
SUMMARY

This summary aims to give you an overview of the information contained in this document. As it is a summary, it does not contain all the information that may be important to you. You should read the whole document before you decide to [REDACTED].

There are risks associated with any investment. Some of the particular risks in [REDACTED] are set forth in “Risk Factors” in this document. You should read that section carefully before you decide to [REDACTED].

Various expressions used in this summary are defined in the sections headed “Definitions” and “Glossary of technical terms” in this document.

OVERVIEW

We are headquartered in Zhejiang Province and were established in 2017. Since our establishment, we have developed to become an Automotive Testing Solutions provider in Zhejiang Province and we have during the Track Record Period worked with leading domestic and international automotive manufacturers and automotive components manufacturers such as BYD, one of the largest NEV manufacturers in the PRC, and our Customer B, one of the world’s largest engine manufacturers and a global leader in power solutions. The automotive testing services market in the PRC is highly competitive with moderate concentration, involving over 1,500 market players. According to the F&S Report, we have a market share of 0.9% amongst all Automotive Testing Solutions providers in the PRC in terms of revenue in 2025. Our Automotive Testing Solutions includes (i) automotive testing, (ii) testing facility solutions and (iii) the sales of automotive components business segments.

Our automotive testing services facilitate the research and development exclusively for new models of ICEVs and NEVs and their constituent components, and our testing outcomes are used to refine designs, functions and system interoperability so as to ensure that new vehicle models are capable of meeting the relevant performance and regulatory standards. Following our testing, these new vehicles are subject to homologation, which is conducted by other qualified institutions. Since 2022, we have expanded our automotive testing services to cover ADAS testing. ADASs are sophisticated electronic systems integrated into vehicles to enhance driver safety and comfort through utilising a vast array of sensor and camera technology.

Leveraging on our experience and knowledge in developing our own automotive testing facilities and to diversify our business and revenue streams, we have expanded our business to provide testing facility solutions whereby we advise and assist customers in the development and/or enhancement of their testing facilities. We have also expanded our business towards the sales of automotive components which involves supplying products such as urea pumps and TCUs as well as the ancillary calibration services.

Our principal testing facility is located at our Changxing Headquarters, and additionally we have testing facilities strategically located in key automotive markets, including in Zhejiang, Hubei, Jiangsu and Guangdong Provinces. As at the Latest Practicable Date, we owned more than 480 units of major testing machinery and equipment which are primarily used for our automotive testing services.

SUMMARY

OUR BUSINESS AND REVENUE MODEL

Our business is underpinned by the structural transformation of the automotive industry towards electrification and intelligent systems. While the provision of our automotive testing services is engaged on a project-by-project basis, our business model is characterised by high levels of customer retention and recurring demand driven by the continuous technological iteration cycles of new vehicles.

Our automotive testing services are integrated into the early-stage research and development workflows of our customers, prior to mandatory homologation. As automotive manufacturers accelerate their transition to NEV platforms, the complexity and frequency of automotive testing have grown significantly. Automotive manufacturers faced constraints including the highly capital-intensive nature of maintaining internal testing facilities, and a deficit in the multidisciplinary technical expertise required for effective testing. By engaging our Group, the automotive manufacturers can effectively mitigate these high costs and technical barriers. Our Group also provide powertrain and component testing to our customers, including automotive components manufacturers. Our powertrain and component testing include, among others, (i) testing on ICE, transmission system and fuel system for ICEVs and (ii) testing on electric motor, battery system, electric control system and sensor for NEVs. The automotive components testing conducted by us is solely for new vehicle models. Our testing services support the early-stage research and development workflows of our customers by continuous data generation to refine component performance to meet expected standards.

By providing automotive testing services that ensure capability of meeting regulatory standards and performance optimisation, we have developed our customer base. Our long-term engagements are secured optimisation through framework agreements, enabling us to capture continuous revenue streams across the multi-year development of our customers' vehicle platforms. With a robust pipeline driven by tightening regulatory standards and a constant demand for technological innovation, we serve as a research and development partner of our customers.

Automotive testing

Our automotive testing services can be categorised into ICEV, NEV and ADAS testing:

ICEV testing: Our ICEV testing centres on its powertrain which includes the ICE, transmission, drive shaft, fuel system, and exhaust system for multiple vehicle types. The key evaluation areas include engine performance analysis, fuel consumption efficiency, and powertrain durability under various operational loads and environmental conditions. Another critical element of our ICEV testing includes conducting comprehensive exhaust emissions analyses.

