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Application Proof of
Banma Intelligence Group
斑馬智能信息技術股份有限公司

(the “Company”)

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

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Banma Intelligence Group 斑馬智能信息技術股份有限公司

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

[REDACTED]

Number of [REDACTED] under : [REDACTED] H Shares (subject to the the [REDACTED] [REDACTED])
Number of [REDACTED] : [REDACTED] H Shares (subject to reallocation)
Number of [REDACTED] : [REDACTED] H Shares (subject to reallocation and the [REDACTED])
Maximum [REDACTED] : HK\$[REDACTED] per H Share, plus brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Stock Exchange trading fee of 0.00565% (payable in full on [REDACTED] in Hong Kong dollars and subject to refund)
Nominal value : RMB1.00 per H Share
[REDACTED] : [REDACTED]

Joint Sponsors, [REDACTED]



[REDACTED]

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The [REDACTED] is expected to be determined by agreement between the [REDACTED] (for themselves and on behalf of the [REDACTED]) and the Company on the [REDACTED]. The [REDACTED] is expected to be on or around [REDACTED] (Hong Kong time) and, in any event, not later than 12:00 noon on [REDACTED] (Hong Kong time). The [REDACTED] will not be more than HK\$[REDACTED] per [REDACTED] and is currently expected to be not less than HK\$[REDACTED] per [REDACTED]. If, for any reason, the [REDACTED] is not agreed on or before 12:00 noon on [REDACTED] (Hong Kong time) between the [REDACTED] (for themselves and on behalf of the [REDACTED]) and the Company, the [REDACTED] will not proceed and will lapse.

The [REDACTED], on behalf of the [REDACTED], may, where considered appropriate and with the Company's consent, reduce the number of [REDACTED] and/or the indicative [REDACTED] below that is stated in this Document (which is HK\$[REDACTED] to HK\$[REDACTED]) at any time on or prior to the morning of the last day for lodging [REDACTED] under the [REDACTED]. In such a case, an announcement will be published on the website of our Company at www.ebanma.com and on the website of the Hong Kong Stock Exchange at www.hkexnews.hk and the [REDACTED] will be canceled and relaunched at the revised number of [REDACTED] and/or the revised [REDACTED] and the requirements under Rule 11.13 of the Listing Rules (which include the issue of a supplemental or a new document (as appropriate)), as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the day which is the last day for lodging [REDACTED] under the [REDACTED]. Further details are set forth in the sections headed “Structure of the [REDACTED]” and “How to Apply for [REDACTED]” in this Document.

The obligations of the Hong Kong [REDACTED] under the Hong Kong [REDACTED] Agreement are subject to termination by the [REDACTED] (for themselves and on behalf of the [REDACTED]) if certain events occur prior to 8:00 a.m. on the [REDACTED]. Please refer to the section headed “[REDACTED]” in this Document.

Prior to making an [REDACTED] decision, prospective [REDACTED] should consider carefully all of the information set out in this Document, including the risk factors set out in the section headed “Risk Factors”.

The [REDACTED] have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and may not be [REDACTED], sold, pledged or transferred within the United States or to, or for the account or benefit of U.S. persons (as defined in Regulation S), except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act. The [REDACTED] are being [REDACTED] and sold in the United States and to U.S. persons in reliance on Rule 144A, or pursuant to another exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act, only to QIBs. The [REDACTED] may be [REDACTED], sold or delivered outside the United States to non-U.S. persons in offshore transactions in accordance with Regulation S.

[REDACTED]

[REDACTED]

IMPORTANT

[REDACTED]

IMPORTANT

[REDACTED]

EXPECTED TIMETABLE⁽¹⁾

[REDACTED]

EXPECTED TIMETABLE⁽¹⁾

[REDACTED]

EXPECTED TIMETABLE⁽¹⁾

[REDACTED]

CONTENTS

IMPORTANT NOTICE TO [REDACTED]

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You should rely only on the information contained in this Document to make your [REDACTED] decision. The [REDACTED] is made solely on the basis of the information contained and the representations made in this Document. We have not authorized anyone to provide you with information that is different from what is contained in this Document. Any information or representation not contained nor made in this Document must not be relied on by you as having been authorized by us, the Joint Sponsors, the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], any of the [REDACTED], any of our or their respective directors, officers, employees, agents, or representatives of any of them or any other parties involved in the [REDACTED].

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SUMMARY

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.

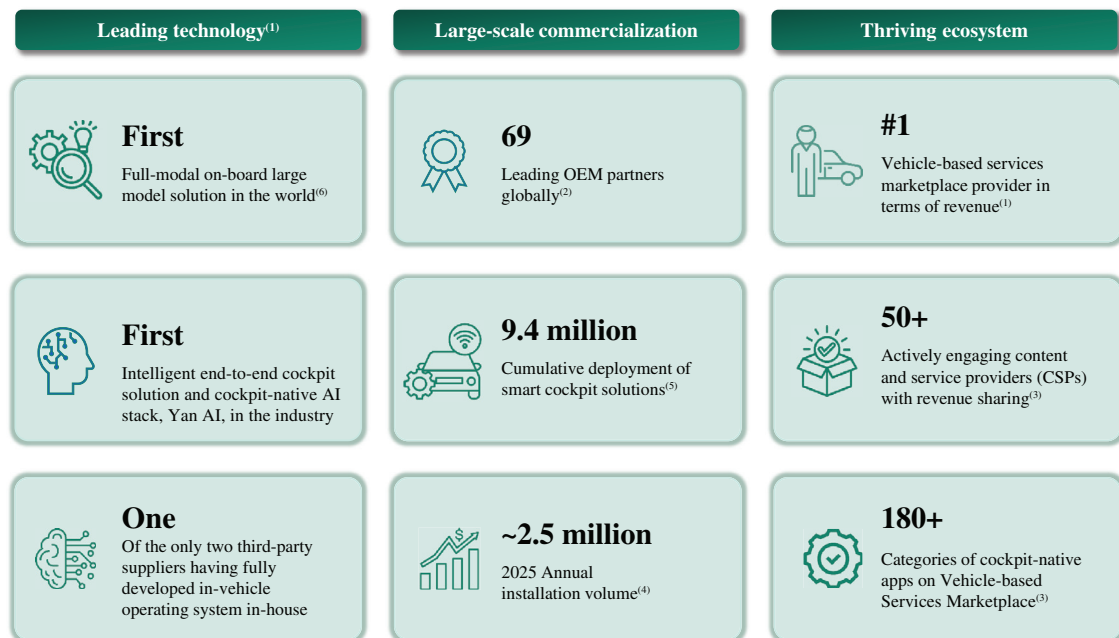
Our leadership is set forth below:

- 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.

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- We are one of the first market players to deeply integrate on-board models with large language models in the cloud, thereby seamlessly 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

SUMMARY

- (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.

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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	%
<i>(in thousands, except for percentages)</i>						
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⁾ <i>(in thousands)</i>	2,061	2,334	2,487
Cumulative installation volume ⁽¹⁾ <i>(in thousands)</i>	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

SUMMARY

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 Jiaying Ruijia, will be interested approximately 32.90% of our total issued share capital and control 35.48% voting rights.

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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)

SUMMARY

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) . .	<u>(791,658)</u>	<u>(757,119)</u>	<u>(1,839,237)</u>

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.”

SUMMARY

Discussion of Selected Items from the Consolidated Balance Sheets

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
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 derecognition 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
	<i>(RMB in thousands)</i>		
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

SUMMARY

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

SUMMARY

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

SUMMARY

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]

SUMMARY

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.

SUMMARY

[REDACTED]

DEFINITIONS

In this Document, unless the context otherwise requires, the following terms shall have the meanings set out below. Certain other terms are explained in the section headed “Glossary of Technical Terms” in this Document.

“2018 Employee Incentive Plan”	the 2018 share incentive scheme of our Company adopted on February 22, 2018, as amended from time to time, a summary of the principal terms of which is set forth in “Statutory and General Information—Pre-[REDACTED] Equity Incentive Plans” in Appendix IV
“2020 Employee Incentive Plan”	the 2020 share incentive scheme of our Company adopted on May 12, 2021, as amended from time to time, a summary of the principal terms of which is set forth in “Statutory and General Information—Pre-[REDACTED] Equity Incentive Plans” in Appendix IV
“2025 Employee Incentive Plan”	the 2025 share incentive scheme of our Company adopted on August 6, 2025, as amended from time to time, a summary of the principal terms of which is set forth in “Statutory and General Information—Pre-[REDACTED] Equity Incentive Plans” in Appendix IV
“2025 Management Incentive Plan” or “KSOP”	the 2025 share incentive scheme of our Company adopted on September 28, 2025, as amended from time to time, a summary of the principal terms of which is set forth in “Statutory and General Information—Pre-[REDACTED] Equity Incentive Plans” in Appendix IV
“Accountants’ Report”	the accountants’ report prepared by Deloitte Touche Tohmatsu, details of which are set out in Appendix I
“affiliate(s)”	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
“AFRC”	the Accounting and Financial Reporting Council of Hong Kong
“AGH” or “Alibaba”	Alibaba Group Holding Limited (阿里巴巴集團控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability on June 28, 1999 (American Depositary Shares of which are listed on the New York Stock Exchange (ticker symbol: BABA) and ordinary shares of which are listed on the Main Board of the Stock Exchange (stock code: 9988 (HKD Counter) and 89988 (RMB Counter)) and a Controlling Shareholder of our Company
“AGH Group” or “Alibaba Group”	Alibaba and its consolidated subsidiaries and its consolidated affiliated entities
“AIC”	Administration of Industry & Commerce (工商行政管理局) of the PRC (now known as the Administration for Market Regulation (市場監督管理局)) or, where the context so requires, the SAMR or its delegated authority at the provincial, municipal or other local level

DEFINITIONS

“Alibaba.com China”	Alibaba.com China Limited (阿里巴巴網絡中國有限公司), a limited liability company incorporated in Hong Kong on October 5, 2006, a subsidiary of AGH
“Alibaba China”	Alibaba (China) Technology Co., Ltd. (阿里巴巴(中國) 網絡技術有限公司), a limited liability company established in the PRC on September 9, 1999, a subsidiary of AGH
“Articles of Association” or “Articles”	the articles of association of our Company, as amended, which shall become effective on the [REDACTED], a summary of which is set out in Appendix III
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Audit Committee”	the audit committee of the Board
“Board” or “our Board”	the board of Directors
“Business Day”	a day on which banks in Hong Kong are generally open for normal business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong

[REDACTED]

“China Life Dual Carbon”	Hefei China Life Carbon Peak Carbon Neutral Phase I Equity Investment Fund Partnership (Limited Partnership) (合肥國壽碳峰碳中一期股權投資基金合夥企業(有限合夥)), our Pre-[REDACTED] Investor
“China Life Tech Innovation”	Shenzhen China Life Technology Innovation Private Equity Investment Fund Partnership (Limited Partnership) (國壽(深圳)科技創新私募股權投資基金合夥企業(有限合夥)), our Pre-[REDACTED] Investor
“China”, “Chinese mainland” or “PRC”	the People’s Republic of China, unless the context requires otherwise, excluding, for the purposes of this Document only, the regions of Hong Kong, Macau and Taiwan of the People’s Republic of China
“CIC”	China Insights Industry Consultancy Limited, an independent professional market research and consulting company
“CIC Report”	an independent market research report commissioned by us and prepared by CIC for the purpose of this Document

DEFINITIONS

“close associate(s)”	has the meaning ascribed thereto under the Listing Rule
“Companies (Winding Up and Miscellaneous Provisions) 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
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Company”, “our Company”, or “the Company”	Banma Intelligence Group (斑馬智能信息技術股份有限公司), a limited liability company established under the laws of the PRC on November 22, 2015 which was converted into a joint stock company with limited liability on March 3, 2025, formerly known as Banma Network Technology Co., Ltd. (斑馬網絡技術股份有限公司) and Banma Network Technology Limited (斑馬網絡技術有限公司)
“Compliance Adviser”	Guotai Junan Capital Limited
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“connected transaction(s)”	has the meaning ascribed thereto under the Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules and unless the context otherwise requires, refers to AGH, SAIC and the entities through which they hold the equity interest in our Company. See “Relationship with Our Controlling Shareholders”
“Corporate Governance Code”	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
“CSDCC”	China Securities Depository and Clearing Corporation Limited (中國證券登記結算有限責任公司)
“CSRC”	the China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	the director(s) of our Company
“EIT”	the PRC enterprise income tax
“EIT Law”	the Enterprise Income Tax Law of the People’s Republic of China (《中華人民共和國企業所得稅法》), as amended, supplemented or otherwise modified from time to time
“Equity Incentive Holder(s)”	the Equity Incentive Platforms and the participants under the 2025 Management Incentive Plan
“Equity Incentive Platform(s)”	the pre-[REDACTED] equity incentive platforms of our Group, namely Shanghai Saili and Shanghai Saixiang

DEFINITIONS

[REDACTED]

“Extreme Conditions”	extreme conditions as announced by the government of Hong Kong in the case where a super typhoon or other natural disaster of a substantial scale seriously affects the working public’s ability to resume work or brings safety concern for a prolonged period
“FIIF”	Future Industry Investment Fund (Limited Partnership) (先進製造產業投資基金(有限合夥)), our Pre-[REDACTED] Investor
“FIIF (Dongguan)”	Yueguan Future Industry (Dongguan) Equity Investment Fund (Limited Partnership) (粵莞先進製造產業(東莞)股權投資基金(有限合夥)), our Pre-[REDACTED] Investor
“FIIF II”	Future Industry Investment Fund II (Limited Partnership) (先進製造產業投資基金二期(有限合夥)), our Pre-[REDACTED] Investor

[REDACTED]

“Group”, “our Group”, “we” or “us”	our Company and our subsidiaries (or our Company and any one or more of our subsidiaries, as the context may require)
“Guide for New Listing Applicants”	the Guide for New Listing Applicants issued by the Hong Kong Stock Exchange effective from January 1, 2024, as amended, supplemented or otherwise modified from time to time
“H Share(s)”	[REDACTED] ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each, which is/are to be subscribed for and traded in HK dollars and to be [REDACTED] on the Hong Kong Stock Exchange

[REDACTED]

“Hainan Yunfeng Fund”	Hainan Yunfeng Fund Center (Limited Partnership) (海南雲鋒基金中心(有限合夥)), our Pre-[REDACTED] Investor
“Hangzhou Banma”	Banma Smart Mobility Network (Hangzhou) Co., Ltd. (斑馬智行網絡(杭州)有限公司), a limited liability company established in the PRC on November 29, 2019, our wholly-owned subsidiary

DEFINITIONS

“Hangzhou Haoyue”	Hangzhou Haoyue Enterprise Management Co., Ltd. (杭州灝月企業管理有限公司), a limited liability company established in the PRC on October 24, 2023, a subsidiary of AGH and a Controlling Shareholder of our Company
“HK\$” or “Hong Kong Dollars” or “HK Dollars”	Hong Kong dollars, the lawful currency of Hong Kong

[REDACTED]

“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC

[REDACTED]

DEFINITIONS

[REDACTED]

“Hong Kong Stock Exchange” or “Stock Exchange”	The Stock Exchange of Hong Kong Limited, a wholly owned subsidiary of Hong Kong Exchange and Clearing Limited
“Hong Kong Takeovers Code” or “Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time

[REDACTED]

“IFRS”	the International Financial Reporting Standards, as issued from time to time by the International Accounting Standards Board
“Independent Third Party(ies)”	any entity(ies) or person(s) who is not a connected person of our Company within the meaning of the Hong Kong Listing Rules

[REDACTED]

DEFINITIONS

[REDACTED]

“Jiaxing Ruijia” Jiaxing Ruijia Equity Investment Partnership (Limited Partnership) (嘉興瑞佳股權投資合夥企業(有限合夥)), a subsidiary of SAIC with SAIC being its sole limited partner

[REDACTED]

“Joint Sponsors” the joint sponsors of the [REDACTED] as named in the section headed “Directors, Supervisors and Parties Involved in the [REDACTED]”

“Latest Practicable Date” March 10, 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this Document prior to its publication

[REDACTED]

“Listing Committee” the listing committee of the Hong Kong Stock Exchange

[REDACTED]

“Listing Rules” or “Hong Kong Listing Rules” the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time

“Main Board” the stock exchange (excluding the option market) operated by the Hong Kong Stock Exchange which is independent from and operated in parallel with the GEM of the Hong Kong Stock Exchange

“MIIT” Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部)

“Ministry of Finance” or “MOF” Ministry of Finance of the PRC (中華人民共和國財政部)

“MOFCOM” or “Ministry of Commerce” the Ministry of Commerce of the PRC (中華人民共和國商務部)

DEFINITIONS

“Nanjing FAW”	Nanjing FAW Innovation Fund Investment Management Center (Limited Partnership) (南京市一汽創新基金投資管理中心(有限合夥)), our Pre-[REDACTED] Investor
“NDRC”	National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)
“Nomination Committee”	the nomination committee of the Board

[REDACTED]

“Overseas Listing Trial Measures”	The Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies and five supporting guidelines (《境內企業境外發行證券和上市管理試行辦法》及五項配套指引) promulgated by the CSRC on February 17, 2023 and became effective on March 31, 2023
“PBOC”	the People’s Bank of China (中國人民銀行), the central bank of the PRC
“PRC Company Law”	Company Law of the PRC (中華人民共和國公司法), as amended, supplemented or otherwise modified from time to time
“PRC GAAP”	generally accepted accounting principles in the PRC
“PRC Legal Adviser”	Fangda Partners, our legal adviser on PRC laws in connection with the [REDACTED]

DEFINITIONS

“Pre-[REDACTED] Equity Incentive Plans”	the 2018 Employee Incentive Plan, the 2020 Employee Incentive Plan, the 2025 Employee Incentive Plan and the 2025 Management Incentive Plan
“Pre-[REDACTED] Investment(s)”	the investment(s) in our Group undertaken by the Pre-[REDACTED] Investors prior to this [REDACTED], the details of which are set out in “History, Development and Corporate Structure—Pre-[REDACTED] Investments”
“Pre-[REDACTED] Investor(s)”	the investor(s) making investments in our Group prior to this [REDACTED] as set out in “History, Development and Corporate Structure—Pre-[REDACTED] Investments”

[REDACTED]

“QIB”	a qualified institutional buyer within the meaning of Rule 144A
“Regulation S”	Regulation S under the U.S. Securities Act
“Remuneration Committee”	the remuneration committee of the Board
“Renminbi” or “RMB”	the lawful currency of the PRC
“Rule 144A”	Rule 144A under the U.S. Securities Act
“SAFE”	the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
“SAIC”	SAIC Motor Corporation Limited (上海汽車集團股份有限公司), a joint stock company with limited liability established under the laws of the PRC on April 16, 1984, being one of our Controlling Shareholders and the A shares of which are listed on the Shanghai Stock Exchange with the stock code 600104
“SAMR”	the State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局)
“SAT”	the State Taxation Administration of the PRC (中華人民共和國國家稅務總局)

DEFINITIONS

“SFC”	the Securities and Futures Commission of Hong Kong
“SFO” or “Securities and Futures Ordinance”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time
“Shanghai Guohe Banji”	Shanghai Guohe Banji Enterprise Management Partnership (Limited Partnership) (上海國和斑際企業管理合夥企業(有限合夥)), our Pre-[REDACTED] Investor
“Shanghai Saili”	Shanghai Saili Investment Enterprise (Limited Partnership) (上海賽立投資合夥企業(有限合夥)), a limited partnership established in the PRC on September 24, 2015 and our Employee Incentive Platform, the sole general partner of which is Shanghai Banxing Network Technology Co., Ltd. (上海斑星網絡技術有限公司)
“Shanghai Saipeng”	Shanghai Saipeng Investment Enterprise (Limited Partnership) (上海賽朋投資合夥企業(有限合夥)), a limited partnership established in the PRC on August 28, 2015
“Shanghai Saixiang”	Shanghai Saixiang Enterprise Management Partnership (Limited Partnership) (上海賽翔企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on April 15, 2020 and our Employee Incentive Platform, the sole general partner of which is Shanghai Banxing Network Technology Co., Ltd. (上海斑星網絡技術有限公司) which is wholly owned by Mr. Dai Wei (戴瑋)
“Shanghai Saiwei”	Shanghai Saiwei Investment Center (Limited Partnership) (上海賽為投資中心(有限合夥)), a limited partnership established in the PRC on October 21, 2015 and a Controlling Shareholder of our Company
“Shanghai Saiyun Investment”	Shanghai Saiyun Investment Company Limited (上海賽雲投資有限公司), a limited liability company established in the PRC on July 23, 2015
“Shanghai Saiyun Management”	Shanghai Saiyun Investment Management Company Limited (上海賽雲投資管理有限公司), a limited liability company established in the PRC on September 16, 2015, being the general partner of Shanghai Saiwei
“Shanghai Yunfeng Qitai”	Shanghai Yunfeng Qitai Investment Centre (Limited Partnership) (上海雲鋒麒泰投資中心(有限合夥)), our Pre-[REDACTED] Investor
“Shangqi Qitai”	Jiaying Shangqi Qitai Equity Investment Enterprise (Limited Partnership) (嘉興尚頤頤泰股權投資合夥企業(有限合夥)), our Pre-[REDACTED] Investor
“Share(s)”	ordinary share(s) in the capital of our Company with a nominal value of RMB1.00 each
“Shareholder(s)”	holder(s) of our Share(s)

DEFINITIONS

[REDACTED]

“State Council”	the State Council of the PRC (中華人民共和國國務院)
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Supervisor(s)”	supervisor(s) of the Company
“Supervisory Committee”	the committee of the Supervisors
“Taobao China”	Taobao (China) Software Co., Ltd. (淘寶(中國)軟件有限公司), a limited liability company established in the PRC on December 7, 2004, a subsidiary of AGH and a Controlling Shareholder of our Company
“treasury shares”	has the meaning ascribed to it under the Listing Rules
“Track Record Period”	the period comprising the financial years ended December 31, 2023, 2024 and 2025
“U.S. Government”	the federal government of the United States, including its executive, legislative and judicial branches
“U.S. persons”	U.S. persons as defined in Regulation S
“U.S. Securities Act”	United States Securities Act of 1933, as amended, supplemented or otherwise modified from time to time

[REDACTED]

“Unlisted Share(s)”	ordinary share(s) issued by our Company, with a nominal value of RMB1.00 each, which is/are not [REDACTED] on any stock exchange
“United States”, “USA” or “U.S.”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“US\$” or “U.S. dollars”	United States dollars, the lawful currency of the U.S.
“VAT”	value-added tax

DEFINITIONS

“Zhejiang Tmall” Zhejiang Tmall Technology Co., Ltd. (浙江天貓技術有限公司), a limited liability company established in the PRC on October 25, 2010, a subsidiary of AGH and a Controlling Shareholder of our Company

“%” per cent

Certain amounts and percentage figures included in the Document have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them. The denominator for the calculation of the voting rights of our Shareholders in this Document has excluded the voting rights attached to the 243,485,087 Shares held by Shanghai Saiwei, which Alibaba China indirectly owned and agreed to, and SAIC has undertaken to ensure that Shanghai Saiwei will waive.

For ease of reference, the names of Chinese laws and regulations, governmental authorities, institutions, natural persons or other entities (including our subsidiaries) have been included in this Document in both the Chinese and English languages and in the event of any inconsistency, the Chinese versions shall prevail. English translations of company names and other terms from the Chinese language are provided for identification purposes only.

GLOSSARY OF TECHNICAL TERMS

Unless the context otherwise requires, explanations and definitions of certain terms used in this Document in connection with our Group and our business shall have the meanings set out below. The terms and their meanings may not correspond to standard industry meaning or usage of these terms.

