisions of the Articles of Association. On 8 December 2025, the relevant amendments were considered and approved by the Shareholders at the extraordinary general meeting, and the amended Articles of Association took effect on 8 December 2025. For details of the amendments to the Articles of Association, please refer to the announcements of the Company dated 17 November 2025 and 8 December 2025 and the circular of the Company dated 19 November 2025.
- On 28 December 2025 and 6 January 2026, the Company entered into domestic share subscription agreements with FAW Equity and Jinyi High-tech, respectively, pursuant to which the Company conditionally agreed to issue Domestic Shares to FAW Equity and Jinyi High-tech, respectively, under the General Mandate. In view of the entering into of the FAW Equity Domestic Share Subscription Agreement and the Jinyi High-tech Domestic Share Subscription Agreement, the Board proposed to make corresponding amendments to the Articles of Association in respect of the registered capital and number of shares of the Company. The aforesaid amendments to the Articles of Association will take effect upon completion of the FAW Equity Domestic Share Subscription and the Jinyi High-tech Domestic Share Subscription. A proposal in relation to the changes to the Articles of Association will be put forward at the Shareholders' meeting for approval by the Shareholders. The Company will issue a circular containing details of the amendments to the Articles of Association and a notice of Shareholders' meeting as and when appropriate. For details, please refer to the announcements of the Company dated 28 December 2025 and 6 January 2026, respectively.

# Independent Auditor's Report

## To the Shareholders of Zhejiang Leapmotor Technology Co., Ltd.

*(incorporated in the People's Republic of China with limited liability)*

### OPINION

#### What we have audited

The consolidated financial statements of Zhejiang Leapmotor Technology Co., Ltd. (the “**Company**”) and its subsidiaries (the “**Group**”), which are set out on pages 87 to 188, comprise:

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

#### Our opinion

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

#### BASIS FOR OPINION

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

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

#### Independence

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

## KEY AUDIT MATTERS

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

The key audit matter identified in our audit is related to accrual of warranty provisions.

Key Audit Matter	How our audit addressed the Key Audit Matter
<p><b>Accrual of warranty provisions</b></p> <p>Refer to Notes 4(b) and Note 29 to the consolidated financial statements.</p> <p>The Group recorded warranty provision liabilities of approximately RMB1,530 million on the balance sheet as at 31 December 2025, and recognised warranty costs of approximately RMB815 million in the statement of profit or loss for the year then ended.</p> <p>The accrual of warranty provisions involves significant management's judgement and estimates in respect of the followings:</p> <ul style="list-style-type: none"> <li>the assumptions related to the expected unit cost for warranty services</li> </ul> <p>We focused on this area as the determination of the assumptions to support the accrual involves significant management judgement and estimates, and thus significant auditor's judgment and effort were devoted in designing and performing procedures relating to evaluating the reasonableness of management's assumptions and estimates supporting the accrual of warranty provisions.</p>	<p>Our procedures performed in relation to the accrual of warranty provisions mainly included the followings:</p> <ul style="list-style-type: none"> <li>Understood, evaluated and validated management's controls and assessment process of the accrual of warranty provisions, and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors such as subjectivity, changes and susceptibility to management bias.</li> <li>Evaluated the outcome of prior period accrual of warranty provisions to assess the effectiveness of management's estimation process.</li> <li>Evaluated the reasonableness of the significant assumptions related to the expected unit cost for warranty services by comparing with the Group's historical records of repair and other services as required under the warranty claims.</li> <li>Tested, on a sample basis, the accuracy of management's historical data which was used in the calculation of future claims to the underlying supporting documents.</li> <li>Tested the mathematical accuracy of the calculation of accrual of warranty provisions prepared by management.</li> </ul> <p>Based on our audit procedures, we found the estimates and judgements adopted by management in determining assumptions supporting the accrual of warranty provisions are supported by available evidences.</p>

## Independent Auditor's Report

### OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in Zhejiang Leapmotor Technology Co., Ltd. 2025 Annual Report (the “**annual report**”) other than the consolidated financial statements and our auditor's report thereon. We have obtained some of the other information including the company information, key highlights, financial summary, business review and management discussion and analysis prior to the date of this auditor's report. The remaining other information, including directors' report, directors, supervisors and senior management, report of supervisory committee, corporate governance report and the other sections to be included in the annual report, is expected to be made available to us after that date.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

## Independent Auditor's Report

**AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Dou Wang, Angel.

**PricewaterhouseCoopers**

*Certified Public Accountants*

*Hong Kong, 16 March 2026*

## Consolidated Statement of Profit or Loss

	Note	Year ended 31 December	
		2025 RMB'000	2024 RMB'000
Revenue	5	64,731,860	32,164,184
Cost of sales	8	(55,319,907)	(29,469,759)
<b>Gross profit</b>		<b>9,411,953</b>	2,694,425
Selling expenses	8	(3,654,178)	(2,138,296)
Administrative expenses	8	(1,941,164)	(1,137,032)
Research and development expenses	8	(4,292,381)	(2,896,400)
Net impairment losses on financial assets	3.1(b)	(26,223)	(4,725)
Other income	6	590,881	175,469
Other gains – net	7	88,487	135,482
<b>Operating profit/(loss)</b>		<b>177,375</b>	(3,171,077)
Finance income	10	399,655	348,181
Finance costs	10	(105,927)	(39,527)
<b>Finance income – net</b>	10	<b>293,728</b>	308,654
Share of net profit of associates accounted for using the equity method	34	67,289	41,707
<b>Profit/(loss) before income tax</b>		<b>538,392</b>	(2,820,716)
Income tax expense	11	–	(80)
<b>Profit/(loss) for the year attributable to the equity holders of the Company</b>		<b>538,392</b>	(2,820,796)
<b>Earnings/(loss) per share attributable to the equity holders of the Company (in RMB)</b>			
Basic earnings/(loss) per share	12	0.39	(2.11)
Diluted earnings/(loss) per share	12	0.38	(2.11)

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

## Consolidated Statement of Comprehensive Income

	Note	Year ended 31 December	
		2025 RMB'000	2024 RMB'000
<b>Profit/(loss) for the year</b>		<b>538,392</b>	(2,820,796)
<b>Other comprehensive loss</b>			
<i>Items that may be reclassified to profit or loss</i>			
Currency translation differences on translation of foreign operations		5	
<i>Item that may not be reclassified to profit or loss</i>			
Changes in the fair value of equity investments at fair value through other comprehensive income	17	(20,637)	(73,943)
<b>Other comprehensive loss for the period</b>		<b>(20,632)</b>	(73,943)
<b>Total comprehensive income/(loss) for the year attributable to the equity holders of the Company</b>		<b>517,760</b>	(2,894,739)

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

## Consolidated Balance Sheet

	Note	As at 31 December	
		2025 RMB'000	2024 RMB'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	14	10,243,089	5,537,482
Right-of-use assets	15	1,829,549	736,445
Intangible assets	16	462,538	450,107
Investment in associates accounted for using the equity method	34	231,355	163,576
Financial assets at fair value through other comprehensive income	17	122,548	143,185
Time deposits	23	10,124,921	4,032,574
Other non-current assets	18	142,450	130,509
		<b>23,156,450</b>	11,193,878
<b>Current assets</b>			
Inventories	19	4,548,487	2,022,616
Trade and notes receivables	20	5,210,017	1,981,272
Other current assets	21	1,720,304	475,841
Financial assets at fair value through profit or loss	22	10,172,174	11,472,948
Financial assets at fair value through other comprehensive income	17	431,504	1,550,289
Time deposits	23	3,445,899	1,317,743
Restricted cash	23	3,148,400	1,253,665
Cash and cash equivalents	23	10,984,904	6,378,268
		<b>39,661,689</b>	26,452,642
<b>Total assets</b>		<b>62,818,139</b>	37,646,520
<b>EQUITY</b>			
Share capital	24	1,421,813	1,336,966
Reserves	25	28,874,959	25,451,070
Accumulated losses		(16,178,978)	(16,717,370)
<b>Total equity</b>		<b>14,117,794</b>	10,070,666

## Consolidated Balance Sheet

	Note	As at 31 December	
		2025 RMB'000	2024 RMB'000
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	28	2,306,747	1,108,437
Contract liabilities	5	557,290	285,310
Lease liabilities	15	1,248,090	186,949
Provisions	29	1,153,424	671,881
Deferred income	30	605,502	348,361
		<b>5,871,053</b>	2,600,938
<b>Current liabilities</b>			
Trade and notes payables	31	33,098,502	18,903,412
Other payables and accruals	32	7,829,924	3,725,379
Advances from customers	33	543,144	583,492
Contract liabilities	5	90,609	161,419
Borrowings	28	653,504	1,265,715
Lease liabilities	15	237,236	145,479
Provisions	29	376,373	190,020
		<b>42,829,292</b>	24,974,916
<b>Total liabilities</b>		<b>48,700,345</b>	27,575,854
<b>Total equity and liabilities</b>		<b>62,818,139</b>	37,646,520

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

The consolidated financial statements on pages 87 to 188 were approved by the Board of Directors of the Company on 16 March 2026 and were signed on its behalf by:

**Mr. Zhu Jiangming**  
Director

**Mr. Li Tengfei**  
Chief Financial Officer

## Consolidated Statement of Changes in Equity

	Note	Attributable to equity holders of the Company			
		Share	Accumulated		Total
		capital	Reserves	losses	
		RMB'000	RMB'000	RMB'000	RMB'000
<b>As at 1 January 2024</b>		1,336,966	25,057,804	(13,896,574)	12,498,196
Loss for the year		–	–	(2,820,796)	(2,820,796)
Changes through other comprehensive income	17	–	(73,943)	–	(73,943)
<b>Total comprehensive loss for the year</b>		–	(73,943)	(2,820,796)	(2,894,739)
<b>Transactions with equity holders</b>					
Share-based payment	26	–	467,209	–	467,209
		–	467,209	–	467,209
<b>As at 31 December 2024</b>		1,336,966	25,451,070	(16,717,370)	10,070,666
<b>As at 1 January 2025</b>		<b>1,336,966</b>	<b>25,451,070</b>	<b>(16,717,370)</b>	<b>10,070,666</b>
Profit for the year		–	–	538,392	538,392
Changes through other comprehensive income		–	(20,632)	–	(20,632)
<b>Total comprehensive (loss)/income for the year</b>		–	(20,632)	538,392	517,760
<b>Transactions with equity holders</b>					
Issuance of ordinary shares	24	70,213	2,527,152	–	2,597,365
Share-based payment	26	–	538,890	–	538,890
Exercise of share options	24	14,634	378,479	–	393,113
		84,847	3,444,521	–	3,529,368
<b>As at 31 December 2025</b>		<b>1,421,813</b>	<b>28,874,959</b>	<b>(16,178,978)</b>	<b>14,117,794</b>

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

# Consolidated Statement of Cash Flows

	Note	Year ended 31 December	
		2025 RMB'000	2024 RMB'000
<b>Cash flows from operating activities</b>			
Net cash generated from operations	35	12,441,998	8,188,784
Interest received from cash at banks	10	180,953	282,117
Income taxes paid		–	(107)
<b>Net cash from operating activities</b>		<b>12,622,951</b>	8,470,794
<b>Cash flows from investing activities</b>			
Investments in associates	34	(49,000)	(105,972)
Proceeds from sale of property, plant and equipment		31,032	35,254
Payments for land use rights		(1,087)	(15,032)
Payments for property, plant and equipment		(4,745,725)	(2,099,866)
Payments for intangible assets		(52,433)	(35,921)
Government grants received in relation to acquisition of non-current assets		283,457	35,595
Proceeds from disposals of financial assets at fair value through profit or loss	3.3(c)	31,943,376	23,571,926
Payments for financial assets at fair value through profit or loss	3.3(c)	(30,498,799)	(32,088,600)
Payments for time deposits		(20,085,771)	(5,078,345)
Proceeds from time deposits		11,961,051	2,367,206
Interest received from time deposits		122,919	90,758
Dividends from an associate	34	4,900	–
<b>Net cash used in investing activities</b>		<b>(11,086,080)</b>	(13,322,997)
<b>Cash flows from financing activities</b>			
Proceeds from issuance of ordinary shares	24	2,600,000	–
Principal payments of lease liabilities	35(d)	(139,606)	(40,387)
Exercise of share options	24	393,113	–
Net changes in restricted cash as deposits for bank borrowings	23(a)	(190,000)	(313,400)
Repayments of borrowings	35(d)	(279,643)	(2,177,414)
Proceeds from borrowings	35(d)	865,941	2,077,997
Interest paid for borrowings		(113,529)	(26,368)
Interest paid for lease liabilities	15	(36,519)	(12,558)
Payments for incremental costs directly related to issuance of ordinary shares	24	(2,634)	(11,320)
<b>Net cash from/(used in) financing activities</b>		<b>3,097,123</b>	(503,450)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>4,633,994</b>	(5,355,653)
Cash and cash equivalents at beginning of the year		6,378,268	11,731,389
Effects of exchange rate changes on cash and cash equivalents		(27,358)	2,532
<b>Cash and cash equivalents at end of the year</b>	23	<b>10,984,904</b>	6,378,268

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

# Notes to the Consolidated Financial Statements

## 1 GENERAL INFORMATION

Zhejiang Leapmotor Technology Co., Ltd. (“**Zhejiang Leapmotor**”, or the “**Company**”) was incorporated in the People’s Republic of China (the “**PRC**”) on 24 December 2015 as a limited liability company under the Company Law of the PRC. The address of the Company’s registered office is 1st floor, No. 451, Wulianwang Street, Binjiang District, Hangzhou, Zhejiang Province, PRC.

The Company and its subsidiaries (together, the “**Group**”) are principally engaged in the production, research and development and sales of new energy vehicles in the PRC. The Group commenced the delivery of its first volume manufactured electric vehicles for sale in July 2019. The Company converted into a joint stock company in April 2021.

The Company’s H shares have been listed on The Main Board of The Stock Exchange of Hong Kong Limited since 29 September 2022.

The consolidated financial statements are presented in thousands of RMB (“**RMB’000**”), unless otherwise specified.

The consolidated financial statements have been approved for issue by the Board of Directors of the Company on 16 March 2026.

## 2 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES

### 2.1 Basis of preparation

#### (i) Compliance with IFRS

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

#### (ii) Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets which are measured at fair value.

#### (iii) Changes in accounting policies during the year

The following amended standards became applicable for the current reporting period. The adoption of these amended standards did not have material impact on the Group’s financial position or operating result and did not require retrospective adjustment.

<b>Standards and amendments</b>	<b>Effective for accounting periods beginning on or after</b>
IAS 21 (Amendment) ‘Lack of exchangeability’	1 January 2025
Amendments to Illustrative Examples on IFRS 7, IAS 1, IAS 8, IAS 36 and IAS 37	
– Disclosures about Uncertainties in the Financial Statements	1 January 2025

## Notes to the Consolidated Financial Statements

**2 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES (CONTINUED)****2.1 Basis of preparation (Continued)****(iv) New or amended standards not yet effective**

Certain new accounting standards, amendments to accounting standards and annual improvements have been published that are not mandatory for 31 December 2025 reporting period and have not been early adopted by the Group.

<b>Standards and amendments</b>	<b>Effective for accounting periods beginning on or after</b>
IFRS 9 (Amendment) and IFRS 7 (Amendment) 'Amendments to the classification and measurement of financial instruments'	1 January 2026
IFRS 9 (Amendment) and IFRS 7 (Amendment) 'Contracts referencing nature-dependent electricity'	1 January 2026
Annual Improvements to IFRS Accounting Standards – Volume 11	1 January 2026
IFRS 18 'Presentation and disclosure in financial statements'	1 January 2027
IFRS 19 'Subsidiaries without public accountability: disclosures'	1 January 2027
IAS 21(Amendments) Translation to a Hyperinflationary Presentation Currency	1 January 2027
IFRS 10 (Amendment) and IAS 28 (Amendment) 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined

According to the assessment made by the directors of the Company, these new or amended standards and annual improvements are either not relevant to the Group or not significant to the financial performance and positions of the Group when they become effective, except for IFRS 18 which will mainly impact the presentation of the consolidated statements of profit or loss.

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

## 2 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES (CONTINUED)

### 2.1 Basis of preparation (Continued)

#### (iv) New or amended standards not yet effective (Continued)

Management is currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

Impact on consolidated statements of profit or loss:

Although the adoption of IFRS 18 will have no impact on the Group's net profit, the Group expects that grouping items of income and expenses in the statement of profit or loss into the new categories will impact how operating profit is calculated and reported. From the high-level impact assessment that the Group has performed, the following items might potentially impact operating profit:

#### ***Foreign exchange differences***

Foreign exchange differences currently aggregated in the line item "other gains – net" in operating profit might need to be disaggregated, with some foreign exchange gains or losses presented below operating profit, unless doing so would involve undue cost or effort.

#### ***Gain or loss of investments measured at fair value through profit or loss***

The gain or loss of investments measured at fair value through profit or loss currently aggregated in the line item "other gains – net" in operating profit and will be presented below operating profit.

Impact on consolidated balance sheets:

The line items presented on the primary financial statements might change as a result of the application of the concept of 'useful structured summary' and the enhanced principles on aggregation and disaggregation.

## Notes to the Consolidated Financial Statements

## 2 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES (CONTINUED)

### 2.1 Basis of preparation (Continued)

#### (iv) New or amended standards not yet effective (Continued)

##### *Gain or loss of investments measured at fair value through profit or loss (Continued)*

Impact on disclosures:

The Group does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:

- for the first annual period of application of IFRS 18, a reconciliation for each line item in the income statement between the restated amounts presented by applying IFRS 18 and the amounts previously presented applying IAS 1.

From a cash flow statement perspective, there will be changes to how interest received. Interest received will be presented as investing cash flows, which is a change from current presentation as part of operating cash flows.

The Group will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with IFRS 18.

## 3 FINANCIAL RISK MANAGEMENT

### 3.1 Financial risk factors

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

### 3 FINANCIAL RISK MANAGEMENT (CONTINUED)

#### 3.1 Financial risk factors (Continued)

##### (a) Market risk

###### (i) Foreign exchange risk

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

The Group is primarily exposed to changes in RMB/USD and RMB/HKD exchange rates. As at 31 December 2025, if USD or HKD strengthened/weakened by 10% against RMB, with all other variables held constant, profit before income tax for the year then ended would have been approximately RMB212,160,904 higher/lower and RMB10,953,400 higher/lower (loss before income tax for the year ended 31 December 2024: RMB53,687,000 lower/higher and RMB11,578,000 lower/higher) as a result of foreign exchange gains/losses on translation of USD or HKD denominated cash and cash equivalents, financial assets at fair value through profit or loss (“**FVPL**”), trade and notes payables as well as other payables and accruals.

###### (ii) Cash flow and fair value interest rate risk

The Group’s interest-rate risk mainly arises from borrowings. Borrowings obtained at variable rates expose the Group to cash flow interest-rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest-rate risk. The interest rates and terms of repayments of borrowings are disclosed in Note 28. The Group did not use any interest rate swap contracts or other financial instruments to hedge against its interest rate risk for the reporting period.

As at 31 December 2025, if the Group’s interest rates on borrowings obtained at variable rates had been 50 basis points higher/lower, profit before income tax for the year then ended would have been approximately RMB7,251,000 lower/higher (loss before income tax for the year ended 31 December 2024: RMB4,159,000 higher/lower).

## Notes to the Consolidated Financial Statements

**3 FINANCIAL RISK MANAGEMENT (CONTINUED)****3.1 Financial risk factors (Continued)****(b) Credit risk**

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

***Risk management***

To manage this risk, cash and cash equivalents, restricted cash, time deposits and financial assets at FVPL are mainly placed with state-owned or reputable financial institutions in Chinese Mainland and reputable financial institutions outside of Chinese Mainland.