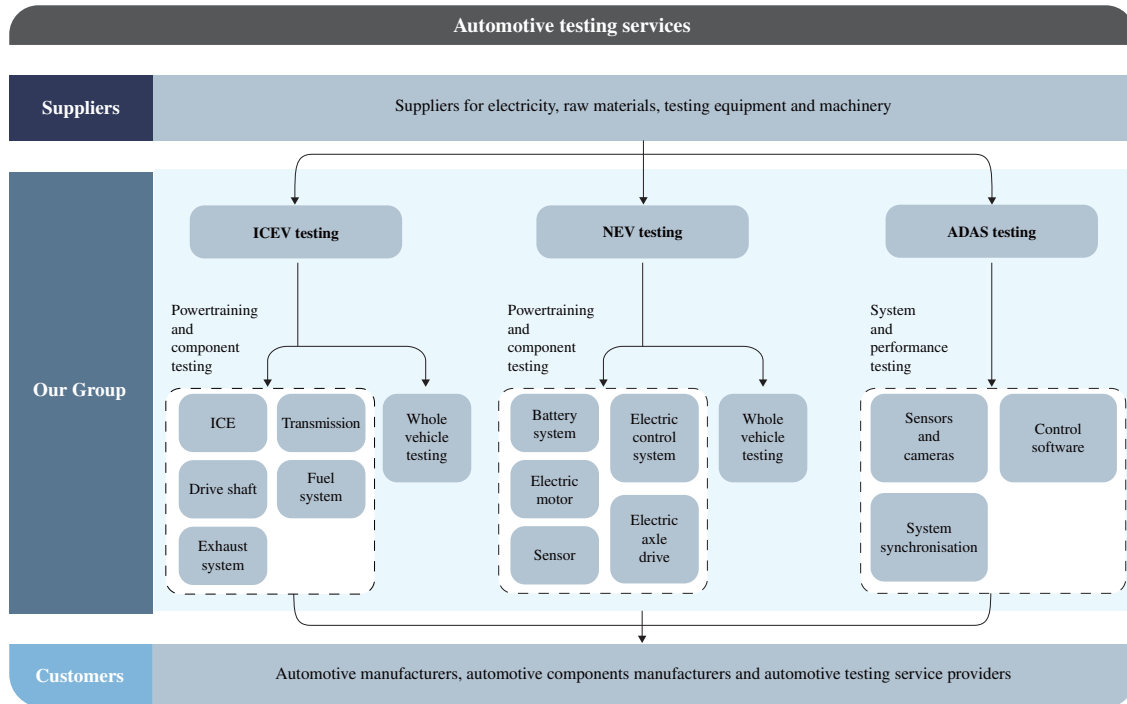
NEV testing: Our NEV testing covers various types of electric vehicles, including BEVs, EREVs and PHEVs and focuses on their powertrain which comprises the three core electric systems being the battery pack or system, electric motor and electric control system to analyse their performance and efficiency.

ADAS testing: ADAS testing is a complex validation process that assesses the functionality, reliability, and safety of the above systems regardless of the vehicle type. Our ADAS testing involves simulating a vast range of traffic scenarios and environmental conditions in both virtual and real-world settings to ensure the sensors and cameras, and control software perform as intended.

SUMMARY

Aside, we also provide whole vehicle testing services for both ICEVs and NEVs covering, amongst others EMC testing, extreme temperature testing, vibration testing, salt spray testing, dust testing and sealing testing. Whole vehicle testing is primarily conducted to assess the integrity, reliability and durability of the fully assembled automobile, whether ICEVs or NEVs under specified test conditions, simulating real world stressors to validate overall structural integrity, systemic reliability, and long-term durability.

The following chart summarises our Group’s business model in respect of our automotive testing services during the Track Record Period:



Testing facility solutions

Our testing facility solutions primarily involves providing customised solutions on a project-by-project basis to assist our customers in developing their own testing facilities. We do this through leveraging on our expertise in the industry and by (i) supplying testing systems and equipment, (ii) testing facility advisory services and (iii) engineering construction services.

While facilitating our customers in developing their in-house testing capabilities may reduce their future need for our services, it deepens our long-term partnerships and it is in line with industry practice, according to F&S.

Sales of automotive components

Our sales of automotive components business segment primarily focuses on applications for commercial vehicles and construction and agricultural machinery. During the Track Record Period, we sold on a sales order-by-sales order basis automotive components such as urea pumps and TCUs as well as the ancillary calibration services.

The following table sets forth a breakdown of our revenue by business segments during the Track Record Period:

SUMMARY

	Year ended 31 December				Six months ended 30 June			
	2024		2025		2025		2026	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
Automotive testing								
ICEV testing	57,496	41.7	59,703	29.2	27,367	36.9	32,816	35.3
NEV testing	45,050	32.7	66,841	32.7	37,974	51.2	28,363	30.5
ADAS testing	10,134	7.4	27,415	13.4	5,503	7.4	7,857	8.5
Sub-total	112,680	81.8	153,959	75.3	70,844	95.5	69,036	74.3
Testing facility solutions	21,666	15.7	45,833	22.4	1,070	1.5	23,201	25.0
Sales of automotive components	3,417	2.5	4,783	2.3	2,239	3.0	621	0.7
Total	137,763	100.0	204,575	100.0	74,153	100.0	92,858	100.0