A-SPICE	Automotive SPICE A process assessment model for evaluating and improving software development in the automotive industry
ADAS	Advanced driver-assistance systems that support driving tasks (e.g., lane-keeping, emergency braking)
Agentic AI	AI capable of proactively making decisions, taking actions, and adapting to achieve specific objectives without constant human input
AI Agent	Software agent powered by AI that performs tasks and makes decisions within the in-car environment
AI-native	Designed and developed with artificial intelligence as a foundational element, where core functions and user experience are built around AI capabilities rather than adding AI as an afterthought; for example, an “AI-native app” means an application built from the start with AI as a core part of its design and functionality, where essential features rely on AI rather than using it only as a supplementary tool
AOS	The automotive operating system that we develop in-house
ASIL-D	The highest Automotive Safety Integrity Level under ISO 26262 for functional safety
automotive operating system	Specialized system software for vehicles that manages and coordinates computing resources, hardware components, and application execution across multiple automotive domains
Banma Hypervisor	A bare-metal (Type 1) hypervisor which runs directly on hardware and allows concurrent operation of two or more operating systems on a single SoC
Cloud-based voice assistant	Voice assistant whose speech processing runs primarily in the cloud rather than entirely on the vehicle
CMMI	Capability Maturity Model Integration, a process improvement standard for software development organizations
Content and service provider (CSP)	Third-party partner providing content or services within the in-car ecosystem
Design-win	Selection by an OEM of a supplier’s solution for integration into a vehicle program and mass production

GLOSSARY OF TECHNICAL TERMS

Driver monitoring system (DMS)	A vehicle safety system that tracks the driver’s attention and alertness, typically using cameras and sensors, to detect drowsiness, distraction, or inattention and issue warnings or take safety actions
Dual-AOS architecture	A vehicle computing design in which two independent operating systems run concurrently on the same hardware platform, typically separated and managed through virtualization or hypervisor technology
Head-up display (HUD)	A feature that projects key driving information (e.g., speed, navigation) onto the windshield or a transparent display in the driver’s line of sight
Human-machine interface (HMI)	The user-facing layers through which occupants interact with vehicle systems (screens, voice, inputs)
Infotainment	A combination of information and entertainment systems in the vehicle, such as navigation, music, and smartphone integration
ISO 26262	Functional safety standard for road vehicles covering development of safety-related systems
ISO/IEC 27001	International standard for information security management systems (ISMS)
ISO/SAE 21434	Road vehicles cybersecurity engineering standard covering processes and technical requirements
KPI	Key performance indicator; a quantifiable metric used to measure operational or financial performance
Large language model (LLM)	A deep learning model trained on vast amounts of textual data, enabling it to generate natural language text or understand the meaning of language text
Mini app (mini-program)	Lightweight in-car application delivered through the cockpit platform’s app framework
Multimodal AI	AI that processes and understands multiple input types (e.g., voice, vision, text) for better context
Network service package	Connectivity/data plan sold to OEMs or car owners to enable connected features and services
Neural Processing Unit (NPU)	Specialized processor optimized for AI inference workloads in the vehicle
Occupant monitoring system (OMS)	System that monitors passenger status and behaviors for safety and comfort

GLOSSARY OF TECHNICAL TERMS

operating system	System software that manages and coordinates computing resources, hardware and application software
Original Equipment Manufacturers (OEMs)	In the automotive industry, OEMs are typically automakers that integrate components and systems — often supplied by third parties — into finished vehicles for sale to consumers
Over-the-Air (OTA)	The wireless delivery of software updates and patches to vehicles without the need for physical access
Real-time operating system (RTOS)	OS designed to guarantee predictable, low-latency responses for time-critical tasks
System Agent	Orchestration software that coordinates apps, services, and devices across the cockpit
System-on-Chip (SoC)	Semiconductor solutions designed for managing specific electronic domains in vehicles, integrating processing power, memory, and connectivity functions to support advanced domain control features
Tier-1 supplier	A company that supplies components or systems directly to an OEM for vehicle production
Usage-based insurance (UBI)	Auto insurance priced based on driving behavior and usage data collected from the vehicle
Vehicle-phone connectivity	Integration that links car systems with smartphone functions for apps, media, and control
Voice UI	Voice-based user interface for controlling vehicle functions and services

As used in this Document, unless otherwise indicated:

- “Recurring Revenue” refers to revenue that we expect to generate on a regular and ongoing basis from existing customer relationships, typically under multi-year contracts or arrangements. Our “Recurring Revenue” consists of (i) revenue from licensing, and (ii) revenue from all of our ecosystem value-added services excluding training services, because these revenues are generally contractual and license- or usage-based and are expected to continue over the term of customer engagement. By contrast, (i) revenue from technical development services; and (ii) training services (offered as part of our ecosystem value-added services), are excluded because these revenues are typically one-off, project-based, or non-recurring in nature and are not expected to repeat on a predictable basis. We believe the amount of Recurring Revenue and Recurring Revenue as a percentage of our total revenue are among our key operating metrics because they provide a clear measure of the stability, predictability, and scalability of our business model, as well as our long-term monetization potential.

FORWARD-LOOKING STATEMENTS

We have included in this Document forward-looking statements. Statements that are not historical facts, including but not limited to statements about our intentions, beliefs, expectations or predictions for the future, are forward-looking statements.

This Document contains forward-looking statements and information relating to us and our subsidiaries that are based on the beliefs of our management as well as assumptions made by and information currently available to our management. When used in this Document, the words “aim,” “anticipate,” “aspire,” “believe,” “could,” “expect,” “going forward,” “intend,” “may,” “ought to,” “plan,” “project,” “schedule,” “seek,” “should,” “target,” “vision,” “will,” “would,” and the negative of these words and other similar expressions, as they relate to us or our management, are intended to identify forward-looking statements. Such statements reflect the current views of our management with respect to future events, operations, liquidity and capital resources, some of which may not materialize or may change. These statements are subject to certain risks, uncertainties and assumptions, including the risk factors as described in “Risk Factors” and elsewhere in this Document, some of which are beyond our control and may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The risks and uncertainties that could cause actual results to differ materially from our forward-looking statements include, without limitation, our operations and business prospects; industry developments and market conditions; general economic, political, and business conditions, including interest rates and foreign exchange rates; regulatory changes; customer and partner actions, particularly OEMs, Tier 1 partners, and CSPs; competitor developments; cost and expense control; supplier and partner performance; retention and recruitment of key personnel; and execution of our business strategies, commercialization plans, and geographic expansion. By their nature, these disclosures are estimates, and if any of these risks materialize, actual results may differ materially from historical results or projections, including decreases in sales, increases in costs, delays in capital investment, or underperformance relative to expectations.

Subject to the requirements of applicable laws, rules and regulations, we do not have any and undertake no obligation to update or otherwise revise the forward-looking statements in this Document, whether as a result of new information, future events or otherwise. As a result of these and other risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this Document might not occur in the way we expect or at all. Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements in this Document are qualified by reference to the cautionary statements in this section as well as the risks and uncertainties discussed in the section headed “Risk Factors” in this Document.

In this Document, statements of or references to our intentions or those of our Directors are made as of the date of this Document. Any such information may change in light of future developments.

RISK FACTORS

An [REDACTED] in our H Shares involves various risks. You should carefully consider all of the information in this document, including the risks and uncertainties described below, before making an [REDACTED] in our H Shares.

The occurrence of any of the following events could materially and adversely affect our business, financial condition, results of operations or prospects. If any of these events occurs, the [REDACTED] of our H Shares could decline and you may lose all or part of your [REDACTED]. You should seek professional advice from your relevant advisers regarding your prospective [REDACTED] in the context of your particular circumstances.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

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.

Our success depends on our ability to maintain and strengthen our competitive position in China and globe’s smart cockpit software solution industry, which are characterized by rapid technological advances, aggressive pricing and ever-evolving customer requirements. Our competitors include large, well-capitalized Tier 1 suppliers, global automotive electronics conglomerates, OEM in-house programs that often have deeper R&D budgets, established brand reputations and long-standing relationships with OEMs, top AI companies, and content and service providers who develop their own in-vehicle application software. We also compete with new competitors that may be preparing to enter or are entering the global and China’s smart cockpit software solution industry. Our competitors may start, or have already started, pursuing the large-scale deployment of autonomous vehicle technology on their own. We cannot predict how close any of our existing or potential competitors are to bringing their smart vehicle technologies to market, nor can we know what features or products they plan to introduce next. We cannot predict if or when these competitors will launch new products, reduce prices or bundle cockpit solutions with broader vehicle leadership offerings, all of which could erode our addressable opportunity, limit our pricing flexibility and force us to increase spending on sales, marketing, product enhancements or customer support.

Moreover, the competitive pressure we face may intensify the pace of product obsolescence and place downward pressure on margins. If we fail to anticipate shifts in regulatory standards, or to invest sufficiently in innovative features such as natural-language interfaces, advanced driver-assistance integrations or multi-domain orchestration, our offerings could lose relevance. In addition, resource constraints may limit our capacity to hire and retain the specialized experts necessary to match competitor innovation. Absent effective differentiation, superior system performance, proven reliability, and responsive support, our market share, overall financial condition and prospects could be materially and adversely affected.

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.

Our historical performance may not indicate future growth or financial results. Revenue, largely recognized upon OEM customer acceptance, may fluctuate due to differing verification processes. Future growth depends on factors beyond our control, including demand for smart cockpit solutions, extended sales cycles or delays in R&D, testing, certification, and commercialization, intensifying competition from third-party providers and OEM in-house programs, evolving regulatory requirements, supply-chain constraints or export controls, our ability

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to attract and retain talent, intellectual property disputes, and macroeconomic or geopolitical events affecting vehicle production, electrification, or end-customer spending. Operating in a nascent, fast-moving industry, our forecasts involve significant judgment and uncertainty; if assumptions on market demand, operational capacity, or regulations prove incorrect, our revenue, margins, cash flow, and financial condition could deviate materially, potentially impacting the market price of our securities.

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.

Our limited operating history in certain aspects of our business, including developing and commercializing new initiatives such as our Vehicle-based Services Marketplace, makes it difficult to evaluate our prospects and accurately forecast revenue, manage costs, or plan capital expenditures. This limited track record exposes our results to significant uncertainties, including achieving safe performance and earning trust from regulators, customers, partners, and the public; successfully evolving and commercializing our technologies and completing system testing; retaining and attracting commercial relationships; hiring, integrating, and retaining talent; obtaining, maintaining, and protecting intellectual property; and complying with existing and new laws and standards. Failure to navigate these technical, operational, and regulatory challenges could materially and adversely affect our business, path to profitability, and financial prospects.

We face risks associated with intelligent cockpit technology and may not be able to develop solutions on schedule, or at all. For example, we may experience significant delays in the design, commercialization and launch of new solutions.

Our growth depends significantly on our ability to continuously develop and commercialize new smart cockpit solutions that meet evolving customer expectations, technological advancements, and industry trends. However, the research, development and deployment of intelligent cockpit solutions, including our System-level OS Solutions, Full-stack End-to-end AI Solutions and Vehicle-based Services Marketplace, involve complex system integration, hardware-software compatibility challenges, and long iteration cycles that require significant time and resource investment. We may not be able to complete the development of our next-generation products on schedule or at all, or such products may not perform as expected. In addition, our product roadmap may be affected by external dependencies, such as delays in the availability of new chipsets, changes in OEM partners’ vehicle launch schedules, or evolving regulatory or cybersecurity requirements.

Even if we complete development on schedule, we may face unexpected challenges in commercializing new products. Any delays or failures could negatively impact our ability to secure new projects, expand our customer base, or achieve our projected revenue growth.

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.

Our long-term success depends on our ability to execute on our strategic plans and commercialize our smart cockpit solutions across a broad customer base and vehicle programs. We have made significant investments in proprietary operating systems. However, scaling commercialization involves complex coordination across R&D, hardware adaptation, supply chain, and OEM production schedules, and any failure or delay in scaling our deployment could have a material adverse effect on our business. We may face challenges in scaling for mass production, including difficulties in maintaining software stability across diverse vehicle models, meeting OEM and regulatory quality standards at volume, and delivering timely updates and support during post-launch operations. In addition, failure to convert design-wins into mass production programs on expected timelines or volumes may limit our revenue growth and reduce our return on R&D

RISK FACTORS

investments. Moreover, if our strategic initiatives—such as expanding into new overseas markets, launching joint operations with ecosystem partners, or introducing our smart cockpit offerings—fail to achieve expected adoption, we may incur substantial operating costs without corresponding revenue generation.

If our solutions fail to meet the evolving market need in the automotive industry, or if the adoption of our solutions and technologies declines, our business, financial condition, and results of operations, could be adversely affected.

We sell our smart cockpit solutions to OEMs for integration into their vehicle models which are then sold to consumers. Therefore, our success heavily depends on the continued market acceptance of our solutions. Our business and prospects also significantly rely on our ability to meet new technological standards and consumer expectations. If our technologies and solutions do not evolve in line with OEMs’ roadmaps or fail to deliver the functionality, reliability and security that OEMs and consumers demand, we risk diminished market acceptance and reduced business performance.

In China, our current primary market, the broader adoption of smart vehicle technologies depends on factors such as feature breadth, total cost of ownership, driver and passenger preferences, and overall awareness of smart cockpit solutions. There is no guarantee that our solutions will gain widespread recognition within the market. Should our solutions fail to align with the industry’s rapid technological evolution or gain widespread OEM and consumer endorsement, our growth and results of operations could be materially and adversely affected.

The markets for smart cockpit solutions are rapidly evolving. Changes in sales, production and market demand can materially and adversely affect our business, financial condition, and results of operations.

Demand for smart cockpit solutions depends to a large extent on general, economic, political, and social conditions in each market, as well as consumers’ sentiment upon smart vehicle technologies. Despite our continued substantial investments in research and development, our technologies require sustained significant investment and may never be commercially successful on a large scale, or at all.

Even if we succeed in operating at a commercial scale, key industry participants may decline to adopt our solutions, develop competing technologies or take steps to impede our progress. This could result in negative publicity, concerted lobbying efforts directed at legislators in our active or prospective markets to enact constraining laws or regulations, or boycotts against us or our customers and partners. Any of these developments could materially harm our business, results of operations and financial conditions. Furthermore, our business faces potential setbacks from regulatory, safety, and reliability concerns, many of which are beyond our control. Incidents involving vehicles with smart cockpit solutions may lead to severe negative publicity. Such incidents can provoke calls for suspension or stricter regulation of our solutions as well as more rigorous industry standards.

We incurred a history of net loss and net operating cash outflows during the Track Record Period, and we cannot make any guarantee in relation to our future financial condition. We may incur significant expenses and experience significant cash outflows in the foreseeable future.

We recorded loss for the year of RMB876.2 million, RMB847.4 million and RMB1,896.2 million for the years ended December 31, 2023, 2024 and 2025, respectively. We may continue to generate net losses in the near term and expect to maintain a high level of investment in our operations. We will also incur substantial administrative expenses associated with our growth, including costs related to internal systems and operating as a [REDACTED] after the [REDACTED]. However, there is no assurance that our revenue will grow at a pace sufficient to

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offset these rising expenses. In addition, unforeseen changes in customer demand, investments, acquisitions, or capital expenditures, substantial shifts in the competitive or regulatory landscape, or significant costs could further reduce our revenue.

We recorded net cash outflows from operating activities of RMB416.7 million, RMB487.3 million and RMB573.5 million for the years ended December 31, 2023, 2024 and 2025, respectively. Our cash outflow position during the Track Record Period was primarily attributable to our continued significant investments in product development, technological innovation, and customer acquisition. We cannot assure you that we will be able to generate positive operating cash flows in the future. If we continue to experience net cash outflows from operating activities, our working capital may become constrained, which could adversely affect our financial condition.

We have recorded and may continue to record impairment losses on other intangible assets in the future, which could negatively affect our results of operations and financial condition. If we determine our goodwill are impaired, our results of operations and financial condition may be adversely affected.

We recorded impairment losses on other intangible assets of RMB1,841.0 million for 2025, primarily related to certain intangible assets associated with our System-level OS Solutions. The decision followed management’s prudent assessment of the System-level OS Solutions business in light of intensifying market competition and our increased strategic focus toward AI-driven businesses. 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.” Further details of the impairment test are set out in Note 20 to the consolidated financial statements included in Appendix I to this Document.

Impairment losses on intangible assets are non-cash in nature but have a direct and material impact on our profit or loss in the period in which they are recognized. Our intangible assets primarily consist of software and technologies related to our smart cockpit solutions. The recoverability of these assets is subject to numerous factors outside our control, including changes in OEM production schedules, vehicle program cancellations or delays, industry technology shifts, and intensifying market competition. A significant write-down, such as the one we recorded in the first quarter of 2025, may materially reduce our net income and operating metrics, adversely affect key financial ratios, and erode investor confidence in our technology roadmap and business outlook. If any intangible asset’s carrying value is determined to exceed its recoverable amount in future periods, we may be required to recognize additional impairment losses. Continued or recurring impairment losses may also limit our ability to attract further investment, secure new OEM partnerships, or maintain competitiveness in the market.

As of December 31, 2023, 2024 and 2025, our goodwill remained unchanged at RMB1,460.3 million, amounted to 14.4%, 15.5% and 20.9% of our total assets, respectively. The goodwill arose from our acquisition of a subsidiary in 2020 and the value of the goodwill during the Track Record Period was assessed by using the acquisition method based on a number of assumptions, which mainly includes the subsequent benefits brought by the acquisition. Further details of the goodwill are set out in Note 19 to the Accountants’ Report in Appendix I to this Document. If any of these assumptions does not materialize, or if the performance of our business is not consistent with such assumptions, we may be required to have a significant write-off of our intangible assets and could materially and adversely affect our results of operations and financial condition.

Failure to retain our existing customers, attract new ones, or increase customer spending could materially impact our business, financial condition, and results of operations.

Our growth depends on maintaining strong relationships with OEM customers and expanding our customer base. While we have established long-term partnerships with several OEMs, we cannot guarantee they will continue to engage us for future vehicle models or development cycles.

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Customer decisions may be affected by changes in procurement strategies, evolving technology standards, increased competition, or shifts in regulatory requirements. Our ability to retain and grow customer relationships also depends on our ability to consistently deliver high-performance, cost-effective, and innovative solutions. If we fail to do so, our business and operating results could be materially and adversely impacted. Our ability to retain current customers and attract new ones may also be adversely affected due to our failure to meet customer service expectations, inability to hold or apply for certain licenses, permits or qualification, or customer’s decision to develop their smart cockpit solutions. If we are unable to retain our existing customers, attract new customers, or increase customer spending due to any of the foregoing factors, our business, results of operations, and financial condition will be materially and adversely affected.

We currently have a limited number of major OEM customers for a significant portion of our revenue. If any of these customers reduce their purchases or terminate their business with us, our revenue could be adversely affected, subsequently our results of operations.

A limited number of major OEM customers have historically accounted for a significant portion of our total revenues and are expected to continue doing so. In 2023, 2024 and 2025, the aggregate revenue generated from our top five customers for each of the years amounted to RMB783.6 million, RMB728.9 million and RMB658.2 million, which 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 amounted to RMB413.3 million, RMB319.3 million and RMB337.7 million, which accounted for 47.4%, 38.8% and 39.2% of our total revenue, respectively. This reliance on a small group of key customers exposes us to heightened risks associated with their purchasing decisions, vehicle program planning, and product roadmap adjustments. If any of these major customers were to reduce their purchases, delay mass production schedules, shift to in-house development, or discontinue collaboration with us—whether due to internal strategy changes, technology platform transitions, or broader macroeconomic or regulatory factors—our business and financial results could be materially and adversely affected. Any material reduction in business from one or more of our major customers could significantly impact our business, financial condition and results of operations.

We cannot assure you that our existing customers will continue to purchase our solutions in consistent quantities or at expected price levels. As a result, our revenue from these customers may fluctuate or decline, and there is no guarantee of recurring sale.

Our growth depends on retaining existing customers and attracting new ones. While we maintain long-term relationships with OEMs, we cannot guarantee continued engagement for new vehicle models or future development. Expanding our customer base may make it challenging to meet diverse requirements or sustain high support levels. Failure to meet service expectations, obtain necessary licenses or qualifications, or prevent customers from developing their own solutions could reduce customer retention, spending, and acquisition, materially and adversely affecting our business, results, and financial condition.

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

We have in the past been subject to, and may continue to face, requests or contractual requirements from our customers to reduce the prices of our solutions. Increasing pricing pressure from our customers, whether due to their own cost-cutting initiatives, competitive bidding processes, or shifts in purchasing strategies, may force us to lower our prices, offer more discounts, or improve our commercial terms, all of which could negatively impact our profit margins. To maintain profitability in such an environment, we must continuously reduce operating costs and improve efficiency. If we are unable to mitigate these downward pricing pressures through enhanced operational efficiency, introduction of higher-margin new or upgraded solutions, diversified sourcing strategies, and other cost-control initiatives, our business, financial condition, and results of operations could be materially and adversely affected.

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If we fail to win new OEM customers, lose existing sales opportunities, encounter difficulties in contract negotiations, or are unable to convert initial engagements into meaningful commercial relationships, our business, financial condition, and results of operations could be significantly and adversely affected.

We consider securing a design-win from an OEM as a key milestone as it not only validates our technology but also paves the way for deeper collaboration on subsequent vehicle models. However, we face intense competition as other smart cockpit solution providers may also invest in earning design-wins and they may be able to offer more advanced technical solutions or more favourable commercial terms than us. Despite significant efforts, we may nevertheless fail to achieve a design-win for our solutions on one or more vehicle models. Furthermore, if we fail to achieve a design-win for a specific vehicle model, our credibility with that OEM may suffer, making it more difficult to compete for additional vehicle models in the future.

Any negative development in our relationship with AGH and SAIC or any adverse publicity related to either of them may materially and adversely affect our business and brand.

We will continue to be influenced by AGH and SAIC after the [REDACTED] and will continue our substantial cooperation with AGH and SAIC in various aspects. If AGH and SAIC discontinue their cooperation with us, reduce, suspend or terminate any type of support to us, We may have to renegotiate with AGH and SAIC for the cooperation or support or attempt to approach other business partners as replacements, or build the capabilities on our own, which may be expensive, time-consuming and disruptive to our operations. If AGH and SAIC suffer any negative publicity, it could have an adverse impact on our business, our marketing efforts, our relationships with strategic partners, our reputation and brand.

We have been and intend to continue investing substantial resources in R&D. However, there is no assurance that these efforts will prove successful, and we will generate the results we expect to achieve.

Our long-term success in the rapidly evolving automotive intelligence sector depends on our ability to continuously innovate and bring new solutions to market. To that end, we have made R&D a strategic priority. We incurred R&D expenses of RMB1,123.4 million, RMB979.8 million and RMB725.4 million, respectively, in 2023, 2024 and 2025. Although we invest substantial resources in research and development to maintain our competitive edge, we cannot assure you that our R&D expenditures will deliver the anticipated outcomes. Misjudgments about technology trends, delays in prototype development or unforeseen technical setbacks could impair our ability to introduce new features or products on schedule. Even if our R&D efforts are successful technically, there is no guarantee that OEMs will adopt our innovations or that car owners will embrace them, nor that we will realize a return on our development investments.

The development cycles of our solutions could be lengthy and we are subject to risks associated with the planning, coordination, and execution of complex projects.

The development of our solutions involves complex, multi-phase projects including hardware prototyping, software integration, and system validation, which can span several quarters. During these cycles, we may face technical challenges, supplier delays, shifting OEM requirements, or design-win cancellations, increasing R&D and operational costs and straining quality control. Additionally, OEMs typically do not commit to minimum purchase quantities, limiting our ability to forecast production volumes or secure favorable unit economics. Failure to bring solutions to market efficiently or convert development into production orders could materially and adversely affect our business, financial condition, and results of operations.

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Even though we successfully advance in key technologies, there can be no guarantee that the market will accept our product designs and offering solutions.

In connection with our design wins, we typically receive preliminary estimates from automotive OEMs of their anticipated production volumes for the models relating to those design wins, and may not be representative of future production volumes associated with those design wins. Furthermore, automotive OEMs may take a long time to develop the models relating to those design wins, or may even delay or cancel such models. As a result, achieving design wins is not a guarantee of revenue, and our sales may not correlate with the achievement of additional design wins. In addition, worsening market or other conditions between the time of a request for quotation and an order for our solutions may require us to sell our solutions for a lower profit than we initially expected. We may also be unable to introduce solutions with additional features or functionality at higher price points to offset price reductions. If the sales results of our products and solutions for which we achieve design wins do not meet our forecast business and financial condition would be materially and adversely affected.

If vehicle models or other products of our customers that incorporate our solutions underperform in the market or fail to gain meaningful market acceptance, our business and financial condition could be materially and adversely affected.

