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

OVERVIEW

Who We Are

We are one of the global pioneers and leaders in smart cockpit solutions, driven by a foundational belief: software empowers hardware and brings intelligence into automobiles and everyday devices. We are committed to transforming automobiles from cold hardware into responsive, intelligent companions. We believe cars are not just machines that move—they can listen, interact, and adapt. That is why we focus on the cockpit, the primary gateway for human-vehicle interaction. With our proprietary automotive operating system (AOS) and full-stack Yan AI architecture, we help OEMs build cars that are truly intelligent, delivering natural voice controls, personalized cabin experiences and evolving in-vehicle services that grow smarter over time. We believe we are not only redefining the cockpit—but also laying the groundwork to extend intelligence across everyday life.

We are the No. 1 software-focused smart cockpit solution provider in China by revenue in 2024, according to CIC. We also ranked No. 1 by installation volume, with our solutions deployed in more vehicles than any other provider in the China market, according to the same source. What sets us apart is not just the scale—it's also the depth. In September 2025, we launched the world's first full-modal on-board large model solution based on one of the most advanced fifth generation automotive-grade chip platforms for smart cockpit solution in the world, according to CIC. According to CIC, we are one of the only two third-party providers in China who have fully developed an automotive operating system in-house as of December 31, 2025 in China. We are also the only smart cockpit solution provider who seamlessly integrate three core pillars of an intelligent vehicle experience—System-level OS; Full-stack End-to-end AI; and a Vehicle-based Services Marketplace—to deliver a differentiated cockpit solution business model, according to the same source. This unique integration allows us to go beyond delivering software, but transforming cars into dynamic, AI-powered spaces on the move.

Our leadership is set forth below:

- *Pioneering innovations*. We have been driving transformations in China's smart cockpit solutions market.
  - In 2016, we launched the China's first internet-connected vehicle and were the first to envision that voice—not touch—is the primary interface of the cockpit, an idea still guides the industry today, according to CIC. We continued to lead innovations in recent years.
  - We launched Yan AI, the industry's first agentic AI software stack purpose-built for in-vehicle environments, according to CIC. Unlike traditional in-vehicle systems that passively respond to user commands, as an AI system that is "agentic," Yan AI is capable of proactively making decisions, taking actions, and adapting to achieve specific objectives without constant human input.

  - We are one of the first market players to deeply integrate on-board models with large language models in the cloud, thereby seamless fulfilling users' request from simple vehicle control order (through on-board models) to complex demand (through large language models), according to CIC.

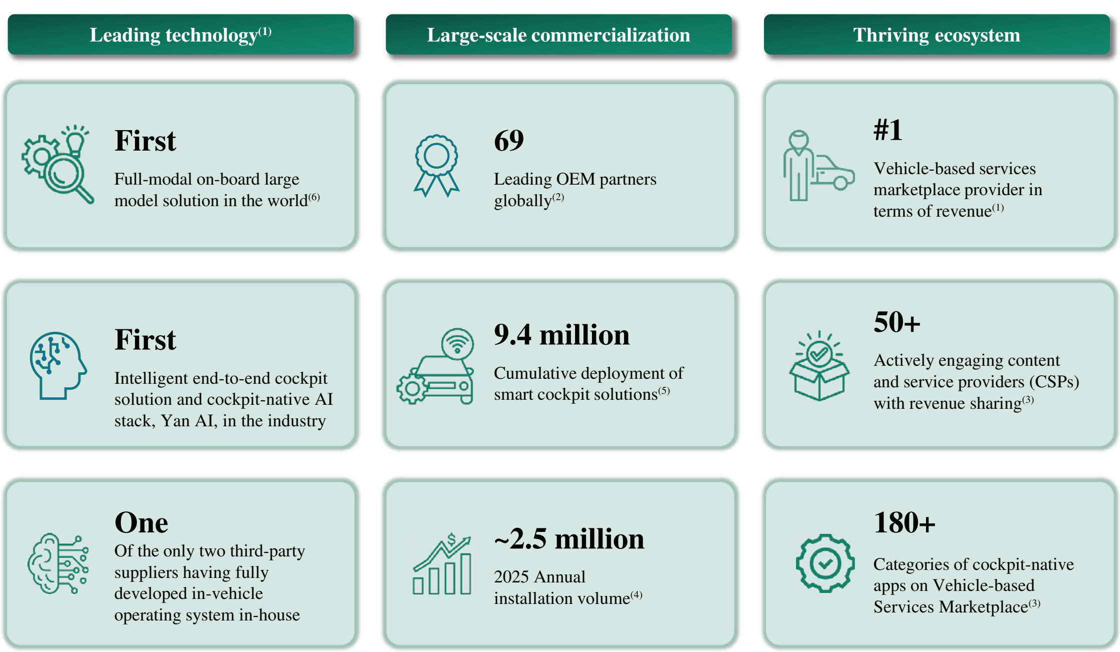
- *Rapid scale with momentum*. We have scaled rapidly with strong momentum. Our installation volume grew from 2.1 million units in 2023 to 2.5 million units in 2025. As of December 31, 2025, our smart cockpit solutions had been deployed in 9.4 million vehicles across 69 OEMs and more than 16 international markets.