Revenue

Our revenue during the Track Record Period was primarily generated from automotive testing which accounted for approximately 81.8%, 75.3%, 95.5% and 74.3% of our total revenue for the years ended 31 December 2024 and 2025 and the six months ended 30 June 2025 and 2026, respectively. Our total revenue increased by approximately 48.5% from approximately RMB137.8 million for the year ended 31 December 2024 to approximately RMB204.6 million for the year ended 31 December 2025, mainly due to the increase in revenue across all of our business segments, including (i) automotive testing services which include ICEV, NEV, and ADAS testing services; (ii) testing facility solutions; and (iii) sales of automotive components. The increase in revenue generated from NEV testing services of approximately RMB21.7 million or 48.4% was mainly due to the improvement in our NEV testing capacity in 2025 as our Jiashan Testing Facility, which focus on NEV testing, has commenced operations in the fourth quarter of 2025 which allowed our Group to cope with the increasing demand for NEV testing services. The increase in revenue generated from ADAS testing services of approximately RMB17.3 million or 170.5% was mainly due to our growing overseas road testing services which are provided solely to our customers located in the PRC. Our top 2 and top 3 projects in 2025 were overseas road testing projects which contributed approximately RMB8.4 million and RMB5.3 million to our revenue during the year ended 31 December 2025. The increase in revenue generated by testing facility solutions of approximately 111.5% was mainly due to the completion of our top 1 project in relation to testing facility solutions provided to Customer F which contributed approximately RMB27.8 million to our revenue during the year ended 31 December 2025.

Our total revenue increased by approximately 25.2% from approximately RMB74.2 million for the six months ended 30 June 2025 to approximately RMB92.9 million for the six months ended 30 June 2026. Such increase was primarily attributable to the increase in revenue in testing facility solution which was partially offset by the decrease in revenue in sales of automotive components and in overall the revenue generated from automotive testing remained relatively stable. Our revenue generated from testing facility solutions increased by approximately RMB22.1 million or 21.1 times from approximately RMB1.1 million for the six months ended 30 June 2025 to approximately RMB23.2 million for the six months ended 30 June 2026, which was mainly due to the contribution by the increase in revenue generated from three projects from three different customers for testing facility solutions totalling approximately RMB13.8 million. Our revenue generated from sales of automotive components decreased by approximately RMB1.6 million or 72.7% from

SUMMARY

approximately RMB2.2 million for the six months ended 30 June 2025 to approximately RMB0.6 million for the six months ended 30 June 2026, which was mainly due to the decrease in revenue by approximately RMB0.8 million generated from a customer which primarily engaged in sales of key components of vehicle included NEV and ICEV for the six months ended 30 June 2026 in this segment.

Gross profit margin

Our gross profit increased by approximately 15.6% from approximately RMB44.6 million for the year ended 31 December 2024 to approximately RMB51.6 million for the year ended 31 December 2025. Our gross profit margin decreased from approximately 32.4% for the year ended 31 December 2024 to approximately 25.2% for the year ended 31 December 2025, mainly due to the decrease in gross profit margin of NEV testing services, which was mainly due to the increase in outsourced NEV testing projects, which led to the increase in cost of sales and a corresponding decrease in gross profit margin. The decrease in gross profit margin was also mainly due to the increase in our overseas road testing projects during the year ended 31 December 2025, which that ADAS testing projects conducted overseas generate lower gross profit margin than projects conducted in the PRC, mainly resulted from top 2 and 3 projects for the year ended 31 December 2025 with the relative gross profit margin of approximately 25% and 17% respectively. Despite our overseas ADAS testing has higher contract values, it generates lower profit margin as overseas testing requires provision of overseas agency services to arrange necessary resources to perform the overseas testing, which adversely affect our gross profit margin.

Our gross profit increased by approximately RMB3.5 million or 16.7% from approximately RMB20.9 million for the six months ended 30 June 2025 to approximately RMB24.4 million for the six months ended 30 June 2026. Our gross profit margin slightly decreased from approximately 28.2% for the six months ended 30 June 2025 to approximately 26.3% for the six months ended 30 June 2026, mainly due to the decrease in gross profit margin of ICEV testing services, which was mainly due to the increase in raw material costs of specific tools required to perform our ICEV testing projects for the six months ended 30 June 2026 and such costs of specific tools amounted to approximately RMB1.4 million.

OUR PROJECTS AND PRICING POLICY

During the Track Record Period, we provided our automotive testing services and testing facility solutions on a project-by-project basis which we would primarily obtain by way of a customer's invitation for quotation. For the years ended 31 December 2024 and 2025 and the six months ended 30 June 2025 and 2026, we undertook 460, 614, 367 and 393 projects for automotive testing and 22, 26, 7 and 14 projects for testing facility solutions. Sales of our automotive components were transacted on a sales order by sales order basis.