We supply intelligent cockpit solutions that are integrated into specific vehicle models developed by our OEM customers, which made our business performance is closely tied to the commercial success of those vehicle models. If any of these models experience weak market reception or underperform in sales, our OEM partners may reduce production volumes, delay the launch of new vehicle programs, or suspend plans to integrate our solutions into future models. Such outcomes could negatively affect our order pipeline, delay revenue recognition, and impair our ability to achieve operating leverage. In addition, underperforming vehicle models associated with our solutions may harm our reputation among other OEMs and car owners, making it more difficult for us to secure new design-wins or expand our presence across additional vehicle platforms.

Our solutions and associated hardware and software, due to the intricate nature, may contain unexpected defects and can expose us to product liability and reputation damage, subsequently, adversely affecting our business.

Our solutions, including associated hardware and software, are complex and may contain defects, errors, or security vulnerabilities that are difficult to detect, particularly upon initial release or when introducing enhancements. Most solutions are integrated into OEM vehicle models, and failure to address issues to their satisfaction could harm our reputation and limit future collaborations. Remediation may require significant resources, increase operating costs, and delay revenue recognition. Defects or cybersecurity incidents could also result in litigation, substantial liabilities, and legal expenses, which could materially and adversely affect our business, results of operations, financial condition, and market position.

Failure to provide high-quality maintenance and support services to our customers could damage our relationships with them and further harm our business.

Our ability to retain existing OEM customers and attract new ones depends on our capacity to consistently deliver high-quality customer support. However, we may face challenges in hiring or retaining sufficient qualified personnel with deep knowledge of our products and solutions. We may also struggle to adapt quickly to short-term surges in demand or evolving customer expectations. We may be unable to adjust the scope, format, or quality of our support services to remain competitive with offerings from other market players. Any actual or perceived shortfall in the quality of our support services could materially and adversely impact our reputation and overall business performance.

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If some of our customers choose to develop their own smart cockpit solutions instead of continuing to source from us, our business, financial condition, and results of operations could be materially and adversely affected.

Our customers primarily are OEMs that install our solutions for integration into their vehicle models. For further details, see “Business—Our Customers.” In response to the accelerating shift toward automotive intelligence, a growing number of OEMs have launched internal initiatives to develop proprietary smart cockpit solutions. We cannot assure you that our existing customers will not follow this path or that they will continue to procure our solutions for future vehicle models. It is possible that more OEM customers will choose to develop their own smart cockpit and related solutions, which may reduce their demand for our solutions, and could further lead to substantial and adverse effects on our business and financial condition.

We rely on a limited number of suppliers for certain critical components and services, and any disruption in their supply or deterioration in our relationships with them could materially and adversely affect our operations.

We rely on a limited number of suppliers for certain critical components and services. For additional details, see “Business—Our Suppliers.” We may experience supply constraints or may not be able to secure favorable terms with our suppliers. During the Track Record Period, a significant portion of our procurement volume was concentrated among a small group of suppliers. In 2023, 2024 and 2025, purchase amount to our top five suppliers for each of the years was RMB354.1 million, RMB349.6 million and RMB296.9 million, representing 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 was RMB280.8 million, RMB256.9 million and RMB213.1 million, representing 58.4%, 50.5% and 40.7% of our total purchase amount, respectively. Any interruption in the supply of these components and services—whether due to shortages, capacity constraints, geopolitical tensions, regulatory restrictions, price increases, changes in business priorities or contractual terms, or the supplier’s own operational issues—could result in delays or increased costs in the production and delivery of our solutions. In addition, if any of our key suppliers were to discontinue supply, materially alter their commercial terms, or cease operations, we may not be able to secure alternative sources on a timely basis or on terms commercially acceptable to us. Re-qualifying alternative suppliers, especially for components requiring stringent automotive-grade certification, could be time-consuming and may involve additional development and testing costs.

We rely on third-party service providers and business partners to support the delivery of our solutions to customers. Any failure by these third parties to meet our standards or fulfill their obligations could disrupt our operations, harm our customer relationships, and adversely affect our business performance.

We rely on third-party service providers and partners, including CSPs for our Vehicle-based Services Marketplace, to deliver our solutions. Failure by these parties to meet obligations, comply with contracts or laws, engage in misconduct, or experience operational disruptions could delay product development, impair solution delivery to OEMs, cause user complaints, or damage our reputation. Loss of key partners or inability to find replacements could increase costs, reduce quality, and limit product availability. Although we have procedures to assess and monitor partners, we lack direct control over their operations, governance, and compliance systems, which may adversely affect our business performance.

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Any failure by us or our business partners to comply with applicable anti-corruption, anti-bribery, anti-money laundering, and similar laws and regulations, could subject us to administrative, civil, and criminal penalties and damages to our reputation, which may adversely affect our business financial condition.

We and our business partners are subject to applicable anti-corruption, anti-bribery, anti-money laundering and similar laws and regulations in the jurisdictions in which we operate. Any failure to comply with such laws and regulations could expose us to administrative, civil or criminal penalties, regulatory sanctions, increased regulatory scrutiny and reputational harm, which could materially and adversely affect our business, results of operations and financial condition. Compliance requires significant resources, and despite our internal policies and procedures, there is no assurance that violations by us or our partners, including misuse of our solutions or services for illegal purposes, will be prevented. Any such violations could result in fines, enforcement actions, additional compliance obligations or other penalties.

We are subject to risks associated with strategic collaborations, alliances or acquisitions.

We may enter into strategic alliances, joint ventures, or acquisitions to advance our business, which could expose us to risks such as sharing proprietary information, non-performance by third parties, increased costs, limited control over partners, or reputational harm from their negative publicity. Acquisitions may require shareholder or regulatory approvals, involve significant management attention, divert resources from our core business, and may not generate expected financial results, any of which could materially and adversely affect our business.

We may not always share the same business priorities or growth strategies as AGH and SAIC, our Controlling Shareholders, and potential conflicts of interest may arise, given AGH’s and SAIC’s substantial ownership interest in our Company.

AGH and SAIC may from time to time make strategic decisions that it believes are in the best interests of its business and shareholders as a whole. These decisions may be different from the decisions that we would have made on our own. Conflicts of interest may arise among us, AGH and SAIC, the Controlling Shareholders, in a number of areas relating to our ongoing relationships. Potential conflicts of interest that we have identified mainly include the following:

- *Agreements with AGH and SAIC.* We have entered into agreements with AGH, SAIC and its associates with respect to material aspects of our operations and their continued cooperation with and support to us. See the sections headed “Connected Transactions” and “Relationship with our Controlling Shareholders” in this Document for further details of such agreements. Conflict of interests may exist in event of a contractual breach by either party.
- *Employee recruiting and retention.* We may compete with AGH and SAIC in the hiring of employees.
- *Sales of shares in our Company.* AGH and SAIC may decide to sell all or a portion of the Shares in our Company it holds to a third party, including to one of our competitors, thereby giving that third party substantial influence over our business and our affairs. Such a sale could be contrary to the interests of our employees or our other Shareholders.
- *Our Directors and employees may have conflicts of interests.* Some of our non-executive Directors hold directorships and management positions in AGH Group and SAIC Group. These relationships could create, conflicts of interests when these persons are faced with decisions with potentially different implications for AGH and SAIC and us.

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Although we will be a stand-alone [REDACTED] after the [REDACTED], we expect to operate, for as long as AGH and SAIC remains two of our major Shareholders, as an affiliate of AGH and SAIC. After we become a stand-alone [REDACTED], we will have an audit committee, consisting of independent non-executive Directors, to review and approve all proposed connected transactions as defined in the Listing Rules, including any transactions among us, AGH and SAIC and/or their associates. However, we may not be able to resolve all potential misalignments in interests, and even if we do so, the resolution may be less favorable to us than if we were dealing with a non-controlling shareholder. For further details as to how we address such conflicts, see the section headed “Relationship with our Controlling Shareholders” in this Document.

We may not continue to enjoy the level of government grants and favorable tax treatment that we received in the past.

We have historically benefited from government grants and preferential tax treatments awarded in recognition of our research and development activities. For the years ended December 31, 2023, 2024 and 2025, we recognized government grants for our continuing operations in the amounts of RMB51.5 million, RMB62.4 million and RMB102.6 million, respectively. However, these grants are typically one-off awards rather than recurring commitments, and there can be no assurance that similar incentives will be available in the future. Moreover, Chinese regulatory authorities may alter, reduce or eliminate these subsidy programs at their discretion. Should we be unable to secure equivalent government support or preferential tax treatment going forward, our ability to fund ongoing investments and sustain our competitive position in the market may be significantly impaired.

We have granted, and may continue to grant options and other types of share-based payments, which may result in increased share-based payment expenses.

We may grant share-based compensation awards to qualified individuals, primarily comprising our employees, to incentivize their performance and align their interests with ours. We recognize equity-settled share-based payment expenses in our consolidated financial statements in accordance with IFRSs. We recorded equity-settled share-based payments of RMB84.5 million, RMB90.3 million and RMB31.7 million in 2023 and 2024 and 2025, respectively. We believe the granting of share-based compensation is important to attract and retain key personnel and employees. As a result, our expenses associated with share-based compensation may increase, which may have an adverse effect on our results of operations, and the shareholding of existing shareholders may experience further dilution.

Our business is subject to seasonality.

Our results of operations are affected by seasonal fluctuations in demand for our solutions, which are influenced by broader market trends in the automotive industry. In China, OEMs typically determine their annual technology roadmaps and begin to prepare supplier contracts around mid-year. This results in a concentrated period of development activity in the second half of the year, during which we complete development, deliver solutions for customer acceptance, and recognize revenue accordingly. Additionally, OEMs usually deliver more of their vehicle models toward the year end, and therefore the delivery of our solutions also tends to increase in the second half. That said, the actual timing of project acceptance depends on each customer’s internal approval and review processes, which can vary widely. Because of these seasonal and customer-specific dynamics, our quarterly or half-year results may not accurately reflect our full-year performance. If we fail to manage such seasonality effectively, or if year-end vehicle deliveries by OEMs are delayed or disrupted, our revenue and cash flows could be materially and adversely affected.

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We are subject to credit risk related to delay in payment and defaults of customers.

We extend credit to our OEM customers in the ordinary course of business, which exposes us to the risk that we may not be able to collect all amounts due. As of December 31, 2023, 2024 and 2025, our trade receivables amounted to RMB395.8 million, RMB388.5 million and RMB477.1 million, respectively. In 2023, 2024 and 2025, our trade receivables turnover days were 183.3, 187.7 and 196.7 days, respectively. The turnover period remained relatively stable at approximately six months in 2023 and 2024, with minor fluctuations reflecting the timing of revenue recognition and customer payments. Our trade receivables turnover days increased to 196.7 days for the year ended December 31, 2025, primarily due to higher trade receivables at the year end of 2025. See “Financial Information—Discussion of Selected Items from the Consolidated Balance Sheets.” We may not be able to collect all of our trade receivables due to factors beyond our control, such as adverse operating conditions or financial conditions of our customers, and customers’ inability to pay due to delays in payment from their own car owners. Prolonged or widespread payment challenges among our customer base could also force us to increase our credit-risk monitoring, redirect working capital to cover shortfalls or seek more stringent payment terms, all of which could have a negative impact on our liquidity and financial condition.

We may not be able to timely fulfill our obligations in respect of contract liabilities to our customers or at all.

We recognize contract liabilities mainly from advance customer payments, reflecting our obligation to deliver products and services in the future. As of December 31, 2023, 2024, and 2025, these amounted to RMB77.0 million, RMB38.5 million, and RMB30.8 million, respectively, including non-current portions of RMB22.0 million, RMB17.1 million, and RMB13.0 million. Delays in fulfilling these obligations may result from development setbacks, supply chain disruptions, changes in customer schedules, or technical challenges. Failure to deliver on time or at all could lead to refunds, penalties, withheld payments, or contract terminations, negatively affecting revenue, working capital, and customer relationships.

If we are unable to fully recover our contract assets, our liquidity and financial position may be adversely affected.

We recognize contract assets primarily in connection with revenue recognized for performance obligations satisfied before we have an unconditional right to payment. These typically arise from long-term customer projects where billing milestones are tied to acceptance, delivery, or other conditions specified in the contract. The recoverability of these contract assets depends on our continued performance, the customer’s acceptance of our deliverables, and the customer’s financial condition. As of December 31, 2023 and 2024, as well as 2025, our contract assets amounted to RMB925 thousand, RMB2.4 million and RMB8.1 million, respectively. If any customer delays acceptance, disputes our performance, or experiences financial distress, we may not be able to recover the full amount of contract assets recorded. In addition, shifts in customer development timelines, contract modifications, or early termination of projects could delay or reduce our ability to collect these assets. Failure to recover our contract assets could lead to write-downs, reduce our cash inflows, and adversely affect our working capital and financial position. Any significant impairment of contract assets may also raise questions about our revenue quality and negatively impact investor confidence.

Fair value change of financial assets at fair value through profit or loss may affect our results of operations.

We hold certain financial assets that are measured at fair value through profit or loss, including our wealth management products. As of December 31, 2023, 2024 and 2025, we recorded financial assets at FVTPL of nil, RMB1,598.5 million and RMB60.0 million, respectively. The fair value of these assets is subject to fluctuations due to changes in market conditions, interest rates,

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credit risk, and other external factors beyond our control. The decrease from RMB1,598.5 million as of December 31, 2024 to RMB60.0 million as of December 31, 2025, was primarily attributable to our redemption of wealth management products and reallocated the proceeds to term deposits. As a result, we may record gains or losses in our consolidated financial statements that do not reflect the underlying performance of our core business operations. Volatility in the fair value of these financial assets may cause fluctuations in our reported earnings from period to period, which could make it more difficult for investors and analysts to evaluate our financial performance. In addition, if we are required to recognize material fair value losses, our net income and financial condition could be adversely affected.

We have incurred substantial indebtedness, which may limit our financial and operational flexibility and place restrictions on our business activities. In addition, the size of our repayment obligations may put pressure on our liquidity and reduce our ability to respond to adverse economic or industry conditions.

As of December 31, 2025, our total borrowings amounted to RMB318.7 million. This level of indebtedness may significantly limit our ability to respond to changing business needs or adverse economic conditions, and may place us at a competitive disadvantage relative to industry peers with lower leverage. Our debt obligations may constrain our ability to invest in growth initiatives, pursue strategic opportunities, or absorb external shocks. An increase in indebtedness will also increase borrowing costs and the covenants pertaining thereto may also limit our ability to obtain additional financing renew certain amount of the loan upon its expiration. If we are unable to timely refinance or renew such amount at acceptable terms, or at all, our liquidity may be materially and adversely affected. Upon an event of default, the lenders may be entitled to foreclose upon our assets pledged as collateral. Any of these events may cause material and adverse impact on our business operations and financial conditions.

If we cannot obtain sufficient capital on acceptable terms to fund our operations and growth, our business, financial condition and prospects may be materially and adversely affected.

Our business model involves substantial upfront investments in research and development, talent recruitment, product innovation, and infrastructure to support long-term growth. We also require further capital to fund new customer programs, expand into new markets, enhance our technology stack, or pursue strategic partnerships and acquisitions. We cannot guarantee that additional funding will be available to us on terms that are commercially acceptable, or at all. If we are unable to secure sufficient capital in a timely manner, we may have to delay or reduce our investment plans, scale back operations, or limit our strategic initiatives.

Our solutions involve a complex set of algorithms, and there is no assurance that we can effectively develop our algorithms to maintain the competitiveness of our solutions.

Our success hinges on our ability to continuously advance and refine our complex set of algorithms that underpin our solutions. Due to the complex and evolving nature of AI and algorithm technologies, the research and development may require significant upfront investment but there is no guarantee that we can deliver valid outcome in time or at all. In addition, developing and adapting algorithms that can keep pace with these changes is challenging. If we fail to do so, our solutions may become outdated, less effective, or non-compliant with emerging regulatory requirements. Furthermore, developing and refining complex algorithms demand significant resources, including skilled engineering talent, computational power, and research and development investments. If we face limitations in these areas, it may hinder our ability to effectively develop and maintain cutting-edge algorithms. Lastly, we depend on the large volumes of real-world data collected from the vehicles equipped with our intelligent cockpit technologies and solutions. If we are unable to access or leverage the data we collect or otherwise obtain for any reason, our research and development operations as well as our ability to effectively develop, validate, refine and iterate our software algorithms will be negatively impacted.

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Security breaches and other disruptions of our systems, infrastructure, integrated software and related data, or those of third parties we partner with, could endanger the trust of our customers and adversely impact our business.

We have designed, implemented, and tested security measures intended to prevent unauthorized access to our systems. For details, see “Business—Data Privacy and Security.” However, our systems, infrastructure, integrated software and related data may be vulnerable to security breaches. Unauthorized third parties may circumvent our security measures, misappropriate proprietary information and cause interruptions in our information technology systems. A successful breach could allow attackers to modify firmware or application code, alter user-interface behaviour, disable safety functions or exfiltrate confidential data. Even an attempted attack or a perceived vulnerability can undermine OEM and consumer confidence in our solutions, interrupt our development or production activities and force us to divert significant resources to incident response, remediation and legal defence.

Our networks and systems are susceptible to malfunctions, unexpected failures, interruptions, insufficiencies, and security breaches. Potential disruptions or failures could affect the availability and functionality of our software systems.

Our solutions depend critically on the availability, reliability and security of our information technology and communications infrastructure. Any malfunction, unexpected failure or interruption, whether due to physical events (such as fire, natural disasters, power outages, theft or terrorist acts), cyberattacks (including viruses, ransomware, denial-of-service or social engineering schemes), insider misconduct or failures at third-party providers (such as cloud or mapping service vendors), could render our platforms unavailable or significantly degrade their performance. Such outages or degradations may prevent us from delivering consistent services to OEM customers, undermine confidence in our offerings, disrupt our daily operations and damage our reputation. In addition, extended exposure us to contractual penalties, liability claims, regulatory scrutiny or increased costs to remediate and harden our systems. Any of these outcomes could materially and adversely affect our business, financial condition, results of operations and growth prospects.

We may face increased scrutiny or stricter regulatory requirements in the future due to the continuously emerging and rapidly evolving smart cockpit software solution industry in China, which could adversely affect our business and growth prospects.

China’s smart cockpit software solution industry remains nascent and is developing at a rapid pace. Regulators are actively shaping the automotive intelligence market. However, given that many of these laws and regulations are still being drafted or refined, there remains uncertainty as to how they should be interpreted and implemented in practice. The evolving regulatory landscape may require us to incur substantial additional compliance costs, modify certain aspect of our solutions product, delay product launches, complicate our market planning. If regulators impose onerous obligations or restrict key features of our solutions, our ability to innovate, compete and expand could be materially and adversely affected, with negative consequences for our business, financial condition and growth prospects.

We may not be able to obtain or maintain adequate protection for our intellectual property rights, or the scope of such intellectual property rights protection may not be sufficiently broad, which could harm our business and competitive position.

Our intellectual property rights are central to our business strategy, and we have invested significant resources in their development. However, there is no assurance that our rights will always be granted or that we can prevent unauthorized use by third parties, which could harm our business and competitive position. While we enter into employment agreements with confidentiality, non-compete and intellectual property ownership provisions, breaches may occur and timely remedies may not be available. Others may independently discover trade secrets or

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proprietary information, and enforcement may require costly and time-consuming litigation. Despite our efforts, third parties may attempt to copy, misuse, or challenge our intellectual property rights, which could materially and adversely affect our business, results of operations and financial condition.

We may be involved in litigation brought by third parties claiming infringement by us of their intellectual property rights, which could be time-consuming and would cause us to incur substantial costs.

In light of the increased competition, we may be exposed to higher risk of infringement or violation of intellectual property rights. Our competitors or other third parties may in the future claim that our services and underlying technology infringe on their intellectual property rights, and we may be found to be infringing on such rights. We may be unaware of the intellectual property rights of others that may cover some or all our technologies. Any claims or litigation could cause us to incur significant expenses and could have a material adverse effect on our business, financial condition and results of operations. Even if we were to prevail in the event of claims or litigation against us, any claim or litigation regarding intellectual property could be costly and time-consuming and divert the attention of our management and other employees from our business.

Our use of open-source software in our applications could subject our proprietary software to general release, adversely affect our ability to sell our products and solutions and subject us to possible litigation, claims or proceedings.

We use open-source software in the development and deployment of our services, and we expect continued reliance on open-source software in the future. Companies that use open-source software for their products have, encountered challenges related to the use of such software and potential non-compliance with open-source licensing terms. As a result, we could be subject to legal actions initiated by third parties who claim ownership of software that we believe falls under the category of open-source software, or who allege breaches of open-source licensing terms.

Failure to comply with relevant regulations, or obtain and maintain required licenses, approvals and permits in a timely manner, could adversely affect our operations and expose us to penalties or enforcement actions.

We cannot assure you that the licenses we have obtained are sufficient to conduct all of our present or future business. The interpretation and implementation of existing and future laws, regulations and policies governing our business activities may be further amended. We cannot assure you that we will not be found in violation of any future laws, regulations and policies or any of the laws, regulations and policies currently in effect as a result of further interpretations or enhanced enforcement by the competent authorities. Any such failure may subject us to various penalties, including fines, confiscation of revenues, suspension or discontinuation of our relevant operations and adversely affect our business operations, financial condition and prospects. For details of the requisite licenses, filings and approvals for our business operations, see “Business—Licenses and Permits.”

Failure to address fraudulent, illegal, or improper conduct by our employees or third parties, including suppliers and partners, could harm our operations, reputation, and expose us to legal or regulatory liabilities.

Failure to promptly address fraudulent, illegal, or improper conduct by our employees or third parties, including suppliers and partners, could harm our operations, damage our reputation, and expose us to legal or regulatory liabilities. Despite policies and internal controls, we cannot guarantee prevention of misconduct or fraud, which could materially affect our brand, business, and financial condition. Similarly, misconduct by third parties, or failure to detect it, could lead to legal proceedings, regulatory fines, reputational harm, loss of consumer trust, decreased market share, and difficulties in attracting and retaining partners.

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We face certain risks relating to our lease properties, including any legal defects and unforeseen lease terminations of such properties.

As of the Latest Practicable Date, we leased eight properties in the PRC with a total gross floor area of approximately 14,000 sq.m, which had not been registered with the relevant local authorities. The properties we lease are primarily used for office premises. There is no assurance that the lessors will cooperate and complete the registration in a timely manner. Failure to complete the lease registration will not affect the legal effectiveness of the lease agreements according to PRC law, but the real estate administrative authorities may require the parties to the lease agreements to complete lease registration within a prescribed period of time, and the failure to do so may subject the parties to fines from RMB1,000 to RMB10,000 for each of such lease agreements. As of the Latest Practicable Date, we had not been ordered by any PRC government authorities to register any lease agreements. However, if we are fined for unregistered leases, we may be unable to recover those penalties from our lessors. We can neither assure that we are able to renew our lease on commercially acceptable terms upon expiry, or at all. If the title of any of our leased properties is controversial or the validity of the relevant lease is challenged by any third party, or if we fail to renew our lease upon expiry, we may be compelled to relocate from the affected premises which may result in additional expenses or business interruption and in turn, have an adverse effect on our business, financial condition and results of operations.

We face certain legal and regulatory risks relating to social insurance and housing fund.

In accordance with the PRC Social Insurance Law (《中華人民共和國社會保險法》) and the Regulations on the Administration of Housing Fund (《住房公積金管理條例》) and other relevant laws and regulations, China has established a social insurance system, including basic pension insurance, basic medical insurance, work-related injury insurance, unemployment insurance, maternity insurance, and housing fund system. An employer is required to make contributions for the statutory social insurance and housing fund for its employees in accordance with the rates provided under relevant regulations and withhold the contribution amounts to be paid by the employees themselves. During the Track Record Period, we have engaged third-party human resources agencies to make social insurance and housing provident fund contributions for some of our employees, and one of our relevant subsidiaries failed to pay social insurance or housing provident fund contributions for the relevant employees in full. There is a risk that the relevant government authorities may determine that we have not properly contributed social insurance and housing provident funds for those employees. Furthermore, if such third-party agencies fail to fulfill their obligations under the relevant agreements to make such payments, it could lead to potential disputes between us and the affected employees.