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

For other financial assets carried at amortized cost, management makes periodic collective assessments as well as individual assessment on the recoverability of other receivables and long-term receivables based on historical settlement records and past experiences.

***Impairment of financial assets***

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

- cash and cash equivalents, restricted cash and time deposits;
- trade and notes receivables and contract assets;
- other receivables and long-term receivables;
- debt instruments carried at fair value through other comprehensive income.

### 3 FINANCIAL RISK MANAGEMENT (CONTINUED)

#### 3.1 Financial risk factors (Continued)

##### (b) Credit risk (Continued)

###### ***Impairment of financial assets (Continued)***

###### (i) *Cash and cash equivalents, restricted cash and time deposits*

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

###### (ii) *Trade and notes receivables and contract assets and debt instruments carried at fair value through other comprehensive income*

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

The expected loss rates are based on the credit rating of counter parties and the payment profiles of sales over a period of each reporting period and probability of default of counter parties on an ongoing basis throughout each reporting period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the Gross Domestic Product (“GDP”) in Chinese Mainland and global to be the most relevant factor, and accordingly adjusts the historical loss rates based on the expected changes in these factors.

The Group’s trade receivables mainly represented receivables received from sales of vehicles and parts and rendering of services as described in Note 20. The Group’s credit period to its customers was mainly within one year.

The Group divided trade receivables into two categories to measure the expected credit loss rates:

- Category 1: government subsidies receivables for promotion of new energy vehicles;
- Category 2: customers who are companies with a relatively low credit risk and no default history.

With different types of customers, the Group calculated the expected credit loss rates respectively.

## Notes to the Consolidated Financial Statements

**3 FINANCIAL RISK MANAGEMENT (CONTINUED)****3.1 Financial risk factors (Continued)****(b) Credit risk (Continued)*****Impairment of financial assets (Continued)***

(ii) *Trade and notes receivables and contract assets and debt instruments carried at fair value through other comprehensive income (Continued)*

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

	As at 31 December 2025		
	Gross carrying amount	Expected credit loss rate	Loss allowance
	RMB'000	RMB'000	RMB'000
Category 1 – individual basis	888	0.05%	*
Category 2 – individual basis	5,235,804	0.62%	(32,501)
	<b>5,236,692</b>	<b>0.62%</b>	<b>(32,501)</b>

  

	As at 31 December 2024		
	Gross carrying amount	Expected credit loss rate	Loss allowance
	RMB'000	RMB'000	RMB'000
Category 1 – individual basis	72,762	0.05%	(38)
Category 2 – individual basis	1,565,661	0.38%	(5,970)
	<b>1,638,423</b>	<b>0.37%</b>	<b>(6,008)</b>

Notes receivables are received for sales to customers in the PRC and most of the notes receivables of the Group are bank acceptance notes that with good credit rating. Therefore, the credit risk of notes receivables is regarded as minimal.

\* The balance represents an amount less than RMB1,000.

### 3 FINANCIAL RISK MANAGEMENT (CONTINUED)

#### 3.1 Financial risk factors (Continued)

##### (b) Credit risk (Continued)

###### **Impairment of financial assets (Continued)**

###### (iii) *Other receivables and long-term receivables*

Other receivables mainly include amounts due from related parties, refundable deposits and others. All of the Group's financial assets at amortized cost are measured as either 12-month expected credit losses or lifetime expected credit losses, depending on whether there has been a significant increase in credit risk since initial recognition as described in Note 21.

###### (iv) *Summary of impairment losses*

Trade and notes receivables, other receivables, contract assets and long-term receivables are written off when there is no reasonable expectation of recovery.

Impairment losses on trade and notes receivables, other receivables, contract assets and long-term receivables are presented as net impairment losses within operating loss. Subsequent recoveries of amounts previously written off are credited against the same line item.

The movement of loss allowance for trade and notes receivables, contract assets, other receivables and long-term receivables during the years ended 31 December 2025 and 2024 is as follows:

	Trade and notes receivables RMB'000	Other receivables RMB'000	Long-term receivables RMB'000	Total RMB'000
<b>As at 1 January 2025</b>	(6,008)	(1,023)	(71)	(7,102)
Increase in loss allowance recognized in profit or loss during the year	(26,493)	346	(76)	(26,223)
<b>As at 31 December 2025</b>	(32,501)	(677)	(147)	(33,325)
<b>As at 1 January 2024</b>	(1,755)	(363)	(259)	(2,377)
(Increase)/Decrease in loss allowance recognized in profit or loss during the year	(4,253)	(660)	188	(4,725)
<b>As at 31 December 2024</b>	(6,008)	(1,023)	(71)	(7,102)

## Notes to the Consolidated Financial Statements

**3 FINANCIAL RISK MANAGEMENT (CONTINUED)****3.1 Financial risk factors (Continued)****(b) Credit risk (Continued)*****Impairment of financial assets (Continued)****(v) Financial assets at FVPL*

The entity is also exposed to credit risk in relation to debt investments that are measured at fair value through profit or loss. The maximum exposure at the end of the reporting period is the carrying amount of these investments RMB10,172,174,000 (2024: RMB11,472,948,000). To manage this risk, financial assets at FVPL are mainly placed with state-owned and reputable financial institutions in the Chinese Mainland. These instruments are considered to have low credit risk because they have a low risk of default and the counterparty has a strong capacity to meet its contractual cash flow obligations in the near term.

**(c) Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents. Due to the dynamic nature of the underlying businesses, the policy of the Group is to regularly monitor the Group's liquidity risk and to maintain adequate cash and cash equivalents to meet the Group's liquidity requirements. All of the Group's time deposits can be withdrawn prior to the agreed maturity date, and such early withdrawal will not result in material financial losses or restrictions on the Group's access to funds.

***Maturities of financial liabilities***

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

## Notes to the Consolidated Financial Statements

**3 FINANCIAL RISK MANAGEMENT (CONTINUED)****3.1 Financial risk factors (Continued)****(c) Liquidity risk (Continued)*****Maturities of financial liabilities (Continued)***

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

	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000	Total RMB'000	Carrying amount liabilities RMB'000
<b>As at 31 December 2025</b>						
Borrowings (including relevant interest payments)	723,227	1,248,538	773,313	375,843	3,120,921	2,960,251
Trade and notes payables (Note 31)	33,098,502	-	-	-	33,098,502	33,098,502
Other payables and accruals (excluding payroll and welfare payables and other tax payables) (Note 32)	6,375,620	-	-	-	6,375,620	6,375,620
Lease liabilities	251,811	200,877	497,704	805,684	1,756,076	1,485,326
	<b>40,449,160</b>	<b>1,449,415</b>	<b>1,271,017</b>	<b>1,181,527</b>	<b>44,351,119</b>	<b>43,919,699</b>
<b>As at 31 December 2024</b>						
Borrowings (including relevant interest payments)	1,328,062	492,509	486,550	241,334	2,548,455	2,374,152
Trade and notes payables (Note 31)	18,903,412	-	-	-	18,903,412	18,903,412
Other payables and accruals (excluding payroll and welfare payables and other tax payables) (Note 32)	2,839,037	-	-	-	2,839,037	2,839,037
Lease liabilities	176,507	107,854	29,599	33,763	347,723	332,428
	<b>23,247,018</b>	<b>600,363</b>	<b>516,149</b>	<b>275,097</b>	<b>24,638,627</b>	<b>24,449,029</b>

## Notes to the Consolidated Financial Statements

**3 FINANCIAL RISK MANAGEMENT (CONTINUED)****3.2 Capital management**

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

The Group monitors capital by regularly reviewing the capital structure. As a part of this review, management of the Company considers the cost of capital and the risks associated with the issued share capital. The Group may adjust the amounts of dividends paid to equity holders, return capital to equity holders, issue new shares or repurchase the Company's shares. In the opinion of the management of the Company, the Group's capital risk is not significant and measurement of capital management is not a tool currently used in the internal management reporting procedures of the Group. As at 31 December 2025, the net cash to equity ratio was 118%.

**3.3 Fair value estimation****(a) Fair value hierarchy**

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

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
<b>As at 31 December 2025</b>				
Financial assets at FVOCI (Note 17)				
– Notes receivables	–	–	431,504	431,504
– Listed Equity investments	122,548	–	–	122,548
Financial assets at FVPL (Note 22)	–	–	10,172,174	10,172,174
	122,548	–	10,603,678	10,726,226
<b>As at 31 December 2024</b>				
Financial assets at FVOCI (Note 17)				
– Notes receivables	–	–	1,550,289	1,550,289
– Listed Equity investments	143,185	–	–	143,185
Financial assets at FVPL (Note 22)	–	–	11,472,948	11,472,948
	143,185	–	13,023,237	13,166,422

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

### **3 FINANCIAL RISK MANAGEMENT (CONTINUED)**

#### **3.3 Fair value estimation (Continued)**

##### **(a) Fair value hierarchy (Continued)**

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

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

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

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

##### **(b) Valuation techniques used to determine level 2 and level 3 fair values**

Specific valuation techniques used to value financial instruments include:

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

The fair value of trade and notes receivables, other receivables, contract assets, long-term receivables, time deposits, restricted cash, and cash and cash equivalents approximated their carrying amounts.

The fair value of trade and notes payables, other payables and accruals (excluding payroll and welfare payables and other tax payables) and current borrowings approximated their carrying amounts. The fair value of non-current borrowings was disclosed in Note 28.

## Notes to the Consolidated Financial Statements

**3 FINANCIAL RISK MANAGEMENT (CONTINUED)****3.3 Fair value estimation (Continued)****(c) Fair value measurements using significant unobservable inputs (level 3)**

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

	Financial assets at FVOCI RMB'000	Financial assets at FVPL RMB'000
As at 1 January 2025	1,550,289	11,472,948
Acquisitions	12,754,340	30,498,799
Disposals	(13,873,125)	(31,943,376)
Fair value changes	–	143,803
<b>As at 31 December 2025</b>	<b>431,504</b>	<b>10,172,174</b>
As at 1 January 2024	–	2,769,516
Acquisitions	1,550,289	32,088,600
Disposals	–	(23,571,926)
Fair value changes	–	186,758
<b>As at 31 December 2024</b>	<b>1,550,289</b>	<b>11,472,948</b>

More details about the financial assets at FVPL and financial assets at FVOCI as at 31 December 2025 have been set out in Notes 22 and 17, respectively.

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

## Notes to the Consolidated Financial Statements

**3 FINANCIAL RISK MANAGEMENT (CONTINUED)****3.3 Fair value estimation (Continued)****(e) Valuation inputs and relationships to fair value**

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

Description	Fair value RMB'000	Unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value
<b>As at 31 December 2025</b>				
Wealth management products	10,172,174	Expected rate of return	0.55%-2.20%	The higher the expected rate of return, the higher the fair value
Notes receivables	431,504	Discount rate	1.42%-1.97%	The higher the discount rate, the lower the fair value
<b>As at 31 December 2024</b>				
Wealth management products	11,472,948	Expected rate of return	0.65%-2.90%	The higher the expected rate of return, the higher the fair value
Notes receivables	1,550,289	Discount rate	1.67%-2.13%	The higher the discount rate, the lower the fair value

As at 31 December 2025, if the expected rate of return had been 50 basis points higher/lower, the fair value of financial assets at FVPL would have been approximately RMB19,385,000 higher/lower (31 December 2024: RMB20,258,000 higher/lower).

As at 31 December 2025, if the discount rate had been 50 basis points higher/lower, the fair value of financial assets at FVOCI would have been approximately RMB394,000 lower/higher (31 December 2024: RMB2,087,000 lower/higher).

**(f) Valuation processes**

External valuation experts are involved when necessary. No external valuation experts were involved for the years ended 31 December 2025 and 2024.

## Notes to the Consolidated Financial Statements

#### 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

**(a) Fair value of financial assets at FVPL and financial assets at FVOCI**

The fair value of financial assets that are not traded in an active market is determined by using valuation techniques. The Group uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Changes in these assumptions and estimates could materially affect the respective fair value of these investments. Details of the assumptions and estimates in determination of the fair value are disclosed in Note 3.3.

**(b) Warranty provisions**

The Group provides product warranties on all new vehicles based on the contracts with its customers at the time of sale of vehicles. The Group accrues a warranty provision for the vehicles sold by multiplying the expected unit costs for warranty services by the sales volume, which includes the best estimate of projected costs to repair or replace items under warranties. These assumptions are inherently uncertain given the Group's relatively short history of sales, and changes to the historical or projected warranty experience may cause material changes to the warranty provisions in the future. The portion of the warranty provision expected to be utilized within the next 12 months is included within current liabilities while the remaining balance is included within non-current liabilities on the consolidated balance sheet. Warranty cost is recorded as a component of cost of sales in the consolidated statement of profit or loss. The Group re-evaluates the adequacy of the warranty provision on a regular basis.

**(c) Recognition of share-based payment expenses**

The fair value of restricted shares and share options granted are measured on the respective grant dates based on the fair value of the underlying shares. In addition, the Group is required to estimate the expected percentage of grantees that will remain in employment with the Group. The Group only recognize an expense for those restricted shares and share options expected to vest over the vesting period during which the grantees become unconditionally entitled to those share-based awards. Changes in these estimates and assumptions could have a material effect on determination of the fair value of restricted shares and share options and the amount of such share-based awards vested, which may in turn significantly impact the determination of share-based payment expenses.

## 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

### (d) Intangible asset with indefinite life

The Group evaluates intangible asset with indefinite life, such as automotive manufacturing license (“**License**”), at each reporting period end to determine whether events and circumstances continue to support indefinite useful life. The value of intangible asset with indefinite life is not amortized but tested for impairment annually or whenever events or changes in circumstances indicate that it is more likely than not that the asset is impaired in accordance with IAS 36. The Group performs an assessment to assess all relevant events and circumstances that could affect the significant inputs used to determine the recoverable amounts of the intangible asset with indefinite life.

### (e) Income taxes and deferred income tax

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

The Group recognizes deferred income tax assets based on estimates that it is probable to generate sufficient taxable profits in the foreseeable future against which the deductible losses will be utilized. The recognition of deferred income tax assets mainly involves management’s judgments and estimations about the timing and the amount of taxable profits of the companies which has tax losses. No deferred income tax asset has been recognized in respect of such tax losses due to the unpredictability of future taxable income and details of unrecognized tax losses have been set out in Note 11.

### (f) Recognition of revenue and allocation of transaction price

#### Critical judgements in allocating the transaction price

The contracts for sales of vehicles and parts include extended one-year or lifetime warranty, vehicle internet connection service, FOTA upgrades, free lifetime roadside assistance service, free lifetime pick-up and delivery for maintenance and customer loyalty points. Because the contracts include multiple performance obligations, the transaction price shall be allocated to the performance obligations on a relative stand-alone selling price basis.

Management estimates the stand-alone selling price at contract inception based on the cost of the services likely to be provided and the services rendered in similar circumstances to similar customers. If a discount is granted, it is allocated to all performance obligations based on their relative stand-alone selling prices.

## Notes to the Consolidated Financial Statements

**4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)****(h) Estimated useful lives and residual values of property, plant and equipment**

The Group's management determines the estimated useful lives and residual values and consequently the related depreciation charges for its property, plant and equipment, and reviews the useful lives and residual values periodically to ensure that the method and rates of depreciation are consistent with the expected pattern of realisation of economic benefits from property, plant and equipment. This estimate is based on the historical experience of the actual useful lives and residual values of property, plant and equipment of similar nature and functions. If there are significant changes from previously estimated useful lives and residual values, the amount of depreciation expenses may change.

**(i) Expected credit losses of trade receivables and other financial assets**

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

**(j) Net realisable value of inventories**

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses. These estimates are based on the current market condition and historical experience of manufacturing and selling products of similar nature. It could change significantly as a result of changes in customer taste and competitor actions in response to industry cycles. Management reassesses the estimates at each balance sheet date.

## 5 REVENUE AND SEGMENT INFORMATION

The Group is engaged in the production, research and development and sales of new energy vehicles principally in the PRC. The executive directors of the Company (i.e. the CODMs) review the operating results of the business as one operating segment to make strategic decisions and resources allocation. Therefore, the Group regards that there is only one segment which is used to make strategic decisions.

### (a) Revenue by geographical locations

During the year ended 31 December 2025, apart from the business and operations conducted in Chinese Mainland, the Group expanded its sales to export of new energy vehicles and parts outside the Chinese Mainland. The following table shows the Group's total consolidated revenue by location of the customers for the years ended 31 December 2025 and 2024:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Chinese Mainland	58,931,043	31,071,075
Europe	5,609,570	969,375
Others	191,247	123,734
	<b>64,731,860</b>	32,164,184

### (b) Revenue during the reporting period

Revenue on sales of vehicles and parts represents the invoiced value of goods sold, which is net of rebate and discounts.

An analysis of the Group's revenue by category for the years ended 31 December 2025 and 2024 is as follows:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
<b>Revenue from customers and recognized at point in time</b>		
Sales of vehicles and parts (i)	62,012,976	31,627,077
Other sales	2,584,507	425,241
	<b>64,597,483</b>	32,052,318
<b>Revenue from customers and recognized over time</b>		
Rendering of services	134,377	111,866
	<b>64,731,860</b>	32,164,184

(i) No revenue from transactions with a single external customer that accounted for 10% or more of the Group's total revenue.

## Notes to the Consolidated Financial Statements

**5 REVENUE AND SEGMENT INFORMATION (CONTINUED)****(c) Contract liabilities**

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

	<b>As at 31 December</b>	
	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
<b>Non-current</b>		
Rendering of services and other sales	<b>557,290</b>	285,310
<b>Current</b>		
Rendering of services and other sales	<b>90,609</b>	161,419
	<b>647,899</b>	446,729

The contracts of sales of vehicles that resulted in contract liabilities include multiple embedded services (extended one-year or lifetime warranty, vehicle internet connection service, firmware over the air (“FOTA”) upgrades, free lifetime roadside assistance service, free lifetime pick-up and delivery for maintenance and others) and customer loyalty points, which are separated from sales of vehicles and are recognized over the service periods.

**(d) Unsatisfied performance obligations**

	<b>As at 31 December</b>	
	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
Aggregate amount of the transaction price allocated to performance obligations that are partially or fully unsatisfied	<b>647,899</b>	446,729

Management expected that approximately RMB90,609,000 of the transaction price allocated to unsatisfied performance obligations as at 31 December 2025 will be recognized as revenue within one year. The remaining amount of approximately RMB557,290,000 will be recognized during the upcoming seven years from 1 January 2026 (recognizing over eight years since the deliveries of vehicles to respective customers).

## 5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

### (e) Accounting policies on revenue recognition

Revenue is recognized as or when the control of the goods or services is transferred to a customer. A customer is the party that contracts with the Group to purchase goods or services which are the output of the Group's ordinary activities in exchange for consideration. Depending on the terms of the contract and the laws that apply to the contract, control of the goods and services may be transferred over time or at a point in time. Control of the goods and services is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates and enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the goods and services transfers over time, revenue is recognized over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognized at a point in time when the customer obtains control of the goods and services.

Contracts with customers may include multiple performance obligations. For such arrangements, the Group allocates revenue to each performance obligation based on its relative standalone selling price. The Group generally determines standalone selling prices based on the prices charged to customers. If the standalone selling price is not directly observable, it is estimated using expected cost plus a margin or adjusted market assessment approach, depending on the availability of observable information. Assumptions and estimations have been made in estimating the relative selling price of each distinct performance obligation, and changes in judgments on these assumptions and estimates may impact the revenue recognition.

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

A contract asset is the Group's right to consideration in exchange for goods and services that the Group has transferred to a customer. A receivable is recorded when the Group has an unconditional right to consideration. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due.

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

## Notes to the Consolidated Financial Statements

**5 REVENUE AND SEGMENT INFORMATION (CONTINUED)****(e) Accounting policies on revenue recognition (Continued)**

Revenue is measured based on the transaction price set out in the contract. Amounts disclosed as revenue are net of return, trade allowances and amounts collected on behalf of third parties. In those agreements where the transaction with periods between the transfer of the promised goods or services to the customer and payment from the customer exceeds one year, revenue is measured at transaction prices adjusted for the time value of money. The variable consideration is estimated by applying the most likely amount method.