- *Deep user engagement and vast ecosystem breadth*. We lead the market in user engagement and ecosystem coverage. Our Vehicle-based Services Marketplace features cockpit-native apps across over 180 categories, ranging from entertainment and navigation to lifestyle and utilities—the most comprehensive coverage among all smart cockpit providers in China, according to CIC.

- *Broadest chip adaptability*. We have the broadest chip adaptability in the industry, according to CIC. We are among the few companies in China's smart cockpit solutions market with a fully self-developed automotive operating system compatible with a broad range of international and domestic automotive-grade chips, including, among others, UNISOC and Black Sesame according to the same source.

- *Trusted by industry leaders*. Our excellence has been recognized by leading OEMs. We have been named "Software Supplier of the Year" by SAIC Volkswagen in 2023 and "Outstanding Innovation Partner" by Audi China in 2021, among other awards.

The following diagram illustrates our competitive advantages:



Notes:

(1) According to CIC as of December 31, 2024

(2) Cumulative number from January 1, 2023 to December 31, 2025

(3) As of the Latest Practicable Date

(4) Refers to the number of vehicles in which our solutions are pre-installed during that period
(5) As of December 31, 2025
(6) Based on one of the most advanced fifth generation automotive-grade chip platforms for smart cockpit solution in the world, according to CIC

Smart Cockpits: An AI-Driven Innovation for the Evolving Car Industry

The market for smart cockpit solutions is at an inflection point, driven by a combination of structural tailwinds, including supportive government policies, the rapid growth of the passenger vehicle market, advances in chip performance, breakthroughs in LLMs, and the ongoing evolution of integrated end-to-end AI technologies. In China, authorities have introduced policies including the Strategy for Innovative Development of Intelligent Vehicles (《智能汽車創新發展戰略》) and the Development Plan for the New Energy Vehicle Industry (2021-2035) (《新能源汽車產業發展規劃(2021-2035年)》) to accelerate industry development. According to CIC, global smart vehicle sales are projected to rise from 58.0 million units in 2024 to 86.5 million units in 2030, (CAGR of 6.9%), while adoption of LLMs in China's smart vehicles is expected to grow from 10% to more than 50% over the same period. China's smart cockpit solutions market is forecast to expand from RMB129.0 billion in 2024 to RMB327.4 billion in 2030 (CAGR of 16.8%), with smart cockpit software solutions growing even faster at a CAGR of 19.2%. Meanwhile, demand for personalized, intelligent in-vehicle experiences is driving the rise of the "in-vehicle service marketplace," which is expected to reach RMB14.7 billion by 2030, reflecting a CAGR of 64.8% from 2024.

STRENGTHS AND STRATEGIES

Our strengths include the following: (i) global leader in smart cockpit solutions; (ii) full-stack proprietary AI-centric technology capabilities; (iii) flywheel effect driven by innovative business model; (iv) proven track record of commercialization with leading OEM customers; and (v) visionary management team with strong shareholder background. See "Business—Strengths."

Our strategies include the following: (i) further expand market share and solidify leadership; (ii) advance our global strategy; (iii) establish a more open and collaborative industry ecosystem; (iv) explore strategic investments and partnerships; and (v) attract talent for continuous growth. See "Business—Strategies."