For automotive testing services, we typically charge on a time-cost basis with each specific type of test carrying differing hourly rates. As for our testing facility solutions projects, we typically charge our customers on a cost-plus basis after taking into account various factors. Pricing for our automotive components are determined on a cost-plus basis.

OUR CUSTOMERS AND SUPPLIERS

Our customers during the Track Record Period were mainly leading domestic and international automotive manufacturers, automotive components manufacturers, other automotive testing service providers and research institutes and universities located in the PRC. They would primarily engage us for automotive testing services in order to refine the designs, functions and system inter-operability of new models of ICEVs and NEVs so as to

SUMMARY

ensure that they are able to meet required performance and/or reliability standards. They would also engage us to provide testing facility solutions. Further, international automotive manufacturers would also engage our automotive testing services for their new vehicles to be manufactured in the PRC.

During the Track Record Period, the revenue from our five largest customers in each year/period amounted to approximately RMB48.4 million, RMB86.9 million and RMB46.9 million which accounted for approximately 35.2%, 42.4% and 50.4% of our total revenue respectively. For details, please refer to “Business – Customers” in this document.

Our suppliers during the Track Record Period were mainly testing equipment and machinery and raw materials suppliers located in the PRC. We generally purchase from our suppliers electricity, raw materials, testing equipment and machinery, auto-parts and software systems which are used in connection with our Automotive Testing Solutions. During the Track Record Period, the purchase from our five largest suppliers in each year/period amounted to approximately RMB27.4 million, RMB36.8 million and RMB18.5 million which accounted for approximately 22.2%, 23.3% and 33.5% of our total purchases respectively. For details, please refer to “Business – Suppliers” in this document.

SUBCONTRACTING

In line with market practices, according to F&S, we would outsource some of our automotive testing projects to Independent Third Parties. We outsource specialised automotive testing tasks to alleviate our capacity constraints during peak periods and to utilise specialised testing equipment that is beyond our immediate domestic setup, so that we can deliver complete testing services without affecting our core operations. For details, please refer to “Business – Subcontracting” in this document.

OUR COMPETITIVE STRENGTHS

Our Directors believe that our Group’s success is attributable to the following competitive strengths:

- we provide a wide spectrum of comprehensive automotive testing services for automotive manufacturers and automotive components manufacturers;
- we are a reputable Automotive Testing Solutions provider in the PRC and we have well-established business relationships with leading players in the automotive market;
- we implement stringent quality control measures to maintain our service standards and ensure precise testing outcomes; and
- we are led by an experienced management team.

For details, please refer to “Business – Competitive strengths” in this document.

OUR BUSINESS STRATEGIES

The principal objectives of our Group is to develop our business and achieve sustainable growth through pursuing the following business strategies:

- strengthening our ability to provide automotive testing services;
- intensifying our research and development efforts to enhance our capabilities in providing Automotive Testing Solutions to drive our growth; and

SUMMARY

- expanding our automotive testing services to new industries to diversify our customer and revenue base.

For details, please refer to “Business – Business strategies” in this document.

RISK FACTORS

Our business and the [REDACTED] are subject to certain risks as set out in “Risk Factors” in this document. They can be broadly categorised into (i) risks relating to our business and industry, (ii) risks relating to the location where we conduct business and (iii) risks relating the [REDACTED] and our [REDACTED]. A detailed discussion of the risk factors that we believe are particularly relevant to us is set out in “Risk Factors” in this document, among which some of the major risks we face include (i) our business may be affected by developments in the PRC’s automotive sector which are beyond our control, the intense competition in the PRC automotive industry, which is dominated by major state-owned and established foreign players, may lead to continued downward pressure on vehicle and/or component prices on our customers’ end; (ii) we may be affected by changes in the regulatory environment in which we operate; (iii) changes in government incentives or subsidies to support NEVs could adversely affect our business, financial condition and results of operations; (iv) our revenue is primarily generated from non-recurring automotive testing services projects, and the amount of revenue and gross profit and our gross profit margins in respect of such projects as well as the type and volume of projects we can secure from our customers, which may vary from year to year; (v) we depend on a limited number of customers for a substantial portion of our revenue and may not be able to successfully maintain or develop our business relationships with these customers or new customers; and (vi) pricing of our services is subject to certain key factors and failure to control costs may adversely affect our profitability.

PREVIOUS QUOTATION ON THE ZHEJIANG EQUITY EXCHANGE

On 28 September 2020, the Shares of our Company were quoted on the Zhejiang Equity Exchange. In November 2025, our Company decided to delist from the Zhejiang Equity Exchange taking into consideration, amongst others, our Company’s long term development strategy, our Company’s intention for [REDACTED], the relatively low liquidity in the Zhejiang Equity Exchange, and the fact that Zhejiang Equity Exchange is not a recognised stock exchange under the Stock Exchange.