The accounting policies for the Group's principal revenue streams are set out below:

**(i) Sales of vehicles and parts**

The Group manufactures and sells electric vehicles and related parts in the market, and generates revenue from sales of electric vehicles and rendering of services. The contract with customers for sales of vehicles normally includes a number of embedded products and services.

The revenue for sales of the vehicles and parts is recognized at a point in time when the control of the vehicles and parts are transferred to the customers. Initial refundable deposits for intention orders received from customers prior to the signing of vehicle purchase agreements are recognized as advances from customers.

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

**(ii) Embedded services in vehicles sales contracts**

The Group provides multiple embedded services including extended one-year or lifetime warranty, vehicle internet connection service, firmware over the air ("**FOTA**") upgrades, free lifetime roadside assistance service, free lifetime pick-up and delivery for maintenance and others, as stated in a series of contracts for sales of vehicles. The aforementioned services are accounted for as separate performance obligations. The Group recognizes the revenue using a straight-line method over the service period. A contract liability is recognized for payments received in which revenue has not been recognized.

**(iii) Others**

Other sales consist of sales of CO2 credits, customer loyalty points, sales of goods from online store, after-sales services, rendering R&D services and others.

***Sales of CO2 credits***

The Group earns tradable CO2 credits in the operation of vehicle business in Europe according to related regulations. The Group sells these credits to other regulated entities who can use the credits to comply with the regulatory requirements.

## 5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

### (e) Accounting policies on revenue recognition (Continued)

#### (iii) Others (Continued)

##### ***Sales of CO2 credits (Continued)***

Payments for CO2 credits are typically received at the point when the control of the CO2 credits were transferred to the purchasing party, or in accordance with payment terms customary to the business. The Group recognizes the sale of CO2 credits as revenue at the time when the control of the regulatory credits has been transferred to the purchasing party.

##### ***Customer loyalty points***

The Group offers customer loyalty points, which can be used in the Group's online store to redeem the Group's merchandise or services. The Group concludes the customer loyalty points offered to customers in connection with the purchase of vehicles is a material right and is considered as a separate performance obligation. The amount allocated to the customer loyalty points as separate performance obligation is recorded as deferred revenue and revenue is recognized when the customer loyalty points are used or expired.

##### ***Sales of goods from online store***

The Group sells goods from online store separately and the revenue are recognized at a point in time when the control of the goods is transferred to the customer.

##### ***After-sales services***

The Group provides the after-sales repair and maintenance services and the revenues are recognized at a point in time when the relevant service is rendered.

##### ***Rendering R&D services***

The Group provides R&D services relating to research and development of electric vehicles and related parts. The Group does not have any enforceable right to payment before the agreed deliverables are accepted by customers, while the customers cannot simultaneously receive and consume the benefits provided by the Group's performance as the Group performs. Accordingly, the Group recognizes revenue at a point in time when performance obligations are satisfied as well as the agreed deliverables are accepted by customers.

Contract fulfilment costs which are included in the amount of inventories represent costs that relate directly to a contract for research and development services provided by the Group, primarily including direct labour, direct materials and allocated indirect costs incurred in providing the promised services directly to the customers. When performance obligations are satisfied as well as the agreed deliverables are accepted by the customers, the Group recognizes revenue and the accumulated costs in relation to fulfilling the contract's performance obligations are transferred to cost of sales. The Group recognizes an impairment loss in profit or loss to the extent that the total of the carrying amount of contract fulfilment costs recognized, the estimated costs to completion and the estimated costs necessary to make the sale exceeds the remaining amount of consideration that the Group expects to receive in exchange for such services.

## Notes to the Consolidated Financial Statements

**6 OTHER INCOME**

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Government grants	<b>590,881</b>	175,469

There are no unfulfilled conditions or other contingencies attaching to these grants.

**7 OTHER GAINS – NET**

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Net fair value gains on financial assets at FVPL (Note 22)	<b>143,803</b>	186,758
Net losses on disposals of property, plant, intangible assets and equipment and right-of-use assets	<b>(2,058)</b>	(43,821)
Net foreign exchange losses	<b>(49,344)</b>	(3,654)
Other items	<b>(3,914)</b>	(3,801)
	<b>88,487</b>	135,482

## Notes to the Consolidated Financial Statements

**8 EXPENSES BY NATURE**

The detailed analysis of cost of sales, selling expenses, administrative expenses and research and development expenses is as follows:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Changes in inventories of finished goods	<b>(807,169)</b>	(105,472)
Raw materials and consumables used	<b>51,460,304</b>	27,216,115
Provision/(Reversal) for impairment of inventories	<b>31,003</b>	(122,666)
Employee benefit expenses (Note 9)	<b>7,038,773</b>	4,153,966
Advertising and publicity expenses	<b>2,377,729</b>	1,287,585
Depreciation and amortization expenses (Notes 14, 15 and 16)	<b>1,174,847</b>	670,699
Freight and storage expenses	<b>993,299</b>	581,109
Design and development expenses	<b>446,629</b>	496,508
Warranty costs (Note 29)	<b>815,128</b>	434,366
Legal, consulting and other professional fees	<b>220,093</b>	142,019
Expenses relating to short-term leases (Note 15)	<b>156,950</b>	73,912
Auditors' remuneration		
– Audit services	<b>4,819</b>	4,030
Others	<b>1,295,225</b>	809,316
	<b>65,207,630</b>	35,641,487

**9 EMPLOYEE BENEFIT EXPENSES**

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Wages, salaries and bonuses	<b>5,475,300</b>	2,985,014
Pension obligations (a)	<b>304,052</b>	213,251
Housing funds, medical insurances and other social insurances (a)	<b>498,811</b>	345,819
Other employee benefits (b)	<b>221,720</b>	142,673
Share-based payment expenses (Note 26)	<b>538,890</b>	467,209
	<b>7,038,773</b>	4,153,966

## Notes to the Consolidated Financial Statements

**9 EMPLOYEE BENEFIT EXPENSES (CONTINUED)****(a) Pension obligations, housing funds, medical insurances and other social insurances**

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

No forfeited contributions were utilized during the years end 31 December 2025 and 2024 to offset the Group's contribution to the abovementioned retirement benefit schemes.

**(b) Other employee benefits**

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

**(c) Five highest paid individuals**

The five individuals whose emoluments were the highest in the Group for the year ended 31 December 2025 include 2 (2024: 2) directors, whose emoluments are disclosed in the Note 38. The emoluments payable to the remaining 3 (2024: 3) highest paid individuals in 2025 are as follows:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Wages and salaries	7,960	3,900
Discretionary bonuses	3,188	3,149
Pension obligations	146	133
Housing funds, medical insurances and other social insurances	266	259
Other employee benefits	36	36
Share-based payment expenses	38,054	55,377
	<b>49,650</b>	62,854

**9 EMPLOYEE BENEFIT EXPENSES (CONTINUED)****(c) Five highest paid individuals (Continued)**

The remaining highest paid individuals fell within the following bands:

	Year ended 31 December	
	2025	2024
Emolument bands		
HKD17,500,001-HKD18,000,000	1	–
HKD18,000,001-HKD18,500,000	1	–
HKD18,500,001-HKD19,000,000	1	–
HKD22,000,001-HKD22,500,000	–	1
HKD22,500,001-HKD23,000,000	–	1
HKD23,500,001-HKD24,000,000	–	1
	<b>3</b>	<b>3</b>

**10 FINANCE INCOME – NET**

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Finance income:		
Interest income on cash at banks	180,953	282,117
Interest income on time deposits	218,702	66,064
<b>Finance income</b>	<b>399,655</b>	<b>348,181</b>
Finance costs:		
Interest expenses on bank and other borrowings	(113,330)	(63,314)
Interest and finance charges on lease liabilities (Note 15)	(36,519)	(12,558)
	<b>(149,849)</b>	<b>(75,872)</b>
Less: borrowing costs capitalized in property, plant and equipment	43,922	36,345
<b>Finance costs</b>	<b>(105,927)</b>	<b>(39,527)</b>
<b>Finance income – net</b>	<b>293,728</b>	<b>308,654</b>

During the year ended 31 December 2025, the interest rate applicable to the Group's capitalization of borrowings costs in construction in progress was 2.86% (2024: 3.87%).

## Notes to the Consolidated Financial Statements

**11 INCOME TAX EXPENSE**

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Current income tax expense	–	80
Deferred income tax expense	–	–
Income tax expense	–	80

The Group's principal applicable taxes and tax rates are as follows:

The Company was entitled to a preferential income tax rate of 15% during the years ended 31 December 2025 and 2024. Zhejiang Lingsheng Powertech Co., Ltd. ("**Zhejiang Lingsheng**"), one of the Company's subsidiaries, was also entitled to a preferential income tax rate of 15% during the years ended 31 December 2025 and 2024. The Company obtained its High and New Technology Enterprises ("**HNTE**") status in year 2018, hence is entitled to a preferential tax rate of 15% for a three-year period commencing 2018. This status is subject to the requirement of re-application for HNTE status in every three years. The Company re-applied for HNTE status and the application was approved for another three-year period commencing 2024. Zhejiang Lingsheng obtained its High and New Technology Enterprises ("**HNTE**") status in year 2024, hence is also entitled to a preferential tax rate of 15% for a three-year period commencing 2024.

The Company's subsidiary incorporated in Germany is subject to German profits tax at a rate of 15% for the year ended 31 December 2025.

The Company's subsidiary incorporated in Hong Kong is subject to Hong Kong profits tax at a rate of 16.5% (2024: 16.5%) for the year ended 31 December 2025.

The Company's other subsidiaries established and operated in Chinese Mainland are subject to the PRC corporate income tax at the statutory rate of 25%.

According to the relevant laws and regulations promulgated by the State Administration of Taxation of the PRC, from 2021 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 year (the "**Super Deduction**").

**11 INCOME TAX EXPENSE (CONTINUED)**

In December 2021, the Organisation for Economic Co-operation and Development (OECD) issued model rules for a new global minimum tax framework (Pillar Two) (i.e. BEPS 2.0), and various governments around the world have issued, or are in the process of issuing, legislation on this. Pillar Two legislation in Hong Kong, namely the Inland Revenue (Amendment) (Minimum Tax for Multinational Enterprise Groups) Ordinance 2025, has been enacted on 6th June 2025 and the rules take effect from 1 January 2025. Pillar Two legislation in Germany, namely the EU Minimum Tax Directive, has been enacted on 27th December 2023 and the rules take effect for fiscal years beginning after 30 December 2023. Other respective governments of the Group's major operating regions have not substantively enacted the legislation on Pillar Two as of the date of approval of these 2025 financial statements. In conjunction with the ultimate holding company of the Group, an assessment was performed on the various regions that the Group has operations and no material exposure was identified or recognised during the year ended 31 December 2025.

A reconciliation of the expected income tax calculated at the applicable corporate income tax rate and profit/(loss) before income tax, with the actual corporate income tax is as follows:

	<b>Year ended 31 December</b>	
	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
Profit/(loss) before income tax	<b>538,392</b>	(2,820,716)
Share of net profit of associates accounted for using the equity method	<b>(67,289)</b>	(41,707)
	<b>471,103</b>	(2,862,423)
Income tax expense/(credit) computed at the applicable income tax rate of 25%	<b>117,778</b>	(715,606)
Tax effects of:		
Preferential tax rate	<b>(191,762)</b>	269,135
Expenses not deductible for taxation purposes	<b>27,664</b>	102,415
Super Deduction in respect of R&D expenditures	<b>(692,411)</b>	(406,693)
Utilization of previously unrecognized tax losses and temporary differences	<b>(605,468)</b>	(283,756)
Tax losses and deductible temporary differences for which no deferred income tax asset was recognized	<b>1,344,199</b>	1,034,585
Income tax expense	<b>–</b>	80

As at 31 December 2025, the Group had unutilized tax losses of approximately RMB16,299,740,000 (2024: RMB17,783,889,000) that can be carried forward against future taxable income. No deferred income tax asset has been recognized in respect of such tax losses due to the unpredictability of taxable income in the near future.

## Notes to the Consolidated Financial Statements

**11 INCOME TAX EXPENSE (CONTINUED)**

The Group principally conducts its business in Chinese Mainland, where the accumulated tax losses will normally expire within 5 years. Pursuant to the relevant regulations on extension for expires of unused tax losses of HNTE, the expiry period of the accumulated unexpired tax losses of the Company and Zhejiang Lingsheng, which are qualified as HNTE, had been extended from 5 years to 10 years.

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

	<b>As at 31 December</b>	
	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
Expiry year		
2025	–	517,880
2026	<b>47,410</b>	1,683,361
2027	<b>444,225</b>	1,672,450
2028	<b>1,623,478</b>	2,730,985
2029	<b>921,126</b>	1,069,532
2030 and after	<b>13,263,501</b>	10,109,681
	<b>16,299,740</b>	17,783,889

**12 EARNINGS/(LOSS) PER SHARE****(a) Basic earnings/(loss) per share**

Basic earnings/(loss) per share for the years ended 31 December 2025 and 2024 is calculated by dividing the profit/(loss) attributable to the Company's equity holders by the weighted average number of ordinary shares in issue during the year.

	<b>Year ended 31 December</b>	
	<b>2025</b>	2024
Profit/(loss) attributable to the equity holders of the Company (RMB'000)	<b>538,392</b>	(2,820,796)
Weighted average number of ordinary shares outstanding (thousand shares)	<b>1,389,564</b>	1,336,966
Basic earnings/(loss) per share (expressed in RMB per share)	<b>0.39</b>	(2.11)

**12 EARNINGS/(LOSS) PER SHARE (CONTINUED)****(b) Diluted earnings/(loss) per share**

Diluted earnings/(loss) per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. During the year ended 31 December 2025 and 2024, the Group had potential ordinary shares, including restricted shares and share options issued under the Company's share incentive plan and Pre-IPO Share Option Scheme (Note 26).

	<b>Year ended 31 December</b>	
	<b>2025</b>	2024
Profit/(loss) attributable to the equity holders of the Company (RMB'000)	<b>538,392</b>	(2,820,796)
Weighted average number of ordinary shares in issue (in thousand)	<b>1,389,564</b>	1,336,966
Adjustments for share awards (in thousand)	<b>10,569</b>	N/A
Weighted average number of ordinary shares for diluted earnings per share	<b>1,400,133</b>	N/A
Diluted earnings/(loss) per share (expressed in RMB per share)	<b>0.38</b>	(2.11)

As the Group incurred losses for the year ended 31 December 2024, the potential ordinary shares were not included in the calculation of diluted loss per share as their inclusion would be anti-dilutive. Accordingly, diluted loss per share for the year ended 31 December 2024 is the same as basic loss per share.

## Notes to the Consolidated Financial Statements

## 13 SUBSIDIARIES

## (a) Subsidiaries of the Company

As at the date of these consolidated financial statements, the Company has direct or indirect interests in the following subsidiaries:

Name of entity	Place of incorporation	Registered share capital In thousand	Effective interest as at 31 December		Principal activities and place of operation
			2025	2024	
<b>Directly held:</b>					
Leapmotor Automobile Co., Ltd. 零跑汽車有限公司	Jinhua, China	RMB4,708,000	100%	100%	Electric vehicles and components manufacturing in the PRC
Zhejiang Leapmotor Automobile Sales Service Co., Ltd. 浙江零跑汽車銷售服務有限公司	Hangzhou, China	RMB200,000	100%	100%	Electric vehicles and components sales and aftersales services in the PRC
Leapmotor (Jinhua) New Energy Vehicle Parts Technology Co., Ltd. 金華零跑新能源汽車零部件技術有限公司	Jinhua, China	RMB700,000	100%	100%	Electric vehicles electronic components manufacturing in the PRC
Lingpao Automobile Trading Co., Ltd. 凌跑汽車商貿有限公司	Jinhua, China	RMB50,000	100%	100%	Electric vehicles sales and aftersales services through investing in directly operated stores in the PRC
Zhejiang Youchong New Energy Technology Co., Ltd. 浙江優充新能源科技有限公司	Hangzhou, China	RMB10,000	100%	100%	Electric vehicle charging operation service in the PRC
Zhejiang Leapmotor New Energy Vehicle Parts Technology Co., Ltd. 浙江零跑新能源汽車零部件技術有限公司	Hangzhou, China	RMB1,200,000	100%	100%	Electric vehicles components manufacturing, research and development in the PRC
Leapmotor International Trading (Shanghai) Co., Ltd 零跑國際商貿(上海)有限公司	Shanghai, China	RMB50,000	100%	100%	New energy vehicle retail in the PRC
Zhejiang Lingsheng Powertech Co., Ltd. 浙江凌昇動力科技有限公司	Hangzhou, China	RMB550,000	100%	100%	Technical service and development in the PRC
Zhejiang Lingxiao Energy Technology Co., Ltd. 浙江凌驍能源科技有限公司	Hangzhou, China	RMB150,000	100%	100%	Technical service and development in the PRC

## Notes to the Consolidated Financial Statements

## 13 SUBSIDIARIES (CONTINUED)

## (a) Subsidiaries of the Company (Continued)

As at the date of these consolidated financial statements, the Company has direct or indirect interests in the following subsidiaries: (Continued)

Name of entity	Place of incorporation	Registered share capital In thousand	Effective interest as at 31 December		Principal activities and place of operation
			2025	2024	
<b>Directly held: (Continued)</b>					
Zhejiang LeapAI Technology Co., Ltd 浙江凌艾未來科技有限公司	Hangzhou, China	RMB600,000	100%	100%	Technical service and development in the PRC
Leapmotor Europe Innovation Centre GmbH	Munich, Germany	EUR 25,000	100%	NA	Technical service and development in the Germany
Hangzhou Lingchao Automobile Sales and Service Co., Ltd. 杭州凌超汽車銷售服務有限公司	Hangzhou, China	RMB2,000	100%	100%	New energy vehicle retail in the PRC
Jinhua Jindong District Leapmotor New Energy Vehicle Parts Co., Ltd. 金華市金東區零跑新能源汽車零部件有限公司	Jinhua, China	RMB10,000	100%	100%	Vehicle parts and accessories manufacturing in the PRC
Hangzhou Linghao Automobile Sales and Service Co., Ltd. 杭州凌皓汽車銷售服務有限公司	Hangzhou, China	RMB200,000	100%	100%	New energy vehicle retail in the PRC
Leapmotor International Trading (Jinhua) Co., Ltd. 零跑國際商貿(金華)有限公司	Jinhua, China	RMB1,000	100%	100%	New energy vehicle retail in the PRC
Leapmotor International Trading (Jinhua Jindong) Co., Ltd. 零跑國際進出口(金華金東)有限公司	Jinhua, China	RMB1,000	100%	NA	New energy vehicle retail in the PRC
Beijing LeapAI Technology Co., Ltd. 北京凌艾智能科技有限公司	Beijing, China	RMB50,000	100%	NA	Technical service and development in the PRC

## Notes to the Consolidated Financial Statements

## 13 SUBSIDIARIES (CONTINUED)

## (a) Subsidiaries of the Company (Continued)

As at the date of these consolidated financial statements, the Company has direct or indirect interests in the following subsidiaries: (Continued)