WHAT WE OFFER

We design, develop, and customize smart cockpit solutions to be deployed in the mass-produced vehicles manufactured by OEMs. Smart cockpit solutions refer to a comprehensive suite of softwares that enable an intelligent, highly interactive, and human-centric in-vehicle experience. Our solutions offered to OEMs are generally software-based and designed to run on in-vehicle hardware supplied by the OEMs. We do not bundle our solutions with hardware or pre-install them on specific devices.

The following table sets forth a breakdown of our revenue by solution category, both in absolute amounts and as percentages of total revenue for the periods indicated:

	For the year ended December 31,					
	2023		2024		2025	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*
	(in thousands, except for percentages)					
System-level OS Solutions	751,374	86.2	686,828	83.4	643,317	74.7
Full-stack End-to-end AI Solutions	14,125	1.6	54,610	6.6	66,598	7.7
Vehicle-based Services Marketplace	106,395	12.2	82,349	10.0	151,179	17.6
Total	**871,894**	**100.0**	**823,787**	**100.0**	**861,094**	**100.0**

For a detailed analysis of our revenue during the Track Record Period, see "Financial Information."

KEY OPERATING DATA

The following table set forth our key operating data as of the dates and for the periods indicated which we believe are useful for understanding our business performance, operational scale, and growth trends during the Track Record Period.

	As of/For the year ended December 31,		
	2023	2024	2025
Installation volume[(1)] (*in thousands*)	2,061	2,334	2,487
Cumulative installation volume[(1)] (*in thousands*)	4,568	6,902	9,389
Number of OEM customers[(2)]	30	40	43
Number of new design-wins[(3)]	186	207	214

Notes:

(1) "Installation volume" for a given period refers to the number of vehicles in which our solutions are pre-installed during that period; and our "cumulative installation volume" as of a given date refers to the cumulative number of vehicles in which our solutions have been pre-installed up to and including that date.

(2) The number of "OEM customers" for a given period refers to the number of OEMs that have purchased our solutions and, in the event an OEM purchases our solutions through one or more designated Tier-1 suppliers, such OEM, during that period.

(3) A "design-win" refers to the selection of our solutions by an OEM, or its designated Tier-1 supplier, for integration into the OEM's mass-production vehicle model.

OUR CUSTOMERS AND SUPPLIERS

In 2023, 2024 and 2025, the aggregate revenue generated from our top five customers for each of the years accounted for 89.9%, 88.5% and 76.4% of our total revenue, respectively. In 2023, 2024 and 2025, revenue from the largest customer for each of the years accounted for 47.4%, 38.8% and 39.2% of our total revenue, respectively. For details, see "Business—Our Customers."

During the Track Record Period, a significant portion of our revenue was derived from a limited number of customers. In particular, we have established a long-standing business relationship with SAIC that is mutually beneficial, strategically aligned, and supported by deep technology integration. During the Track Record Period, we mainly provided our integrated software solutions and licensing service to SAIC, and SAIC mainly supplied us with hardware products. For details, see "Relationship With Our Controlling Shareholders—Relationship with SAIC", "Business—Overlapping of Major Customers and Suppliers" and "Connected Transactions."

In 2023, 2024 and 2025, purchase amount to our top five suppliers for each of the years accounted for 73.7%, 68.7% and 56.6% of our total purchase amount, respectively. In 2023, 2024 and 2025, purchase amount to our largest supplier for each of the years accounted for 58.4%, 50.5% and 40.7% of our total purchase amount, respectively. For details, see "Business—Our Suppliers."

During the Track Record Period, a significant portion of our purchase comes from a limited number of suppliers. In particular, we have established a long-standing relationship with AGH, a global technology company focused on e-commerce and cloud computing. Our relationship with AGH is mutually beneficial, commercially sensible and strategically valuable to our technology and product roadmap. During the Track Record Period, we have procured from AGH: (i) public cloud computing services, certain cloud related products and technical services, (ii) software license from Amap and Tmall Genie; and (iii) shared services. To a lesser extent, we also provided our integrated software solutions to AGH. For details, see "Relationship With Our Controlling Shareholders—Relationship with AGH", "Business—Overlapping of Major Customers and Suppliers" and "Connected Transactions."

OVERLAPPING OF MAJOR CUSTOMERS AND SUPPLIERS

During the Track Record Period, there was some overlapping between our major customers and suppliers. SAIC, being our largest customer in 2023, 2024 and 2025, was one of the top five suppliers in 2023 and 2024. AGH, being our largest supplier in 2023, 2024 and 2025, was also one of our customers during the same periods, respectively. For details, see "Business—Overlapping of Major Customers and Suppliers."