We had shortfall on the full contribution of social insurance and housing provident fund in 2023, 2024 and 2025, amounting to RMB3.4 thousand, RMB2.5 million and RMB4.0 million, respectively. Our Directors believe that such shortfall of social insurance and housing provident funds would not have a material adverse effect on our business and results of operations, considering that: (i) one of our relevant subsidiaries obtained a compliance certificate from relevant regulatory authority, confirming that the subsidiary has made social insurance contributions for its employees with no outstanding payments and the regulatory authority has not received any complaints against our subsidiary regarding social insurance matters, nor has the subsidiary been subject to any investigation or penalty from the regulatory authority for violations of labor and social security laws and regulations; (ii) during the Track Record Period and up to the Latest Practicable Date, we had not received any notification from the relevant PRC authorities requiring us to pay material shortfalls (including late payments) with respect to social insurance and housing provident funds; (iii) we had not been subject to any administrative penalties imposed by the social insurance authorities or the housing provident fund authorities due to insufficient payment of social insurance or housing provident funds during the Track Record Period and up to the Latest Practicable Date; (iv) we were not aware of any employee complaints nor were involved in any labor disputes with our employees with respect to social insurance and housing provident funds; (v) if the relevant authorities order us to pay the outstanding social insurance and/or housing provident

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funds or take rectification measures in accordance with applicable laws and regulations, we will make such payments or take such rectification measures promptly within the specified period to avoid administrative penalties for overdue payment; (vi) as advised by our PRC Legal Advisor, considering the relevant regulatory policies and the facts as mentioned above, in the absence of employees’ complaints, the likelihood that we are subject to material administrative penalties due to our failure to make full contribution of social insurance and housing provident funds during the Track Record Period is remote. Accordingly, we had not made any provision for the shortfall in our social insurance and housing provident fund contributions during the Track Record Period and up to the Latest Practicable Date.

Our compliance challenges may be compounded by the evolving PRC labor laws and regulations. On July 31, 2025, the Supreme People’s Court of the PRC promulgated the Interpretation II of the Supreme People’s Court of Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》) (the “Interpretation II”), which took effect from September 1, 2025. Pursuant to the Interpretation II, any arrangement not to participate in social insurance through unilateral undertaking by employees or mutual agreement between the employers and the employees, is invalid. If the employee terminates the labor contract on the grounds that the employer fails to make social insurance contributions in accordance with PRC laws and regulations, and claims economic compensation from the employer, the courts shall uphold the claims. As advised by our PRC Legal Adviser, the Interpretation II does not substantially change or add to the employer’s obligation to pay social insurances for employees under the applicable laws and regulations, instead it clarifies the application and interpretation of relevant PRC laws on social insurance contributions. Based on the foregoing and the facts that during the Track Record Period and up to the Latest Practicable Date, (i) the Group has not made any agreements excluding social insurance payments for any employees; (ii) no employee has raised any disputes with the Group regarding social insurance payment; (iii) the Group has not been subject to any material investigation, inquiry, sanction, penalty, litigation, legal proceedings or complaints related to social insurance, our Directors believe that the Interpretation II would not have a material adverse effect on our business operations or financial results. However, as PRC labor laws and regulations continue to evolve, we cannot assure how future developments may affect our operations. If we are deemed to have violated the relevant labor laws and regulations, we could be subject to penalties, fines, and our business operations and financial conditions could be adversely affected.

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

We maintain insurance and contribute to employee social insurance plans in accordance with PRC law, including supplementary commercial medical coverage. However, we do not carry business interruption, key-person life, or litigation insurance. Any uninsured business disruption, litigation, natural disaster, or damage to uninsured equipment could materially affect our operations. Our coverage may be insufficient, and claims may not fully or timely compensate losses, which could materially and adversely impact our business, financial condition, and results of operations.

We may be exposed to risks related to litigation and administrative proceedings that could materially and adversely affect our business, financial condition, and results of operations.

From time to time, we have been subject to claims and various legal and administrative proceedings. Regardless of merit, such proceedings can be expensive, time-consuming, disruptive, and distracting to management. We may enter into licensing agreements or other arrangements to settle disputes, which could increase operating expenses, and there is no assurance that such agreements can be obtained on acceptable terms or that litigation will not occur. While no material proceedings existed during the Track Record Period or up to the Latest Practicable Date, new claims or proceedings may arise, and adverse resolutions or injunctions could materially and adversely affect our business, financial condition, and results of operations.

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We depend on the continued efforts of our key management, as well as qualified and experienced personnel, and any failure to attract, motivate and retain such individuals would materially and adversely affect our business, financial condition, and results of operations.

Our success depends on the continued efforts of our senior management and certain qualified and experienced personnel. If we lose their services, we may not be able to locate or may incur great costs to recruit and train suitable or qualified replacements in a timely manner, or at all, which could harm our business, results of operations, and financial condition. We believe that there is, and will continue to be, intense competition for highly skilled management, technical, sales and other personnel with experience in the smart cockpit software solution or adjacent industries. Even if we were to offer higher compensation and other benefits, there can be no assurance that these individuals will choose to join or continue to work for us.

Our success depends on maintaining strong brand recognition and reputation, which could be materially harmed by negative publicity, sanctions, regulatory restrictions, or geopolitical disputes involving us, our partners, or our industry.

Our success depends on strong brand recognition and reputation, which could be materially harmed by negative publicity, solution defects, incident reports, or issues involving our company, management, employees, partners, or industry. Because our solutions are integrated into OEM vehicle models, negative publicity affecting those models may reduce demand and hurt sales. We may also be affected by sanctions, trade restrictions, foreign investment limits, or geopolitical disputes involving relevant parties, which could disrupt our supply chain, customer relationships, or operations, increase costs, or attract regulatory scrutiny, materially impacting our business, financial condition, results, and prospects.

Our business, revenue, and financial results may be materially and adversely affected by macroeconomic conditions in China and globally, including any economic slowdown, financial or credit market instability, or changes in consumer spending patterns.

The success of our business ultimately depends on consumer spending. We derive a substantial majority of our revenues from China. As a result, our revenues and financial results are impacted to a significant extent by the economic conditions globally, particularly in China. There is considerable uncertainty over the long-term effects of the expansionary monetary and fiscal policies adopted by the central banks and financial authorities of some of the world’s leading economies. There have been concerns over unrest and terrorist threats in the Middle East, Europe and Africa and over the conflicts involving Ukraine. It is unclear whether these challenges and uncertainties will be contained or resolved, and what effects they may have on the global political and economic conditions in the long term. Any severe or prolonged slowdown in the global or China’s economy may materially and adversely affect our business, results of operations, and financial condition.

We face risks related to health epidemics, natural disaster, terrorist activities, political unrest, financial or economic crisis and other force majeure events, which could significantly disrupt our operations.

Natural disaster events (such as earthquakes, tsunamis, volcanic eruptions, floods, tropical weather conditions and landslides), health epidemics (such as swine flu, avian influenza, severe acute respiratory syndrome (SARS), Ebola and Zika), terrorist attacks, political unrest, financial or economic crisis and other force majeure events may adversely disrupt our operations in the countries and regions we may expand into in the future, lead to economic weakness in such countries and regions in which they occur and affect worldwide financial markets, and could materially and adversely affect our business operations, financial performance, financial condition, results of operations and prospects.

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RISKS RELATING TO DOING BUSINESS IN THE JURISDICTION IN WHICH WE OPERATE

We are required to obtain the approval, complete the filing or fulfill other requirements of the CSRC or other governmental authorities in connection with the [REDACTED] on the Hong King Stock Exchange.

Pursuant to the Overseas Listing Trial Measures, we are required to complete filing procedures with the CSRC for the [REDACTED] and [REDACTED] of our Shares on the Hong Kong Stock Exchange and make subsequent reports to the CSRC on relevant information or material events. Any failure to complete or delay in completing such filing or report procedures for the [REDACTED] would subject us to sanctions by the CSRC or other PRC regulatory authorities. The Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies (the “Archives Rules”) require that, in relation to the overseas securities offering and listing activities of domestic enterprises, either in direct or indirect form, such domestic enterprises strictly comply with relevant requirements on confidentiality and archives management, establish a sound confidentiality and archives system, and take necessary measures to implement their confidentiality and archives management responsibilities. The interpretation and implementation of the Archives Rules may continue to evolve, and failure to comply may materially affect our business, results of operations, or financial condition.

Furthermore, we cannot assure you that new rules or regulations promulgated in the future will not impose additional requirements or restrictions on us or our financing activities. We may face sanctions by the CSRC or other PRC regulatory authorities for failure to seek CSRC approval or other government authorization, or perform filing procedures for our future financing activities and limit our operating activities in the PRC, limit our ability to pay dividends outside the PRC, or take other actions to restrict our financing activities.

Changes in international relations, geopolitical tensions, and trade protection policies, including the imposition of trade restrictions, investment restrictions, sanctions, export controls, or tariffs, may materially and adversely affect our business, financial condition, and results of operations.

Changes in international trade policies and rising geopolitical tensions—particularly between the United States and China, but also as a result of the war in Ukraine and sanctions on Russia—have created a complex and evolving global business landscape. Tensions between China and the United States have been especially pronounced due to several developments. These developments have heightened uncertainty and risk across international trade, cross-border investment, and technology supply chains. Measures such as tariffs, export controls, sanctions, restrictions on technology transfer, and increased regulatory scrutiny of Chinese companies by U.S. and other foreign authorities could negatively impact our supply chain, limit our access to essential components or technologies, and constrain our ability to conduct business internationally.

Most recently, in April 2025, the U.S. government adopted a two-tier tariff structure: a universal 10% baseline tariff on all imports to the U.S. and individualized, reciprocal higher tariffs on imports from certain countries and regions, including China, the European Union, and Japan. On April 10, 2025, the U.S. government suspended reciprocal tariffs for all countries and regions, except China, for a period of 90 days. Shortly thereafter, China and the European Union announced higher tariff rates on U.S. goods entering their markets. Furthermore, the European Union has imposed countervailing duties ranging from 17% to 35.3%—with certain exceptions, which face a duty of 7.8%—on electric vehicles (EVs) imported from China for a period of five years starting October 30, 2024. These duties are in addition to the EU’s standard 10% car import duty. Laws and regulations such as these are subject to frequent change, and their interpretation and enforcement involve substantial uncertainty, often heightened by national security considerations and other factors beyond our control. The increased tariffs imposed by both the EU and the United States will directly affect our Chinese OEM customers and could indirectly have a material adverse effect on

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our business, operations, and financial performance. If our smart cockpit solutions are exported directly to the EU, the United States, or other jurisdictions with similar tariffs, we may also be subject to increased duties on those products. As our business involves cross-border trade, these tariff measures could increase our import costs and, in turn, adversely impact our competitiveness, business, financial condition, and operating results. On May 12, 2025, China and the U.S. reached a temporary de-escalation of bilateral tariffs—reducing additional tariffs on most Chinese exports from 145% to 30% and lowering additional tariffs on U.S. goods from 125% to 10%—global trade tensions remain elevated. Subsequently, the two sides agreed to roll back most of these higher tariffs for a 90-day period ending August 12, 2025. On August 11, 2025, amidst continued discussions, the two sides agreed to extend the pause on the higher tariffs an additional 90 days until November 10, 2025. In addition to the tariffs on Chinese goods, the U.S. government has also pursued substantially higher tariff rates with substantially all of its trading partners. These and similar developments may mark a period of increased trade tensions and higher tariff rates, which could negatively affect both China’s trade and other economic relations with the United States, but also global economic conditions generally. Future trade policies may continue to evolve, and new tariffs, import/export restrictions, or technology controls may be implemented, potentially introducing further uncertainty and operational challenges for our business.

In addition, on August 9, 2023, former President Biden issued Executive Order 14105, “Addressing United States Investments in Certain National Security Technologies and Products in Countries of Concern,” (“E.O. 14105”). In accordance with E.O. 14105, Treasury issued implementing regulations (the “Outbound Investment Rules”), which became effective on January 2, 2025. Under the Outbound Investment Rules, U.S. Persons face prohibitions and notification requirements for a broad range of investments in entities associated with China, Hong Kong SAR, and Macau SAR that are engaged in any “covered activity” in (i) semiconductors and microelectronics, (ii) quantum information technologies, and (iii) artificial intelligence systems, such entities are collectively defined as “covered foreign persons.” Covered transactions include certain equity investments, debt financing, joint ventures, and limited partnership investments in non-U.S. pooled funds. The Outbound Investment Rules also carve out certain excepted transactions. One such exception is an investment by a U.S. person in any “publicly traded security, with ‘security’ as defined in section 3(a)(10) of the Securities Exchange Act of 1934, that (i) trades on a securities exchange or through the method of trading that is commonly referred to as ‘over-the-counter’ in any jurisdiction” and (ii) does not afford the U.S. person rights beyond standard minority shareholder protections. The Outbound Investment Rules may introduce new hurdles and uncertainties for cross-border collaborations, investments, and fundraising activities of China-based issuers such as us. As advised our legal adviser as to U.S. outbound investment laws, we are unlikely to be viewed as a covered foreign person under the Outbound Investment Rules, as we do not engage in any “covered activity” or otherwise fall within the definition on the basis that (1) the AI system developed and designed by the Company is not applied in or used as an application that controls robotics, such as an autonomous driving system; and (2) such AI system is a vehicular operating system, which does not allow the Company’s customers to further develop other functions or applications that control robotics, such as an autonomous driving system. Therefore, to the best of our knowledge, we have not and do not expect to experience material adverse impact on our operations, financial performance, [REDACTED] or [REDACTED] prospects as a result of the Outbound Investment Rules. However, there is no assurance that Treasury will share this view. If we are deemed to be a covered foreign person, and if U.S. persons engage in a covered transaction involving our H Shares, such U.S. persons may need to submit a notification to Treasury under the Outbound Investment Rules.

Although we believe our H Shares are currently not restricted by the Outbound Investment Rules, evolving regulations and differing interpretations could further restrict our future ability to raise capital from U.S. investors, potentially harming our business, financial position, and prospects. Under extreme circumstances, the value of our H Shares could decline significantly or even become worthless.

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Additionally, heightened scrutiny of Chinese companies, including potential delisting actions in the U.S. capital markets, increased regulatory oversight of cross-border investments, and restrictions on investment or business relationships with Chinese entities, could impair our access to international capital markets and limit our ability to secure financing or strategic partnerships. It is also possible that the U.S., may restrict or even prohibit the import of software or services from China which involve collection of user data. Given the dynamic and unpredictable nature of these geopolitical developments, our business could be materially and adversely affected by further changes in international trade policies or by ongoing geopolitical tensions.

Changes in the economic and legal conditions, as well as the interpretation and implementation of the relevant laws, rules and regulations which impact Chinese companies may adversely affect our business, financial condition, and results of operations.

Since 2018, the United States had through notices of action and/or modification of the United States Trade Representative imposed additional tariffs on certain products of China pursuant to section 301 of the Trade Act of 1974, as amended. During the Track Record Period, we have not directly exported any products into the United States, thus, the aforementioned U.S. tariffs have no material impact on our business operation.

We are exploring possible domestically-produced alternatives or other components not subject to the EAR to mitigate our supply chain risks exposure as to geopolitics and trade protections policies. We cannot be certain what additional export control actions the U.S. government may take that could impact our services, suppliers or customers. Furthermore, other countries and regions may continue to adopt export controls that could impact our services and business operations. The aforementioned restrictions, and similar or more expansive restrictions or sanctions, including sanctions currently imposed or may be imposed in the future by the Office of Foreign Assets Control of the United States (the “OFAC”) or other relevant authorities in other jurisdictions, may materially and adversely affect our customers’ and suppliers’ ability to acquire or use technologies, systems, software, devices or components that may be critical to their service offerings and business operations, which in turn may adversely affect our business, results of operations and financial condition.

We are subject to complex and evolving laws and regulations relating to privacy, data protection, and cybersecurity. Any actual or perceived non-compliance could materially and adversely affect our business, reputation, and results of operations.

Our operations are subject to an increasingly complex regulatory environment in China and globally, governing the collection, storage, use, transfer, and security of data. These laws and regulations, including the PRC Cybersecurity Law, Data Security Law, and the Revised Measures for Cybersecurity Review, continue to evolve and may impose significant compliance obligations and operational costs. Under the Revised Measures for Cybersecurity Review, effective February 15, 2022, a cybersecurity review may be triggered if a platform operator engages in data processing activities that affect or may affect national security, or if a platform operator holding over one million users’ personal information seeks to list in a foreign country. As of the Latest Practicable Date, we have not been notified that we are classified as a critical information infrastructure operator (“CIIO”), nor have we received any notice from the Cyberspace Administration of China (“CAC”) requiring us to undergo a cybersecurity review. We believe that [REDACTED] on the Stock Exchange does not constitute a foreign listing under Article 7 of the Revised Measures for Cybersecurity Review. However, the interpretation and application of these rules are subject to further interpretation from the regulators, and we cannot assure you that we will not be subject to future cybersecurity review or other regulatory scrutiny. Any failure or perceived failure to comply with applicable privacy, data protection, or cybersecurity laws and regulations, or any actual or alleged security breach—whether or not involving personal information—could result in regulatory investigations, fines, reputational damage, contractual liability, or disruptions to our operations.

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Laws and regulations over foreign currency conversion and on the remittance of Renminbi into and out of the PRC may affect our utilization of our revenue and our ability to remit dividends.

The PRC government imposes laws and regulations on the convertibility of the Renminbi into foreign currencies and, in certain cases, the remittance of Renminbi into and out of the PRC. Under the existing PRC foreign exchange regulations, foreign exchange transactions under the current account conducted by us, including the payment of dividends, can be made in foreign currencies without prior approval of SAFE by complying with certain procedural requirements and conduct such transactions at designated foreign exchange banks within the PRC that have the licenses to carry out foreign exchange business. Foreign exchange transactions under the capital account, however, normally need to be approved by or registered with the SAFE or its local branch unless otherwise permitted by law. Any insufficiency of foreign exchange may restrict our ability to obtain sufficient foreign exchange for dividend payments to shareholders or satisfy any other foreign exchange obligation. If we do not meet the procedural approvals in respect of the foreign exchange administration, our potential offshore capital expenditure plans and even our business may be materially and adversely affected.

Fluctuations in exchange rates could result in foreign currency exchange losses and could materially and adversely affect our financial performance.

While our revenue and cost of revenue are denominated in Renminbi, we may need to obtain foreign currency to make payments of hardware materials and declare dividends, if any, on our Shares. In addition, our [REDACTED] from the [REDACTED] will be denominated in Hong Kong dollars. The value of currencies against the Hong Kong dollar, the U.S. dollar and other currencies is based on rates set by the People’s Bank of China, which is affected by, among other things, changes in global and geographical political and economic conditions, supply and demand in the monetary markets, and economic and political developments domestically and internationally. It is difficult for us to predict how external factors in respect of markets or policies may impact the exchange rate between the Renminbi and the Hong Kong dollar, the U.S. dollar or other currencies in the future. The [REDACTED] from the [REDACTED] will be received in Hong Kong dollars. As a result, any appreciation of the Renminbi against the Hong Kong dollar may result in a decrease in the value of our [REDACTED] from the [REDACTED].

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

Under the current PRC tax laws and regulations, non-PRC resident individuals and non-PRC resident enterprises are subject to different tax obligations with respect to the dividends paid to them by us and the gains realized upon the sale or other disposition of our H Shares. Non-PRC resident individuals are required to pay PRC individual income tax at a 20% rate for any dividends obtained from within the PRC or gains on transfer of shares under the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》) (the “IIT Law”) and its implementation guidelines. Accordingly, we are required to withhold such tax from dividend payments, unless applicable tax treaties between China and the jurisdiction in which the foreign individual resides reduce or provide an exemption for the relevant tax obligations. However, pursuant to the Circular on Certain Policy Questions Concerning Individual Income Tax (《財政部、國家稅務總局關於個人所得稅若干政策問題的通知》) (Cai Shui Zi [1994] No. 020) issued by the MOF and SAT on May 13, 1994, the income gained by individual foreigners from dividends and bonuses of enterprises with foreign investment are exempted from individual income tax for the time being. Furthermore, pursuant to the Circular of Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from the Transfer of Shares (《關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》) (Cai Shui Zi [1998] No. 61) issued by the MOF and the SAT on March 30, 1998, from January 1, 1997, the income of individuals from the transfer of the shares of listed enterprises continues to be exempted from individual income tax.

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As of the Latest Practicable Date, no aforesaid provisions have expressly provided that individual income tax shall be levied on non-PRC resident individual holders on the transfer of shares in PRC resident enterprises listed on overseas stock exchanges, and to our knowledge, no such individual income tax was levied by PRC tax authorities in practice. However, there is no assurance that the PRC tax authorities will not change these practices which could result in levying income tax on non-PRC resident individual holders on gains from the sale of our H Shares.

For non-PRC resident enterprises that do not have establishments or premises in China, and for those that have establishments or premises in China but whose income is not related to such establishments or premises, under the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) (the “EIT Law”) and its implementation regulations, dividends paid by us and gains realized by such foreign enterprises upon the sale or other disposition of our H Shares are subject to PRC Enterprise Income Tax at a 10% rate. In accordance with the Circular on Issues Relating to Withholding of Enterprise Income Tax by PRC Resident Enterprises on Dividends Paid to Overseas Non-PRC Resident Enterprise Shareholders of H Shares (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》) (Guo Shui Han [2008] No. 897) issued by SAT on November 6, 2008, the withholding tax rate for dividends payable to non-PRC resident enterprise holders of H Shares will be 10% and we intend to withhold tax at a rate of 10% from dividends paid to non-PRC resident enterprise holders of our H Shares (including HKSCC Nominees). Non-PRC resident enterprises that are entitled to be taxed at a reduced rate under an applicable income tax treaty or arrangement will be required to apply to the PRC tax authorities for a refund of any amount withheld in excess of the applicable treaty rate, and payment of such refund will be subject to the PRC tax authorities’ approval.

Despite the arrangements mentioned above, the interpretation and application of existing applicable PRC tax laws and regulations by the competent tax authorities will be in accordance with the then effective laws and regulations and may change, and new taxes may be imposed, which in either case may adversely affect the value of your [REDACTED] in our H Shares.

It may be difficult for [REDACTED] to directly effect service of legal process upon us or our Directors, Supervisors and senior management in the PRC according to the laws of other jurisdictions.

The capacity to enforce foreign judgments is inconsistent globally. We are a joint stock company incorporated in China. In addition, a majority of our Directors, Supervisors and senior management reside within Chinese mainland, and substantially all of our and their assets are located within the PRC. Therefore, it may be difficult for [REDACTED] to directly effect service of legal process upon us or our Directors, Supervisors and senior management in the PRC according to the laws of other jurisdictions. According to the Arrangement on Mutual Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of Chinese mainland and of the Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) promulgated by the Supreme People’s Court on January 25, 2024 and implemented on January 29, 2024, in the case of effective judgment of a civil and commercial case or civil damages in a criminal case made by the court of China and the court of the Hong Kong Special Administrative Region, any party concerned may apply to the People’s Court of China or the court of the Hong Kong Special Administrative Region for recognition and enforcement based on this arrangement.

RISKS RELATING TO THE [REDACTED]

There has been no prior public market for our H Shares, and their liquidity and market price maybe volatile.

Prior to the [REDACTED], there was no public market for our H Shares, and the initial [REDACTED], determined through negotiations with the [REDACTED], may differ significantly from the post-[REDACTED] market price. [REDACTED] on the Stock Exchange does not

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guarantee an active or sustained [REDACTED] market, and the price and [REDACTED] of our H Shares may be volatile. Factors that may cause significant deviations from the [REDACTED] include variations in revenue, earnings, or cash flow; business interruptions from natural disasters or power shortages; changes in key personnel; regulatory approval challenges; competitive pressures; political, economic, or social developments in China, Hong Kong, or globally; stock market fluctuations; changes in analysts’ estimates; and involvement in material litigation. Prices may also change independently of our performance, and [REDACTED] could incur substantial losses.

Any possible conversion of Unlisted Shares into H Shares could increase the supply of H Shares in the market, which will negatively impact the [REDACTED] of H Shares.