Name of entity	Place of incorporation	Registered share capital In thousand	Effective interest as at 31 December		Principal activities and place of operation
			2025	2024	
<b>Indirectly held:</b>					
Hangzhou Leapmotor Automobile Sales Service Co., Ltd. 杭州零跑汽車銷售服務有限公司	Hangzhou, China	RMB30,000	100%	100%	New energy vehicle retail in the PRC
Beijing Leapmotor Automobile Sales Service Co., Ltd. 北京凌跑汽車銷售服務有限公司	Beijing, China	RMB50,000	100%	100%	New energy vehicle retail in the PRC
Shanghai Leapmotor Automobile Sales Service Co., Ltd. 上海凌跑汽車銷售服務有限公司	Shanghai, China	RMB3,000	100%	100%	New energy vehicle retail in the PRC
Shanghai Lingchuang Automobile Sales Service Co., Ltd. 上海凌創汽車銷售服務有限公司	Shanghai, China	RMB3,000	NA	100%	New energy vehicle retail in the PRC
Shanghai Lingli Automobile Sales Service Co., Ltd. 上海凌利汽車銷售服務有限公司	Shanghai, China	RMB2,000	100%	100%	New energy vehicle retail in the PRC
Guangzhou Lingyue Automobile Sales Service Co., Ltd. 廣州凌悅汽車銷售服務有限公司	Guangzhou, China	RMB2,000	100%	100%	New energy vehicle retail in the PRC
Shenzhen Leapmotor Automobile Sales Service Co., Ltd. 深圳市凌跑汽車銷售服務有限公司	Shenzhen, China	RMB358,000	100%	100%	New energy vehicle retail in the PRC
Chengdu Lingfu Automobile Sales Service Co., Ltd. 成都凌孚汽車銷售服務有限公司	Chengdu, China	RMB2,000	100%	100%	New energy vehicle retail in the PRC
Tianjin Lingzhi Automobile Sales Service Co., Ltd. 天津凌志汽車銷售服務有限公司	Tianjin, China	RMB2,000	100%	100%	New energy vehicle retail in the PRC
Chongqing Lingdi Automobile Sales Service Co., Ltd. 重慶凌迪汽車銷售服務有限公司	Chongqing, China	RMB2,000	100%	100%	New energy vehicle retail in the PRC
Leapmotor International (Hong Kong) Limited 零跑國際(香港)有限公司	Hong Kong, China	HKD10	100%	100%	Operation Entity In Hong Kong

## Notes to the Consolidated Financial Statements

## 13 SUBSIDIARIES (CONTINUED)

## (a) Subsidiaries of the Company (Continued)

As at the date of these consolidated financial statements, the Company has direct or indirect interests in the following subsidiaries: (Continued)

Name of entity	Place of incorporation	Registered share capital In thousand	Effective interest as at 31 December		Principal activities and place of operation
			2025	2024	
<b>Indirectly held: (Continued)</b>					
Zhengzhou Lingpeng Automobile Sales Service Co., Ltd. 鄭州凌鵬汽車銷售服務有限公司	Zhengzhou, China	RMB6,500	100%	100%	New energy vehicle retail in the PRC
Hangzhou Lingjie Automobile Sales Service Co., Ltd. 杭州凌傑汽車銷售服務有限公司	Hangzhou, China	RMB2,000	100%	100%	New energy vehicle retail in the PRC
Jinhua Lingsheng Powertech Co., Ltd. 金華凌昇動力科技有限公司	Jinhua, China	RMB200,000	100%	100%	Technical service and development in the PRC
Zhejiang Lingxun Smart Logistics Co., Ltd. 浙江凌迅智慧物流有限公司	Jinhua, China	RMB60,000	100%	100%	Warehousing and sorting services in the PRC
Hangzhou Lingyun Automobile Sales and Service Co., Ltd. 杭州凌昀汽車銷售服務有限公司	Hangzhou, China	RMB2,000	100%	100%	New energy vehicle retail in the PRC
Hangzhou Lingpao Automotive Power System Co., Ltd. 杭州零跑汽車動力系統有限公司	Hangzhou, China	RMB100,000	100%	100%	Technical service and development in the PRC
Lingxiao Energy Technology (Wuyi) Co., Ltd. 凌驍能源科技(武義)有限公司	Jinhua, China	RMB100,000	100%	100%	Technical service and development in the PRC
Lingxiao Energy Technology (Yiwu) Co., Ltd. 凌驍能源科技(義烏)有限公司	Jinhua, China	RMB100,000	NA	100%	Technical service and development in the PRC
Lingxiao Energy Technology (Haining) Co., Ltd. 凌驍能源科技(海寧)有限公司	Jiaxing, China	RMB100,000	NA	100%	Technical service and development in the PRC
Lingxiao Energy Technology (Shaoxing) Co., Ltd. 凌驍能源科技(紹興)有限公司	Shaoxing, China	RMB100,000	NA	100%	Technical service and development in the PRC
Lingxiao Energy Technology (Yongkang) Co., Ltd. 凌驍能源科技(永康)有限公司	Jinhua, China	RMB100,000	NA	100%	Technical service and development in the PRC

## Notes to the Consolidated Financial Statements

## 13 SUBSIDIARIES (CONTINUED)

## (a) Subsidiaries of the Company (Continued)

As at the date of these consolidated financial statements, the Company has direct or indirect interests in the following subsidiaries: (Continued)

Name of entity	Place of incorporation	Registered share capital In thousand	Effective interest as at 31 December		Principal activities and place of operation
			2025	2024	
<b>Indirectly held: (Continued)</b>					
Jinhua Lingyi Automobile Sales and Service Co., Ltd. 金華凌義汽車銷售服務有限公司	Jinhua, China	RMB2,000	100%	100%	New energy vehicle retail in the PRC
Jinhua Leapmotor Automotive Interior and Exterior Decoration System Co., Ltd. 金華零跑汽車內外飾系統有限公司	Jinhua, China	RMB100,000	100%	100%	Vehicle parts and accessories manufacturing in the PRC
Wuhan Lingzi Automobile Sales and Service Co., Ltd. 武漢凌紫汽車銷售服務有限公司	Wuhan, China	RMB3,000	100%	NA	New energy vehicle retail in the PRC
Jinhua Lingxi Automobile Sales and Service Co., Ltd. 金華市凌溪汽車銷售服務有限公司	Jinhua, China	RMB2,000	100%	100%	New energy vehicle retail in the PRC
Jinhua Leapmotor Automobile Sales Service Co., Ltd. 金華市凌跑汽車銷售服務有限公司	Jinhua, China	RMB2,000	100%	100%	New energy vehicle retail in the PRC
Wuhan Lingchao Automobile Sales Service Co., Ltd. 武漢凌超汽車銷售服務有限公司	Wuhan, China	RMB2,000	100%	100%	New energy vehicle retail in the PRC
Hangzhou Leapmotor Intelligent Innovation Energy Automotive Parts Co., Ltd. 杭州零跑智創新能源汽車零部件有限公司	Hangzhou, China	RMB10,000	100%	NA	Vehicle parts and accessories manufacturing in the PRC
Huzhou Lingsheng Power Technology Co., Ltd. 湖州凌昇動力科技有限公司	Huzhou, China	RMB200,000	100%	100%	Technical service and development in the PRC
Lingxiao Energy Technology (Huzhou) Co., Ltd. 凌驍能源科技(湖州)有限公司	Huzhou, China	RMB100,000	100%	100%	Vehicle parts and accessories manufacturing in the PRC
Huzhou Lingai Electronics Co., Ltd. 湖州凌艾電子有限公司	Huzhou, China	RMB10,000	100%	100%	Vehicle parts and accessories manufacturing in the PRC

## Notes to the Consolidated Financial Statements

## 13 SUBSIDIARIES (CONTINUED)

## (a) Subsidiaries of the Company (Continued)

As at the date of these consolidated financial statements, the Company has direct or indirect interests in the following subsidiaries: (Continued)

Name of entity	Place of incorporation	Registered share capital In thousand	Effective interest as at 31 December		Principal activities and place of operation
			2025	2024	
<b>Indirectly held: (Continued)</b>					
Huzhou Lingai Visual Technology Co., Ltd. 湖州凌艾視覺科技有限公司	Huzhou, China	RMB10,000	100%	100%	Technical service and development in the PRC
Leapmotor International Trading (Jinhua) Co., Ltd. 零跑國際商貿(金華)有限公司	Jinhua, China	RMB1,000	100%	100%	New energy vehicle retail in the PRC
Zhejiang Lingshu Technology Co., Ltd. 浙江凌舒科技有限公司	Jinhua, China	RMB100,000	100%	100%	Vehicle parts and accessories manufacturing in the PRC
Zhejiang Lingqi Intelligent Control Co., Ltd. 浙江凌啟智控有限公司	Jinhua, China	RMB200,000	100%	100%	Vehicle parts and accessories manufacturing in the PRC
Jinhua Lingcheng Automobile Sales and Service Co., Ltd. 金華市凌城汽車銷售服務有限公司	Jinhua, China	RMB2,000	100%	100%	New energy vehicle retail in the PRC
Changsha Lingpao Automobile Sales and Service Co., Ltd. 長沙凌跑汽車銷售服務有限公司	Changsha, China	RMB2,000	100%	100%	New energy vehicle retail in the PRC
Hangzhou Lingyao Automobile Sales and Service Co., Ltd. 杭州凌曜汽車銷售服務有限公司	Hangzhou, China	RMB2,000	100%	100%	New energy vehicle retail in the PRC
Zhejiang Lingtuo Metal Materials Co., Ltd. 浙江凌拓金屬材料有限公司	Jinhua, China	RMB40,000	100%	NA	Vehicle parts and accessories manufacturing in the PRC

\* The English name of the subsidiaries represents the best effort by the management of the Group in translating their Chinese names as they do not have an official English name.

\*\* The Company and all of its subsidiaries are limited liability companies.

## Notes to the Consolidated Financial Statements

## 14 PROPERTY, PLANT AND EQUIPMENT

	Buildings RMB'000	Machinery and molds RMB'000	Vehicles RMB'000	Electronic equipment and others RMB'000	Leasehold improvements RMB'000	Construction in progress RMB'000	Total RMB'000
<b>As at 1 January 2024</b>							
Cost	630,382	2,616,351	79,331	201,681	106,158	1,286,551	4,920,454
Accumulated depreciation	(112,089)	(802,192)	(19,293)	(82,781)	(35,681)	-	(1,052,036)
Net book amount	518,293	1,814,159	60,038	118,900	70,477	1,286,551	3,868,418
<b>Year ended 31 December 2024</b>							
Opening net book amount	518,293	1,814,159	60,038	118,900	70,477	1,286,551	3,868,418
Additions	37,090	54,984	33,164	2,856	49,105	2,096,006	2,273,205
Transfers	188,747	727,986	13,292	157,763	21,026	(1,108,814)	-
Disposals	-	(42,742)	(39,232)	(411)	(713)	-	(83,098)
Depreciation charge	(37,824)	(367,539)	(16,710)	(64,035)	(34,935)	-	(521,043)
Closing net book amount	706,306	2,186,848	50,552	215,073	104,960	2,273,743	5,537,482
<b>As at 31 December 2024</b>							
Cost	856,218	3,159,596	72,092	359,408	164,335	2,273,743	6,885,392
Accumulated depreciation	(149,912)	(972,748)	(21,540)	(144,335)	(59,375)	-	(1,347,910)
Net book amount	706,306	2,186,848	50,552	215,073	104,960	2,273,743	5,537,482
<b>Year ended 31 December 2025</b>							
Opening net book amount	706,306	2,186,848	50,552	215,073	104,960	2,273,743	5,537,482
Additions	63,352	3,117,980	85,507	105,158	79,325	2,211,548	5,662,870
Transfers	1,409,970	752,292	10,454	32,917	819	(2,206,452)	-
Disposals	-	(7,321)	(14,180)	(180)	(1,751)	-	(23,432)
Depreciation charge	(97,567)	(676,154)	(23,977)	(96,278)	(39,855)	-	(933,831)
Closing net book amount	2,082,061	5,373,645	108,356	256,690	143,498	2,278,839	10,243,089
<b>As at 31 December 2025</b>							
Cost	2,329,541	6,970,734	148,085	483,530	240,101	2,278,839	12,450,830
Accumulated depreciation	(247,480)	(1,597,089)	(39,729)	(226,840)	(96,603)	-	(2,207,741)
Net book amount	2,082,061	5,373,645	108,356	256,690	143,498	2,278,839	10,243,089

## Notes to the Consolidated Financial Statements

**14 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

- (a) As at 31 December 2024, the Group's secured 24-month borrowings from two finance leasing companies amounting to RMB27,870,000 which were secured by pledges over the Group's property, plant and equipment with a carrying amounts of RMB117,256,000. The foresaid borrowings were fully repaid in December 2025 and the pledge was released accordingly.
- (b) As at 31 December 2025, the Group's buildings and construction in progress with carrying amounts of approximately RMB1,735,751,000 and RMB48,342,000(2024: RMB408,937,000 and RMB546,785,000), respectively, have been pledged for the Group's borrowings (Note 28(a)).
- (c) **Depreciation of property, plant and equipment charged to profit or loss or capitalized is analyzed as follows:**

	Year ended 31 December	
	2025	2024
Cost of sales	724,171	370,536
Research and development expenses	111,389	68,820
Administrative expenses	69,796	52,906
Selling expenses	27,429	28,781
Contract fulfillment costs -capitalized	1,046	–
	<b>933,831</b>	521,043

Depreciation is calculated using the straight-line method to allocate their costs, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements, the shorter lease term as follows:

Buildings	20 years
Machinery and molds	5-10 years
Vehicles	2-4 years
Electronic equipment and others	3 years
Leasehold improvements	The shorter of the lease terms and their useful lives

## Notes to the Consolidated Financial Statements

**15 LEASES****(a) Amounts recognized in the consolidated balance sheet of the Group**

The consolidated balance sheet show the following amounts relating to leases:

	<b>As at 31 December</b>	
	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
<b>Right-of-use assets</b>		
Land use rights (i)	<b>444,116</b>	452,876
Leased buildings (ii)	<b>1,385,433</b>	283,569
	<b>1,829,549</b>	736,445
<b>Lease liabilities</b>		
Current	<b>237,236</b>	145,479
Non-current	<b>1,248,090</b>	186,949
	<b>1,485,326</b>	332,428

(i) As at 31 December 2025, the Group's land use rights with carrying amounts of approximately RMB444,116,000 (2024: RMB452,876,000) have been pledged for the Group's borrowings (Note 28(a)).

(ii) Additions to leased buildings during the year ended 31 December 2025 of approximately RMB1,299,787,000 (2024: RMB109,721,000) was primary in relation to lease new factories in Chinese Mainland. Decreases in leased buildings during the year ended 31 December 2025 of approximately RMB5,026,000 (2024: RMB6,259,000) were due to the early termination of lease contracts of certain leased buildings.

## 15 LEASES (CONTINUED)

### (b) Amounts recognized in consolidated statement of profit or loss of the Group

The consolidated statement of profit or loss shows the following amounts relating to leases:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
<b>Depreciation charge of right-of-use assets</b>		
Land use rights	9,846	9,664
Leased buildings	192,897	104,766
	<b>202,743</b>	114,430
<b>Interest expenses</b> (included in finance cost) (Note 10)	<b>36,519</b>	12,558
<b>Expenses relating to short-term leases</b> (included in cost of sales, selling expenses, administrative expenses and research and development expenses) (Note 8)	<b>156,950</b>	73,912
	<b>193,469</b>	86,470
	<b>396,212</b>	200,900

The total cash outflows for leases in 2025 were approximately RMB333,075,000 (2024: RMB126,857,000).

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

In addition to land use rights, the Group leases certain buildings for offices, factories and stores. Rental contracts are typically made for fixed periods of one year to ten years but may have extension options as described in (d) below.

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

### (d) Extension and termination options

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

## Notes to the Consolidated Financial Statements

## 16 INTANGIBLE ASSETS

	Software RMB'000	Patents RMB'000	Automotive manufacturing license RMB'000	Total RMB'000
<b>As at 1 January 2024</b>				
Cost	129,132	25	398,830	527,987
Accumulated amortization	(78,284)	(25)	–	(78,309)
<b>Net book amount</b>	<b>50,848</b>	<b>–</b>	<b>398,830</b>	<b>449,678</b>
<b>Year ended 31 December 2024</b>				
Opening net book amount	50,848	–	398,830	449,678
Additions	35,921	–	–	35,921
Disposal	(266)	–	–	(266)
Amortization charge	(35,226)	–	–	(35,226)
<b>Closing net book amount</b>	<b>51,277</b>	<b>–</b>	<b>398,830</b>	<b>450,107</b>
<b>As at 31 December 2024</b>				
Cost	164,735	25	398,830	563,590
Accumulated amortization	(113,458)	(25)	–	(113,483)
<b>Net book amount</b>	<b>51,277</b>	<b>–</b>	<b>398,830</b>	<b>450,107</b>
<b>Year ended 31 December 2025</b>				
Opening net book amount	<b>51,277</b>	–	<b>398,830</b>	<b>450,107</b>
Additions	<b>52,433</b>	–	–	<b>52,433</b>
Disposal	<b>(402)</b>	–	–	<b>(402)</b>
Amortization charge	<b>(39,600)</b>	–	–	<b>(39,600)</b>
<b>Closing net book amount</b>	<b>63,708</b>	<b>–</b>	<b>398,830</b>	<b>462,538</b>
<b>As at 31 December 2025</b>				
Cost	<b>216,007</b>	–	<b>398,830</b>	<b>614,837</b>
Accumulated amortization	<b>(152,299)</b>	–	–	<b>(152,299)</b>
<b>Net book amount</b>	<b>63,708</b>	<b>–</b>	<b>398,830</b>	<b>462,538</b>

## 16 INTANGIBLE ASSETS (CONTINUED)

- (a) Amortization of intangible assets has been charged to profit or loss or capitalized for the years ended 31 December 2025 and 2024 as follows:

	Year ended 31 December	
	2025	2024
Administrative expenses	15,251	21,412
Research and development expenses	17,375	11,173
Selling and marketing costs	2,360	1,662
Cost of sales	4,333	979
Contract fulfillment costs – capitalized	281	–
	<b>39,600</b>	35,226

- (b) Impairment tests for intangible assets

Impairment review on the License with indefinite useful life has been conducted by the management as at 31 December 2025 and 2024, in accordance with IAS 36 “Impairment of assets”. Based on the impairment review, no impairment was recorded for the License.

## 17 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

- (a) Classification of financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income (FVOCI) comprise:

- Equity securities which are not held for trading and which the Group has irrevocably elected at initial recognition to recognize in this category. These are strategic investments and the group considers this classification to be more relevant.
- Debt securities where the contractual cash flows are sole payments of principal and interest and the objective of the group’s business model is achieved both by collecting contractual cash flows and by selling financial assets.

- (b) Equity investments at fair value through other comprehensive income

Equity investments at FVOCI comprise the following individual investments:

	As at 31 December	
	2025 RMB’000	2024 RMB’000
<b>Non-current assets</b>		
Listed Equity investments	122,548	143,185

## Notes to the Consolidated Financial Statements

**17 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONTINUED)****(c) Debt instruments at fair value through other comprehensive income**

Debt investments at FVOCI comprise the following notes receivables:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
<b>Current assets</b>		
Notes receivables (i)	431,504	1,550,289

(i) Notes receivables held both by collecting contractual cash flows and selling of these assets are classified as financial assets at FVOCI.

As at 31 December 2025, notes receivables of RMB225,317,000 (2024: notes receivables of RMB1,138,597,000) were pledged for issuance of bank acceptance notes for settlement to suppliers.

**(d) Amounts recognized in profit or loss and other comprehensive income**

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Fair value on equity investments recognized in other comprehensive income	(20,637)	(73,943)

**18 OTHER NON-CURRENT ASSETS**

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Long-term receivables (i)		
– Refundable deposits	8,647	9,869
Provision for impairment	(147)	(71)
	8,500	9,798
Prepayment for property, plant and equipment	133,950	120,711
	142,450	130,509

(i) Long-term receivables represented the receivables due for rental of buildings, which are generally between 1 to 10 years. There is no significant financing component.

All of long-term receivables are denominated in RMB. As a result, there is no exposure to foreign currency risk.