SALES AND MARKETING

We employ a customer-centric sales and marketing strategy, designed to address the specific strategic and technical requirements of our customers with our highly customized solutions. Our sales and marketing efforts are strategically focused on cooperating with leading, large-scale domestic and global OEMs. We price our solutions taking into account our research and development costs, market trends, product positioning, customer budget and competitive landscape. We have gained deep customers' trust in this way, which will fuel our continuous growth attracting new customers and retaining existing ones.

VOTING ARRANGEMENTS IN RELATION TO SHARES HELD BY SHANGHAI SAIWEI

In relation to the Shares held by Shanghai Saiwei, AGH agreed and SAIC has undertaken to ensure that Shanghai Saiwei will waive the voting right attached to the 243,485,087 Shares it held, which was in turn indirectly held by Alibaba China, through Shanghai Saiwei. For details, please refer to the paragraph headed "Voting Arrangements in relation to Shares held by Shanghai Saiwei" under the section head "History, Development and Corporate Structure" in this Document.

OUR CONTROLLING SHAREHOLDERS

Immediately before the completion of the [**REDACTED**], (i) AGH, through Shanghai Saiwei, Zhejiang Tmall, Taobao China and Hangzhou Haoyue, will be interested in approximately 41.67% of our total issued share capital and control 37.09% voting rights; (ii) SAIC, through Shanghai Saiyun Management, Shanghai Saiwei and Jiaxing Ruijia, will be interested approximately 32.90% of our total issued share capital and control 35.48% voting rights.

Immediately after the completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised), (i) AGH, through Shanghai Saiwei, Zhejiang Tmall, Taobao China and Hangzhou Haoyue, will be interested in approximately [**REDACTED**]% of our total issued share capital and control [**REDACTED**]% voting rights; (ii) SAIC, through Shanghai Saiyun Management, Shanghai Saiwei and Jiaxing Ruijia, will be interested in approximately [**REDACTED**]% of our total issued share capital and control [**REDACTED**]% voting rights.

Therefore, (i) AGH, Shanghai Saiwei, Zhejiang Tmall, Taobao China, Hangzhou Haoyue, and (ii) SAIC, Jiaxing Ruijia, Shanghai Saiwei and Shanghai Saiyun Management will remain as two groups of Controlling Shareholders upon [**REDACTED**].

PRE-[REDACTED] INVESTMENTS

From September 2018 to September 2023, our Company conducted a series of capital increases for financings. For further details of the identity and background of the Pre-[**REDACTED**] Investors and the principal terms of the Pre-[**REDACTED**] Investments, see "History, Development and Corporate Structure—Pre-[**REDACTED**] Investments".

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following table sets forth summary financial data from our consolidated financial information for the Track Record Period. Our consolidated financial information was prepared in accordance with IFRS Accounting Standards.

Statements of Profit or Loss and Other Comprehensive Income

	For the year ended December 31,		
	2023	**2024**	**2025**
	RMB	*RMB*	*RMB*
	(in thousands, except for share data)		
Revenue	871,894	823,787	861,094
Cost of sales	(467,483)	(503,220)	(499,909)
Gross profit	**404,411**	**320,567**	**361,185**
Other income	115,873	106,506	126,020
Other gains and losses, net	4,126	10,455	14,624
Research and development expenses	(1,123,379)	(979,814)	(725,392)
Administrative expenses	(226,138)	(239,781)	(174,785)
Selling expenses	(110,680)	(112,508)	(125,538)
Impairment losses on other intangible assets	–	–	(1,840,990)
Impairment losses (including reversals of impairment losses or impairment gains) on financial assets and other items	(2,029)	(12,315)	(6,960)
[**REDACTED**] expenses	–	–	(25,211)
Finance costs	(12,719)	(14,886)	(11,729)
Loss before tax	**(950,535)**	**(921,776)**	**(2,408,776)**
Income tax credits	74,378	74,378	512,591
Loss and total comprehensive expense for the year	**(876,157)**	**(847,398)**	**(1,896,185)**
Loss per share			
Basic and diluted (RMB yuan)	(0.28)	(0.27)	(0.59)

Non-IFRS Measure

To supplement our consolidated financial statements presented in accordance with IFRS Accounting Standards, we use adjusted net loss (non-IFRS measure) for the year as an additional financial measure, which is not required by, or presented in accordance with IFRS Accounting Standards. We believe that this non-IFRS measure facilitates comparisons of operating performance from year to year and company to company. We believe that this measure provides useful information to [**REDACTED**] in understanding and evaluating our consolidated results of operations in the same manner as they help management. However, presentation of adjusted net loss (non-IFRS measure) for the year 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 [**REDACTED**] should not consider them in isolation from, or as substitute for analysis of, our results of operations or financial condition as reported under IFRS Accounting Standards.