Future sales of a significant number of our H Shares by our existing Shareholders in the public market after the [REDACTED], or the perception that these sales could occur, could cause the [REDACTED] of our H Shares to decline and could materially impair our future ability to raise capital through offerings of our H Shares. We cannot assure you that our existing Shareholders will not dispose of Shares held by them or that we will not issue Shares pursuant to the general mandate to issue shares granted to our Directors or otherwise, upon the expiration of restrictions set out above. We are currently applying for part of the Company’s Unlisted Shares to be converted into H Shares after the completion of the [REDACTED]. According to the PRC Company Law, the Unlisted Shares issued by the Company prior to the [REDACTED] are restricted from [REDACTED] within one year from the [REDACTED]. Such restriction from [REDACTED] will limit the number of H Shares to be circulated on the market, which will in turn adversely affect the liquidity of the H Shares during such restriction period. If our application for the circulation of our relevant Unlisted Shares on the Hong Kong Stock Exchange after the completion of the [REDACTED] is successful, any future sales (after the expiration of the restrictions set out above) of Unlisted Shares by relevant Shareholders in the public market may affect the [REDACTED] of our H Shares. Moreover, if we convert a substantial amount of Unlisted Shares into H shares to be [REDACTED] in the future on the Hong Kong Stock Exchange, it may further increase the supply of the H shares in the market, which may adversely affect the [REDACTED] of the H shares.

We may need additional capital, and the sale or issue of additional Shares or other equity securities could result in additional dilution to our Shareholders.

Notwithstanding our current cash, cash equivalents, and net [REDACTED] from the [REDACTED], we may need additional funds to support growth, investments, or acquisitions. If our resources are insufficient, we may seek financing through additional equity, debt securities, or credit facilities. Incurring debt could increase obligations, impose restrictive covenants, and burden operations; failure to meet these obligations or comply with covenants could materially affect our liquidity and financial condition. Our ability to obtain financing on acceptable terms depends on investor demand, capital market conditions, our financial performance, foreign investment regulations, economic and political conditions in China, and policies on foreign currency borrowings. We cannot guarantee that financing will be available in the amounts or on terms acceptable to us.

As the [REDACTED] of our H Shares is higher than our consolidated net tangible asset book value per Share, purchasers of our H Shares in the [REDACTED] may experience immediate dilution upon such purchases.

As the [REDACTED] of our H Shares is higher than the consolidated net tangible assets per Share immediately prior to the [REDACTED], purchasers of our H Shares in the [REDACTED] may experience an immediate dilution. Our existing Shareholders will receive an increase in the [REDACTED] adjusted consolidated net tangible asset value per Share of their Shares. In addition, holders of our H Shares may experience further dilution of their interest if any Shares are issued under the Pre-[REDACTED] Equity Incentive Plans Scheme, or if we issue additional Shares in the future to raise additional capital.

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Future sale or major divestment of Shares by our Controlling Shareholders may materially and adversely affect the prevailing [REDACTED] of our H Shares.

Our Shares held by our Controlling Shareholders are subject to certain lock-up periods, the details of which are set out in the section headed “[REDACTED]” in this Document. However, there is no assurance that after the restrictions of the lock-up periods expire, our Controlling Shareholders will not dispose of any Shares. Sale of substantial amounts of our Shares in the public market, or the perception that these sales may occur, may materially and adversely affect the prevailing [REDACTED] of our H Shares.

We cannot assure you whether and when we will declare and pay dividends in the future.

While dividends may be paid out of distributable profits under our Articles of Association, no dividends were distributed during the Track Record Period. Distributable profits mean our net profits for a period, plus the distributable profits or net of the accumulated losses, if any, at the beginning of such period, less statutory reserve fund appropriations to general risk reserve, transaction risk reserve, and discretionary surplus reserve (as approved by our shareholders’ meeting). As a result, we may not have sufficient profit to enable us to make future dividend distributions to our shareholders, even if our financial statements prepared in accordance with IFRSs indicate that our operations have been profitable. Furthermore, future determination of dividends will also depend on various factors, including but not limited to our results of operations, cash flows and financial conditions, capital adequacy ratio, operation and capital expenditure requirement and other factors that our Board consider relevant. We cannot assure you that the factors we take into consideration will not change in the future.

Certain facts, forecast and statistics contained in this Document are derived from publicly available sources from official government publications and they may not be reliable.

Certain facts, forecast and statistics contained in this Document relating to China, the PRC economy and the industry in which we operate have been derived from various official government publications. However, the information from the official government sources have not been prepared or independently verified by us, the Joint Sponsors, [REDACTED] or any of their respective affiliates or advisors and, therefore, we make no representation as to the accuracy of such facts, forecast and statistics.

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

This Document contains certain statements and information that are forward-looking and uses forward- looking terminology such as “anticipate,” “believe,” “could,” “going forward,” “intend,” “plan,” “project,” “seek,” “expect,” “may,” “ought to,” “should,” “would” or “will” and similar expressions. You are cautioned that reliance on any forward-looking statement involves risks and uncertainties and that any or all of those assumptions could prove to be inaccurate and as a result, the forward-looking statements based on those assumptions could also be incorrect. In light of these and other risks and uncertainties, the inclusion of forward- looking statements in this Document should not be regarded as representations or warranties by us that our plans and objectives will be achieved, and these forward-looking statements should be considered in light of various important factors, including those set forth in this section. Subject to the requirements of the Listing Rules, we do not intend publicly to update or otherwise revise the forward-looking statements in this Document, whether as a result of new information, future events or otherwise. Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements in this Document are qualified by reference to this cautionary statement.

RISK FACTORS

[REDACTED] should read the entire Document carefully and should not consider any particular statements in this Document or in published media reports without carefully considering the risks and other information contained in this Document.

There may be, subsequent to the date of this Document but prior to the completion of the [REDACTED], press and media coverage regarding us and the [REDACTED], which may contain, among other things, certain financial information, projections, valuations and other forward-looking information about us and the [REDACTED]. We have not authorized the disclosure of any such information in the press or media and do not accept responsibility for the accuracy or completeness of such press articles or other media coverage. We make no representation as to the appropriateness, accuracy, completeness or reliability of any of the projections, valuations or other forward-looking information about us. To the extent such statements are inconsistent with, or conflict with, the information contained in this Document, we disclaim responsibility for them. Accordingly, prospective [REDACTED] are cautioned to make their [REDACTED] decisions on the basis of the information contained in this Document only and should not rely on any other information.

You should rely solely upon the information contained in this Document, the [REDACTED] and any formal announcements made by us in Hong Kong in making your [REDACTED] decision regarding our Shares. We do not accept any responsibility for the accuracy or completeness of any information reported by the press or other media, nor the fairness or appropriateness of any forecasts, views or opinions expressed by the press or other media regarding our Shares, the [REDACTED] or us. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such data or publication. Accordingly, prospective [REDACTED] should not rely on any such information, reports or publications in making their decisions as to whether to [REDACTED] in our [REDACTED]. By applying to purchase our Shares in the [REDACTED], you will be deemed to have agreed that you will not rely on any information other than that contained in this Document and the [REDACTED].

WAIVERS

In preparation for the [REDACTED], our Company has sought the following waivers from strict compliance with the relevant provisions of the Listing Rules.

WAIVER IN RESPECT OF MANAGEMENT PRESENCE IN HONG KONG

According to Rule 8.12 of the Listing Rules, a new applicant for a primary [REDACTED] on the Stock Exchange must have a sufficient management presence in Hong Kong. This normally means that at least two of our executive Directors must be ordinarily resident in Hong Kong. Rule 19A.15 of the Listing Rules further provides that the requirement in Rule 8.12 of the Listing Rules may be waived by having regard to, among other considerations, our arrangements for maintaining regular communication with the Stock Exchange.

We do not have, or does not contemplate in the foreseeable future that we will have a sufficient management presence in Hong Kong for the purpose of satisfying the requirement under Rule 8.12 and Rule 19A.15 of the Listing Rules. Our management headquarters, senior management, business operations and assets are primarily based outside Hong Kong. The Directors consider that either by means of relocation of our existing executive Director and/or appointment of additional executive Directors who will be ordinarily resident in Hong Kong would not be beneficial to, or appropriate for, our Group and therefore would not be in the best interests of our Company or the Shareholders as a whole. As such, we have applied to the Stock Exchange for, and the Stock Exchange [has granted] us a waiver from strict compliance with Rule 8.12 and Rule 19A.15 of the Listing Rules. We will ensure that there is a regular and effective communication between us and the Stock Exchange by way of, among others, the following conditions:

- (i) pursuant to Rules 3.05 of the Listing Rules, we have appointed and will continue to maintain two authorized representatives, who will act as our principal channel of communication with the Stock Exchange and ensure that our Company complies with the Listing Rules at all times. The two authorized representatives appointed are Mr. Dai Wei (“**Mr. Dai**”) and Ms. Ng Wai Kam (“**Ms. Ng**”) (the “**Authorized Representatives**”). Ms. Ng is situated and based in Hong Kong, and will be available to meet with the Stock Exchange in Hong Kong within a reasonable time frame upon the request of the Stock Exchange. Both of the Authorized Representatives will be readily contactable by telephone, facsimile (if applicable) and email to deal promptly with enquiries from the Stock Exchange. Our Company has provided contact details of the two Authorized Representatives to the Stock Exchange and will inform the Stock Exchange promptly in respect of any change in the authorized representatives;
- (ii) both Authorized Representatives have means to contact all Directors (including the independent non-executive Directors) and senior management team promptly at all times as and when the Stock Exchange wishes to contact our Directors on any matters. Our Company has implemented a policy whereby (i) each Director has provided their respective valid phone numbers or other means of communication to the Authorized Representatives; (ii) in the event that a Director expects to travel or is otherwise out of office, he/she will endeavor to provide his/her phone number of the place of his/her accommodation to the Authorized Representatives or maintain an open line of communication via his/her mobile phone; and (iii) each Director has provided his/her mobile phone number, office phone number, e-mail address and, where available, fax number to the Stock Exchange and will inform the Stock Exchange promptly if there are any changes to the contact details of the Directors;
- (iii) pursuant to Rule 3.20 of the Listing Rules, each Director has provided his/her contact information to the Stock Exchange and to the Authorized Representatives. This will ensure that the Stock Exchange and the Authorized Representatives should have means for contacting all Directors promptly at all times as and when require;

WAIVERS

- (iv) all our Directors who are not ordinarily resident in Hong Kong have confirmed that they possess or can apply for valid travel documents to visit Hong Kong and will be able to meet with relevant members of the Stock Exchange in Hong Kong upon reasonable notice, when required;
- (v) pursuant to Rule 3A.19 of the Listing Rules, we have retained Guotai Junan Capital Limited as our Compliance Adviser upon [REDACTED] for a period commencing on the [REDACTED] and ending on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the [REDACTED], which will act as an additional channel of communication with the Stock Exchange and will be available to respond to enquiries from the Stock Exchange. The contact details of the Compliance Adviser have been provided to the Stock Exchange;
- (vi) our Authorized Representatives, Directors and other officers of our Company will provide promptly such information and assistance as the Compliance Adviser may reasonably require in connection with the performance of the Compliance Adviser’s duties as set forth in Chapter 3A of the Listing Rules. There will be adequate and efficient means of communication between our Company, Authorized Representatives, Directors and other officers of our Company and the Compliance Adviser, and, to the extent reasonably practicable and legally permissible, we will keep the Compliance Adviser informed of all communications and dealings between the Stock Exchange and us; meetings between the Stock Exchange and our Directors could be arranged through our Authorized Representatives or the Compliance Adviser, or directly with our Directors within a reasonable time frame. We will inform the Stock Exchange as soon as practicable in respect of any change of Authorized Representatives and/or the Compliance Adviser;
- (vii) we will appoint other professional advisers (including legal advisers in Hong Kong) after the [REDACTED] to assist us in dealing with any questions which may be raised by the Stock Exchange and to ensure that there will be prompt and effective communication with the Stock Exchange; and
- (viii) our Company has designated one of our staff members as the communication officer at our headquarters after the [REDACTED] who will be responsible for maintaining day-to-day communication with the Authorized Representatives and our Company’s professional advisers in Hong Kong, including our legal advisers in Hong Kong and the Compliance Adviser, to keep abreast of any correspondences and/or enquiries from the Stock Exchange and report to our executive Director to further facilitate communication between the Stock Exchange and our Company.

WAIVER IN RESPECT OF JOINT COMPANY SECRETARIES

Pursuant to Rules 3.28 and 8.17 of the Listing Rules and Chapter 3.10 of the Guide for New Listing Applicants, a new applicant for [REDACTED] on the Stock Exchange must appoint a company secretary who, by virtue of his/her academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of the company secretary.

Note 1 to Rule 3.28 of the Listing Rules provides that the Stock Exchange considers the following academic or professional qualifications to be acceptable:

- (a) a member of The Hong Kong Chartered Governance Institute;
- (b) a solicitor or barrister as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong); and

WAIVERS

- (c) a certified public accountant as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong).

Note 2 to Rule 3.28 of the Listing Rules further provides that the Stock Exchange considers the following factors in assessing the “relevant experience” of the individual:

- (a) length of employment with the issuer and other issuers and the roles he/she played;
- (b) familiarity with the Listing Rules and other relevant laws and regulations including the SFO, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code;
- (c) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and
- (d) professional qualifications in other jurisdictions.

Our Company has appointed Ms. Pan Bing (“**Ms. Pan**”) and Ms. Ng as our joint company secretaries. See “Directors, Supervisors and Senior Management—Joint Company Secretaries” for their biographical detail.

The Company believes that it would be in the best interests of the Company and the corporate governance of the Group to have as its joint company secretary a person such as Ms. Pan, who has been the legal counsel in our Company since March 2025 and has day-to-day knowledge of the Company’s affairs. Ms. Pan has the necessary nexus to the Board and close working relationship with management of the Company in order to perform the function of a joint company secretary and to take the necessary actions in the most effective and efficient manner. However, Ms. Pan presently does not possess any of the qualifications under Rules 3.28 and 8.17 of the Listing Rules, and may not be able to solely fulfill the requirements of the Listing Rules. Therefore, we have appointed Ms. Ng, who is an associate member of The Hong Kong Chartered Governance Institute and fully meets the requirements stipulated under Rules 3.28 and 8.17 of the Listing Rules, to act as the other joint company secretary and to provide assistance to Ms. Pan for an initial period of three years from the [REDACTED] to enable Ms. Pan to acquire the “relevant experience” under Note 2 to Rule 3.28 of the Listing Rules so as to fully comply with the requirements set forth under Rules 3.28 and 8.17 of the Listing Rules.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules such that Ms. Pan may be appointed as a joint company secretary of our Company.

The waiver is valid for an initial period of three years from the [REDACTED], and is granted on the condition that Ms. Ng, as a joint company secretary of our Company, will work closely with Ms. Pan to jointly discharge the duties and responsibilities as company secretaries and assist Ms. Ng in acquiring the relevant experience as required under Rules 3.28 and 8.17 of the Listing Rules. Ms. Ng will also assist Ms. Pan in organizing Board meetings and Shareholders’ meetings of our Company as well as other matters of our Company which are incidental to the duties of a company secretary. Ms. Ng is expected to work closely with Ms. Pan and will maintain regular contact with Ms. Pan, the Directors and the senior management of our Company. In addition, Ms. Pan will comply with the annual professional training requirement under Rule 3.29 of the Listing Rules and will enhance his knowledge of the Listing Rules during the three-year period from the [REDACTED]. Ms. Pan will also be assisted by (a) the Compliance Adviser, particularly in relation to compliance with the Listing Rules; and (b) the Hong Kong legal advisers of our Company, on matters concerning our Company’s ongoing compliance with the Listing Rules and the applicable laws and regulations.

WAIVERS

Pursuant to Chapter 3.10 of the Guide for New Listing Applicants, the waiver will be revoked immediately if Ms. Ng ceases to provide assistance to Ms. Pan as a joint company secretary for the three-year period after the [REDACTED] or where there are material breaches of the Listing Rules by our Company.

Prior to the expiration of the initial three-year period, the qualifications and experience of Ms. Pan will be re-evaluated to determine whether the requirements as stipulated in Rules 3.28 and 8.17 of the Listing Rules can be satisfied and whether the need for ongoing assistance will continue. We will demonstrate that, Ms. Pan, having benefited from the assistance of Ms. Ng for the preceding three years, will have acquired the skills necessary to carry out the duties of company secretary and the relevant experience within the meaning of Note 2 to Rule 3.28 of the Listing Rules so that a further waiver will not be necessary.

WAIVER IN RESPECT OF CONTINUING CONNECTED TRANSACTIONS

We have entered into, and are expected to continue, certain transactions that will constitute partially exempt or non-exempt continuing connected transactions of our Company under the Listing Rules upon the [REDACTED]. Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted], waivers in relation to certain continuing connected transactions between us and certain connected persons under Chapter 14A of the Listing Rules. For further details in this respect, see “Connected Transactions” in this Document.

WAIVER IN RELATION TO 2025 EMPLOYEE INCENTIVE PLAN

Rule 17.02(1)(b) of the Listing Rules stipulate that all material terms of a scheme adopted by the Company prior to the [REDACTED] must be clearly set out in this Document and requires a [REDACTED] applicant to, inter alia, disclose in this Document full details of all outstanding options and awards and their potential dilution effect on the shareholdings upon [REDACTED] as well as the impact on the earnings per share arising from the issue of shares in respect of such outstanding options or awards.

According to paragraphs 6 to 7 of Chapter 3.6 of the Guide for New Listing Applicants published by the Stock Exchange, the Stock Exchange would normally grant waivers from disclosing the names and addresses of certain grantees if the issuer could demonstrate that such disclosures would be irrelevant and unduly burdensome, subject to certain conditions specified therein.

As of the date of this Document, our Company had granted outstanding awards (the “**2025 Employee Awards**”) under the 2025 Employee Incentive Plan to 328 grantees (“**Grantee(s)**”) to subscribe for the limited partnership interest of Shanghai Saixiang, an Equity Incentive Platform and direct Shareholder, representing 67,090,000 underlying Shares and approximately 2.01% of the share capital of our Company in issue immediately prior to the [REDACTED] and approximately [REDACTED] of our total share capital upon the completion of the [REDACTED] (assuming that the [REDACTED] is not exercised), among which 2025 Employee Awards representing (i) 6,000,000 Shares were granted to one Director, (ii) 700,000 Shares were granted to one Supervisor, (iii) 3,000,000 Shares were granted to three members of our senior management, and (iv) 57,390,000 Shares were granted to 323 participants who are not Directors, members of senior management, consultants or connected persons of the Company. As of the date of this Document, all 2025 Employee Awards granted under the 2025 Employee Incentive Plan remained outstanding. As of the date of this Document, all Shares underlying the 2025 Employee Awards granted under the 2025 Employee Incentive Plan have been issued to Shanghai Saixiang, our Equity Incentive Platform. Accordingly, there will not be any dilution effect on the shareholdings of our Shareholders nor any impact on the earnings per share arising from the exercise of the 2025 Employee Awards after the [REDACTED].

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No 2025 Employee Awards under the 2025 Employee Incentive Plan will be further granted after the [REDACTED]. For more details of the 2025 Employee Incentive Plan, see “Statutory and General information—Pre-[REDACTED] Incentive Plans—2025 Employee Incentive Plan” in Appendix IV to this Document.

We have applied to the Stock Exchange for a waiver from strict compliance with the requirements under Rule 17.02(1)(b) of the Listing Rules in connection with the disclosure of certain details relating to the 2025 Employee Incentive Plan and the Grantees on the ground that full compliance with such disclosure requirements would be unduly burdensome for our Company for the following reasons:

- (a) given that 328 Grantees are involved for the grant of outstanding 2025 Employee Awards under the 2025 Employee Incentive Plan, our Directors consider that it would be unduly burdensome to disclose in this Document full details of all the 2025 Employee Awards granted by us to each of the Grantees, which would significantly increase the cost and time for information compilation and document preparation required for strict compliance with such disclosure requirements, as the Company would need to collect and verify the personal information of a large number of the Grantees to meet the disclosure requirements;
- (b) the disclosure of the personal details of each Grantee, including their names and the number of 2025 Employee Awards granted to them, may require obtaining consent from all the Grantees in order to comply with personal data privacy laws and principles, and it would be unduly burdensome for our Company to obtain such consents given the number of the Grantees. In addition, the disclosure of the personal details of each Grantee do not provide any material information to the [REDACTED] public;
- (c) the grant and vesting in full of the 2025 Employee Awards under the 2025 Employee Incentive Plan will not cause any material adverse impact to the financial position of our Group;
- (d) there will not be any new Shares to be issued under the 2025 Employee Incentive Plan;
- (e) our Directors consider that a lack of full compliance with the above disclosure requirements would not prevent our Company from providing potential [REDACTED] with sufficient information for an informed assessment of the activities, assets, liabilities, financial position, management and prospects of our Group;
- (f) full disclosure of details of the Grantees (which include their names and positions), as well as the 2025 Employee Awards granted to each of them, would provide the Group’s competitors with the Group’s employees’ compensation details and facilitate their soliciting activities, which may impact the Group’s ability to recruit and retain valuable personnel;
- (g) material information on the 2025 Employee Awards under the 2025 Employee Incentive Plan has been disclosed in “Statutory and General Information — Pre-[REDACTED] Equity Incentive Plans — 2025 Employee Incentive Plan” in Appendix IV to this Document to provide prospective [REDACTED] with sufficient information to make an informed assessment of the potential dilutive effect and impact on earnings per Share of the 2025 Employee Awards in making their [REDACTED] decision, and such information includes but is not limited to:
 - (i) a summary of the terms of the 2025 Employee Incentive Plan;

WAIVERS

- (ii) the aggregate number of Shares subject to the outstanding 2025 Employee Awards and the percentage in our total issued Shares of which such number represents upon completion of the [REDACTED]; and
- (iii) the details of the outstanding 2025 Employee Awards granted under the 2025 Employee Incentive Plan by the range of underlying Shares, including date of grant and the percentage of our Company’s total issued share capital upon completion of the [REDACTED].

In light of the above, our Directors believe that the grant of the waiver sought under this application and the non-disclosure of the required information will not hinder potential [REDACTED] from making an informed assessment of the activities, assets and liabilities, financial position, management and prospects of our Group and will not prejudice the interest of the public investors.

The Stock Exchange [has granted] to us a waiver from strict compliance with the disclosure requirements under Rule 17.02(1)(b) of the Listing Rules with respect to the 2025 Employee Awards granted under the 2025 Employee Incentive Plan subject to the conditions that:

- (a) on an individual basis, full details of the outstanding 2025 Employee Awards granted by the Company under the 2025 Employee Incentive Plan to each of the Directors, Supervisors, and members of the senior management of the Company, including all the particulars required under Rule 17.02(1)(b) of the Listing Rules, be disclosed in this Document;
- (b) in respect of the 2025 Employee Awards granted by our Company under the 2025 Employee Incentive Plan to the remaining Grantees other than those referred to in sub-paragraph (a) above (the “Other Grantee(s)”), the following details will be disclosed in this Document on an aggregate basis and categorized into lots based on the number of Shares underlying each individual Grantee, being (i) 100,000 Shares or less; (ii) 100,001 to 500,000 Shares; and (iii) 500,001 Shares or more, and the details of each lot of Shares will be disclosed in this Document, including (i) the number of Grantees and number of the 2025 Employee Awards and Shares underlying the 2025 Employee Awards, (ii) date of grant, purchase price and vesting period of the 2025 Employee Awards granted, and (iii) the percentage of our Company’s total issued share capital represented by such lots upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised, and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the [REDACTED]);
- (c) the aggregate number of Shares underlying the outstanding 2025 Employee Awards and the percentage of our Company’s total issued share capital upon completion of the [REDACTED] will be disclosed in this Document;
- (d) a summary of the principal terms of the 2025 Employee Incentive Plan will be disclosed in “Statutory and General Information — Pre-[REDACTED] Equity Incentive Plans — 2025 Employee Incentive Plan” in Appendix IV to this Document;
- (e) the particulars of this waiver are set out in this Document; and
- (f) a full list of all the Grantees with outstanding 2025 Employee Awards for Shares under the 2025 Employee Incentive Plan containing all details as required under Rule 17.02(1)(b) of the Listing Rules be made available for public inspection in accordance with “Documents Delivered to the Registrar of Companies in Hong Kong and Available on Display — Document Available for Inspection” in Appendix V to this Document.