## Notes to the Consolidated Financial Statements

**19 INVENTORIES**

	<b>As at 31 December</b>	
	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
Raw materials and spare parts	<b>2,671,925</b>	1,063,847
Finished goods	<b>1,807,654</b>	1,000,485
Contract fulfillment costs	<b>141,627</b>	–
	<b>4,621,206</b>	2,064,332
Less: provisions for impairment of raw materials	<b>(49,540)</b>	(30,402)
Less: provisions for impairment of finished goods	<b>(23,179)</b>	(11,314)
	<b>(72,719)</b>	(41,716)
	<b>4,548,487</b>	2,022,616

Raw materials primarily consist of materials for volume production which will be transferred into production cost when incurred as well as spare parts used for after sales services.

Finished goods include vehicles ready for transit at production plants, vehicles in transit to fulfil customers' orders, new vehicles available for immediate sales at the Group's sales and servicing center locations.

Contract fulfillment costs represented costs that relate directly to a contract for R&D services provided by the Company to a customer, primarily including direct labour, direct materials and allocations of costs incurred in providing the promised services to the customer.

During the year ended 31 December 2025, inventories recognized as cost of sales amounted to approximately RMB54,473,776,000 (2024: RMB26,558,573,000), and the provision for impairment of inventories as recognized for the year amounted to approximately RMB67,105,000 (2024: RMB36,102,000). All these expenses and impairment charge have been included in "cost of sales" in the consolidated statement of comprehensive income.

During the year ended 31 December 2025, the provision for impairment of inventories as utilized upon the Group's ultimate sales of the related vehicles/parts amounted to approximately RMB36,102,000 (2024: RMB158,967,000) and there was not any reversal of over-provision recognized in profit or loss for the respective years.

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

## Notes to the Consolidated Financial Statements

## 20 TRADE AND NOTES RECEIVABLES

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Notes receivables	5,826	348,857
Trade receivables		
Due from related parties (Note 37)	4,343,362	1,050,057
Government subsidies receivables for promotion of new energy vehicles	888	72,762
Due from customers	892,442	515,604
Gross trade receivables	5,236,692	1,638,423
Provisions for impairment	(32,501)	(6,008)
	5,204,191	1,632,415
Total	5,210,017	1,981,272

The carrying amounts of the Group's trade and notes receivables, excluding provision for impairment, are denominated in the following currencies:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
RMB	4,347,569	1,985,693
EUR	894,611	–
USD	338	1,587
	5,242,518	1,987,280

## (a) Trade receivables

## (i) Aging analysis of the trade receivables

As at 31 December 2025 and 2024, the aging analysis of the trade receivables based on date of revenue recognition is as follows:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Up to 6 months	4,910,601	1,536,446
6 months to 1 year	244,941	22,985
1 to 2 years	80,010	6,230
Over 2 years	1,140	72,762
Total	5,236,692	1,638,423

## 20 TRADE AND NOTES RECEIVABLES (CONTINUED)

### (a) Trade receivables (Continued)

#### (i) Aging analysis of the trade receivables (Continued)

As at 31 December 2025, trade receivables with aging of more than one year were mainly energy storage project receivables, while as at 31 December 2024, trade receivables with aging of more than one year were mainly government subsidies receivables for promotion of new energy vehicles.

#### (ii) Fair values of the trade receivables

Due to the short-term nature of the current receivables, their carrying amounts are considered to be approximately the same as their fair values.

#### (iii) Impairment and risk exposure

##### *Trade receivables*

The Group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables. Note 3.1(b) provides details about the calculation of the allowance.

As at 31 December 2025 and 2024, the Group had no individually impaired trade receivables.

### (b) Notes receivables

The notes receivables have maturity terms ranging from 3 to 6 months.

As at 31 December 2025, no notes receivables (2024: notes receivables of RMB32,125,000) were pledged for the Group's issuance of bank acceptance notes for settlement to suppliers.

## Notes to the Consolidated Financial Statements

**21 OTHER CURRENT ASSETS**

	<b>As at 31 December</b>	
	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
Other receivables (a)		
– Refundable deposits (i)	<b>42,696</b>	38,488
– Due from related parties (Note 37)	<b>1,317</b>	300
– Others	<b>21,447</b>	9,842
	<b>65,460</b>	48,630
Provisions for impairment (ii)	<b>(677)</b>	(1,023)
	<b>64,783</b>	47,607
Prepayments for		
– raw materials	<b>169,923</b>	43,206
– advertising expenses	<b>130,396</b>	43,119
– research and development expenses	<b>19,064</b>	12,874
– short-term lease rental expenses	<b>3,584</b>	2,699
– other operating expenses	<b>91,811</b>	50,177
	<b>414,778</b>	152,075
Input VAT to be deducted (b)	<b>1,240,743</b>	276,159
Total other current assets	<b>1,720,304</b>	475,841

As at 31 December 2025, the fair values of other current assets of the Group, except for the prepayments and input VAT to be deducted which are not financial assets, approximated their carrying amounts.

## 21 OTHER CURRENT ASSETS (CONTINUED)

### (a) Other receivables

#### (i) Refundable deposits

Refundable deposits consist primarily of security deposits for suppliers, for rental of buildings and others.

#### (ii) Impairment and risk exposure

For other receivables, management performs periodic collective assessments as well as individual assessment on the recoverability of other receivables based on historical settlement records and past experiences incorporating forward-looking information. Impairment on other receivables is measured as either 12-month expected credit losses or lifetime expected credit loss, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime expected credit losses.

Expected credit loss (“ECL”) model for other receivables, is summarized below:

- The other receivables that is not credit-impaired on initial recognition is classified in ‘Stage 1’ and has its credit risk continuously monitored by the Group. The expected credit loss is measured on a 12-month basis;
- If a significant increase in credit risk (as defined below) since initial recognition is identified, the financial instrument is moved to ‘Stage 2’ but is not yet deemed to be credit-impaired. The expected credit loss is measured on lifetime basis;
- If the financial instrument is credit-impaired (as defined below), the financial instrument is then moved to ‘Stage 3’. The expected credit loss is measured on lifetime basis; and
- Under Stages 1 and 2, interest income is calculated on the gross carrying amount (without deducting the loss allowance). If a financial asset subsequently becomes credit-impaired (Stage 3), the Group is required to calculate the interest income by applying the effective interest method in subsequent reporting period to the amortized cost of the financial asset (the gross carrying amount net of loss allowance) rather than the gross carrying amount.

The loss allowance recognized in the year is impacted by a variety of factors, as described below:

- Transfer between stage 1, stage 2 or stage 3 due to other receivables experiencing significant increases (or decreases) of credit risk in the period, and the subsequent “step up” (or “**step down**”) between 12-month and lifetime ECL;

## Notes to the Consolidated Financial Statements

**21 OTHER CURRENT ASSETS (CONTINUED)****(a) Other receivables (Continued)****(ii) Impairment and risk exposure (Continued)**

- Additional allowances for new financial instruments recognized, as well as releases for other receivables derecognized in the period; and
- Other receivables derecognized and write-offs of allowance related to assets that were written off during the year.

The Group considers counter-parties as follows:

- ‘Stage 1’ – Counter-parties who have a low risk of default and a strong capacity to meet contractual cash flows;
- ‘Stage 2’ – Counter-parties whose repayments are past due but with reasonable expectation of recovery; and
- ‘Stage 3’ – Counter-parties whose repayments are past due and with low reasonable expectation of recovery.

The following tables summarized the loss allowance for other receivables as analyzed by different stages:

	<b>Stage 1</b> <b>12-month</b> <b>ECL</b>	<b>Stage 2</b> <b>Lifetime</b> <b>ECL</b>	<b>Stage 3</b> <b>Lifetime</b> <b>ECL</b>	<b>Total</b>
Gross carrying amount as at 31 December 2025 (RMB'000)	<b>65,460</b>	–	–	<b>65,460</b>
Loss allowance as at 31 December 2025 (RMB'000)	<b>(677)</b>	–	–	<b>(677)</b>
Expected credit loss rate	<b>1.03%</b>	–	–	<b>N/A</b>
Gross carrying amount as at 31 December 2024 (RMB'000)	48,630	–	–	48,630
Loss allowance as at 31 December 2024 (RMB'000)	(1,023)	–	–	(1,023)
Expected credit loss rate	2.10%	–	–	N/A

- (b) Input VAT to be deducted are mainly input VAT arisen from the acquisition of property, plant and equipment, intangible assets and materials.**

## 22 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

### (a) Classification of financial assets at FVPL

The Group classifies the followings as financial assets at FVPL:

- debt investments that do not qualify for measurement at either amortized cost or FVOCI
- equity investments that are held for trading, and
- equity investments for which the Group has not elected to recognize fair value gains and losses through OCI.

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

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Investments in wealth management products	10,172,174	11,472,948

The principals and returns of the wealth management products are not guaranteed, hence their contractual cash flows do not qualify for solely payments of principal and interest. Therefore, the wealth management products are measured at fair value through profit or loss.

Information about the Group's exposure to financial risk and information about the methods and assumptions used in determining fair value of these financial assets at FVPL are set out in Note 3.3(e).

## Notes to the Consolidated Financial Statements

**22 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)****(b) Amounts recognized in profit or loss**

During the year, the following net fair value gains were recognized in profit or loss:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Net fair value gains on financial assets at FVPL recognized in other gains – net (Note 7)		
– realized	123,248	94,888
– unrealized	20,555	91,870
	<b>143,803</b>	186,758

**23 CASH AND CASH EQUIVALENTS, RESTRICTED CASH AND TIME DEPOSITS**

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Cash at banks	27,704,124	12,982,250
Less: restricted cash (a)	(3,148,400)	(1,253,665)
Less: short-term bank time deposits (b)	(2,728,813)	(1,074,187)
Less: non-current portion of long-term bank time deposits (c)	(10,124,921)	(4,032,574)
Less: current portion of long-term bank time deposits (c)	(717,086)	(243,556)
Cash and cash equivalents	<b>10,984,904</b>	6,378,268

The maximum exposure to credit risk at the reporting date is the carrying values of the time deposits, cash and cash equivalents and restricted cash as mentioned above.

**(a) Restricted cash**

As at 31 December 2025, cash at banks with amounts of RMB2,543,082,000 (2024: RMB1,193,550,000) were restricted as guaranteed deposits for issuance of bank acceptance notes for settlement to suppliers. The remaining amount of approximately RMB415,318,000 (2024: RMB60,115,000) was mainly restricted as customs guarantee, guarantee deposits for the contracts with the Group's suppliers and others.

As at 31 December 2025, a proceed of RMB190,000,000 was received from a bank borrowing and was restricted from use until all the proceeds of the bank borrowing have been received (Note 28(a)). The aforementioned restricted cash amounted to RMB190,000,000 was subsequently released from restrictions in January 2026.

## 23 CASH AND CASH EQUIVALENTS, RESTRICTED CASH AND TIME DEPOSITS (CONTINUED)

- (b) As at 31 December 2025, the short-term bank time deposits with an amount of RMB370,000,000 (2024: RMB565,814,000) and nil (2024: RMB26,000,000) was pledged to the banks for issuance of bank acceptance notes and for security deposits for bank borrowings (Note 28(a)), respectively.
- (c) As at 31 December 2025, long-term bank time deposits were neither past due nor impaired. Management considered that the carrying amounts of the long-term bank time deposits approximated their fair values as at 31 December 2025 and 2024. As at 31 December 2025, long-term bank time deposits of RMB717,086,000 (31 December 2024: RMB243,556,000) will be due within one year.

As at 31 December 2025, the long-term bank time deposits with amounts of RMB400,000,000 (2024: nil), 53,400,000 (2024: RMB123,400,000) and nil (2024: RMB10,800,000) were pledged to the banks for issuance of bank acceptance notes, as security deposits under various bank borrowing agreements (Note 28(a)) and as guarantee deposits for the contracts with the Group's suppliers, respectively.

(d) **The cash at banks are denominated in:**

	As at 31 December	
	2025 RMB'000	2024 RMB'000
RMB	25,798,048	12,327,141
USD	1,762,867	538,625
HKD	109,534	116,422
EUR	33,675	62
	<b>27,704,124</b>	12,982,250

(e) **Accounting policies of cash and cash equivalents**

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include (i) cash on hand, (ii) deposits held at call with financial institutions, and (iii) other short-term, highly liquid investments with original maturity periods of three months or less that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

Cash restricted for guaranteed deposits for bank borrowings or issuance of notes payables or other purposes are included in the restricted cash on the consolidated balance sheet.

Time deposits with initial terms of over one year were included in the long-term bank time deposits on the consolidated balance sheet and with initial terms of over three months but under one year were included in the short-term bank time deposits on the consolidated balance sheet.

## Notes to the Consolidated Financial Statements

**24 SHARE CAPITAL**

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

	Number of shares	Share capital RMB'000
<b>As at 1 January 2025</b>	<b>1,336,966,089</b>	<b>1,336,966</b>
Issuance of ordinary shares (a)	<b>70,213,338</b>	<b>70,213</b>
Exercise of share options (b)	<b>14,633,225</b>	<b>14,634</b>
<b>As at 31 December 2025</b>	<b>1,421,812,652</b>	<b>1,421,813</b>

(a) The Company entered into domestic share subscription agreements with investors for the issue of the 70,213,338 domestic shares of the Company at the subscription price of RMB37.03 per share, and the issue of these shares was approved by the China Securities Regulatory Commission on 26 March 2025. The total cash consideration was RMB2,600,000,000, including RMB70,213,000 recorded in share capital and approximately RMB2,529,787,000 recorded in share premium reserve. Incremental costs that are directly attributable to the issue of the new shares, amounting to approximately RMB2,635,000, was treated as a deduction against the share premium arising from the issuance (Note 22). The total cash consideration was received and the subscription was completed in April 2025.

(b) During the year ended 31 December, 2025, the Group issued 14,663,225 ordinary shares and received cash of approximately RMB393,113,000 from employees for exercising the share options that they held.

**25 RESERVES**

The following table shows a breakdown of the balance sheet line item 'reserves' and the movements in these reserves during the year. A description of the nature and purpose of each reserve is provided below the table.

	Reserves			Total RMB'000
	Share premium RMB'000	Other comprehensive income RMB'000	Share-based payment reserves RMB'000	
<b>As at 1 January 2025</b>	<b>23,555,468</b>	<b>(82,580)</b>	<b>1,978,182</b>	<b>25,451,070</b>
Issuance of ordinary shares	<b>2,527,152</b>	-	-	<b>2,527,152</b>
Changes through Other comprehensive income	-	<b>(20,632)</b>	-	<b>(20,632)</b>
Share-based payment (Note 26)	-	-	<b>538,890</b>	<b>538,890</b>
Exercise of share options	<b>797,005</b>	-	<b>(418,526)</b>	<b>378,479</b>
<b>As at 31 December 2025</b>	<b>26,879,625</b>	<b>(103,212)</b>	<b>2,098,546</b>	<b>28,874,959</b>
<b>As at 1 January 2024</b>	23,555,468	(8,637)	1,510,973	25,057,804
Changes through Other comprehensive income	-	(73,943)	-	(73,943)
Share-based payment (Note 26)	-	-	467,209	467,209
<b>As at 31 December 2024</b>	23,555,468	(82,580)	1,978,182	25,451,070

## 26 SHARE-BASED PAYMENT

### (a) Share award schemes

On 31 January 2021, the establishment of the Company's Share Incentive Plans was approved by shareholders of the Company. Certain eligible employees of the Group (the "Incentive targets") were granted with the shares of No.1 Guosen Securities Leapmotor Technology Employee Stock Ownership – Asset Management Plan ("Guosen Securities") and Ningbo Jinghang Enterprise Management L.P. (寧波景航企業管理合夥企業(有限合夥)) ("Ningbo Jinghang"), as rewards for their services and in exchange for their full-time devotion and professional expertise. The two companies were set up for the purpose of holding shares of the Company on behalf of the Incentive targets.

During the year ended 31 December 2021, 57,723,164 shares with a grant price of RMB1.40 per unit capital and 12,806,500 shares with a grant price of RMB1.27 per unit capital of the Company were granted to the Incentive targets through Guosen Securities and Ningbo Jinghang, respectively.

On 31 May 2022 and 19 August 2022, 3,415,000 shares and 3,683,200 shares, respectively with a grant price of RMB1.40 per unit capital of the Company were granted to the Incentive targets through Guosen Securities. 6,085,690 shares were forfeited for the year ended 31 December 2022.

The fair value of each awarded restricted shares after the global offering was calculated based on the closing price of the Company's H share at the grant date. And the aforementioned shares granted are vested when certain service and performance conditions are met.

## Notes to the Consolidated Financial Statements

**26 SHARE-BASED PAYMENT (CONTINUED)****(a) Share award schemes (Continued)**

The details of each awarded restricted shares are set as below:

Grant date	Grant number	Grant price RMB	Fair value of awarded restricted shares RMB
9 February 2024	245,000	2.00	18.66
22 April 2024	380,000	2.00	23.05
13 May 2024	60,000	2.00	31.59
13 May 2024	200,000	1.40	31.59
17 October 2024	290,000	2.00	26.25
26 November 2024	780,000	2.00	26.25
5 December 2024	275,000	2.00	25.58
3 January 2025	119,214	2.00	29.41
3 January 2025	300,000	1.40	29.41
13 January 2025	60,786	2.00	28.23
7 April 2025	280,000	2.00	38.71
17 April 2025	105,000	2.00	41.75
2 July 2025	740,000	2.00	50.08
1 August 2025	156,504	2.00	53.19
24 September 2025	17,000	2.00	56.69
21 November 2025	3,234,900	2.00	56.69

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

	Year ended 31 December	
	2025	2024
Beginning of the year	<b>63,361,474</b>	70,489,074
Granted	<b>5,013,404</b>	2,230,000
Forfeited	<b>(10,623,714)</b>	(9,357,600)
<b>End of the year</b>	<b>57,751,164</b>	63,361,474

## 26 SHARE-BASED PAYMENT (CONTINUED)

### (b) Pre-IPO Share Option Scheme

On 22 June 2022, the pre-IPO share option scheme was adopted by the Company. The number of shares options issued under the pre-IPO share option scheme will be no more than 50,594,348 ordinary shares, representing no more than 5.00% of the issued share capital of the Company immediately prior to the completion of the global offering. The shares options of the Company with an exercise price of RMB27.26 per share were granted to the certain eligible employees of the Group subsequently on 5 August 2022, which will be vested in tranches during 4 years from the date of the global offering of the Company upon satisfaction of the vesting conditions.