We define adjusted net loss (non-IFRS measure) as loss for the year, adjusted for share-based payment expenses and [**REDACTED**] expenses. Share-based compensation relates to the share-based awards that we grant to participants of our share incentive schemes and is a non-cash expense. [**REDACTED**] expenses relate to our [**REDACTED**]. The following tables reconcile our non-IFRS measure for the years presented with the nearest measures prepared in accordance with IFRS Accounting Standards.

	For the year ended December 31,		
	2023	**2024**	**2025**
		(RMB in thousands)	
Loss and total comprehensive expense for the year	(876,157)	(847,398)	(1,896,185)
Add back:			
Share-based payment expenses	84,499	90,279	31,737
[**REDACTED**] expenses	–	–	25,211
Adjusted net loss (non-IFRS measure)	**(791,658)**	**(757,119)**	**(1,839,237)**

The adjusted net loss (non-IFRS measure) increased significantly in 2025 compared with 2023 and 2024, primarily because our loss for the year increased substantially in 2025, while the non-IFRS adjustments remained limited in amount. Our non-IFRS adjustments consisted only of share-based payment expenses in 2023, 2024 and 2025, and [**REDACTED**] expenses in 2025. In particular, the add-back for share-based payment expenses decreased significantly to RMB31.7 million in 2025 from RMB84.5 million in 2023 and RMB90.3 million in 2024, which reduced the offsetting effect of this adjustment against our loss for the year. In addition, we recorded [**REDACTED**] expenses of RMB25.2 million in 2025, which also affected the comparability of our adjusted net loss for the year. As a result, our adjusted net loss in 2025 remained broadly in line with our IFRS loss for the year and was significantly higher than in 2023 and 2024.

We have incurred net losses during the Track Record Period, primarily due to (i) strategic investments in research and development to advance our technologies and in sales and marketing activities to attract and retain more customers and (ii) our business strategies which broadens the adoption of our solutions with flexible pricing models. Our net loss narrowed down from RMB876.2 million in 2023 to RMB847.4 million in 2024, primarily due to a decrease in our total operating expenses driven by our improved resource allocation and greater organizational efficiency within our R&D team. Our net loss further increased to RMB1,896.2 million in 2025, primarily due to impairment losses on other intangible assets of RMB1,841.0 million, which is in relation to certain intangible assets associated with our System-level OS Solutions. For further details of the impairment, see "Financial Information—Non-IFRS Measures" and "Financial Information—Description of Key Components of Consolidated Statements of Profit or Loss—Impairment Losses on Other Intangible Assets."

Discussion of Selected Items from the Consolidated Balance Sheets

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Non-current assets	6,582,135	7,175,882	5,340,260
Current assets	3,580,284	2,235,277	1,659,282
Total assets	**10,162,419**	**9,411,159**	**6,999,542**
Non-current liabilities	2,215,987	1,732,994	1,276,925
Current liabilities	856,675	1,345,500	839,263
Total liabilities	**3,072,662**	**3,078,494**	**2,116,188**
Total assets less current liabilities	**9,305,744**	**8,065,659**	**6,160,279**
Net current assets	2,723,609	889,777	820,019
Net assets	**7,089,757**	**6,332,665**	**4,883,354**
Share capital/paid-in capital	2,813,111	2,840,827	3,344,873
Treasury stock	–	(3,871)	(2,182)
Reserves	4,276,646	3,495,709	1,540,663
Total equity	**7,089,757**	**6,332,665**	**4,883,354**