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

DIRECTORS, SUPERVISORS AND PARTIES INVOLVED IN THE [REDACTED]

DIRECTORS

Name	Address	Position	Nationality
Executive Director and non-executive Directors			
Mr. Jeff Jianfeng Zhang (張建鋒)	Room 601, Unit 1 Building 16 Xiangzhang Apartment Xihu District Hangzhou PRC	Non-executive Director	Chinese
Mr. Dai Wei (戴瑋)	Room 701, Unit 1 Building 8 Xixi Yuecheng Wuchang Street Yuhang District Hangzhou PRC	Executive Director	Chinese
Mr. Xiang Jiao (項嬌)	Room 502, No. 10 Lane 717 Huangjincheng Road Changning District Shanghai PRC	Non-executive Director	Chinese
Ms. Huang Jiaojiao (黃佼佼) ^{Note}	Room 2505, No. 5 Lane 414 Tianlin East Road Xuhui District Shanghai PRC	Non-executive Director	Chinese
Mr. Jin Lei (金磊)	Flat 85, 2/F Tower 15 88 Tai Tam Reservoir Road Hong Kong Parkview, Parkview Heights Repulse Bay Hong Kong	Non-executive Director	Chinese
Ms. Shen Chen (沈沉)	Room 2502, No. 6 Lane 580, Wanyuan Road Minhang District Shanghai PRC	Non-executive Director	Chinese

DIRECTORS, SUPERVISORS AND PARTIES INVOLVED IN THE [REDACTED]

Name	Address	Position	Nationality
Mr. Zhang Liang (張亮)	Room 1, No. 26 Lane 209 Tongxin Road Hongkou District Shanghai PRC	Non-executive Director	Chinese
Mr. Zhu Yong (祝勇) ^{Note}	Room 601, No. 1 Lane 159, Xuejiabang Road Huangpu District Shanghai PRC	Non-executive Director	Chinese
Independent Non-executive Directors			
Dr. Wang Pengcheng (王鵬程)	No. 1005, Unit 1 Building 8, 4th District Century City Yuandayuan Haidian District Beijing PRC	Independent Non-executive Director	Chinese
Mr. Liu Qiming (劉啟明)	No. 293, Lane 1 Changnan Road Xinqiao Town Songjiang District Shanghai PRC	Independent Non-executive Director	Chinese
Mr. Du Yongbo (杜永波)	Qiyun Pavilion 3B Shahe Zhongyou Plaza No. 39, Qiaocheng East Street Nanshan District Shenzhen PRC	Independent Non-executive Director	Chinese
Mr. Du Yilong (杜以龍)	1B, Block 10 18 Pak Pat Shan Road Tai Tam Hong Kong	Independent Non-executive Director	Chinese

Note: Ms. Huang Jiaojiao (黃佼佼) and Mr. Zhu Yong (祝勇) will resign as the Director of the Company upon [REDACTED].

DIRECTORS, SUPERVISORS AND PARTIES INVOLVED IN THE [REDACTED]

SUPERVISORS^{Note (1)}

Name	Address	Nationality
Dr. Zhou Qi (周祺)	Room 902 No. 36, Lane 1505 Kongjiang Road Yangpu District Shanghai PRC	Chinese
Mr. Feng Yunle (馮雲樂)	Room 301 No. 2, Lane 3455 Chunshen Road Minhang District Shanghai PRC	Chinese
Mr. Yang Qing (楊青) ^{Note (2)}	Room 403, Unit 1 Xixi Jinzuo Wuchang Street Yuhang District Hangzhou Zhengjiang Province PRC	Chinese

See “Directors, Supervisors and Senior Management” for further details of our Directors and Supervisors.

Notes:

- (1) In light of the fact that the Audit Committee will be established upon [REDACTED], and it may exercise, among others, the power of the supervisory committee under the PRC Company Law, the Company will be no longer required to have supervisors or a supervisory committee upon [REDACTED]. Therefore, our Supervisors will resign as the Supervisor of the Company upon [REDACTED].
- (2) Mr. Yang Qing (楊青) will serve as the employee representative Director and a non-executive Director of our Company effective from [REDACTED].

DIRECTORS, SUPERVISORS AND PARTIES INVOLVED IN THE [REDACTED]

PARTIES INVOLVED IN THE [REDACTED]

Joint Sponsors

Deutsche Securities Asia Limited

Level 60, International Commerce Centre
1 Austin Road West
Kowloon
Hong Kong

China International Capital Corporation

Hong Kong Securities Limited

29/F, One International Finance Centre
1 Harbour View Street
Central
Hong Kong

Guotai Junan Capital Limited

27/F, Low Block
Grand Millennium Plaza
181 Queen’s Road Central
Hong Kong

[REDACTED]

DIRECTORS, SUPERVISORS AND PARTIES INVOLVED IN THE [REDACTED]

[REDACTED]

DIRECTORS, SUPERVISORS AND PARTIES INVOLVED IN THE [REDACTED]

Legal Advisers to our Company

As to Hong Kong and United States laws:

Davis Polk & Wardwell

10/F, The Hong Kong Club Building
3A Chater Road
Central
Hong Kong

As to PRC laws:

Fangda Partners

27/F, North Tower,
Beijing Kerry Centre
1 Guanghua Road
Chaoyang District
Beijing
PRC

As to PRC data compliance matters:

Commerce & Finance Law Offices Shanghai Office

10/F, Tower 1, Jing An Kerry Centre
515 West Nanjing Road
Shanghai 200040
China

As to U.S. export control laws:

Morgan, Lewis & Bockius LLP

1111, Pennsylvania Avenue
NW
Washington, DC
United States

As to U.S. outbound investment laws:

Hogan Lovells

11th Floor, One Pacific Place
88 Queensway
Hong Kong

Legal Advisers to the Joint Sponsors and the [REDACTED]

As to Hong Kong and United States laws:

Cooley HK

35/F, Two Exchange Square
8 Connaught Place
Central
Hong Kong

As to PRC laws:

Han Kun Law Offices

9/F, Office Tower C1
Oriental Plaza, 1 East Chang An Avenue
Beijing
PRC

DIRECTORS, SUPERVISORS AND PARTIES INVOLVED IN THE [REDACTED]

Auditor and Reporting Accountants

Deloitte Touche Tohmatsu
*Certified public accountants and
public interest entity auditors*
35/F, One Pacific Place
88 Queensway
Hong Kong

Industry Consultant

**China Insights Industry Consultancy
Limited**
10th Floor, B Block
Jingan International Business Center
88 Puji Road, Jingan
Shanghai
PRC

Compliance Adviser

Guotai Junan Capital Limited
27/F, Low Block
Grand Millennium Plaza
181 Queen’s Road Central
Hong Kong

[REDACTED]

CORPORATE INFORMATION

Registered Office, Headquarter and Principal Place of Business in the PRC	Room 1001, 10th Floor No. 18, Longyao Road Xuhui District, Shanghai PRC
Principal Place of Business in Hong Kong	Room 1912, 19/F Lee Garden One 33 Hysan Avenue Causeway Bay, Hong Kong
Company’s Website	<u>www.ebanma.com</u> <i>(The information contained on this website does not form part of this Document)</i>
Joint Company Secretaries	Ms. Pan Bing (潘冰) Room 1001, 10th Floor No. 18, Longyao Road Xuhui District, Shanghai PRC Ms. Ng Wai Kam (伍偉琴) <i>(ACG, HKACG)</i> Room 1912, 19/F Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong
Authorized Representatives	Mr. Dai Wei (戴瑋) Room 1001, 10th Floor No. 18, Longyao Road Xuhui District, Shanghai PRC Ms. Ng Wai Kam (伍偉琴) <i>(ACG, HKACG)</i> Room 1912, 19/F Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong
Audit Committee	Dr. Wang Pengcheng (王鵬程) <i>(Chairperson)</i> Mr. Du Yongbo (杜永波) Mr. Jeff Jianfeng Zhang (張建鋒)
Remuneration Committee	Mr. Du Yongbo (杜永波) <i>(Chairperson)</i> Mr. Du Yilong (杜以龍) Mr. Dai Wei (戴瑋)
Nomination Committee	Mr. Liu Qiming (劉啟明) <i>(Chairperson)</i> Mr. Du Yilong (杜以龍) Ms. Shen Chen (沈沉)

CORPORATE INFORMATION

[REDACTED]

Principal Bank

**China Merchants Bank Co., Ltd. Shanghai
Branch**
No. 1088 Lujiazui Ring Road
Pudong New Area
Shanghai
PRC

INDUSTRY OVERVIEW

The information and statistics set out in this section and other sections of this Document were extracted from different official government publications, available sources from public market research and other sources from independent suppliers, and from the independent industry report prepared by China Insights Consultancy Limited (“CIC”). We engaged CIC to prepare an independent industry report in connection with the [REDACTED] (the “CIC Report”). The information from official government sources has not been independently verified by us, the Joint Sponsors, [REDACTED], any of their respective directors and advisors, or any other persons or parties involved in the [REDACTED], and no representation is given as to its accuracy.

OVERVIEW OF GLOBAL AND CHINA’S SMART VEHICLE MARKET

With the continuous development and application of emerging technologies such as AI (artificial intelligence), IoT (Internet of Things), and big data, automobile OEMs and technology companies have continued to increase their investment in intelligent functions of vehicles, driving the rapid development of the global smart vehicle industry. Smart vehicles refer to passenger vehicles equipped with functions of Internet of Vehicles (IoV), OTA upgrades, and driving assistance solutions (L0-L2+). In 2024, the global sales volume of smart vehicles reached 58.0 million units, and is expected to reach 86.5 million units by 2030, representing a CAGR of 6.9% during this period. China has the world’s largest passenger vehicle market, has shown particularly rapid development in the smart vehicle market, and becomes a major player in the global advancement of smart vehicles. The sales volume of smart vehicles in China reached 20.7 million units in 2024, accounting for 35.8% of the global total sales volume, and is expected to reach 34.8 million units by 2030, with a CAGR of 9.0% from 2024 to 2030.

Future Trends of Global and China’s Smart Vehicle Market

- ***Continuous advancement of chip computing power has become a key force in promoting the intelligent upgrade of vehicles***, which furnishes a robust hardware foundation for the realization of its complex functionalities and creates favourable development opportunities for software solution providers with strong R&D capabilities. Through close collaboration with chip manufacturers, such providers can give full play to their expertise in algorithm optimization and system adaptation to enrich smart cockpit functions and enhance user experience.
- ***Smart vehicle sector is entering a new era propelled by user service orientation***, where OEMs focus on improving in-vehicle user experiences and leveraging AI and big data to enhance service intelligence, thereby building their brand differentiation, boosting customer loyalty, and unlocking new revenue models.
- ***Vehicles will become the hub of the smart ecosystem, enabling interconnection of all things***, achieving seamless connection and interaction with smart home appliances, smart wearables, smart offices, etc. In addition, through technology such as IoV (Internet of Vehicles), vehicles can realize more intelligent path planning, traffic flow optimization, and so forth.

ANALYSIS OF GLOBAL AND CHINA’S PASSENGER VEHICLE SMART COCKPIT SOLUTION INDUSTRY

Definition and Main Components of Passenger Vehicle Smart Cockpit Solution

Smart cockpit solution is the core carrier of automotive intelligence. By integrating advanced software and hardware systems and technologies such as AI, IoT, and cloud computing, among others, it upgrades traditional cockpit into a “Third Living Space” endowed with active perception,

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autonomous decision-making, and personalized service capabilities, providing functions including HMI (human-machine interaction), telematics services, and scenario expansion, ultimately providing drivers and passengers with a comprehensive experience of safety, intelligence, and enjoyment.

The smart cockpit system can be divided into hardware components, including smart cockpit domain controller, in-vehicle displays, IMS (in-cabin monitoring systems), software solutions, etc. The smart cockpit software solution refers to the software solutions that integrate various software technologies to provide functional supports for the smart cockpit system, encompassing system software (including operating systems, middleware, etc.), functional software (including AI algorithms, etc.), and application software (including infotainment software, vehicle life service software, etc.). Smart cockpit software solutions facilitate functionalities such as multi-screen interaction, voice control, and multi-modal interaction, creating immersive and personalized driving experiences, and thus promoting the evolution of vehicles towards smart mobile spaces, and the construction of a data-driven, user-centric automotive ecosystem. Therefore, smart cockpit software solution is a key component of the smart vehicle era.

Analysis of the Value of AI Technology for Passenger Vehicle Smart Cockpit Solution Industry

The passenger vehicle smart cockpit solution industry currently faces three major pain points: 1) cockpit systems remain passive in interaction with insufficient personalisation and intelligence, failing to realise deep integration of multi-modal interaction and accurate interpretation of user intentions; 2) the industry features a simplistic business model, as OEMs lack direct consumer engagement channels while third-party content and service providers (CSPs) struggle with smooth in-vehicle integration; 3) and cross-domain integration is limited due to siloed functions and data across smart cockpit, intelligent driving, vehicle body and other domains without effective data sharing and coordination mechanisms, thereby restricting the advancement of overall vehicle intelligence and user experience.

The emergence of AI technology can accurately solve the above pain points of smart cockpit solution industry, and promote the transformation of vehicles from mobility tools to interactive intelligent entities. The importance of AI technology in enhancing the intelligence of vehicle cockpit systems is increasingly recognized, and its value is mainly reflected in the following aspects:

- ***Improvement of multimodal interaction experience:*** AI technology brings a novel interaction experience to the smart cockpit, significantly enhancing the interactivity and convenience between users and vehicles. Multimodal large model technology provides users with a more intelligent interaction experience through the integration of multiple interaction modes such as voice recognition, gesture recognition, and eye tracking.
- ***Ecological transformation of business models:*** Currently, OEMs, Internet giants and technology companies, software solution providers, CSPs and other parties strengthen cooperation to jointly build an ecosystem for smart cockpit software solutions to provide personalized services based on user behavior habits and preferences through AI technology, and thus promoting the industry’s transformation from traditional “hardware sales” to the emerging “software subscription + data service” model to broaden the profit channels for these players in the industry.
- ***Promotion of cross-domain integration of the vehicle:*** The core of cross-domain integration lies in the integration of domain controllers and the evolution of the operating system to a cross-domain integrated OS and even central computing platform, and AI technologies plays an critical role in the integration process. AI enables the efficient collection and analysis of multi-domain data to dissolve data silos and enable cross-domain data sharing and collaboration. Ultimately, through data-driven methods

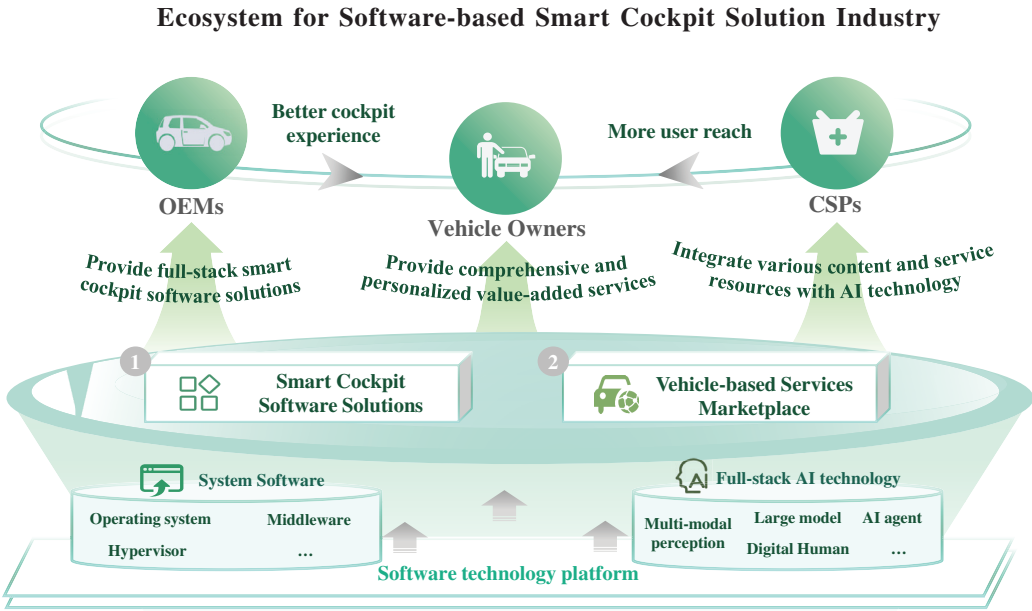
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and algorithm optimization, comprehensive and accurate information is provided for vehicle decision-making, enabling deep integration of various domains and promoting the advancement of intelligent level of passenger vehicles.

Ecosystem for Software-based Smart Cockpit Solution Industry

In recent years, the smart cockpit solution industry ecosystem is undergoing profound evolution, and services around vehicle owners are gradually becoming a “blue ocean” market with great potential. At present, the business models, product designs and services of players in the smart cockpit industry ecosystem focus on meeting needs of OEMs. However, with the growing demand of vehicle owners for in-vehicle entertainment, local life services and vehicle experience, OEMs are paying more and more attention to user experience, and the smart cockpit system, as the core entrance to in-vehicle interaction, become a key carrier for linking vehicle owners, Internet content services, and local lifestyle services. Therefore, the smart cockpit industry ecosystem is migrating from OEM-centered to vehicle owner-centered and vehicle-based services marketplace for vehicle owners has rapidly emerged.

Furthermore, in order to meet the growing personalized needs of vehicle owners, software applications have begun to deeply adapt and innovate around the characteristics of the in-vehicle environment. This driver-centric approach has elevated the importance of smart cockpit software, giving rise to an industry built around software technology, and the figure below demonstrates the ecosystem for software-based smart cockpit solution industry.



Source: CIC

In this ecosystem, smart cockpit solution providers play a critical role in helping an OEM to build a reliable smart cockpit system. In the automotive industry, due to the long safety validation cycles and high technical entry barriers for automotive products, OEMs are unlikely to replace suppliers during the development process. Specifically, once an OEM chooses a supplier during the development phase of a vehicle model, this partnership is usually maintained throughout the entire life cycle (typically two to five years) of the vehicle model to avoid the high costs of re-verification

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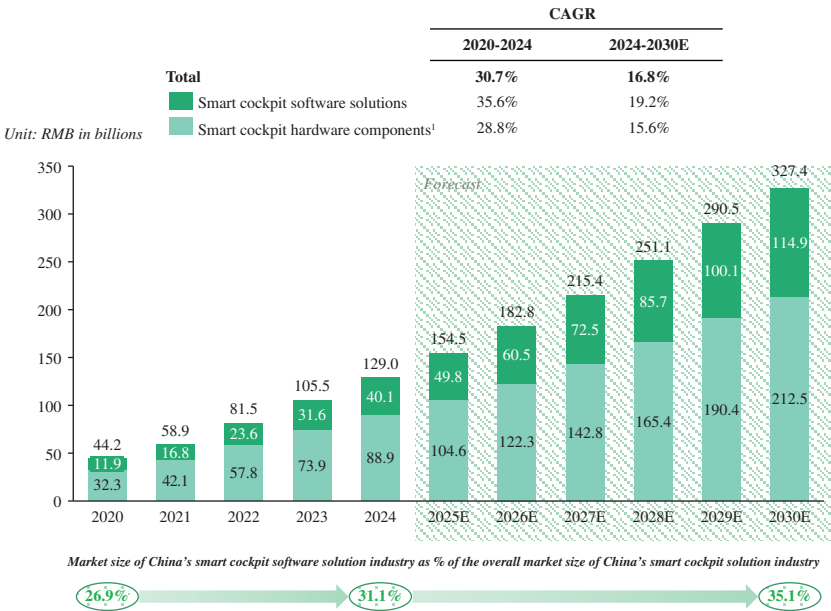
and adaptation of new suppliers. In addition, maintaining the same smart cockpit solution provider during the development of a vehicle model is critical to ensure codebase continuity, avoid compatibility issues, minimize the risk of bugs or system instability and help ensure a consistent after-sales services to end users.

Analysis of the Market Size of the Global and China’s Smart Cockpit Software Solution Industry

In terms of revenue, the market size of global passenger vehicle smart cockpit solution industry reached RMB366.8 billion in 2024. Among them, the market size of global smart cockpit software solution industry was approximately RMB103.8 billion in 2024 and is expected to reach RMB245.1 billion in 2030, with a CAGR of 15.4 % during the period.

China is one of the largest smart cockpit solution markets in the world. In terms of revenue, the market size of China’s passenger vehicle smart cockpit solution reached RMB129.0 billion in 2024. Among them, the market size of China’s smart cockpit software solution industry grew from RMB11.9 billion in 2020 to RMB40.1 billion in 2024 at a CAGR of 35.6%, accounting for 31.1% of the overall market size of China’s smart cockpit solution industry in 2024. Driven by supportive policies, vigorous development of smart vehicles, rapid iteration of AI technology, and increase in consumer demand for intelligent driving experience, it is expected that the market size of China’s smart cockpit software solution industry will reach RMB114.9 billion in 2030, with a CAGR of 19.2% from 2024 to 2030, accounting for 35.1% of the overall market size of China’s smart cockpit solution industry in 2030.

Market Size of China’s Smart Cockpit Solution Industry by Delivery Form, in Terms of Revenue, 2020-2030E



Source: CPCA, CIC

Note:

1. The value of the hardware component includes the value of the hardware components of integrated software and hardware solutions as well as the value of standalone hardware components.

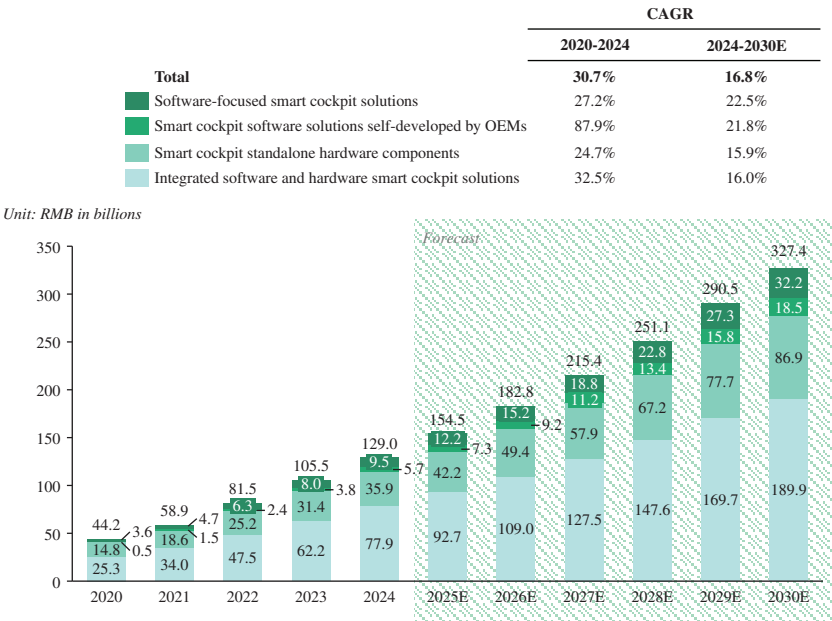
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In terms of the provider types in China’s smart cockpit software solution industry, the total revenue of software-focused smart cockpit solution providers accounted for approximately 20-25% of the overall market in 2024. As consumers demand more intelligent, convenient and personalized smart cockpit experience, many software-focused solution providers have kept investing in innovating new smart cockpit software and iterating existing ones at faster pace, which helps them continue to expand their market share. As a result, it is expected that the market share of software-focused solution providers, with their prominent advantages in algorithm optimization and functional innovation, will increase to 25-30% in 2030.

Furthermore, the development of AI technology has led to the emergence of numerous AI-powered features (e.g., large model technologies and multimodal interaction capabilities) within vehicle cockpits, such as natural language processing, multimodal interaction and so forth. In 2025, the market size of AI-powered smart cockpit software solution industry accounted for approximately 25-30% of the overall market. With the continuous advancement and deepening application of AI technology in automotive scenarios, the market share of AI- powered smart cockpit software solution industry is expected to grow rapidly, reaching 50-55% by 2030.

Considering the solution type of smart cockpits, while integrated software and hardware solutions currently dominate the market, there is a notable acceleration in the growth of software-focused solutions. The market size of China’s software-focused smart cockpit solution industry grew from RMB3.6 billion in 2020 to RMB9.5 billion in 2024 at a CAGR of 27.2% during the period, and is expected to reach RMB32.2 billion in 2030, with a CAGR of 22.5% from 2024 to 2030.