The fair value of the share options granted under Pre-IPO Share Option Scheme have been valued by an independent qualified valuer using the Binomial valuation model as at grant date. Key assumptions are set as below:

	<b>Key assumptions</b>
Risk-free interest rate	2.53%
Volatility	51.54%
Time to maturity	6 years

Set out below are the movement in the number of awarded options under the Pre-IPO Share Option Scheme:

	<b>Year ended 31 December</b>	
	<b>2025</b>	2024
Beginning of the year	<b>34,700,773</b>	37,429,148
Forfeited	<b>(366,100)</b>	(1,970,400)
Expired	–	(757,975)
Exercised	<b>(14,633,225)</b>	–
<b>End of the year</b>	<b>19,701,448</b>	34,700,773
Vested and exercisable as at end of the year	<b>11,291,986</b>	17,412,299

## Notes to the Consolidated Financial Statements

**26 SHARE-BASED PAYMENT (CONTINUED)****(c) Expenses arising from share-based payment transactions**

Total expenses arising from share-based payment transactions recognized during the year as part of employee benefit expense were as follows:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Share-based payment expenses (Note 9)	538,890	467,209

**27 FINANCIAL INSTRUMENTS BY CATEGORY**

The Group holds the following financial instruments:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
<b>Financial assets</b>		
Financial assets at amortized cost:		
– Long-term receivables (Note 18)	8,500	9,798
– Trade and notes receivables (Note 20)	5,210,017	1,981,272
– Other receivables (Note 21)	64,783	47,607
– Time deposits (Note 23)	13,570,820	5,350,317
– Restricted cash (Note 23)	3,148,400	1,253,665
– Cash and cash equivalents (Note 23)	10,984,904	6,378,268
Financial assets at FVPL (Note 22)	10,172,174	11,472,948
Financial assets at FVOCI (Note 17)	554,052	1,693,474
	<b>43,713,650</b>	28,187,349
<b>Financial liabilities</b>		
Liabilities at amortized cost:		
– Borrowings (Note 28)	2,960,251	2,374,152
– Trade and notes payables (Note 31)	33,098,502	18,903,412
– Other payables and accruals (excluding payroll and welfare payables and other tax payables) (Note 32)	6,375,620	2,839,037
– Lease liabilities (Note 15)	1,485,326	332,428
	<b>43,919,699</b>	24,449,029

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

## Notes to the Consolidated Financial Statements

## 28 BORROWINGS

	As at 31 December	
	2025 RMB'000	2024 RMB'000
<b>Borrowings included in non-current liabilities:</b>		
Long-term bank borrowings, secured (a)	1,381,683	1,261,340
Long-term bank borrowings, unsecured and unguaranteed (a)	380,000	–
Long-term other borrowings, secured (b)	–	27,870
Long-term other borrowings, unsecured and unguaranteed (c)	1,169,075	80,597
Interest payables	28,403	–
	<b>2,959,161</b>	1,369,807
Less: current portion included in current liabilities	<b>(652,414)</b>	(261,370)
	<b>2,306,747</b>	1,108,437
<b>Borrowings included in current liabilities:</b>		
Short-term other borrowings, unsecured and unguaranteed (d)	–	1,000,000
Current portion of long-term borrowings (a)(b)	652,414	261,370
Interest payables	1,090	4,345
	<b>653,504</b>	1,265,715
<b>Total borrowings</b>	<b>2,960,251</b>	2,374,152

- (a) As at 31 December 2025, the Group had long-term bank borrowings amounting to approximately RMB1,761,683,000 (2024: RMB1,261,340,000), of which approximately RMB581,042,000 (2024: RMB233,500,000) will be due within one year.

The Group's secured long-term bank borrowings as at 31 December 2025 bear interests at floating interest rates ranging from 2.65% to 2.95% (2024: 2.65% to 4.00%) per annum, and are secured by the pledge of the Group's property, plant and equipment with carrying amounts of approximately RMB1,784,093,000 (2024: RMB955,722,000) (Note 14(b)), land use rights with an amount of approximately RMB444,116,000 (2024: RMB452,876,000) (Note 15(a)(i)), and bank time deposits with an amount of RMB53,400,000 (2024: RMB149,400,000) (Note 23(b)(c)).

As at 31 December 2025, a proceed of RMB190,000,000 was received from a bank borrowing and was restricted from use until all the proceeds of the bank borrowing have been received. The aforesaid restricted cash in the amount of RMB190,000,000 was subsequently released from restriction in January 2026.

## Notes to the Consolidated Financial Statements

**28 BORROWINGS (CONTINUED)**

- (b) As at 31 December 2024, the Group's secured long-term other borrowings comprised 24-month borrowings from two finance leasing companies with a total amount of RMB27,870,000 which were due within one year.

The borrowings were obtained through sales and leaseback arrangements, whereby certain property, plant and equipment of the Group were sold to the finance leasing companies and leased back for a 24-month lease term. The Group has the option to repurchase the property, plant and equipment upon the completion of the leases at an insignificant nominal value. During the lease term and before the exercise of the repurchase options upon completion of the lease term, the property, plant and equipment were effectively pledged as security for the borrowings and were restricted under the agreements where lessors' consent must be obtained for the pledge or disposal of these assets. As at 31 December 2024, the long-term other borrowings had effective interest rates ranging from 5% to 5.01% per annum and the carrying amounts of property, plant and equipment pledged amounted to approximately RMB117,256,000 (Note 14(a)).

- (c) As at 31 December 2025, the Group's unsecured long-term other borrowings, which comprised a 10-year borrowing from a third party with a total amount of approximately RMB97,703,000 which has an effective interest rate of 3.68% per annum, a new-borrowed trust loan in 2025 of approximately RMB71,372,000, of which RMB71,372,000 (2024: nil) will be due within one year, and a 27-month borrowing from a related party of approximately RMB1,000,000,000 which was extended from 9 months to 27 months maturing in February 2027. The aforementioned borrowing from a related party with repayment date extended of RMB1,000,000,000 bears an effective interest rate of 2.46% per annum (Note 37(c)). There is no material change in the fair value upon the extension of this borrowing.

As at 31 December 2024, the Group had a 10-year borrowing from a third party with a total amount of approximately RMB80,597,000 which has an effective interest rate of 3.68% per annum.

(d) **Other disclosures**

The Group's borrowings are all denominated in RMB.

During the years ended 31 December 2025 and 2024, the Group had not been in violation of any of the covenants nor subject to material financial covenants pursuant to the applicable borrowing agreements that the Group entered with the lenders.

**28 BORROWINGS (CONTINUED)****(d) Other disclosures (Continued)**

The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates or maturity date, whichever is earlier, was as follows:

	<b>As at 31 December</b>	
	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
Less than 1 year	<b>652,414</b>	1,261,370
Between 1 and 2 years	<b>1,209,636</b>	457,043
Between 2 and 5 years	<b>709,791</b>	430,474
Over 5 years	<b>358,917</b>	220,920
	<b>2,930,758</b>	2,369,807

The fair values of current borrowings approximated their carrying amount as the discounting impact is not significant.

The fair values of non-current borrowings as at 31 December 2025 and 2024 were disclosed as follows:

	<b>As at 31 December</b>	
	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
Non-current borrowings	<b>2,300,792</b>	1,101,044

**29 PROVISIONS**

	<b>As at 31 December</b>	
	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
Non-current Warranty provisions	<b>1,153,424</b>	671,881
Current Warranty provisions	<b>376,373</b>	190,020
	<b>1,529,797</b>	861,901

## Notes to the Consolidated Financial Statements

**29 PROVISIONS (CONTINUED)**

The Group provides warranties for certain vehicle products sold and undertakes the obligation to repair or replace items that fail to perform satisfactorily within certain years after purchase or mileage utilized (“**warranty periods**”), whichever reached first. Provision for service warranties is made for the estimated warranty claims within the warranty periods that remain effective as at the end of each reporting period. The amount of provisions for warranties is estimated based on the assumptions related to the estimations of expected unit cost for warranty services. The estimation is reviewed on an ongoing basis and is revised when appropriate.

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

	<b>Year ended 31 December</b>	
	<b>2025</b>	2024
	<b>RMB’000</b>	RMB’000
Beginning of the year	<b>861,901</b>	503,389
Provisions for the year	<b>815,128</b>	434,366
Amounts utilized during the year	<b>(147,232)</b>	(75,854)
<b>End of the year</b>	<b>1,529,797</b>	861,901

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

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

Provisions are measured at the present value of management’s best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The increase in the provisions due to the passage of time is recognized as interest expense.

**30 DEFERRED INCOME**

	<b>As at 31 December</b>	
	<b>2025</b>	2024
	<b>RMB’000</b>	RMB’000
Government grants	<b>605,502</b>	348,361

## Notes to the Consolidated Financial Statements

**30 DEFERRED INCOME (CONTINUED)**

During the years ended 31 December 2025, the Group received government grants with total amount of approximately RMB283,457,000 (2024: RMB35,595,000), mainly for subsidizing the Group's purchases of property, plant and equipment. These government grants were recorded as deferred income and credited to profit or loss on a straight-line basis over the useful lives of the related property, plant and equipment and right-of-use assets. The amortisation of government grants amounted to RMB26,316,000 (2024: RMB16,990,000) was recognized as other income during the year ended 31 December 2025.

**31 TRADE AND NOTES PAYABLES**

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Trade payables		
– Payables for materials	<b>17,550,508</b>	11,575,839
Notes payables (a)		
– Payables for materials	<b>15,547,994</b>	7,327,573
	<b>33,098,502</b>	18,903,412

(a) The notes payables have maturity terms ranging from 3 to 6 months and these notes payables were secured by certain of the Group's restricted cash (Note 23(a)), bank time deposits (Note 23(b) and (c)) and notes receivables (Notes 17(c) and 20(b)).

(b) The carrying amounts of trade payables approximated their fair values due to their short-term maturity in nature.

(c) The aging analysis of the trade payables based on purchase date at the end of each reporting period is as follows:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Up to 6 months	<b>17,366,807</b>	11,476,516
6 months to 1 year	<b>68,960</b>	3,293
1 to 2 years	<b>85,292</b>	95,321
Over 2 years	<b>29,449</b>	709
	<b>17,550,508</b>	11,575,839

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

## Notes to the Consolidated Financial Statements

**32 OTHER PAYABLES AND ACCRUALS**

	<b>As at 31 December</b>	
	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
Accrued expenses		
– Advertising and publicity expense	<b>1,561,527</b>	976,158
– Rebate payables	<b>1,341,175</b>	561,917
– Freight and storage expenses	<b>17,481</b>	23,611
Payroll and welfare payables	<b>1,139,864</b>	650,991
Payables for purchases of property, plant and equipment	<b>2,074,861</b>	418,951
Payables for design and development services	<b>416,456</b>	341,620
Deposit from suppliers and distributors	<b>343,307</b>	247,508
Other taxes payables	<b>314,440</b>	235,351
Others	<b>620,813</b>	269,272
	<b>7,829,924</b>	3,725,379

The carrying amounts of other payables and accruals approximated their fair values due to their short-term maturity in nature.

**33 ADVANCES FROM CUSTOMERS**

	<b>As at 31 December</b>	
	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
Advances from customers	<b>543,144</b>	583,492

Advances from customers represent the initial refundable deposits for intention orders received from customers prior to the signing of vehicle purchase agreements.

## Notes to the Consolidated Financial Statements

**34 INVESTMENT IN ASSOCIATES ACCOUNTED FOR USING THE EQUITY METHOD**

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
<b>Investment in associates</b>		
At beginning of the year	163,576	44,262
Additions	49,000	105,972
Share of net profit of associates accounted for using the equity method	67,289	41,707
Distribution of dividends	(4,900)	–
Others	(43,610)	(28,365)
At end of the year	231,355	163,576

Set out below are the details of the associates of the Group as at 31 December 2025 and 2024. The entities set out below have share capital consisting solely of ordinary shares, which are held directly by the Company. The countries of incorporation are also their principal places of business, and their proportions of ownership interest are the same as their proportions of voting rights held.

Name of entity	Place of incorporation and kind of legal entity	% of ownership interest		Principal activities
		As at 31 December		
		2025	2024	
Zhejiang Huaruijie Technology Co., Ltd. 浙江華銳捷技術有限公司("Huaruijie")	PRC, limited liability company	20%	20%	Technology development services
Jinhua LEAP Faurecia Automotive Parts Co., Ltd. 金華零跑佛吉亞汽車零部件有限公司("LFAP")	PRC, limited liability company	49%	49%	Vehicles components manufacturing, research and development
Leapmotor International B.V.	Netherlands, limited liability company	49%	49%	Vehicles manufacturing and sales
Jinhua Changchun Automotive Parts Co., Ltd. 金華市常春汽車零部件有限公司("Changchun Automotive")	PRC, limited liability company	49%	49%	Vehicles components manufacturing and sales
Zhongling New Energy Technology (Zhejiang) Co., Ltd. 中凌新能源科技(浙江)有限公司("Zhongling Energy")	PRC, limited liability company	49%	NA	Vehicles components manufacturing and sales

On 4 March 2020, the Company and one of the Company's equity holders co-founded Huaruijie. The Company owns 20% equity interest of Huaruijie and has significant influence on Huaruijie.

On 20 June 2023, one of the Company's subsidiaries and Faurecia (China) Holding Co., Ltd., a third party, co-founded LFAP. The Group owns 49% equity interest of LFAP and has significant influence on LFAP.

## Notes to the Consolidated Financial Statements

**34 INVESTMENT IN ASSOCIATES ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED)**

In the first half year of 2024, the Company and Stellantis N.V., one of the Company's equity holders, co-founded Leapmotor International B.V.. The Group owns 49% equity interest of Leapmotor International B.V. and has significant influence on Leapmotor International B.V..

In the second half year of 2024, one of the Company's subsidiaries and Wuhu Changchun Automotive Interiors Co., Ltd., a third party, co-founded Changchun Automotive. The Group owns 49% equity interest of Changchun Automotive. and has significant influence on Changchun Automotive.

In the second half year of 2025, one of the Company's subsidiaries and CALB Group Co., Ltd., a third party, co-founded Zhongling Energy. The Group owns 49% equity interest of Zhongling Energy and has significant influence on Zhongling Energy.

As at 31 December 2025, there are no material associates that required additional disclosure of their financial information.

**35 CASH FLOW INFORMATION****(a) Reconciliation of profit/(loss) before income tax to net cash generated from operations**

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
<b>Profit/(loss) before income tax</b>	<b>538,392</b>	(2,820,716)
Adjustments for:		
Net impairment losses on financial assets (Note 3.1)	<b>26,223</b>	4,725
Net fair value gains on financial assets at FVPL (Note 7)	<b>(143,803)</b>	(186,758)
Provisions for warranty (Note 8)	<b>815,128</b>	434,366
Provision/(reversal) for impairment of inventories (Note 8)	<b>31,003</b>	(122,666)
Finance income – net (Note 10)	<b>(293,728)</b>	(308,654)
Depreciation of property, plant and equipment (Note 14)	<b>933,831</b>	521,043
Depreciation of right-of-use assets (Note 15)	<b>202,743</b>	114,430
Amortization of intangible assets (Note 16)	<b>39,600</b>	35,226
Net losses on disposals of property, plant and equipment, intangible assets and right-of-use assets (Note 7)	<b>2,058</b>	43,821
Share-based payment expenses (Note 26)	<b>538,890</b>	467,209
Share of net profit from associates (Note 34)(i)	<b>(23,679)</b>	(13,342)
Amortization of deferred government grants	<b>(26,316)</b>	(68,968)
Net foreign exchange differences	<b>27,358</b>	(2,532)

**35 CASH FLOW INFORMATION (CONTINUED)****(a) Reconciliation of profit/(loss) before income tax to net cash generated from operations (Continued)**

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
<b>Operating profit/(loss) before changes in working capital:</b>	<b>2,667,700</b>	(1,902,816)
Increase in inventories	<b>(2,556,874)</b>	(180,478)
Increase in trade and notes receivables	<b>(3,255,238)</b>	(1,059,199)
Increase in other current assets	<b>(1,244,111)</b>	(54,627)
(Increase)/decrease in restricted cash	<b>(1,704,735)</b>	1,859,612
(Increase)/decrease in contract assets	–	13,986
Decrease in non-current assets	<b>1,223</b>	7,152
(Decrease)/Increase in advances from customers	<b>(40,348)</b>	341,458
Increase in trade and notes payables	<b>14,195,090</b>	9,056,539
Increase in other payables and accruals	<b>3,206,568</b>	1,499,493
Increase in contract liabilities	<b>201,170</b>	233,807
Decrease/(increase) in FVOCI	<b>1,118,785</b>	(1,550,289)
Utilization of provisions	<b>(147,232)</b>	(75,854)
<b>Net cash generated from operations</b>	<b>12,441,998</b>	8,188,784

(i) In 2025, the unrealized gain of downstream transactions between the Group and its associates is approximately RMB43,610,000 (2024: RMB28,365,000).

**(b) Major non-cash operating activities**

The major non-cash transaction for the year 2025 was the settlement of non-cash sales rebate amounting to RMB909,203,000 (2024: RMB474,579,000).

Major non-cash investing and financing activities

The major non-cash investing and financing activities disclosed in other notes included additions to right-of-use assets in respect of leased buildings (Note 15) and extension of certain borrowing (Note 28).

## Notes to the Consolidated Financial Statements

## 35 CASH FLOW INFORMATION (CONTINUED)

## (c) Net cash

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Cash and cash equivalents (Note 23)	10,984,904	6,378,268
Financial assets at FVPL (Note 22)	10,172,174	11,472,948
Lease liabilities (Note 15)	(1,485,326)	(332,428)
Borrowings (Note 28)	(2,960,251)	(2,374,152)
<b>Net cash</b>	<b>16,711,501</b>	15,144,636

## (d) Reconciliation of liabilities from financing activities

	Lease liabilities RMB'000	Borrowings RMB'000	Total RMB'000
<b>As at 1 January 2025</b>	332,428	2,374,152	2,706,580
Cash flows	(176,125)	472,769	296,644
New leases	1,299,787	–	1,299,787
Termination of leases	(7,283)	–	(7,283)
Interest expenses	36,519	113,330	149,849
<b>As at 31 December 2025</b>	<b>1,485,326</b>	<b>2,960,251</b>	<b>4,445,577</b>
<b>As at 1 January 2024</b>	273,641	2,472,968	2,746,609
Cash flows	(52,945)	(125,785)	(178,730)
New leases	109,721	–	109,721
Termination of leases	(10,547)	–	(10,547)
Interest expenses	12,558	26,969	39,527
<b>As at 31 December 2024</b>	<b>332,428</b>	<b>2,374,152</b>	<b>2,706,580</b>

## Notes to the Consolidated Financial Statements

**36 CAPITAL COMMITMENTS**

Significant capital expenditure contracted for at the end of the reporting period but not recognized as liabilities is as follows:

	<b>As at 31 December</b>	
	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
Property, plant and equipment	<b>5,042,478</b>	2,896,000

**37 RELATED PARTY TRANSACTIONS**

There was no controlling shareholder or ultimate controlling shareholder of the Company. As at the date of these consolidated financial statements, Mr. Zhu Jiangming, Mr. Fu Liquan (傅利泉), Ms. Liu Yunzhen (劉雲珍) (spouse of Mr. Zhu Jiangming), Ms. Chen Ailing (陳愛玲) (spouse of Mr. Fu Liquan), by virtue of the acting-in-concert arrangement among them, were collectively and ultimately interested in approximately 24.48% of the total share capital of the Company. These four individuals and the companies established or controlled by them, including Hangzhou Xintu Technology Co., Ltd. (杭州芯圖科技有限公司), Ningbo Hualing Venture Capital L.P. (寧波華綾創業投資合夥企業(有限合夥)), Ningbo Huayang Investment Management L.P. (寧波華暘投資管理合夥企業(有限合夥)), Ningbo Jinghang, Ningbo Gulin Equity Investment L.P. (寧波顧麟股權投資合夥企業(有限合夥)) and Wanzai Mingzhao Consulting Service Center L.P. (萬載明昭諮詢服務中心(有限合夥)) ("**Wanzai Mingzhao**"), were collectively referred to as the Single Largest Group of Shareholders of the Company.