Our net current assets decreased from RMB2,723.6 million as of December 31, 2023 to RMB889.8 million as of December 31, 2024, mainly reflecting our use of cash for business growth and our cash management strategy. Our net current assets further decreased to RMB820.0 million as of December 31, 2025, primarily due to a decrease in financial assets at fair value through profit or loss as certain short-term investments were reallocated, partially offset by (i) a decrease in borrowings as we repaid certain bank loans, (ii) a derecognization of redemption liabilities and (iii) a reduction in provisions. Our net assets decreased from RMB7,089.8 million as of December 31, 2023, RMB6,332.7 million as of December 31, 2024, primarily attributable to loss and total comprehensive expense for the year of RMB847.4 million. Our net assets further decreased to RMB4,883.4 million, primarily attributable to loss and total comprehensive expense for the period of RMB1,896.2 million as of December 31, 2025, partially offset by an increase of RMB406.3 million in reclassification of redemption liabilities as equity. For details, see "Financial Information—Discussion of Selected Items from the Consolidated Balance Sheets"

LIQUIDITY AND CAPITAL RESOURCES

The following table presents our consolidated cash flow data for the periods indicated.

	For the year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Net cash used in operating activities	(416,738)	(487,341)	(573,531)
Net cash from (used in) investing activities	82,354	(2,416,413)	1,893,162
Net cash from (used in) financing activities	1,147,183	36,837	(526,229)
Net increase (decrease) in cash and cash equivalents	**812,799**	**(2,866,917)**	**793,402**
Cash and cash equivalents at beginning of the year	2,158,315	2,971,114	104,197
Cash and cash equivalents at end of the year	**2,971,114**	**104,197**	**897,599**

We have historically financed our operations primarily through cash generated from financing activities. Looking ahead, we expect to meet our liquidity needs through a combination of operating cash flow and additional capital raised from the markets as needed. During the Track Record Period, the changes of our cash and cash equivalents were primarily driven by cash used in operating activities and the purchase of wealth management products. In particular, the decrease of our cash and cash equivalents from December 31, 2023 to December 31, 2024 was primarily because we reallocated more cash into wealth management products. The wealth management products are recorded as financial assets that are measured at fair value through profit or loss, and amounted to nil, RMB1,598.5 million and RMB60.0 million as of December 31, 2023, 2024 and 2025, respectively. The wealth management products generally have high liquidity and mainly include structured deposit, which possess relatively lower risks. In addition, our purchase of term deposits also contributed to changes in cash and cash equivalents. In 2024, our placement of term deposits amounted to RMB800.0 million. In 2025, our withdrawal of term deposits amounted to RMB300.0 million.

We experienced negative operating cash flows during the Track Record Period. Our net operating outflows position during the Track Record Period was primarily due to net losses, as a result of our relatively large investments in research and development to advance our technologies and in sales and marketing activities to attract and retain more customers, as well as business strategies which broadens the adoption of our solutions with flexible pricing models. See "Financial Information — Liquidity and Capital Resources — Net Cash Used in Operating Activities" for reasons of net operating cash outflows of each period. However, we expect to improve our net operating cash flow by: (i) growing revenue through strengthen relationships with existing customers and expand customer base; (ii) launching and upgrading high-quality solutions tailored to customers' needs; (iii) streamlining our cost structure and further improving R&D and overall operational efficiency; and (iv) strengthening working capital management, including better collections and prudent financial resource allocation.

Based on our available cash and cash equivalents, and despite the net operating cash outflows during the Track Record Period, we believe our cash balance is sufficient to meet our operating needs and support our planned expansion. Accordingly, we believe we have adequate working capital to fund our operations, taking into account our available financial resources.

For details, see "Financial Information—Liquidity and Capital Resources."

KEY FINANCIAL RATIOS

The following table sets forth some of our key financial ratios for the periods and as of the dates indicated. For details, see "Financial Information—Key Financial Ratios."

	As of/For the year ended December 31,		
	2023	2024	2025
Revenue growth	N/A	(5.5%)	4.5%
Gross profit margin	46.4%	38.9%	41.9%

BUSINESS SUSTAINABILITY AND PATH TO PROFITABILITY

Since inception, we have pursued a strategy centered on long-term technology leadership, deep product integration, and embedded relationships with leading OEMs. These strategic priorities have required significant upfront investment—particularly in the development of a proprietary automotive operating system, full-stack AI capabilities, and a marketplace of AI-native applications. As a result, we have incurred net losses during the Track Record Period, which primarily reflect our deliberate decisions to invest early in foundational capabilities that we believe are critical to long-term value creation. Our historical loss-making position is attributable to several key factors: (i) heavy upfront investment in foundational technologies; (ii) strategic pricing to accelerate adoption and design-wins; and (iii) early-stage business lines with long-term monetization potential.