For details, please refer to “History, development and corporate structure – Quotation on the Zhejiang Equity Exchange” in this document.

MARKET AND COMPETITION

According to the F&S Report, the automobile market in the PRC continues to face challenges from persistent price competition and structural oversupply. However, the market for automotive testing services in the PRC has demonstrated consistent growth, increasing from approximately RMB14.8 billion in 2020 to approximately RMB22.9 billion in 2025, representing a CAGR of approximately 9.1%. Going forward, it is expected that the market for automotive testing services will grow to approximately RMB36.3 billion by 2030 (representing a CAGR of approximately 9.7%).

Factors driving the continuous growth in the automotive testing services industry include increasing vehicle complexity, rising investments in the research and development of NEVs, government support and policies, and new regulatory standards for safety emissions. The maturing battery, electric motor and charging systems technologies, have improved NEVs’ performance and spurred the number of new NEV models entering the market. The automotive industry in the PRC is also experiencing an “intelligentization” revolution as

SUMMARY

auto manufacturers seek to enhance user experience through adopting ADAS. Additionally, auto manufacturers have exhibited an increasing tendency to outsource their automotive testing service works, especially as these testing and validation works have grown in complexity to streamline their operations.

In 2025, the overall automotive testing solutions market in the PRC is concentrated with the top 2 service providers which represented approximately 37.8% of PRC’s automotive testing solutions market in terms of revenue.

For details, please refer to “Industry Overview – Competitive landscape” and “Business – Market and competition” in this document.

KEY FINANCIAL AND OPERATING DATA

Consolidated statements of profit or loss and other comprehensive income

The following table sets out the summary consolidated statements of profit or loss and other comprehensive income during the Track Record Period as extracted from the Accountants’ Report in Appendix I to this document:

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
	RMB’000	RMB’000	RMB’000 (unaudited)	RMB’000
Revenue	137,763	204,575	74,153	92,858
Cost of sales	(93,135)	(152,983)	(53,246)	(68,452)
Gross profit	44,628	51,592	20,907	24,406
Other net income	1,477	3,874	1,481	5,437
Selling and marketing expenses	(9,827)	(9,995)	(3,885)	(4,160)
General and administrative expenses	(21,175)	(25,776)	(8,026)	(14,906)
Research and development expenses	(10,545)	(11,852)	(3,805)	(4,912)
Reversal of/(provision for) impairment loss on trade receivable and contract assets	38	4,366	3,943	(347)
Profit from operations	4,596	12,209	10,615	5,518
Share of profits less losses of associates	500	632	(167)	(622)
Finance costs	(730)	(2,633)	(2,187)	(1,662)
Changes in carrying amount of redemption liabilities	(27,456)	(29,532)	(14,133)	–
(LOSS)/PROFIT BEFORE TAXATION	(23,090)	(19,324)	(5,872)	3,234
Income tax	(637)	(523)	(1,391)	379
(LOSS)/PROFIT FOR THE YEAR/PERIOD	(23,727)	(19,847)	(7,263)	3,613

SUMMARY

Non-IFRS Measures

For details, please refer to “Financial Information – Description of selected components of consolidated statements of profit or loss and other comprehensive income” in this document.

To supplement our consolidated statements of profit or loss and other income, which are presented in accordance with IFRS Accounting standards, we use adjusted net profit (non-IFRS measure) as a non-IFRS measure, which is not required by, or presented in accordance with, IFRS Accounting standards. We believe the presentation of this non-IFRS measure when shown in conjunction with the corresponding IFRS measures provides useful information to investors and management in facilitating a comparison of our operating performance from year to year by eliminating the impact of certain items. We believe that such measures provide useful information to investors and others in understanding and evaluating our consolidated statements of profit or loss and other income.

The following table reconciles our calculations of adjusted net profit (non-IFRS measure) with net profit for the year/period, which is presented in accordance with IFRS Accounting Standards:

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
			(unaudited)	
(Loss)/profit for the year/period	(23,727)	(19,847)	(7,263)	3,613
Add:				
Equity-settled share-based payment expenses	1,277	–	–	–
Changes in carrying amount of redemption liabilities	27,456	29,532	14,133	–
[REDACTED]	–	7,761	–	4,781
Less: Gain on the dilution of interest in an associate	–	–	–	(4,523)
Adjusted net profit (non-IFRS measure)	<u>5,006</u>	<u>17,446</u>	<u>6,870</u>	<u>3,871</u>

The adjustment items included (i) equity-settled share-based payment expenses; (ii) changes in carrying amount of redemption liabilities; (iii) **[REDACTED]**; and (iv) gain on the dilution of interest in an associate. Equity-settled share-based payment expenses were non-cash items, the redemption liabilities were reclassified to equity in December 2025, **[REDACTED]** relates to the **[REDACTED]** of the Company and gain on the dilution of interest in an associate is non-operating and non-recurring nature.