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

## Notes to the Consolidated Financial Statements

**37 RELATED PARTY TRANSACTIONS (CONTINUED)**

- (a) The directors of the Company are of the view that the following parties/companies were related parties that had transaction or balances with the Group:

Name of related parties	Relationship with the Group
Mr. Zhu Jiangming	A member of the Single Largest Group of Shareholders
Mr. Fu Liqun	A member of the Single Largest Group of Shareholders
Ms. Liu Yunzhen	A member of the Single Largest Group of Shareholders
Ms. Chen Ailing	A member of the Single Largest Group of Shareholders
Ningbo Huayang Investment Management L.P.	A member of the Single Largest Group of Shareholders
Ningbo Jinghang	A member of the Single Largest Group of Shareholders
Ningbo Gulin Equity Investment L.P.	A member of the Single Largest Group of Shareholders
Wanzai Mingzhao	A member of the Single Largest Group of Shareholders
Ningbo Hualing Venture Capital L.P.	A member of the Single Largest Group of Shareholders
Hangzhou Xintu Technology Co., Ltd.	A member of the Single Largest Group of Shareholders
Hangzhou Poer Co., Ltd. 杭州珀爾科技有限公司	A member of the Single Largest Group of Shareholders
Zhejiang Dahua Technology Co., Ltd. 浙江大華技術股份有限公司(“Dahua Technology”)	Controlled by Mr. Fu Liqun
Zhejiang Huaruijie Technology Co., Ltd.	Associate, Dahua Technology's subsidiary
Zhejiang Dahua Vision Technology Co., Ltd. 浙江大華科技有限公司	Dahua Technology's subsidiary
Zhejiang Dahua Zhilian Co., Ltd. 浙江大華智聯有限公司	Dahua Technology's subsidiary
Zhejiang Huaray Technology Co., Ltd. 浙江華睿科技股份有限公司	Dahua Technology's subsidiary
Zhejiang Dahua Iscan Technology Co., Ltd. 浙江華視智檢科技有限公司	Dahua Technology's subsidiary
Zhejiang Huafei Intelligent Technology Co., Ltd. 浙江華飛智能科技有限公司	Dahua Technology's subsidiary
Zhejiang Hyxi Technology Co., Ltd. 浙江華昱欣科技有限公司(“Hyxi”)	Controlled by Mr. Fu Liqun
Jinhua Jinxin Technology Co., Ltd. 金華金芯科技有限公司	Controlled by Mr. Zhu jiangming
Peugeot Citroen (China) Automotive Trade Co., Ltd. 標緻雪鐵龍(中國)汽車貿易有限公司	Controlled by Stellantis
Leapmotor International BV	Associate, Controlled by Stellantis
Leapmotor International Business SpA	Controlled by an associate, Controlled by Stellantis
Stellantis Gurun (Malaysia) Sdn Bhd	Controlled by Stellantis
Stellantis Automoveis Brasil LTDA.	Controlled by Stellantis
PSA Chile S.A.	Controlled by Stellantis
Stellantis Australia and New Zeala	Controlled by Stellantis
LFAP	Associate
Changchun Automotive	Associate
Hangzhou Vision Robot Technology Co., Ltd. 杭州維訊機器人科技有限公司(“VisionRobot”)	A company which one of its director is Mr. Zhu Jiangming

## Notes to the Consolidated Financial Statements

## 37 RELATED PARTY TRANSACTIONS (CONTINUED)

## (b) Transactions with related parties

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
<b>Sales of vehicles and parts and others</b>		
Stellantis's subsidiaries	7,359,451	966,023
Hysi	77,781	16,196
Dahua Technology and its subsidiaries	13,727	5,786
LFAP	328	1,969
Changchun Automotive	257	14,958
A member of the Single Largest Group of Shareholders	107	–
	<b>7,451,651</b>	1,004,932
<b>Sales of property, plant and equipment</b>		
Dahua Technology and its subsidiaries	222	–
<b>Rendering of services</b>		
Stellantis's subsidiaries	36,301	1,650
Changchun Automotive	2,404	–
LFAP	1,313	1,286
Dahua Technology and its subsidiaries	1,161	283
	<b>41,179</b>	3,219
<b>Proceeds from borrowings from</b>		
Jinhua Jinxin Technology Co., Ltd.	–	1,000,000
<b>Interest expenses of borrowings</b>		
Jinhua Jinxin Technology Co., Ltd.	25,347	3,056
<b>Purchases of raw materials</b>		
LFAP	485,144	633,461
Dahua Technology and its subsidiaries	424,734	254,635
Changchun Automotive	220,025	–
A member of the Single Largest Group of Shareholders	124,114	–
Hysi	2,379	63,451
	<b>1,256,396</b>	951,547
<b>Purchases of assembly services</b>		
Dahua Technology and its subsidiaries	183,450	105,853
<b>Purchases of software license</b>		
Dahua Technology and its subsidiaries	–	15,810

## Notes to the Consolidated Financial Statements

**37 RELATED PARTY TRANSACTIONS (CONTINUED)****(b) Transactions with related parties (Continued)**

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
<b>Purchases of freight and storage services</b>		
Dahua Technology and its subsidiaries	–	4,056
	–	4,056
<b>Purchases of other services</b>		
Stellantis's subsidiaries	277,914	2,676
Dahua Technology and its subsidiaries	5,001	15,435
VisionRobot	137	–
A member of the Single Largest Group of Shareholders	–	10,047
	283,052	28,158
<b>Addition to right-of-use assets resulted from lease of buildings</b>		
A member of the Single Largest Group of Shareholders	50,327	–
<b>Purchases of property, plant and equipment</b>		
Dahua Technology and its subsidiaries	12,994	13,553
Changchun Automotive	12,856	–
Hysi	4,590	–
A member of the Single Largest Group of Shareholders	1,323	–
	31,763	13,553
<b>Principal Payments of lease liabilities</b>		
A member of the Single Largest Group of Shareholders	16,422	–
<b>Interest expenses of lease liabilities</b>		
A member of the Single Largest Group of Shareholders	1,381	–
<b>Short-term leasing expenses</b>		
A member of the Single Largest Group of Shareholders	14,275	16,314
Dahua Technology and its subsidiaries	385	1,304
	14,660	17,618

In the opinion of the directors of the Company, the related party transactions were carried out in the normal course of the business and at terms negotiated and agreed between the Group and the respective parties.

**37 RELATED PARTY TRANSACTIONS (CONTINUED)****(b) Transactions with related parties (Continued)****Key management compensation**

Key management includes directors, supervisors and senior managements. The compensation paid or payable to key management for employee services is shown below:

	<b>Year ended 31 December</b>	
	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
Wages and salaries	<b>14,305</b>	14,904
Discretionary bonuses	<b>8,386</b>	5,294
Pension obligations, housing funds, medical insurances and other social insurances	<b>1,313</b>	1,110
Other employee benefits	<b>108</b>	14,712
Share-based payment expenses	<b>79,894</b>	37,170
	<b>104,006</b>	73,190

**(c) Balances with related parties****Trade balances**

	<b>As at 31 December</b>	
	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
<b>Trade receivables (including notes receivables)</b>		
Stellantis's subsidiaries	<b>4,263,293</b>	1,033,842
Hysi	<b>76,097</b>	12,517
Dahua Technology and its subsidiaries	<b>3,107</b>	1,846
LFAP	<b>449</b>	1,852
Changchun Automotive	<b>416</b>	–
	<b>4,343,362</b>	1,050,057
<b>Other receivables</b>		
Dahua Technology and its subsidiaries	<b>1,205</b>	–
Stellantis's subsidiaries	<b>112</b>	300
	<b>1,317</b>	300

## Notes to the Consolidated Financial Statements

**37 RELATED PARTY TRANSACTIONS (CONTINUED)****(c) Balances with related parties (Continued)****Trade balances (Continued)**

	<b>As at 31 December</b>	
	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
<b>Trade payables</b>		
Dahua Technology and its subsidiaries	<b>224,505</b>	241,379
LFAP	<b>133,315</b>	305,374
Changchun Automotive	<b>103,672</b>	–
A member of the Single Largest Group of Shareholders	<b>53,278</b>	–
Hysi	<b>24,156</b>	30,195
	<b>538,926</b>	576,948
<b>Other payables</b>		
Stellantis's subsidiaries	<b>272,058</b>	–
Dahua Technology and its subsidiaries	<b>16,294</b>	16,453
Changchun Automotive	<b>4,556</b>	–
Hysi	<b>1,764</b>	3,493
LFAP	<b>435</b>	758
A member of the Single Largest Group of Shareholders	<b>188</b>	3
	<b>295,295</b>	20,707
<b>Prepayment</b>		
Hysi	<b>4,422</b>	6,039
Dahua Technology and its subsidiaries	<b>2</b>	–
	<b>4,424</b>	6,039
<b>Advances from customers</b>		
Stellantis's subsidiaries	<b>32,185</b>	–
Dahua Technology and its subsidiaries	<b>277</b>	–
LFAP	<b>2</b>	–
	<b>32,464</b>	–
<b>Lease liabilities</b>		
A member of the Single Largest Group of Shareholders	<b>35,287</b>	–
<b>Borrowings</b>		
Jinhua Jinxin Technology Co., Ltd.	<b>1,028,403</b>	1,003,056
<b>Other non-current assets</b>		
Changchun Automotive	<b>3,804</b>	–
Dahua Technology and its subsidiaries	<b>33</b>	–
	<b>3,837</b>	–

Except for the borrowing from the related party as disclosed in Note 28, the amounts with related parties are unsecured, interest free and repayable on demand.

## Notes to the Consolidated Financial Statements

**38 BENEFITS AND INTERESTS OF DIRECTORS****(a) Directors and supervisors**

Details of the emoluments paid or payable to the directors and supervisors for the years ended 31 December 2025 and 2024 are set out as follows:

	Fees	Wages and salaries	Discretionary bonuses	Termination benefits (c)	Share-based payment	Social security costs, housing benefits and employee welfare	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Year ended 31 December 2025</b>							
Name of directors:							
Mr. Zhu Jiangming	-	90	-	-	1,695	149	1,934
Mr. Cao Li (曹力)	-	2,072	1,528	-	13,520	149	17,269
Mr. Zhou Hongtao (周洪濤)	-	2,072	1,428	-	21,884	149	25,533
Mr. Jin Yufeng (金宇峰)	-	-	-	-	-	-	-
Mr. Davide Mele (ii)	-	-	-	-	-	-	-
Mr. Grégoire Olivier (iii)	-	-	-	-	-	-	-
Mr. Douglas Ostermann (v)	-	-	-	-	-	-	-
Mr. Shen Linhua (沈林華)	180	-	-	-	-	-	180
Mr. Fu Yuwu (付于武)	180	-	-	-	-	-	180
Ms. Drina C Yue (萬家樂)	180	-	-	-	-	-	180
	<b>540</b>	<b>4,234</b>	<b>2,956</b>		<b>37,099</b>	<b>447</b>	<b>45,276</b>
Name of supervisor:							
Mr. Wu Yefeng (吳燁鋒) (iv)	-	-	-	-	-	-	-
Mr. Zhao Zhiding (趙志定) (i)	-	918	956	-	3,859	143	5,876
Mr. Mo Chengrui (莫承銳)	-	720	365	-	2,784	143	4,012
Ms. Yao Tianzhi (姚甜芝)	-	614	679	-	2,172	121	3,586
	<b>-</b>	<b>2,252</b>	<b>2,000</b>	<b>-</b>	<b>8,815</b>	<b>407</b>	<b>13,474</b>

(i) Mr. Zhao Zhiding was designated as a supervisor of the Company on 25 June 2025.

(ii) Mr. Davide Mele was appointed as a non-executive director of the Company on 8 December 2025.

(iii) Mr. Grégoire Olivier resigned from the Company's director on 25 June 2025.

(iv) Mr. Wu Yefeng resigned from the Company's supervisor on 25 June 2025.

(v) Mr. Douglas Ostermann resigned from the Company's director on 5 December 2025.

## Notes to the Consolidated Financial Statements

## 38 BENEFITS AND INTERESTS OF DIRECTORS (CONTINUED)

## (a) Directors and supervisors (Continued)

	Fees RMB'000	Wages and salaries RMB'000	Discretionary bonuses RMB'000	Termination benefits (c) RMB'000	Share-based payment RMB'000	Social security costs, housing benefits and employee welfare RMB'000	Total RMB'000
<b>Year ended 31 December 2024</b>							
Name of directors:							
Mr. Zhu Jiangming	-	88	-	-	7,888	143	8,119
Mr. Wu Baojun (吳保軍) (iii)	-	43	-	10,086	(56,246)	10	(46,107)
Mr. Cao Li (曹力)	-	1,716	1,164	-	19,401	140	22,421
Mr. Zhou Hongtao (周洪濤) (i)	-	1,722	1,168	-	28,944	140	31,974
Mr. Jin Yufeng (金宇峰)	-	-	-	-	-	-	-
Mr. Grégoire Olivier	-	-	-	-	-	-	-
Mr. Douglas Ostermann	-	-	-	-	-	-	-
Mr. Shen Linhua (沈林華) (ii)	93	-	-	-	-	-	93
Mr. Fu Yuwu (付于武)	151	-	-	-	-	-	151
Ms. Drina C Yue (萬家樂)	151	-	-	-	-	-	151
Mr. Huang Wenli (黃文禮) (iv)	59	-	-	-	-	-	59
	454	3,569	2,332	10,086	(13)	433	16,861
Name of supervisor:							
Mr. Wu Yefeng (吳燁鋒)	-	-	-	-	-	-	-
Mr. Mo Chengrui (莫承銳)	-	701	270	-	3,295	143	4,409
Ms. Yao Tianzhi (姚甜芝)	-	409	277	-	2,192	89	2,967
	-	1,110	547	-	5,487	232	7,376

(i) Mr. Zhou Hongtao was designated as an executive director of the Company on 25 June 2024.

(ii) Mr. Shen Linhua was appointed as an independent non-executive director of the Company on 25 June 2024.

(iii) Mr. Wu Baojun resigned from the Company's director on 25 June 2024, and his remuneration related to share-based payment was reversed due to forfeiture.

(iv) Mr. Huang Wenli resigned from the Company's director on 25 June 2024.

**38 BENEFITS AND INTERESTS OF DIRECTORS (CONTINUED)****(b) Directors and supervisors' retirement benefits**

None of the directors or supervisors received any retirement benefits during the years ended 31 December 2025 and 2024.

**(c) Directors and supervisors' termination benefits**

There were no termination benefits paid to or receivable by any Director during the years ended 31 December 2025 and 2024.

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

During the years ended 31 December 2025 and 2024, the Company did not pay consideration to any third parties for making available directors or supervisors' services.

**(e) Information about loans, quasi-loans and other dealings in favor of directors, supervisors and bodies corporate controlled by or entities connected with directors**

There were no loans, quasi-loans and other dealings in favor of directors, supervisors or controlled bodies corporate by and connected entities with such directors or supervisors as at 31 December 2025 and 2024 or at any time during the respective year.

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

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director or supervisor of the Company had a material interest, whether directly or indirectly, subsisted as at 31 December 2025 and 2024 or at any time during the respective year.

**39 CONTINGENCIES**

As at 31 December 2025, the Group did not have significant contingency items.

**40 DIVIDEND**

No dividend has been paid or declared by the Company or subsidiaries of the Company during the years ended 31 December 2025 and 2024.

## Notes to the Consolidated Financial Statements

**41 SUBSEQUENT EVENTS**

On January 6, 2026, the Company entered into the Jinyi High-tech Domestic Shares Subscription Agreement with Jinyi High-tech, pursuant to which the Company conditionally agreed to issue 59,964,021 Domestic Shares to Jinyi High-tech at the Subscription Price of RMB50.03 (equivalent to HK\$55.49) per Domestic Subscription Share. Additionally, on December 28, 2025, the Company entered into the FAW Equity Domestic Shares Subscription Agreement with FAW Equity, pursuant to which the Company has conditionally agreed to issue 74,832,245 Domestic Shares to FAW Equity, together with 59,964,021 Domestic Shares to Jinyi High-Tech, resulting in the issuance of a total of 134,796,266 Domestic Shares by the Company to FAW Equity and Jinyi High-Tech.

**42 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY****(a) Balance sheet of the Company**

	<b>As at 31 December</b>	
	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	<b>259,015</b>	253,489
Right-of-use assets	<b>62,313</b>	33,799
Intangible assets	<b>28,121</b>	34,636
Investments in subsidiaries	<b>9,470,177</b>	8,620,213
Investment in an associate accounted for using the equity method	<b>178,065</b>	118,776
Financial assets at fair value through other comprehensive income	<b>122,548</b>	143,185
Time deposits	<b>5,137,947</b>	–
Other non-current assets	<b>45,908</b>	2,636,151
	<b>15,304,094</b>	11,840,249
<b>Current assets</b>		
Inventories	<b>60,358</b>	–
Amounts due from subsidiaries	<b>7,838,501</b>	3,314,581
Trade receivables	<b>67,197</b>	–
Other current assets	<b>36,548</b>	161,562
Financial assets at fair value through profit or loss	<b>935,529</b>	3,336,881
Time deposits	<b>458,298</b>	50,058
Restricted cash	<b>20,004</b>	–
Cash and cash equivalents	<b>3,436,433</b>	3,893,195
	<b>12,852,868</b>	10,756,277
<b>Total assets</b>	<b>28,156,962</b>	22,596,526

**42 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (CONTINUED)****(a) Balance sheet of the Company (Continued)**

	<b>As at 31 December</b>	
	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
<b>EQUITY</b>		
Share capital	<b>1,421,813</b>	1,336,966
Reserves	<b>28,874,954</b>	25,451,070
Accumulated losses	<b>(4,183,185)</b>	(5,885,251)
<b>Total equity</b>	<b>26,113,582</b>	20,902,785
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Lease liabilities	<b>12,052</b>	12,672
Deferred income	<b>36</b>	53
Long term borrowings	<b>1,028,403</b>	–
	<b>1,040,491</b>	12,725
<b>Current liabilities</b>		
Trade and notes payables	<b>57,265</b>	53,924
Amounts due to subsidiaries	<b>373,344</b>	212,216
Other payables and accruals	<b>521,285</b>	1,397,205
Contract liabilities	<b>3,471</b>	897
Lease liabilities	<b>47,524</b>	16,774
	<b>1,002,889</b>	1,681,016
<b>Total liabilities</b>	<b>2,043,380</b>	1,693,741
<b>Total equity and liabilities</b>	<b>28,156,962</b>	22,596,526

The balance sheet of the Company was approved by the Board of Directors of the Company on 16 March 2026 and was signed on its behalf by:

**Mr. Zhu Jiangming**

**Mr. Li Tengfei**

## Notes to the Consolidated Financial Statements

**42 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (CONTINUED)****(b) Reserve movement of the Company**

	Share premium RMB'000	Reserves		Total RMB'000
		Other comprehensive income RMB'000	Share-based payment reserves RMB'000	
<b>As at 1 January 2025</b>	<b>23,555,468</b>	<b>(82,580)</b>	<b>1,978,182</b>	<b>25,451,070</b>
Issuance of ordinary shares	2,527,152	-	-	2,527,152
Fair value change of financial assets at FVOCI	-	(20,637)	-	(20,637)
Share-based payment (Note 26)	-	-	538,890	538,890
Exercise of share options	797,005	-	(418,526)	378,479
<b>As at 31 December 2025</b>	<b>26,879,625</b>	<b>(103,217)</b>	<b>2,098,546</b>	<b>28,874,954</b>
<b>As at 1 January 2024</b>	23,555,468	(8,637)	1,510,973	25,057,804
Fair value change of financial assets at FVOCI	-	(73,943)	-	(73,943)
Share-based payment (Note 26)	-	-	467,209	467,209
<b>As at 31 December 2024</b>	23,555,468	(82,580)	1,978,182	25,451,070

**43 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES****43.1 Principles of consolidation and equity accounting****43.1.1 Subsidiaries**

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

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

## **43 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)**

### **43.1 Principles of consolidation and equity accounting (Continued)**

#### **43.1.2 Associates**

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (Note 42.1.3), after initially being recognized at cost.

#### **43.1.3 Equity method**

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

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

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

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 42.8

### **43.2 Business combinations**

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;

## Notes to the Consolidated Financial Statements

**43 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)****43.2 Business combinations (Continued)**

- equity interests issued by the Group;
- fair value of any asset or liability resulting from a contingent consideration arrangement; and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred;
- amount of any non-controlling interest in the acquired entity; and
- acquisition-date fair value of any previous equity interest in the acquired entity.

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognized directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognized in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognized in profit or loss.

## 43 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 43.3 Separate financial statements

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

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

### 43.4 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker.

The chief operating decision-maker (“**CODM**”), who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors of the Company that makes strategic decisions.

### 43.5 Foreign currency translation

#### (a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the “**functional currency**”). The consolidated financial statements are presented in RMB, which is the functional currency of the Company and its subsidiaries and also the presentation currency of the Company.