We believe these investments are beginning to yield results. During the Track Record Period, we have achieved strong market expansion, deepened our relationships with leading OEMs, and improved the reuse and scalability of our core software modules. As our technology becomes increasingly modular and our operations more streamlined, we expect to drive greater operating leverage over time. In addition, with our growing installation volume and base of mass-production design-wins, we believe we are well positioned to transition toward sustainable profitability in the medium term. We are executing a focused set of strategies designed to transition our business toward sustainable profitability. Specifically, we are pursuing the following priorities: (i) expanding market share to build scale and commercial leverage; and (ii) making solid progress in improving efficiency. For details, see "Business—Business Sustainability and Path to Profitability."

RISK FACTORS

Our business and the [**REDACTED**] involve certain risks as set out in "Risk Factors" in this Document. You should read that section in its entirety carefully before you decide to [**REDACTED**] in our Shares. Some of the major risks we face include: (i) The industry where we operate may not grow as rapidly as expected. We face intense competition from both well-established companies and new market entrants. If we fail to compete effectively in areas such as technology, pricing, or customer service, our business, financial condition, and results of operations may be materially and adversely affected; (ii) Our historical performance may not be indicative of our future growth or financial results. If we fail to effectively manage the growth of our business or execute our growth strategies, our business, financial condition, and results of operations could be materially and adversely affected; (iii) Our limited operating history of certain aspects of our business makes it difficult to evaluate our prospects and the risks and challenges we may encounter in the future; (iv) Any failure to commercialize our strategic plans at scale would have an adverse effect on our operating results and business, financial performance or harm our reputation; and (v) Failure to retain our existing customers, attract new ones, or increase customer spending could materially impact our business, financial condition, and results of operations.

WORKING CAPITAL

Taking into account the financial resources available to us, including anticipated cash flow from our operating activities, existing cash and cash equivalents and the estimated net [**REDACTED**] from the [**REDACTED**], our Directors believe that we have sufficient working capital for our present requirements and for the next 12 months from the date of this Document. We intend to finance our future working capital requirements and capital expenditures primarily from cash expected to be generated from operating activities, bank facilities and funds raised from financing activities, including the net [**REDACTED**] we will receive from the [**REDACTED**].

DIVIDEND

During the Track Record Period, no dividends have been declared and paid by us. As of the Latest Practicable Date, we did not have a formal dividend policy. Any dividends we pay will be determined at the absolute discretion of our Board, taking into account factors including our actual and expected results of operations, cash flow and financial position, general business conditions and business strategies, expected working capital requirements and future expansion plans, legal, regulatory and other contractual restrictions, and other factors that our Board deems to be appropriate. Our Shareholders in a general meeting may approve any declaration of dividends recommended by our Board. As advised by our PRC Legal Adviser, PRC laws require that dividends be paid only out of distributable profits. Distributable profits are after-tax profits, after making up for historically accumulated losses (if any) and less appropriations to statutory and other reserves that a PRC company is required to make in accordance with the PRC laws. PRC laws require a PRC company to set aside at least 10% of its after-tax profits, if any, to fund its statutory reserves, until the agreed amount of such funds reaches 50% of their registered capital, which are not available for distribution as cash dividends. After the company makes the allocation to the statutory reserve funds from its after-tax profits, it may also make an allocation to its discretionary reserve funds from its after-tax profits upon a resolution approved at the shareholders' meeting.

[**REDACTED**] EXPENSES

Based on the mid-point [**REDACTED**] of HK$[**REDACTED**] (being the mid-point of our [**REDACTED**] of HK$[**REDACTED**] to HK$[**REDACTED**] per [**REDACTED**]), the total [**REDACTED**] expenses (including [**REDACTED**]) payable by our Company are estimated to be approximately HK$[**REDACTED**] million (equivalent to approximately RMB[**REDACTED**] million), assuming the [**REDACTED**] is not exercised. These [**REDACTED**] expenses mainly comprise professional fees paid and payable to the professional parties, and [**REDACTED**] payable to the [**REDACTED**], for their services rendered in relation to the [**REDACTED**] and the [**REDACTED**].