**Market Size of China’s Smart Cockpit Solution Industry
by Solution Type, in Terms of Revenue, 2020-2030E**



Source: CPCA, CIC

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Analysis of China’s Vehicle-based Services Marketplace Industry

Definition and achievable value of China’s vehicle-based services marketplace

The vehicle-based services marketplace is an emerging service model derived from the smart cockpit software solution. It relies on the in-vehicle software platform, integrates online and offline CSP resources with AI technology to provide vehicle owners with comprehensive, multi-scenario, personalized, intelligent and value-added services and experiences, establishes an intelligent service ecosystem, and finally realizes the in-vehicle traffic monetization (such as generating income from revenue-sharing arrangements with CSPs), thus promoting the evolution of vehicles from “traditional mobility tools” to “intelligent entities of mobility and life service”. Here are the main service contents of vehicle-based services marketplace:

- **Internet services:** Integrate ecological resources such as smart digital content (including music, news, film and television, etc.) and local lifestyle services (such as online meal ordering, online shopping, in-vehicle office services, etc.) to provide users with more convenient services for daily life.
- **Vehicle service:** Integrate various services involved in the entire life cycle of the vehicle, such as energy services, vehicle status inquiry services, vehicle repair and maintenance services, automotive accessories services, etc., to provide users with comprehensive vehicle services.

The achievable value of vehicle-based services marketplace includes 1) user experience improvement through personalized and intelligent services by deeply analyzing data related to their usage habits and preferences; 2) industry upgrades promoted by the migration of the industry value chain to vehicle owner-centric service; 3) market expansion through deeply tapping into vehicle owners’ potential needs, and creating new business model with growth potential, broad development space and rich profit opportunities for industry participants.

Market size of China’s vehicle-based services marketplace

At present, China’s vehicle-based services marketplace is still in its early stage of development, and the market size of China’s vehicle-based services marketplace in 2024 was approximately RMB0.7 billion in terms of revenue. With the continuous development of smart cockpit solution industry, the increasing demand of consumers for intelligent experience, the increasing importance of smart cockpit software solution, and the continuous enrichment of the content covered by vehicle-based services marketplace, the market size of China’s vehicle-based services marketplace is growing rapidly. It is expected that its market size in terms of revenue will reach RMB14.7 billion in 2030, with a CAGR of 64.8% from 2024 to 2030.

Drivers of the Global and China’s Smart Cockpit Solution Industry

- **Continuous iteration and innovation of AI technology:** In recent years, the rise of generative AI has greatly upgraded the interactive experience of smart cockpit systems. The breakthroughs in LLMs enables voice assistants to understand more complex natural language commands, greatly enriching the depth and breadth of interaction. At the same time, the interaction mode of smart cockpits has also changed from a single voice mode to multi-modal interaction to provide users with a more natural and convenient interactive experience.
- **Advancement of chip performance:** The continuous enhancement of chip performance—marked by breakthroughs in computing power, energy efficiency, and compatibility—provides essential hardware support for innovation and upgrading in the smart cockpit software industry.

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- **Increasing consumer demand for intelligence and personalization:** Consumer demands for intelligent and comfortable driving experiences are becoming increasingly pronounced. Smart cockpit software solutions, with their capacity to fulfill needs pertaining to intelligent interaction and personalized services, hold substantial promise for future development.
- **Supportive Policies and regulations:** Countries around the world have taken intelligence as an important strategic development direction for the transformation and upgrades of the automotive industry, and the smart cockpit is an important part of automotive intelligent. In China, authorities have introduced policies to promote the development of the smart vehicle industry, 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)》), providing a favorable political environment for the development of the smart cockpit software solution industry, here are the details:
 - The National Development and Reform Commission, the Ministry of Industry and Information Technology, and other key Chinese government departments have jointly released the Strategy for Innovative Development of Smart Vehicles (《智能汽車創新發展戰略》), or the Strategy. The Strategy aims to build a Chinese-standard smart vehicle system and explicitly prioritizes the development of electronic and information systems related to smart vehicles, naturally including the smart cockpit, a core system for human-machine interaction. In addition, the policy also mentions various specific incentive measures to support the development of the industry, such as: 1) utilizing multiple funding channels to support the R&D and industrialization of basic and common key technologies for smart vehicles; 2) strengthening tax and financial policy guidance, allowing eligible enterprises to enjoy pre-tax deductions for corporate income tax in accordance with current tax policies, and implementing tax and financial incentives for start-ups; and 3) strengthening industrial investment guidance, encouraging social capital to focus on R&D of key technology for smart vehicles and other fields.
 - 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)》) issued by the General Office of the State Council emphasizes accelerating the development and application of vehicle operating systems and building an ecosystem for in-depth cooperation among market players in areas such as vehicle manufacturing, key automotive components and automotive software. In addition, the policy also mentions implementing tax incentives for NEVs, and promoting the scientific layout and accelerated construction of charging, battery swapping, and hydrogen refueling infrastructure through financial supports. These measures directly promote the rapid popularization of NEVs. Simultaneously, because the level of intelligence of NEVs is usually higher than that of ICEs, the accelerated adoption of NEVs will lead to a greater demand for smart cockpit software solutions such as operating systems, thereby driving the development of the smart cockpit software solution industry.

Future Trends of the Global and China’s Smart Cockpit Solution Industry

- **Emergence of end-to-end large model technology:** End-to-end large model technology for smart cockpits refers to an integrated AI model based on a deep learning framework that can directly generate decision instructions or service responses from multimodal inputs (such as voice, vision, and sensor data) without relying on the traditional modular architectures. Due to its large parameter scale and advanced neural network architecture design, the end-to-end large model has powerful language understanding and generation capabilities, bringing a more natural and intelligent interactive capabilities to the smart cockpit. Meanwhile, the increasing computing power driven by chip advancements are paving the way for the deployment of larger on-board large models that enable real-time processing, lower latency, stronger data privacy protection and higher operational stability, accelerating the shift toward end-to-end solutions in the smart cockpit solution industry.

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- **Increasing importance of smart cockpit software and AI algorithms R&D:** With rising consumers’ demand for automotive intelligence, OEMs realize that relying solely on hardware performance improvements can no longer meet user needs for intelligent interaction. Therefore, OEMs are paying more and more attention to R&D in system software, application software, and AI algorithm technology, and cooperating with third-party full-stack solution providers to accelerate the introduction of AI Agent, AI digital human and other services on vehicles to enhance the interactive experience and intelligence level of smart cockpits.
- **Acceleration of domestic substitution process:** In recent years, with the increasing uncertainty of the global supply chain and the intensification of international technological competition, the process of domestic substitution in the field of smart cockpit solutions has significantly accelerated, especially for automotive operating systems. Domestic manufacturers are gradually breaking the monopoly of international manufacturers through independent technological R&D and innovation, and provide guarantees for the country’s technological and industrial security.

COMPETITIVE LANDSCAPE OF CHINA’S SMART COCKPIT SOLUTION INDUSTRY

Types of Major Players in China’s Smart Cockpit Solution Industry

The major players in China’s smart cockpit solution industry can be divided into three types: i) Traditional Tier-1 solution suppliers of integrated solutions or software solutions; ii) Internet giants or technology companies with self-development capabilities of general AI technologies; iii) Emerging NEV brands with full-stack self-development capabilities of software.

With our strong R&D capabilities encompassing full-stack AI-native software solutions, broadest adaptability of chip platforms and wide ecosystem openness, we can efficiently meet OEM’s evolving demands and become a preferred choice to OEMs compared with the players mentioned above. Meanwhile, our Company can directly meet the personalized and intelligent needs of vehicle owners with the deep layout in vehicle-based services marketplace.

Types of Major Players in China’s Smart Cockpit Solution Industry

 Traditional Tier-1 suppliers ¹	➤ Position: providers of integrated solutions or software solutions. ➤ Primary Products & Services: Hardware development and/or software technology services. ➤ Business model: primarily serving OEMs.	 Internet giants or technology companies ²	➤ Position: ecosystem enablers for smart cockpit industry. ➤ Primary Products & Services: general AI technologies and/or rich application software ecosystem. ➤ Business model: serving both OEMs and vehicle owners, while lack of the capability to provide full-stack software solution to OEMs.
 Emerging NEV brands	➤ Position: OEMs with full-stack self-development capabilities of software. ➤ Primary Products & Services: software solutions and user operation services. ➤ Business model: primarily serving their own brand’s vehicle models and vehicle owners, and lacking in ecosystem openness.	 AI-native smart cockpit solution provider	➤ Position: smart cockpit solution provider with native AI technologies. ➤ Primary Products & Services: full-stack AI-native software solutions and vehicle-based services marketplace. ➤ Business model: dual flywheel mode—serving both OEMs and vehicle owners.

Notes:

1. Including traditional Tier-1 integrated solution suppliers and traditional software-focused solution providers;
2. Including major Internet giants or AI technology companies.

Source: CIC

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Competitive Landscape of China’s Smart Cockpit Software Solution Industry

Types of major players and supply modes in China’s smart cockpit software solution industry

The major players in China’s smart cockpit software solution industry can be divided into three types: i) software-focused solution providers that focus on software development (including R&D services of operating systems and other system software, AI algorithms and application software, among others), whose revenue is mainly derived from software services. This type of providers consists of traditional software-focused solution providers, Internet giants or technology companies as well as AI-native smart cockpit solution provider; ii) Tier-1 integrated solution suppliers that provide smart cockpit solutions that combine both software solution and hardware components, whose revenue is mainly derived from products such as smart cockpit domain controllers, in-vehicle displays, sensors and other hardware components. Although such suppliers also have certain smart cockpit software development capabilities, their software solutions are typically installed on hardware components and then delivered to OEMs together, and they almost never provide separate software development services; iii) OEMs that deploy full-stack smart cockpit software solution by themselves.

At present, there are only a few OEMs in the industry that can realize full-stack self-development of smart cockpit software solutions. In terms of sales volume, the proportion of passenger vehicles equipped with smart cockpit software solutions provided by third-party solution providers reached more than 90% in 2024. The reasons why most OEMs choose third-party smart cockpit software solution providers includes: 1) strong technological expertise and accumulated know-how of third-party providers in chip adaptation, operating system customisation and other core fields, which enable mature and advanced solutions to meet complex functional and high-performance requirements; 2) third-party providers also possess outstanding system integration capabilities and rapid response speed to ensure stability, compatibility and timely customisation for OEMs; 3) cooperating with third-party providers allows OEMs to reduce upfront R&D investment, lower development risks and achieve higher cost-effectiveness through economies of scale; 4) third-party providers usually maintain extensive collaboration across the industrial value chain and can offer additional ecosystem resources and cooperation opportunities for OEMs.

Rankings of China’s smart cockpit software solution industry

Software-focused solution providers and Tier-1 integrated solution suppliers both belong to independent third-party solution providers. Compared with Tier-1 integrated solution suppliers, software-focused smart cockpit solution providers are usually able to provide software solutions that are compatible with a variety of chip architectures, and can optimize and fully release chip computing power through their strong algorithm capabilities. In terms of supply modes, software-focused solution providers can provide customized solution based on specific demands and respond quickly to customer needs. These providers facilitate flexible and expeditious delivery to reduce client hardware investment costs and R&D cycles. In addition, certain software-focused solution providers possess the ability to build a software ecosystem, and can provide customers with sustainable value services through software subscriptions, vehicle-based services marketplace, etc., and thus demonstrating enhanced market adaptability and service flexibility.

In terms of sales revenue related to smart cockpit software solutions, software-focused solution providers accounted for approximately 23.8% of the overall smart cockpit software solution industry in 2024. Since there exists significant differences in the forms of products and services delivered by software-focused solution providers and Tier-1 integrated solution suppliers, and the software-focused solution providers are more comparable to our Company, the following statement only considers the competitive landscape of software-focused solution providers.

In 2024, our Company ranked first among China’s software-focused smart cockpit solution providers, and accounting for 7.8% of the total market in terms of revenue of smart cockpit software solutions.

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Top five software-focused smart cockpit solution providers¹ in China, in terms of revenue, 2024

Ranking	Software-focused smart cockpit solution providers	Revenue (RMB million) ² , 2024	Market share (%) ³ , 2024
1	Our Company	741	7.8%
2	Company A	~704	7.4%
3	Company B	~665	7.0%
4	Company C	~243	2.5%
5	Company D	~215	2.2%
	Subtotal	2,568	26.9%

Notes

- Only include independent third-party solution providers.
- This includes the revenue of smart cockpit software solutions in China in 2024, and the revenue is derived from turnkey system level solution, which is charged from OEMs for the technical development service and license fee.
- Revenue from smart cockpit software solutions in China in 2024 as a percentage of the overall size of the market where China’s software-focused smart cockpit solution providers are located in.

Company A: A company founded in 2008 and listed on the Shenzhen Stock Exchange in 2015. It is a provider of intelligent operating systems and terminal intelligent products and technologies, with business covering consumer electronics, smart vehicles, IoT and other fields.

Company B: A company founded in 1999 and listed on the Shenzhen Stock Exchange in 2008, engaging in the research of AI technologies such as intelligent voice, computer vision, natural language processing, cognitive intelligence, and empowering industries such as education, medical care, finance, automobiles, cities, telematics operators.

Company C: A company founded in 2004, mainly providing smart cockpit software solutions, hardware products and other related services.

Company D: A company founded in 2002 and listed on the Shenzhen Stock Exchange in 2021. It mainly provides comprehensive AI-based automotive software solution, with business covering smart cockpit, intelligent driving, smart vehicle cloud, digital map, vehicle integration and testing, XCU cross-domain integration and other fields.

Source: CIC

In 2024, our Company ranked seventh among China’s third-party smart cockpit software solution providers, accounting for 1.8% of the total market in terms of revenue of smart cockpit software solutions.

Top 10 Third-party Smart Cockpit Software Solution Providers in China, in Terms of Revenue, 2024

Ranking	Smart cockpit software solution providers	Provider type	Revenue (RMB million) ¹ , 2024	Market share (%) ² , 2024
1	Company G	Integrated solution suppliers	3,000~5,500	10.6%
2	Company H	Integrated solution suppliers	1,500~2,300	4.7%
3	Company I	Integrated solution suppliers	1,200~2,000	4.0%
4	Company J	Integrated solution suppliers	1,100~1,500	3.2%
5	Company K	Integrated solution suppliers	800~1,200	2.5%

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Ranking	Smart cockpit software solution providers	Provider type	Revenue (RMB million) ¹ , 2024	Market share (%) ² , 2024
6	Company L	Integrated solution suppliers	600~1,000	2.0%
7	Our Company	Software-focused solution providers	741	1.8%
8	Company A	Software-focused solution providers	~704	1.8%
9	Company M	Integrated solution suppliers	500~900	1.7%
10	Company B	Software-focused solution providers	~665	1.7%
	Subtotal		10,810~16,510	34.0%

Notes:

- Since the software solutions offered by integrated solution providers are sold together with hardware components, the data presented is estimated by multiplying their percentage range of software value by their overall revenue respectively.
- Average revenue from smart cockpit software solutions in China in 2024 as a percentage of the overall market size of China’s smart cockpit software solution industry.

Company G: A company founded in 1986 and listed on the Shenzhen Stock Exchange, primarily engaged in smart cockpit, intelligent driving, and intelligent connectivity services, and offering comprehensive smart cockpit solutions, including domain controller unit and information interaction systems.

Company H: A company founded in 2000 and listed on NASDAQ, primarily offering vehicle cockpit electronics products, including digital instrument clusters, smart cockpit domain controllers, Android-based infotainment systems, and battery management systems, among others.

Company I: A company founded in 1993 and listed on the Shenzhen Stock Exchange, with business covering automotive electronics (including smart cockpit, intelligent driving, and intelligent vehicle connectivity products), precision die-casting, precision electronic components, and LED lighting, among others.

Company J: A non-listed company founded in 2016. It is a subsidiary of a company listed on the Shanghai Stock Exchange, primarily engaged in smart cockpit domain controllers and intelligent vehicle connectivity service.

Company K: A non-listed company founded in 1993, providing a comprehensive product portfolio encompassing solutions for smart cockpit, intelligent driving, intelligent connectivity and software service systems, among others.

Company L: A company founded in 1871 and listed on the Frankfurt Stock Exchange, with business covering automotive electronics (including smart cockpit, intelligent driving, and intelligent information and communication technology associated with the mobility services), and tires, among others.

Company M: A company founded in 1997 and listed on the Euronext Paris. It is a provider of intelligent operating systems and terminal intelligent products and technologies, with business covering consumer electronics, smart vehicles, IoT and other fields.

Source: CIC

Competitive Landscape of China’s Vehicle-Based Services Marketplace Market

The vehicle-based services marketplace industry is an emerging market but with high growth potential, as it innovatively creates an intelligent service ecosystem providing vehicle owners with personalized and intelligent services and experiences. While this market is still in its early development stage, and current third-party market players mainly include our Company and several Internet giants. In 2024, our Company ranked first among China’s vehicle-based services marketplace providers, and accounting for 11.2% of the total market in terms of revenue of vehicle-based services marketplace.

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Top three vehicle-based services marketplace providers in China, in terms of revenue, 2024

Ranking	Vehicle-based services marketplace providers	Revenue (RMB million) ¹ , 2024	Market share (%) ² , 2024
1	Our Company	82	11.2%
2	Company E	~60	8.2%
3	Company F	~50	6.8%
	Subtotal	192	26.2%

Notes:

1. This includes the revenue of vehicle-based services marketplace in China in 2024.
2. Revenue from vehicle-based services marketplace in China in 2024 as a percentage of the overall market size of vehicle-based services marketplace in China in 2024.

Company E: A company founded in 1998 and listed on the Hong Kong Stock Exchange in 2004. It is one of the Internet giants in China, and its automotive intelligence related business mainly focuses on voice assistance, AI technologies, and vehicle-based services marketplace.

Company F: A company founded in 2000 and listed on both NASDAQ in 2005 and the Hong Kong Stock Exchange in 2021. It is one of the Internet giants in China, and its automotive intelligence related business mainly focuses on voice interaction, AI technologies, high-precision maps, vehicle-based services marketplace and autonomous driving.

Source: CIC

Entry Barriers and Key Success Factors of China’s Smart Cockpit Software Solution Industry

- **Advanced R&D capabilities of full-stack software and AI technology:** In smart cockpit software solution industry, technology R&D capabilities are the core competitiveness of companies. Companies need to have full-stack development capabilities from high-performance operating systems, middleware, AI algorithms (especially the end-to-end large models) to application software. At the same time, companies also need to continuously carry out technological innovation applying to smart devices beyond cars in the C-AIoT and embodied intelligence era to maintain their technological leadership in the industry.
- **Strong financial strength:** The development of smart cockpit software solutions requires a lot of initial capital investment, covering software development, testing and verification, among others. In addition, companies also need to invest a lot in market expansion and ecosystem construction.
- **Top-tier customer resources:** Companies need to establish long-term and stable cooperative relationships with top-tier OEMs, deeply understand market demands and user pain points to develop products that meet market demands.
- **Complete data security and privacy protection system:** As the functions of smart cockpits become more complex, data security and privacy protection have become important concerns. Smart cockpit software solution providers need to establish a complete data compliance management system, and use advanced data encryption as well as regular data audits and assessments to ensure the transparency and compliance of data processing.

SOURCE OF INFORMATION

CIC was commissioned to conduct an analysis of, and to report Global and China’s passenger vehicle smart cockpit solution industry at a fee of approximately RMB550,000. The commissioned report has been prepared by CIC independent of the influence of the Company and other interested

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parties. CIC’s services include industry consulting, commercial due diligence, strategic consulting, etc. Its consulting team has been tracking the latest market trends across various industries, where it has relevant and insightful market intelligence.

CIC conducted both primary and secondary research using a variety of resources. Primary research involved interviewing key industry experts and leading industry participants. Secondary research involved analyzing data from various publicly available data sources, such as the National Bureau of Statistics and other Chinese governmental agencies’ releases. The market projections in the commissioned report are based on the following key assumptions: (i) given China’s enduringly stable political system, effective social governance and robust economic foundation, it is anticipated that the overall social, economic and political environments in China will remain stable during the forecast period; (ii) according to the National Bureau of Statistics of China, key economic indicators such as gross Domestic Product (“GDP”), industrial added value, and urbanization rate have shown an upward trend in China over the past decade. Therefore, we believe that the economic and industry development in China is likely to maintain a steady growth trajectory during the forecast period, accompanied by continuing urbanization; and (iii) there will be no extreme force majeure event or unforeseen industry regulation that may significantly or fundamentally affect the relevant market and industry.

Unless otherwise specified, all data and forecasts contained in this section are derived from the CIC Report. Our Directors confirm that, after taking reasonable care, there has been no material adverse change in the overall market information since the date of the CIC Report that would materially qualify, contradict or have an impact on such information.

REGULATORY OVERVIEW

REGULATIONS ON FOREIGN INVESTMENT

The establishment, operation and management of companies in China are governed by the PRC Company Law (《中華人民共和國公司法》), which was promulgated on December 29, 1993, latest amended on December 29, 2023, and came into effect on July 1, 2024.

On March 15, 2019, the National People’s Congress (the “NPC”) approved the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》), and on December 26, 2019, the State Council promulgated the Implementing Rules of the Foreign Investment Law of the PRC (《中華人民共和國外商投資法實施條例》), or the Implementing Rules, to further clarify and elaborate the relevant provisions of the Foreign Investment Law. The Foreign Investment Law and the Implementing Rules both took effect on January 1, 2020. Pursuant to the Foreign Investment Law, “foreign investments” refer to investment activities conducted by foreign investors (including foreign natural persons, foreign enterprises or other foreign organizations) directly or indirectly in the PRC, which include any of the following circumstances: (i) foreign investors setting up foreign-invested enterprises in the PRC solely or jointly with other investors; (ii) foreign investors obtaining shares, equity interests, property portions or other similar rights and interests of enterprises within the PRC; (iii) foreign investors investing in new projects in the PRC solely or jointly with other investors; and (iv) investment by other methods as specified in laws, administrative regulations, or as stipulated by the State Council. The Implementing Rules introduce a see-through principle and further provide that foreign-invested enterprises that invest in the PRC shall also be governed by the Foreign Investment Law and the Implementing Rules.

On December 30, 2019, the Ministry of Commerce of the PRC (the “MOFCOM”) and the State Administration for Market Regulation (the “SAMR”) promulgated the Measures for the Reporting of Foreign Investment Information (《外商投資信息報告辦法》) which came into effect on January 1, 2020. Foreign investors or foreign-invested enterprises shall submit investment information to the competent department for commerce concerned through the enterprise registration system and the enterprise credit information publicity system.

Investment activities in the PRC by foreign investors are principally governed by the Special Administrative Measures (Negative List) for Access of Foreign Investment (2024 version) (《外商投資准入特別管理措施(負面清單)(2024年版)》) (the “**Negative List**”) promulgated by the MOFCOM and the National Development and Reform Commission (the “NDRC”) on September 6, 2024, and the Catalogue of Industries for Encouraging Foreign Investment (2025 version) (《鼓勵外商投資產業目錄(2025年版)》) (the “**Encouraging List**”) promulgated by the MOFCOM and the NDRC in December 15, 2025. The Negative List sets out special administrative measures (restricted or prohibited) in respect of the access of foreign investments in some industries, and the Encouraging List sets out the encouraged industries for foreign investment. Unless otherwise stipulated by PRC laws, regulations, or rules, any field not falling in the Negative Lists shall be administered under the principle of equal treatment for domestic and foreign investment.

REGULATIONS ON CONSUMER PROTECTION

On May 28, 2020, the Civil Code of the PRC (《中華人民共和國民法典》) (the “**Civil Code**”) was adopted by the NPC, which became effective on January 1, 2021, according to which, a manufacturer or a commercial seller is subject to liability for harm to persons or property caused by the product defects. The infringed party may seek compensation from the manufacturer or the commercial seller. Where the product defect is caused by the manufacturer and the infringed party seeks compensation from the commercial seller, the commercial seller shall have the right to pursue a claim against the manufacturer for compensation.

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The Law of the PRC on the Protection of the Rights and Interests of Consumers (《中華人民共和國消費者權益保護法》), promulgated on October 31, 1993 and latest amended on October 25, 2013, aims to safeguard consumers’ rights in the purchase and use of goods and in the receipt of services. All business operators must adhere to this law when manufacturing or selling goods or providing services to consumers.”