#### (b) Transactions and balances

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

All other foreign exchange gains and losses are presented in the consolidated statement of comprehensive loss on a net basis within “other gains – net”.

## Notes to the Consolidated Financial Statements

## 43 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 43.6 Property, plant and equipment

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

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

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 14).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within "other gains – net" in the consolidated statement of comprehensive income.

Construction-in-progress ("CIP") represents buildings, machineries and molds, vehicles, electronic equipment and others and leasehold improvements under construction and is stated at cost less accumulated impairment losses, if any. Cost includes the costs of construction and acquisition and capitalised borrowing costs. No provision for depreciation is made on CIP until such time as the relevant assets are completed and ready for intended use. When the assets concerned are available for use, the cost are transferred to relevant categories of property, plant and equipment and depreciated in accordance with the policy as stated above.

### 43.7 Intangible assets

#### (a) Automotive manufacturing license

Automotive manufacturing license ("License") has indefinite useful life. No useful life was determined in the contract terms when the Group acquired the License. The Group expects that the License is unlikely to be terminated based on industry experience and will continue to contribute revenue in the future. Therefore, the Group considers the useful life of such intangible assets to be indefinite. The License is not amortized, but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses.

#### (b) Software

Acquired software is recognized at historical cost and subsequently carried at cost less accumulated amortization and accumulated impairment losses. The Group's software is amortized on a straight-line basis over their estimated useful lives of 3 years.

## 43 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 43.7 Intangible assets (Continued)

#### (c) Patents

Patents are shown at fair value when acquired. Patents have a finite useful life and are carried at cost less accumulated amortization and impairment, if any. The legal validity period of the patents is 20 years, while considering the technical innovation, the estimated commercially beneficial period of the Group's patents was 5 years. As a result, amortization is calculated using the straight-line method to allocate the cost of patents over 5 years.

#### (d) Research and development ("R&D")

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

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

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

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

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

## Notes to the Consolidated Financial Statements

**43 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)****43.8 Impairment of non-financial assets**

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

**43.9 Financial assets****(a) Classification**

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

- those to be measured subsequently at fair value (either through OCI or through profit or loss); and
- those to be measured at amortized cost.

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

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

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

**(b) Recognition and derecognition**

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

## 43 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 43.9 Financial assets (Continued)

#### (c) Measurement

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

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

#### ***Debt instruments***

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

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

## Notes to the Consolidated Financial Statements

**43 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)****43.9 Financial assets (Continued)****(c) Measurement (Continued)*****Equity instruments***

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

Changes in the fair value of financial assets at FVPL are recognized in "other gains – net" in the consolidated statement of comprehensive income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

**(d) Impairment**

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

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

For trade and receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

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

**43.10 Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where the Group currently has a legally enforceable right to offset the recognized amounts, and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

## **43 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)**

### **43.11 Trade receivables**

Trade receivables are amounts due from customers for vehicles or products sold in the ordinary course of business and amounts due from government for promotion of new energy vehicles. If collection of trade receivables is expected in one year or less (or in the normal operating cycle of the business if longer), it is classified as current asset. If not, it is presented as non-current asset.

Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method. See Note 20 for further information about the Group's accounting for trade receivables and Note 3.1(b) for a description of the Group's impairment policies.

### **43.12 Share capital**

Ordinary shares are classified as equity.

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

### **43.13 Borrowings**

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

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

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

## Notes to the Consolidated Financial Statements

**43 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)****43.14 Borrowing costs**

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

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other borrowing costs are expensed in the period in which they are incurred.

**43.15 Current and deferred income tax**

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

**(a) Current income tax**

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

**(b) Deferred income tax**

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

## 43 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 43.15 Current and deferred income tax (Continued)

#### (b) Deferred income tax (Continued)

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

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

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

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

### 43.16 Employee benefits

#### (a) Short-term obligations

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

#### (b) Pension obligations

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

## Notes to the Consolidated Financial Statements

**43 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)****43.16 Employee benefits (Continued)****(c) Housing funds, medical insurances and other social insurances**

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

**(d) Bonus plan**

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

**(e) Termination benefits**

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

**43.17 Share-based payment**

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

- including any market performance conditions; (e.g. the entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or hold shares for a specific period of time).

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

## **43 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)**

### **43.17 Share-based payment (Continued)**

Where there is any modification of terms and conditions which increases the fair value of the equity instruments granted, the Group includes the incremental fair value granted in the measurement of the amount recognized for the services received over the remainder of the vesting period. The incremental fair value is the difference between the fair value of the modified equity instrument and that of the original equity instrument, both estimated as at the date of the modification. An expense based on the incremental fair value is recognized over the period from the modification date to the date when the modified equity instruments vest in addition to any amount in respect of the original instrument, which should continue to be recognized over the remainder of the original vesting period. Where shares are forfeited due to a failure by the employee to satisfy the service conditions, any expenses previously recognized in relation to such shares are reversed effective at the date of the forfeiture.

### **43.18 Government grants**

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

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

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

### **43.19 Leases**

The Group leases various buildings and land use right. Rental contracts are typically made for fixed periods of 1 to 50 years but may have extension options as described in Note15(d) below.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

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

## Notes to the Consolidated Financial Statements

**43 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)****43.19 Leases (Continued)**

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

To determine the incremental borrowing rate, the Group:

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

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

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

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option. Low-value assets comprise small items of office furniture and machinery.

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

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;

## **43 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)**

### **43.19 Leases (Continued)**

- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

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

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

### **43.20 Interest income**

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

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

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

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

## Notes to the Consolidated Financial Statements

**43 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)****43.21 Earning/(loss) per share****(a) Basic earning/(loss) per share**

Basic earning/(loss) per share is calculated by dividing:

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

**(b) Diluted earning/(loss) per share**

Diluted earning/(loss) per share adjusts the figures used in the determination of basic loss per share to take into account:

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

## Definitions

In this annual report, the following expressions have the meanings set out below unless the context requires otherwise.

“2025 Components Procurement Framework Agreement”	the agreement entered into between the Company and Huaruijie Technology on 24 December 2024, pursuant to which the Company will purchase certain types of camera assembly and radar assembly from Huaruijie Technology on a subscription basis from time to time
“2025 Property Lease Agreement”	the agreement entered into between the Company and Hangzhou Xintu on 24 December 2024, pursuant to which the Company will lease certain properties from Hangzhou Xintu as offices, storage spaces and parking spaces to meet the Company’s administrative needs
“2025 Services Procurement Framework Agreement”	the agreement entered into between the Company and Dahua Zhilian on 24 December 2024, pursuant to which the Company will outsource veneer processing and assembly to Dahua Zhilian from time to time
“2026 Components Procurement Framework Agreement”	the agreement entered into between the Company and Huaruijie Technology on 26 December 2025, pursuant to which the Company will purchase certain types of camera module assembly and radar assembly from Huaruijie Technology on a subscription basis from time to time
“Articles” or “Articles of Association”	the articles of association of the Company, as amended from time to time
“Board” or “Board of Directors”	the board of Directors of our Company
“Brand Development & Market Insights Service Agreement”	the agreement entered into by ZLPSS and LPMIB dated 26 December 2025, pursuant to which LPMIB shall provide the brand development and market insights service for the internationalisation of LEAPMOTOR Brand
“Carbon Dioxide Credits Transfer Agreement”	the carbon dioxide credits transfer agreement entered into between Leapmotor, a subsidiary of the Company, and Stellantis Subsidiaries on 30 June 2025, pursuant to which Leapmotor agreed to transfer and the Stellantis Subsidiaries agreed to accept the carbon dioxide credits generated by the sale and registration of all battery electric vehicles and range extended electric vehicles under the Leapmotor brand in the European and UK markets in 2025
“Companies Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

## Definitions

“Company” or “our Company” or “the Company”	Zhejiang Leapmotor Technology Co., Ltd. (浙江零跑科技股份有限公司), a limited liability company established under the laws of the PRC on 24 December 2015 and converted into a joint stock limited liability company in the PRC on 30 April 2021
“Company Law”	the Company Law of the PRC 《中華人民共和國公司法》, as enacted by the 5th session of the Standing Committee of the 8th National People’s Congress on 29 December 1993 and effective on 1 July 1994, as amended, supplemented or otherwise modified from time to time
“Components and Parts”	the components and parts required solely for the manufacturing of Locally Manufactured LPM Products, including but not limited to body parts of the vehicles, chassis, vehicle electronics, in-car software, electric drive system, battery systems and light systems
“Dahua Technology”	Zhejiang Dahua Technology Co., Ltd. (浙江大華技術股份有限公司), a joint stock company established under the laws of the PRC, whose shares are listed on the Shenzhen Stock Exchange (stock code: 002236.SZ), and a substantial shareholder of our Company
“Director(s)”	director(s) of our Company
“Domestic Share(s)”	ordinary share(s) issued by the Company, with a nominal value of RMB1.00 each, which is/are subscribed for or credited as paid in Renminbi
“Electric Drive Project Cooperation Agreement”	the electric drive project cooperation agreement entered into between Lingsheng Powertech and Peugeot Citroën on 29 April 2025, pursuant to which Lingsheng Powertech will provide the electric drive assembly development and factory prototype and corresponding special testing services under the product specifications and special testing requirements defined by Peugeot Citroën
“Employee Incentive Schemes”	collectively, Share Award Scheme I, Share Award Scheme II and Pre-IPO Share Option Scheme
“EREVs”	extended-range electric vehicles
“FAW Equity”	FAW Equity Investment (Tianjin) Co., Ltd. (一汽股權投資(天津)有限公司), a limited liability company established under the laws of the PRC
“FAW Equity Domestic Shares Subscription Agreement”	the agreement dated 28 December 2025 entered into between the Company and FAW Equity in relation to the subscription of 74,832,245 Domestic Shares

## Definitions

“NEV(s)”	new energy passenger vehicles, comprising battery electric vehicles and plug-in hybrid electric vehicles (including EREVs)
“Global Offering”	the Hong Kong public offering and the international offering as described in the Prospectus
“Group” or “our Group” or “we” or “us”	our Company and its subsidiaries (or our Company and any one or more of its subsidiaries, as the context may require)
“H Share(s)”	overseas listed foreign share(s) issued or to be issued by the Company with a nominal value of RMB1.00 each, which are subscribed for and traded in HK dollars and are listed on the Hong Kong Stock Exchange
“Hangzhou Poer”	Hangzhou Poer Technology Co., Ltd. (杭州珀爾科技有限公司), a limited liability company established under the laws of the PRC, and a connected person of the Company
“Hangzhou Xintu”	Hangzhou Xintu Technology Co., Ltd. (杭州芯圖科技有限公司), a limited liability company established under the laws of the PRC and a member of the Single Largest Group of Shareholders
“HK\$” or “HK dollars”	Hong Kong dollars and cents, respectively, the lawful currency of Hong Kong
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Huzhou Xinchuang”	Huzhou Xinchuang Equity Investment Partnership (Limited Partnership) (湖州信創股權投資合夥企業(有限合夥)), a limited partnership established under the laws of the PRC
“Hong Kong Listing Rules” or “Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
“Hong Kong Stock Exchange” or “Stock Exchange”	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
“IFRS”	International Financial Reporting Standards, which include standards, amendments and interpretations promulgated by the International Accounting Standards Board and the International Accounting Standards and interpretations issued by the International Accounting Standards Committee

## Definitions

“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
“Jinhua Industrial Fund”	Jinhua Industrial Fund Co., Ltd. (金華市產業基金有限公司), a limited liability company established under the laws of the PRC and an existing Shareholder of the Company
“Jinyi High-tech”	Zhejiang Jinhua Jinyi High-tech Industrial Investment Group Co., Ltd. (浙江金華金義高新產業投資集團有限公司), a limited liability company established under the laws of the PRC
“Jinyi High-tech Domestic Shares Subscription Agreement”	the agreement dated 6 January 2026 entered into between the Company and Jinyi High-tech in relation to the subscription of 59,964,021 Domestic Shares
“Leapmotor”	Leapmotor Automobile Co., Ltd. (零跑汽車有限公司), a wholly-owned subsidiary of the Company
“Leapmotor International”	Leapmotor International B.V., a joint venture company jointly established by the Company and Stellantis
“LPMIB”	Leapmotor International Business S.p.A., a wholly-owned subsidiary of Leapmotor International
“Listing”	listing of the H Shares on the Main Board of the Hong Kong Stock Exchange
“Listing Date”	29 September 2022, on which our H Shares are listed and dealings in our H Shares first commence on the Hong Kong Stock Exchange
“Lingsheng Powertech”	Zhejiang Lingsheng Powertech Co., Ltd. (浙江凌昇動力科技有限公司), a wholly-owned subsidiary of the Company
“Locally Manufactured LPM Products”	any model of whole vehicle that is wholly or partially manufactured by the JV Company or by a Local Manufacturing Partner in one or more Territories for sale and distribution in the Territories under an LPM Brand from time to time
“LPM Products”	any model of whole vehicle that is manufactured, assembled, distributed or produced by or on behalf of the Company with an LPM Brand from time to time, other than Excluded LPM Products
“Macau”	the Macau Special Administrative Region of the PRC

## Definitions

“Main Board”	the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with GEM of the Stock Exchange
“Mr. Fu”	Mr. Fu Liquan (傅利泉), a member of the Single Largest Group of Shareholders and the spouse of Ms. Chen
“Mr. Zhu”	Mr. Zhu Jiangming (朱江明), the chairperson of the Board, an executive Director and chief executive officer of our Company, a member of the Single Largest Group of Shareholders and the spouse of Ms. Liu
“Ms. Chen”	Ms. Chen Ailing (陳愛玲), the spouse of Mr. Fu and a member of the Single Largest Group of Shareholders
“Ms. Liu”	Ms. Liu Yunzhen (劉雲珍), the spouse of Mr. Zhu and a member of the Single Largest Group of Shareholders
“Ningbo Gulin”	Ningbo Gulin Equity Investment L.P. (寧波顧麟股權投資合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on 29 December 2017 and a member of the Single Largest Group of Shareholders
“Ningbo Hualing”	Ningbo Hualing Venture Capital L.P. (寧波華綾創業投資合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on 22 January 2018 and a member of the Single Largest Group of Shareholders
“Ningbo Huayang”	Ningbo Huayang Venture Capital L.P. (寧波華暘創業投資合夥企業(有限合夥)), formerly known as Ningbo Huayang Investment Management L.P. (寧波華暘投資管理合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on 7 November 2017 and a member of the Single Largest Group of Shareholders
“Ningbo Jinghang”	Ningbo Jinghang Enterprise Management L.P. (寧波景航企業管理合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on 11 September 2017 and a member of the Single Largest Group of Shareholders
“Post-sale Services Parts”	spare parts produced by or on behalf of the Company solely for the purpose of after-sales services of LPM Products in the Territories, including but not limited to batteries, electronic accessories, body parts of the vehicles, chassis, light systems, electrical instruments, cameras, interior and exterior ornaments

## Definitions

“Peugeot Citroën”	Peugeot Citroën (China) Automotive Trading Co., Ltd. (標緻雪鐵龍(中國)汽車貿易有限公司), a limited liability company established under the laws of the PRC and a wholly-owned subsidiary of Stellantis
“PRC” or “China”	the People’s Republic of China. For the purposes of this document only and except where the context requires otherwise, excludes Hong Kong, Macau and Taiwan
“PRC Company Law”	the Company Law of the PRC 《中華人民共和國公司法》, as enacted by the 5th session of the Standing Committee of the 8th National People’s Congress on 29 December 1993 and effective on 1 July 1994, as amended, supplemented or otherwise modified from time to time
“Pre-IPO Investment(s)”	the pre-IPO investments in our Company undertaken by the Pre-IPO Investors, details of which are set out in the section headed “History, Development and Corporate Structure” in the Prospectus
“Pre-IPO Investor(s)”	the investor(s) who participated in our Pre-IPO Investments, details of which are set out in the section headed “History, Development and Corporate Structure” in the Prospectus
“Pre-IPO Share Option Scheme”	the pre-IPO share option scheme adopted by the Company on 22 June 2022, the principal terms of which are summarized in “Appendix VI – Statutory and General Information – Further Information about Our Directors, Supervisors, Management and Substantial Shareholders – 5. Employee Incentive Schemes” in the Prospectus
“Prospectus”	the prospectus of the Company dated 20 September 2022
“province”	a province or, where the context requires, a provincial-level autonomous region or municipality directly under the central government of the PRC
“Reporting Period”	the year ended 31 December 2025
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“New Product Purchase and Sale Framework Agreement”	the agreement entered into between the Company and Hyxi Technology on 24 December 2024, pursuant to which the Company will sell battery packs and other components to Hyxi Technology, and will purchase energy storage systems, such as commercial and industrial energy storage cabinet systems and container energy storage systems, from Hyxi Technology from time to time

## Definitions

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“SFC”	the Securities and Futures Commission of Hong Kong
“Share(s)”	ordinary shares in the share capital of our Company with a nominal value of RMB1.00 each, comprising Domestic Share(s) and H Share(s)
“Share Award Schemes”	collectively, Share Award Scheme I and Share Award Scheme II
“Share Award Scheme I”	the share award scheme adopted by the Company in January 2021, the principal terms of which are summarized in “Appendix VI – Statutory and General Information – Further Information about Our Directors, Supervisors, Management and Substantial Shareholders – 5. Employee Incentive Schemes” in the Prospectus and the paragraph headed “Employee Incentive Schemes” in this annual report
“Share Award Scheme II”	the share award scheme adopted by the Company in January 2021, the principal terms of which are summarized in “Appendix VI – Statutory and General Information – Further Information about Our Directors, Supervisors, Management and Substantial Shareholders – 5. Employee Incentive Schemes” in the Prospectus and the paragraph headed “Employee Incentive Schemes” in this annual report
“Shareholder(s)”	holder(s) of Share(s)
“Single Largest Group of Shareholders”	refers to collectively Mr. Zhu, Mr. Fu, Ms. Liu, Ms. Chen, Hangzhou Xintu, Ningbo Hualing, Ningbo Huayang, Ningbo Jinghang, Ningbo Gulin and Hangzhou Mingzhao
“Stellantis”	Stellantis N.V., a public limited company incorporated and organised under the laws of the Netherlands and is listed on the NYSE, the regulated market of Euronext in Paris and the regulated market of Euronext in Milan
“Stellantis Subsidiaries”	Stellantis Auto SAS, Automobiles Peugeot SA, Automobiles Citroen SAS, Opel Automobile GmbH, Stellantis Europe S.p.A., Alfa Romeo S.p.A. and FCA US LLC
“subsidiary(ies)”	has the meaning ascribed thereto in Section 15 of the Companies Ordinance
“Supervisor(s)”	member(s) of the Supervisory Committee
“Supervisory Committee”	the supervisory committee of the Company

## Definitions

“Supporting Products Purchase Framework Agreement”	the agreement entered into between the Company and Hangzhou Poer on 17 November 2025, pursuant to which the Company shall from time to time purchase supporting products such as charging piles and charging guns for vehicles from Hangzhou Poer, including AC charging piles, AC charging gun assemblies, discharge guns/discharge sockets, etc.
“United States”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“USD”	United States dollars, the lawful currency of the United States
“Hangzhou Mingzhao”	Hangzhou Mingzhao Shengye Enterprise Management Partnership L.P. (杭州明昭晟業企業管理合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on 28 November 2017 and a member of the Single Largest Group of Shareholders, formerly known as Wanzai Mingzhao Consulting Service Center L.P. (萬載明昭諮詢服務中心(有限合夥))
“Wuyi County Financial Investment”	Wuyi County Financial Investment Holdings Company Limited (武義縣金投控股集團有限公司), a limited liability company established under the laws of the PRC
“ZLPSS”	Zhejiang Leapmotor Automobile Sales Service Co., Ltd. (浙江零跑汽車銷售服務有限公司), a limited liability company established under the laws of the PRC on 13 August 2018, and a wholly-owned subsidiary of the Company