The decrease in loss for the year from approximately RMB23.7 million for the year ended 31 December 2024 to RMB19.8 million for the year ended 31 December 2025 was mainly due to the increase in gross profit by approximately RMB7.0 million for the year ended 31 December 2025 which was partially offset by the increase in change in carrying amount in redemption liabilities by approximately RMB2.1 million and the increase in finance costs by approximately RMB1.9 million for the year ended 31 December 2025. The Group recorded loss for the period of approximately RMB7.3 million for the six months ended 30 June 2025 and profit for the period of approximately RMB3.6 million was recorded for the six months ended 30 June 2026, primarily due to the loss from changes in

SUMMARY

carrying amount of redemption liabilities recognised of approximately RMB14.1 million during the six months ended 30 June 2025 where the redemption right granted were terminated in December 2025 and no such was occurred during the six months ended 30 June 2026 and the increase in profit from operation.

Summary of financial position

The following table sets out the summary of consolidated statements of financial position of our Group as at 31 December 2024 and 2025 and as at 30 June 2025 and 2026 as extracted from the Accountants’ Report in Appendix I to this document:

	As at 31 December		As at
	2024	2025	30 June
	RMB’000	RMB’000	2026
			RMB’000
Non-current assets	322,741	348,246	347,412
Current assets	172,633	218,856	209,973
Current liabilities	458,492	255,287	228,541
Net current liabilities	(285,859)	(36,431)	18,568
Total assets less current liabilities	36,882	311,815	328,844
Non-current liabilities	61,349	56,872	70,340
NET (LIABILITIES)/ASSETS	(24,467)	254,943	258,504

Our Group recorded net current liabilities of approximately RMB285.9 million as at 31 December 2024, which was mainly attributed to (i) the redemption liabilities of approximately RMB247.8 million; and (ii) the interest-bearing borrowings of approximately RMB82.4 million used to fund our operational needs. Our net current liabilities decreased from approximately RMB285.9 million as at 31 December 2024 to approximately RMB36.4 million as at 31 December 2025, primarily due to (i) the conversion of redemption liabilities to equity as a result of the termination of the investors’ redemption right granted in previous years in December 2025 pursuant to the supplementary agreement signed by our Company and the investors with redemption right; and (ii) the decrease in contract liabilities of approximately RMB14.5 million related to made-to-order service arrangements which our Group receives a deposit for testing facility solutions before work commenced.

The change from the net liabilities of approximately RMB24.5 million as at 31 December 2024 to the net assets of approximately RMB254.9 million as at 31 December 2025 was mainly due to the termination of redemption rights of approximately RMB299.3 million and share issue of approximately RMB22.0 million which was partially offset by the redemption rights granted upon share issuance of approximately RMB22.0 million and loss for the year of approximately RMB19.8 million. The net assets increased to approximately RMB258.5 million as at 30 June 2026, primarily due to the profit for the six months ended 30 June 2026.

For details, please refer to “Financial Information – Discussion of certain selected items from our consolidated statements of financial position” in this document.

Summary of cashflows

The following table sets out a summary of our Group’s consolidated cash flow statements for the Track Record Period as extracted from the Accountants’ Report in Appendix I to this document:

SUMMARY

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
			(unaudited)	
Net cash generated from/(used in)				
operating activities	10,889	51,431	10,022	(2,086)
Net cash used in investing activities	(53,383)	(59,353)	(34,268)	(24,126)
Net cash generated from				
financing activities	35,374	33,601	22,805	6,342
Cash and cash equivalents at				
the beginning of the year/period	17,436	10,316	10,316	35,947
Cash and cash equivalents at				
the ending of the year/period	10,316	35,947	8,875	16,025

For details, please refer to “Financial Information – Cash flow” in this document.

OUR CONTROLLING SHAREHOLDERS

Immediately following the completion of the [REDACTED] (assuming that the [REDACTED] is not exercised), our Controlling Shareholders will be collectively interested in approximately [REDACTED] of our total issued share capital. Our Controlling Shareholders comprise (i) Mr. Xia, Mr. He, Mr. Xia Quanhui, Ms. Chen Yan and Mr. Zhao Bo; (ii) Mr. Xia Zhipeng; (iii) Changxing Lingguan and Changxing Hexia; and (iv) Changxing Junying. Mr. Xia, Mr. He, Mr. Xia Quanhui, Ms. Chen Yan and Mr. Zhao Bo have on 23 January 2026 entered into an acting in concert agreement in relation to voting for corporate matters of our Company. Changxing Lingguan and Changxing Hexia are limited partnerships established as our Employee Incentive Platforms, each of which the general partner is Mr. Xia, while Changxing Junying is a limited partnership, of which the general partner is Ms. Chen Yan. For details, please refer to “Relationship with our controlling shareholders” in this document.