As of December 31, 2025, we incurred [**REDACTED**] expense of RMB[**REDACTED**] million, of which RMB[**REDACTED**] million was charged to the consolidated statements of profit or loss for the year ended December 31, 2025. Among such incurred [**REDACTED**] expenses, we paid [**REDACTED**]-related expenses of nil, professional fees for our legal advisors and Reporting Accountants of RMB[**REDACTED**] million and other fees and expenses of RMB[**REDACTED**] million, and RMB[**REDACTED**] was outstanding as of December 31, 2025. We estimate that an additional [**REDACTED**] expenses of RMB[**REDACTED**] million (including [**REDACTED**] of RMB[**REDACTED**] million, professional fees for our legal advisors and Reporting Accountants of RMB[**REDACTED**] million and other fees and expenses of RMB[**REDACTED**] million, assuming the [**REDACTED**] is not exercised and based on an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**]), accounting for [**REDACTED**]% of our gross [**REDACTED**], will be further incurred by us, of which RMB[**REDACTED**] million is expected to be charged to our consolidated statements of profit or loss and RMB[**REDACTED**] million is expected to be charged against equity upon the [**REDACTED**].

[**REDACTED**]

FUTURE PLANS AND USE OF [REDACTED]

We estimate that the aggregate net [**REDACTED**] to our Company from the [**REDACTED**] (after deducting [**REDACTED**] fees and estimated expenses in connection with the [**REDACTED**] payable by us and assuming that the [**REDACTED**] is not exercised and an [**REDACTED**] of HK$[**REDACTED**] per Share, being the mid-point of the indicative [**REDACTED**] stated in this Document) will be approximately HK$[**REDACTED**] million (US$[**REDACTED**] million). We currently intend to apply such net [**REDACTED**] for the following purposes: (i) approximately [**REDACTED**]%, or HK$[**REDACTED**] million, of the net [**REDACTED**] will be invested into research and development to further strengthen our technology leadership in China's smart cockpit solutions market; (ii) approximately [**REDACTED**]%, or HK$[**REDACTED**] million, of the net [**REDACTED**] will be invested to further increase our market share and solidify leadership in China, as well as expand into global market; (iii) approximately [**REDACTED**]%, or HK$[**REDACTED**] million, of the net [**REDACTED**] will be used to pursue strategic partnerships, investments and acquisitions that align with our long-term growth strategy and reinforce our market leading position; and (iv) approximately [**REDACTED**]%, or HK$[**REDACTED**] million, of the net [**REDACTED**] will be used for working capital enhancement and general corporate purposes. For details, see "Future Plans and Use of [**REDACTED**]."

LEGAL PROCEEDINGS AND COMPLIANCE

During the Track Record Period and up to the Latest Practicable Date, we were not involved in, nor were we aware of, any legal, arbitration, or administrative proceedings that, in our view, could have a material adverse effect on our business, financial condition, or results of operations. We have, in all material respects, complied with the applicable laws and regulations in carrying out our business operations during the Track Record Period and up to the Latest Practicable Date. During the Track Record Period and up to the Latest Practicable Date, we were not subject to any material non-compliance incidents resulting in fines, enforcement actions, or other penalties that could, individually or in the aggregate, have a material adverse effect on our business, financial condition, or results of operations.

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

Our installation volume has grown steadily after the Track Record Period. It increased to 363,285 units in the two months ended February 28, 2026, as compared to 336,184 units in same period in 2025. In addition, in January 2026, Yan AI obtained ASPICE 4.0 CL2 automotive-grade certification (a widely-recognized standard for high quality), making us the first domestic smart cockpit solution provider to obtain such a certification for a mass-production AI large model, according to CIC.

With the mass production of the first vehicle model equipped with our L+A solutions in July 2025 and the launch of our full-modal on-board large model solution in September 2025, we have begun engaging with more than 20 OEMs that were not previously in our pipeline. We have secured design-wins with 13 of them and are engaging in active communication with the rest. These new engagements are expected to broaden our customer base and bring additional design-wins.

Our Directors confirm that as of the date of the Document, there has been no material adverse change in our financial or trading position, indebtedness, mortgage, contingent liabilities, guarantees or prospects since December 31, 2025, the end of the period reported on the Accountants' Report included in Appendix I to this Document; and there has been no event since December 31, 2025 which would materially affect the information presented in the Accountants' Report set out in Appendix I to this Document.

[**REDACTED**]