PRE-[REDACTED]

Since our establishment, we have attracted certain Pre-[REDACTED] and completed several rounds of financing to raise funds for the development of our business. For further information of the principal terms of the Pre-[REDACTED] and the identities and background of our Pre-[REDACTED], please see “History, Development and Corporate Structure – Pre-[REDACTED]” in this document.

DIVIDEND AND DIVIDEND POLICY

No dividends have been paid or declared by our Company during the Track Record Period.

There is no assurance that dividends of any amount will be declared or be distributed in any year. Although currently we do not have a formal dividend policy or a fixed dividend distribution ratio, our Board may declare dividends in the future after taking into account various factors, including our future earnings and cash inflows, future plan for use of funds, long-term development of our business, statutory reserves, discretionary common reserve funds, legal and regulatory restrictions, and other factors which our Directors consider relevant. A decision to distribute any interim dividend or recommend any final dividend would require the approval of our Board and will be at its discretion. In addition, any final dividend for a financial year will be subject to Shareholders’ approval. Our Board currently

SUMMARY

do not have plans to establish a dividend policy. In addition, our dividend policy will also be subject to our Articles of Association, the PRC Company Law, any other applicable PRC laws and regulations.

Under PRC laws, dividends may be paid only out of distributable profits. Distributable profits are our net profit as determined under the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC, less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to make. As advised by our PRC legal Advisor, dividends may not be distributed while we have accumulated losses. For details, please refer to “Financial Information – Dividend and dividend policy” in this document.

ACCUMULATED LOSSES

Our Group’s accumulated losses of approximately RMB36.5 million as at 1 January 2024 was mainly attributable to (i) the changes in carrying amount of redemption liabilities; (ii) the equity-settled share-based payment expenses recognized before the Track Record Period; and (iii) [REDACTED].

Our Group recorded a total comprehensive loss of approximately RMB23.7 million, RMB19.9 million for the years ended 31 December 2024 and 2025 and total comprehensive income of approximately RMB3.6 million for the six months ended 30 June 2026, respectively, which was mainly attributable to (i) the changes in carrying amount of redemption liabilities arising from the investors’ redemption right granted in previous years of approximately RMB27.5 million, RMB29.5 million and nil. The redemption right granted were terminated in December 2025; (ii) equity-settled share-based payment expenses of approximately RMB1.3 million, nil and nil; and (iii) the [REDACTED] of nil, approximately RMB7.8 million and RMB4.8 million during the respective year/period. As a result, our Group recorded accumulated losses of approximately RMB60.2 million, RMB80.1 million and RMB76.4 million as at 31 December 2024 and 2025 and as at 30 June 2026, respectively.

SUFFICIENCY OF WORKING CAPITAL

Taking into account the financial resources available to our Group, including the available cash and cash equivalents, available banking facilities, cash flows generated from our operations and the estimated [REDACTED] from the [REDACTED], and in the absence of unforeseen circumstances, our Directors are of the opinion, and the Sole Sponsor concurs, that our Group has available sufficient working capital for our present requirements for at least 12 months from the date of this document.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

During the Track Record Period, we had entered into a lease agreement for a term from 1 October 2025 to 31 December 2027 in respect of our Jiashan Testing Facility which is our third largest testing facility and is intended to focus on testing of the three core electric systems of NEVs. In respect of our lease agreement of our Jinshan Testing Facility, we entered into an agreement on 1 December 2025 to terminate the lease and we shall vacate the premises by 31 July 2026. Our Jinshan Testing Facility was closed down on 20 July 2026 and the testing equipment and machinery located at our Jinshan Testing Facility were relocated to our Changxing Headquarters and our Jiashan Testing Facility.

After the relocation, we will no longer have any testing facility presence in Shanghai. However, our Board is of the view that the termination of the lease in respect of our Jinshan Testing Facility will not have any material adverse impact upon our business and operations as (i) as there is a transitional period that allows for transfer of our testing equipment and

SUMMARY

our employees; (ii) we have constructed several new testing benches in our testing facilities, including our Jiashan Testing Facility and our Changxing Headquarters to offset the capacity loss during the relocation period; (iii) the relocation was executed in batches rather than all at once, and we move only two testing benches at a time to prevent any sudden drop in overall production; (iv) we have constructed new infrastructure at Jiashan Testing Facility beforehand so that the testing equipment could be installed and commissioned immediately upon arrival; and (v) our Jiashan Testing Facility remains in the general vicinity of our Jinshan Testing Facility.

As at 31 July 2026, we had banking facilities of approximately to RMB178.8 million of which approximately RMB8.0 million was committed but unutilised.

Our Directors confirm that, up to the date of this document, there has been no material adverse change in our financial, operational and/or trading position of our Group since 30 June 2026, and there is no event since 30 June 2026 that would materially affect the information shown in the Accountants' Report in Appendix I to this document.

[REDACTED] STATISTICS

	Based on [REDACTED]	Based on [REDACTED]
[REDACTED] of our Shares ⁽¹⁾ (approximate)	HK\$[REDACTED] million	HK\$[REDACTED] million
Unaudited [REDACTED] statement of adjusted net tangible assets of the Group per Share ⁽²⁾⁽³⁾	HK\$[REDACTED]	HK\$[REDACTED]

Notes:

1. The calculation of market capitalisation of our Shares is based on [REDACTED] Shares in issue immediately after completion of the [REDACTED] (assuming that the [REDACTED] is not exercised).
2. The unaudited [REDACTED] adjusted consolidated net tangible assets attributable to equity shareholders of our Company per Share has been prepared with reference to certain estimation and adjustment set out in Appendix II to this document. The unaudited [REDACTED] adjusted consolidated net tangible assets attributable to equity shareholders of our Company per Share does not take into account any Shares which may be issued upon the exercise of the [REDACTED] or any shares may be issued for share award schemes. For illustrative purpose, the balance stated in Renminbi is converted into Hong Kong dollars at a rate of HK\$1.00 to RMB0.865. No representation is made that Renminbi amounts have been, could have been or may be converted to Hong Kong dollars, or vice versa, at that rate.
3. No adjustment has been made to the unaudited [REDACTED] adjusted consolidated net tangible assets attributable to equity shareholders of our Company as at 30 June 2026 to reflect any trading results or other transactions of our Group entered into subsequent to 30 June 2026.

USE OF [REDACTED]

It is estimated that the [REDACTED] from the [REDACTED] (after deducting [REDACTED] commissions and estimated expenses payable by our Group in connection with the [REDACTED]), assuming the [REDACTED] is not exercised and an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the mid-point of the indicative [REDACTED] range), will be approximately HK\$[REDACTED] million (equivalent to approximately RMB[REDACTED] million). Our Group currently intends to apply the [REDACTED] in the following manner:

SUMMARY

- approximately [REDACTED]% or HK\$[REDACTED] million (equivalent to approximately RMB[REDACTED] million) will be used for strengthening our ability to provide ICEV testing at our Changxing Headquarters;
- approximately [REDACTED]% or HK\$[REDACTED] million (equivalent to approximately RMB[REDACTED] million) will be used for strengthening our ability to provide NEV testing services at our Changxing Headquarters and Jiashan Testing Facility;
- approximately [REDACTED]% or HK\$[REDACTED] million (equivalent to approximately RMB[REDACTED] million) will be used for strengthening our ability to provide ADAS testing services; and
- approximately [REDACTED]% or HK\$[REDACTED] million (equivalent to approximately RMB[REDACTED] million), will be used for upgrading our roller test bench at our Changxing Headquarters.

[REDACTED]

Based on the mid-point [REDACTED] of HK\$[REDACTED] per [REDACTED], the total estimated [REDACTED] in relation to the [REDACTED] is expected to be approximately HK\$[REDACTED] million (equivalent to approximately RMB[REDACTED] million), assuming the [REDACTED] is not exercised. Our total [REDACTED] consist of (i) [REDACTED]-related expenses of approximately HK\$[REDACTED] million (equivalent to approximately RMB[REDACTED] million); and (ii) non-[REDACTED]-related expenses of approximately HK\$[REDACTED] million (equivalent to approximately RMB[REDACTED] million), which consist of (a) fees and expenses of legal advisers and Reporting Accountants of approximately HK\$[REDACTED] million (equivalent to approximately RMB[REDACTED] million), and (b) other fees and expenses of approximately HK\$[REDACTED] million (equivalent to approximately RMB[REDACTED] million).

During the Track Record Period, we incurred [REDACTED] of approximately HK\$[REDACTED] million (equivalent to approximately RMB[REDACTED] million), of which HK\$[REDACTED] million (equivalent to approximately RMB[REDACTED] million) were recognized in our statements of profit or loss for the year ended 31 December 2025 and for the six months ended 30 June 2026 and approximately HK\$1.3 million (equivalent to approximately RMB1.1 million) will be recognized as deduction from equity upon the [REDACTED].

Subsequent to the Track Record Period, we expect to incur [REDACTED] of approximately HK\$[REDACTED] million (equivalent to approximately RMB[REDACTED] million) prior to and upon completion of the [REDACTED], of which approximately HK\$[REDACTED] million (equivalent to approximately RMB[REDACTED] million) is expected to be recognized as expenses in our statements of profit or loss for the year ending 31 December 2026, and approximately HK\$[REDACTED] million (equivalent to approximately RMB[REDACTED] million) is expected to be accounted for as a deduction from equity upon the [REDACTED]. The [REDACTED] to be incurred subsequent to the Track Record Period consist of (i) [REDACTED]-related expenses of approximately HK\$[REDACTED] million (equivalent to approximately RMB[REDACTED] million), and (ii) non-[REDACTED]-related expenses of approximately HK\$[REDACTED] million (equivalent to approximately RMB[REDACTED] million).