REGULATIONS ON INTERNET OF VEHICLES SERVICES

The Guideline for Developing National Internet of Vehicles Industry Standard System (Electronic Products and Services) (《國家車聯網產業標準體系建設指南(電子產品和服務)》), issued by the MIIT and the National Standardization Administration (the “NSA”) on June 8, 2018, focuses on the standardization of automotive electronic products, in-vehicle information systems, and information services and platforms that support the IoV industry chain. It sets out the development direction for the standardization of IoV-related electronics and services.

In the realm of vehicle software upgrade, the General Technical Requirements for Automotive Software Upgrades (《汽車軟件升級通用技術要求》), as mandatory national standards, were officially released on August 23, 2024. These standards clarify core aspects related to automotive software upgrades, including management systems, vehicle requirements, testing methods, and rules for determining the same type. Vehicle manufacturers are required to establish a management system covering software identification code management, upgrade process control, documentation, and security assurance. Vehicles should protect the authenticity and integrity of upgrade packages, update and read software identification codes, and meet user notification, prerequisite checks, and power supply assurance requirements for online upgrades.

In the field of human-computer interaction (HCI), the national recommended standard Road Vehicles—Performance Requirements and Test Methods for Hands-Free Communication and Voice Interaction (《道路車輛免提通話和語音交互性能要求及試驗方法》, GB/T 45314-2025) was promulgated by the National Technical Committee on Automobile Standardization on February 28, 2025. This standard focuses on performance requirements and testing methods for vehicles equipped with hands-free calling systems, emergency communication terminals, and voice interaction interfaces using in-vehicle speakers. Additionally, the standard On-Board Wireless Communication Terminal (《車載無線通訊終端》, GB/T 43187-2023) outlines the technical specifications, testing procedures, and inspection rules for these terminals, covering areas such as communication performance, electromagnetic compatibility (EMC), environmental adaptability, and durability.

In the domain of functional safety, the revised national recommended standard Road Vehicles—Functional Safety (《道路車輛功能安全》, GB/T 34590-2022) supersedes parts of the previous 2017 version and was issued by the SAMR and the NSA. Complementing it, the standard Road Vehicles—Functional Safety Audit and Assessment Method (《道路車輛功能安全審核及評估方法》, GB/T 43253-2023) sets out the procedures for auditing and assessing compliance with functional safety requirements throughout the design, development, and production of electrical and electronic (E/E) vehicle systems.

REGULATIONS ON VALUE-ADDED TELECOMMUNICATIONS SERVICES

Value-Added Telecommunications Services

The Telecommunications Regulations of the PRC (《中華人民共和國電信條例》), or the Telecommunications Regulations, promulgated by the State Council on September 25, 2000 and last amended in February 2016, serve as the primary legal framework governing telecommunications services in China. Under these regulations, telecommunications service providers must obtain the appropriate operating licenses from the MIIT or its provincial counterparts before commencing operations. Failure to do so may result in administrative penalties, including rectification orders, warnings, fines, and the confiscation of illegal gains. In cases of serious non-compliance, authorities may order the closure of the operator’s websites.

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The Telecommunications Regulations classify telecommunications services into two categories: basic telecommunications services and value-added telecommunications services. Value-added telecommunications services refer to telecommunications and information services delivered via public network infrastructure. The Administrative Measures for Telecommunications Business Operating Licenses (《電信業務經營許可管理辦法》), issued by the MIIT in July 2017, provide detailed rules on the types of licenses required for operating value-added services, the eligibility criteria and application procedures, as well as the ongoing administration and supervision of such licenses.

Internet Information Service

Internet information service is classified as a type of value-added telecommunications service under the Catalog of Telecommunications Business (《電信業務分類目錄》), which forms an annex to the Telecommunications Regulations and was most recently updated by the MIIT on June 6, 2019. According to the Administrative Measures on Internet Information Services (《互聯網信息服務管理辦法》), promulgated by the State Council on September 25, 2000 and latest amended on December 6, 2024, “internet information services” refer to the provision of information to users via the internet. These services are categorized into two types: commercial and non-commercial. Operators engaging in commercial internet information services must obtain a value-added telecommunications services license specifically for internet information services—commonly known as an ICP License—from the relevant authorities before commencing operations. Non-commercial internet information services do not require such a license. Under the Administrative Measures for Telecommunications Business Operating Licenses, an ICP License is valid for five years and may be renewed within 90 days prior to its expiration.

Furthermore, commercial internet information services provided through mobile applications are regulated under the Administrative Provisions on Information Services of Mobile Internet Applications (《移動互聯網應用程序信息服務管理規定》), issued by the State Internet Information Office on June 28, 2016 and most recently amended on June 14, 2022. These provisions require mobile application service providers to obtain the necessary qualifications as prescribed by law and to implement robust information security measures.

Foreign Investment Restriction on Value-Added Telecommunications Services

According to the Negative List and the currently effective Administrative Regulations on Foreign-Invested Telecommunications Enterprises (《外商投資電信企業管理規定》), which were most recently amended by the State Council and took effect from March 29, 2022, as for the value-added telecommunications business types which fall within China’s commitment to the WTO, the ultimate capital contribution percentage by foreign investor(s) in a foreign-invested value-added telecommunications enterprise shall not exceed 50%, except as otherwise stipulated by the State.

In 2006, the predecessor to the MIIT issued the Circular of the Ministry of Information Industry on Strengthening the Administration of Foreign Investment in Value-added Telecommunications Business (《信息產業部關於加強外商投資經營增值電信業務管理的通知》), according to which a foreign investor in the telecommunications service industry of China must establish a foreign-invested enterprise and apply for a telecommunications businesses operation license. This circular further requires that: (i) PRC domestic telecommunications business enterprises must not lease, transfer or sell a telecommunications businesses operation license to a foreign investor through any form of transaction or provide resources, offices and working places, facilities or other assistance to support the illegal telecommunications services operations of a foreign investor; (ii) value-added telecommunications enterprises or their shareholders must directly own the domain names and trademarks used by such enterprises in their daily operations; (iii) each value-added telecommunications enterprise must have the necessary facilities for its approved business operations and maintain such facilities in the regions covered by its license; and (iv) all providers of value-added telecommunications services are required to maintain network and internet security in accordance with the standards set forth in relevant PRC regulations. If a license

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holder fails to comply with the requirements in the circular and cure such noncompliance, the MIIT or its local counterparts have the discretion to take measures against such license holder, including revoking its license for value-added telecommunications business.

On April 8, 2024, the MIIT promulgated the Notice on the Pilot Program for Expanding the Opening up of Value-added Telecommunications Services (《工業和信息化部關於開展增值電信業務擴大對外開放試點工作的通告》). The pilot program will be first carried out in the designated districts in Beijing, Shanghai, Hainan and Shenzhen. In regions approved to carry out the pilot program, restrictions on foreign equity ratios will be removed for internet data centers (IDC), content delivery networks (CDN), internet service providers (ISP), online data processing and transaction processing, information releasing platforms and delivery services included in information services (excluding the operation of internet news information, online publishing, online audio and video, and internet culture), as well as information protection and processing services. The relevant local telecommunication authorities have subsequently published the guidance to implement the aforementioned notice.

As advised by our PRC Legal Adviser, we had obtained all licenses that are material to our operations throughout the Track Record Period and up to the Latest Practicable Date.

REGULATIONS ON INTERNET INFORMATION SECURITY, PRIVACY PROTECTION AND AUTOMOTIVE DATA SECURITY

Internet Information Security

The Cybersecurity Law of the PRC (《中華人民共和國網絡安全法》, the “**Cybersecurity Law**”), which was promulgated by the Standing Committee of the NPC (the “SCNPC”) on November 7, 2016 and most recently amended on October 28, 2025 and came into effect on January 1, 2026, applies to the construction, operation, maintenance and use of networks as well as the supervision and administration of cybersecurity in the PRC. “Network operators” are subject to various security protection-related obligations, including: (i) fulfill graded protection obligations by establishing internal rules, designating cybersecurity personnel, and adopting technical measures against cyber threats; (ii) develop emergency response plans, address security risks promptly, and report incidents to authorities; and (iii) follow legal and necessary principles in information collection — disclosing rules, specifying purposes and scope, and obtaining consent.

According to the Measures for the Administration of Information Security Level Protection (《信息安全等級保護管理辦法》) promulgated by the Ministry of Public Security of the PRC (the “MPS”), the National Administration of State Secrets Protection, the State Cryptography Administration Office of Security Commercial Code Administration, and the Informatization Work Office of the State Council on June 22, 2007, and became effective on the same day, the entities that operate or use information systems are responsible for implementing multi-level protection measures. For information systems classified at Level Two or above that are already in operation, the operator or user must file the system with the public security authority at or above the municipal level within 30 days of determining its security protection level. For newly launched information systems at Level Two or above, the filing must be completed within 30 days of the system becoming operational.

The Data Security Law of the PRC (《中華人民共和國數據安全法》), which was promulgated by the SCNPC on June 10, 2021, and took effect on September 1, 2021, requires entities and individuals engaged in data activities to establish systems for data classification and hierarchical protection, as well as to formulate catalogs of important data to strengthen the protection of such data. Processors of important data must designate responsible personnel and establish dedicated management bodies to ensure the fulfillment of data security obligations. Relevant authorities will develop specific measures for the cross-border transfer of important data.

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On December 28, 2021, the Cyberspace Administration of China (the “CAC”) promulgated the Measures for Cybersecurity Review (《網絡安全審查辦法》) (the “**Cybersecurity Review Measures**”), which came into effect on February 15, 2022. According to the Cybersecurity Review Measures, there are two mechanisms to trigger cybersecurity review: (a) review of voluntary declaration by enterprises: applicable to (i) critical information infrastructure operators that intend to purchase network products and services; (ii) a network platform operator that processes the personal information of more than one million people intends to be listed overseas; and (b) initiation of review by regulatory authorities: for any member of the cybersecurity review working mechanism believes that any network product or service or data processing activity affects or is likely to affect national security.

On September 24, 2024, the State Council promulgated the Regulation on the Administration of Cyber Data Security (《網絡數據安全管理條例》) (the “**Cyber Data Security Regulation**”), which came into effect on January 1, 2025. The Cyber Data Security Regulation provides detailed guidance on current regulatory requirements for various aspects of data processing, including the disclosure of data processing rules by processors, the obtaining of general and separate consents, the protection and security of important data, cross-border data transfers, and additional obligations imposed on platform operators.

Privacy Protection

Pursuant to the PRC Civil Code (《中華人民共和國民法典》), the personal information of a natural person shall be protected by the law. An information processor shall not disclose or tamper with any personal information collected or stored thereby, and without the consent of the natural person, no personal information shall be disclosed to any other person.

Personal Information Protection of the People’s Republic of China (《中華人民共和國個人信息保護法》) (the “**Personal Information Protection Law**”), which was promulgated by the SCNPC on August 20, 2021 and became effective on November 1, 2021, consolidates separate provisions on personal information rights and privacy protection. Personal information, as defined in the Personal Information Protection Law, refers to all kinds of information related to an identified or identifiable natural person recorded electronically or by other means, excluding anonymized information. The Personal Information Protection Law sets out a number of specific rules on the obligations of processors of personal information, such as informing individuals of the purpose and method of processing, and specifying the obligations of third parties who obtain personal information through co-processing or entrustment.

Automotive Data Security

On August 16, 2021, the CAC, together with the NDRC, the MPS, the MIIT, and the Ministry of Transport (the “**MOT**”), jointly issued the Certain Provisions on the Management of Automotive Data Security (for Trial Implementation) (《汽車數據安全管理若干規定(試行)》) (the “**Automotive Data Security Provisions**”), which came into effect on October 1, 2021. These Provisions are intended to regulate the collection, storage, use, processing, transmission, provision, and disclosure of personal information and critical data generated by automobile designers, manufacturers, and service providers throughout the vehicle lifecycle. Automotive data processors—including vehicle manufacturers, parts and software providers, dealers, repair service providers, and mobility service companies—must handle personal information and critical data in compliance with applicable laws during the design, manufacturing, sale, operation, maintenance, and management of vehicles. The processing of personal information must be based on the consent of the individual or other lawful grounds provided by relevant laws and regulations. The State encourages the lawful, reasonable, and effective use of automotive data and promotes adherence to the following guiding principles: (i) the principle of in-vehicle processing, avoiding providing automotive data outside the vehicle unless necessary; (ii) the principle of non-collection by default, where non-collection is set each time unless the driver initiates otherwise; (iii) the principle of applying the range of accuracy, and determine the coverage and resolution of cameras, radar, etc., based on the requirements of the

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provided functional service for data accuracy; (iv) the principle of desensitized processing, and anonymize and de-identify the information whenever possible. Under the Provisions, personal information and critical data relating to automobiles must, in principle, be stored within China. If such data needs to be transferred overseas, the competent national internet information department will conduct a cross-border data security assessment in coordination with the relevant departments of the State Council. In addition, when processing critical data, automotive data processors are required to conduct risk assessments in accordance with applicable regulations and submit risk assessment reports to the relevant provincial authorities.

On September 15, 2021, the MIIT issued the Notice on Strengthening Network Security and Data Security of Telematics (《工業和信息化部關於加強車聯網網絡安全和數據安全工作的通知》). Pursuant to this notice, all operators of telematics service platforms are required to establish robust network security and data security management systems. They must enhance security protections, monitor and mitigate network security risks and threats, improve the resilience of telematics network infrastructure and systems, safeguard communication security, implement real-time monitoring and early warning mechanisms, strengthen emergency response capabilities, and advance the grading and filing of telematics network security protections.

On October 8, 2021, the National Information Security Standardization Technical Committee issued the Security Guidelines for Processing Vehicle Collected Data (《汽車採集數據處理安全指南》), which set forth security requirements applicable to the transmission, storage, and cross-border transfer of data collected by vehicles.

On February 25, 2022, the MIIT promulgated the Guidelines for the Construction of the Network Security and Data Security Standard System for Telematics (《車聯網網絡安全和數據安全標準體系建設指南》), which set out clearly defined security standards and requirements. These guidelines cover the full spectrum of telematics security domains, including terminal and facility network security, network communication security, data security, application service security, and the supporting security assurance framework.

On December 8, 2022, the MIIT issued the Notice on the Promulgation of the Administrative Measures on Data Security in the Field of Industry and Information Technology (for Trial Implementation) (《工業和信息化部關於印發<工業和信息化領域數據安全管理辦法(試行)>的通知》). Under these Measures, data processors operating within the industrial and information technology sectors are required to regularly classify and inventory their data, identify important data and core data in accordance with applicable standards and specifications, and compile entity-specific data catalogs.

REGULATIONS ON AI LARGE MODELS AND ALGORITHM

The CAC and other relevant departments jointly promulgated the Interim Measures for the Management of Generative Artificial Intelligence Services (《生成式人工智能服務管理暫行辦法》). Effective from August 15, 2023, these measures stipulate compliance requirements for providers of generative artificial intelligence services. Pursuant to these measures, individuals or organizations using generative AI technology to provide services generating text, images, audio, video, or other content shall assume the responsibility as network information content producers, fulfill obligations related to network information security, and assume the responsibility as personal information processors to protect the involved personal information. Certain providers of generative artificial intelligence services are additionally required to conduct security assessments and complete regulatory filings. Non-compliance may subject providers to penalties such as warnings, public censure, orders for rectification, and suspension of related services.

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The CAC and other relevant departments jointly promulgated the Regulations on the Management of Algorithmic Recommendations in Internet Information Services (《互聯網信息服務算法推薦管理規定》). Effective from March 1, 2022, these regulations require that providers of algorithm-based recommendation services shall be responsible for algorithm security and must establish management systems including measures such as audits, ethical reviews, fraud prevention, security assessments, and data security emergency response plans. They must also designate dedicated personnel in charge and implement corresponding technical measures. Service providers are required to regularly review, assess, and verify their algorithm mechanisms, models, data, and application results. They must notify users when providing algorithmic recommendation services, offer options to disable such services, and provide effective channels for complaints and reporting.

The CAC and other relevant departments jointly promulgated the Regulations on the Management of Deep Synthesis in Internet Information Services (《互聯網信息服務深度合成管理規定》). Effective from January 10, 2023, these regulations specify management requirements for deep synthesis services, including scope of application, departmental responsibilities, primary responsibilities of service providers, data and technical management requirements, content labeling obligations, supervision and inspection provisions, and legal liabilities. The aim is to regulate the application of deep synthesis technology and safeguard network information security.

In compliance with the measures above, we have completed the filing for our Yan AI in accordance with the Interim Measures for the Management of Generative Artificial Intelligence Services on June 9, 2025. We have implemented the compliance requirements as outlined in the filing materials for the operation of the large model. The aforementioned compliance requirements are as follows: (i) Training data sources must be compliant and must not infringe on third-party intellectual property rights or trade secrets: The Group conducts special sampling and assessment of corpus content to ensure that the sources of training corpus are compliant. (ii) Formulate operable data annotation rules: The Group has formulated the Corpus Annotation Rules, which specify the format, methods, and acceptance criteria for corpus annotation. (iii) Ensure that generated content is compliant, prohibiting discrimination and illegal content: The Group has established an Interception Keyword List and generated content assessment test questions to ensure the accuracy and reliability of generated content and to avoid illegal or discriminatory terms. (iv) Formulate a service agreement, disclose the applicable users, occasions, and purposes of the service: The Group has formulated the Model Service Agreement. The Model Service Agreement and the corresponding privacy policy constitute the agreement between users and the Group for the use of the Yan AI large model services. They specify account management, service content (vehicle control, vehicle usage, entertainment, etc.), intellectual property rights, and liability limitations.

Regarding personal information protection, it is agreed that the Group follows the principles of legality, legitimacy, and necessity, collecting necessary personal information after obtaining user consent via pop-up windows, for purposes such as providing basic functions, optimizing the model, and security risk control. Users have the rights to access, correct, and delete their personal information. Through the aforementioned measures, the Group has implemented, in the process of providing AI services, comprehensive arrangements for personnel allocation, system establishment, documentation, and risk control across training data collection, corpus annotation, content generation, user notification, and interaction. Supported by these mechanisms, the Group is able to ensure compliance with the specific provisions of the Measures.

Apart from the Yan AI, we do not possess any other large models that require filing or registration for generative artificial intelligence services under the Interim Measures for the Management of Generative Artificial Intelligence Services.

During the Track Record Period, the PRC data compliance adviser and we are of the view, and the Joint Sponsors concur, that we have complied with all applicable AI-related laws and regulations in all material respects.

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REGULATIONS ON INTELLECTUAL PROPERTY RIGHTS

Trademark Law

Pursuant to the Trademark Law of the PRC (《中華人民共和國商標法》), which was promulgated on August 23, 1982, last amended on April 23, 2019, and effective as of November 1, 2019, and the Implementation Regulations of the Trademark Law of the PRC (《中華人民共和國商標法實施條例》), which were issued on August 3, 2002 and last amended on April 29, 2014, the China National Intellectual Property Administration (the “CNIPA”), through its Trademark Office, is responsible for handling trademark registration matters. Under the Trademark Law, a registered trademark is granted a validity period of ten years, which may be renewed for successive ten-year periods upon request by the trademark owner. The PRC trademark regime follows a “first-to-file” principle. Accordingly, if an application is filed for a trademark that is identical with or similar to a previously registered trademark, or one under preliminary examination and approval for use on the same or similar goods or services, the application may be rejected. Applicants must not infringe upon existing rights of others, and no person may preemptively register a trademark that is already in use by another and has acquired a “sufficient degree of reputation” through such use. A registered trademark may be licensed to another party by entering into a trademark license agreement. The licensor is required to file the license for recordation with the Trademark Office, which will then publish the record. A license that has not been recorded may not be asserted against a bona fide third party.

Patent Law

The Patent Law of the PRC (《中華人民共和國專利法》) promulgated by the SCNPC on March 12, 1984, most recently amended on October 17, 2020, and effective from June 1, 2021, and the Implementing Rules of the Patent Law (《中華人民共和國專利法實施細則》), which were promulgated on January 19, 1985, most recently amended by the State Council on December 11, 2023 and effective from January 20, 2024, provide for three types of patents: “invention,” “utility model” and “design.” “Invention” refers to any new technical solution in relation to a product, or a process or improvement thereof; “utility model” refers to any new technical solution relating to the shape, structure, or their combination, of a product, which is suitable for practical use; “design” refers to a new design that is aesthetic and suitable for industrial application for the overall or partial shape, pattern or its combination of products, as well as the combination of color, shape and pattern. The validity period of patent for an “invention” is 20 years, while the validity period of patent for a “utility model” is 10 years and that of a “design” is 15 years, from the date of application.

Copyright Law and Software Registration

Pursuant to the Copyright Law of the People’s Republic of China (《中華人民共和國著作權法》) promulgated by the SCNPC on September 7, 1990, most recently amended on November 11, 2020, and effective from June 1, 2021, Chinese citizens, legal persons or unincorporated organizations shall, whether published or not, enjoy copyright in their works in accordance with the law. Unless otherwise provided in the Copyright Law of the People’s Republic of China and other related systems, laws and regulations, reproducing, distributing, performing, projecting, broadcasting or compiling a work or communicating the same to the public via an information network without permission from the owner of the copyright therein shall constitute infringements of copyrights. The infringer shall, according to the circumstances of the case, undertake to cease the infringement, eliminate impact, and offer an apology, pay damages and other civil liabilities. In exercising the rights, copyright owners and copyright-related rights holders shall not be in violation of the Constitution and laws nor prejudice to public interests. According to the Measures for the Registration of Computer Software Copyright (《計算機軟件著作權登記辦法》) issued on April 6, 1992, most recently amended on June 18, 2004, and became effective on July 1, 2004, and the Regulations on Protection of Computer Software (《計算機軟件保護條例》) promulgated by the State Council on June 4, 1991, most recently amended on January 30, 2013, and effective from

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March 1, 2013, the State Copyright Administration shall be responsible for the administration of software copyright registration nationwide, and the China Copyright Protection Center is recognized as the software registration authority. Applicants for computer software copyright satisfying the requirements of the Measures for the Registration of Computer Software Copyright and the Regulations on Protection of Computer Software will be issued a registration certificate by the China Copyright Protection Center.

Domain Names

Pursuant to the Measures for the Administration of Internet Domain Names (《互聯網域名管理辦法》) promulgated by the MIIT on August 24, 2017 and effective from November 1, 2017, the MIIT supervises and administers domain services nationwide. The principle of “first come, first served” is followed for the domain name registration service. Applicants of domain name registration shall provide the domain name registration authority with true, accurate and complete information about the identity of the domain name holder for registration purpose, and sign a registration agreement with it. After completing the domain name registration, the applicant becomes the holder of the domain name registered by him/her/it.

REGULATIONS ON EMPLOYMENT AND SOCIAL WELFARE

The PRC Labor Law (《中華人民共和國勞動法》), which was promulgated by the NPC in 1994, and last amended in 2018, provides that employees are entitled to equal opportunities in employment, selection of occupations, receiving labor remuneration, rest days and holidays, protection of occupational safety and healthcare, social insurance and welfare. Employers must establish and improve the system for occupational safety and healthcare, provide training on occupational safety and healthcare to employees, comply with national and local regulations on occupational safety and healthcare, and provide necessary labor protective supplies to employees.

The PRC Labor Contract Law (《中華人民共和國勞動合同法》), which was promulgated by the NPC in 2007, amended in 2012 and came into effect in 2013, and the Implementation Regulations on Labor Contract Law (《中華人民共和國勞動合同法實施條例》) which was promulgated by the State Council and came into effect in 2008, stipulate the relations of employer and the employee, and contain specific provisions including but not limited to the probationary period and liquidated damages to protect the rights and interests of the employees. The PRC Social Insurance Law (《中華人民共和國社會保險法》) issued by the NPC in 2010, effective in 2011 and last amended in 2018, provides that an employee shall participate in five types of social insurance funds, including pension insurance, medical insurance, unemployment insurance, maternity insurance and occupational injury insurance. The premiums for maternity insurance and occupational injury insurance are paid by the employer, while the premiums for pension insurance, medical insurance and unemployment insurance are paid by both the employer and the employee. If the employer fails to fully contribute to social insurance funds on time, the collection agency for such social insurance may demand the employer to make full payment or to pay the shortfall within a set period and collect a late charge. If the employer fails to pay after the due date, the relevant government administrative body may impose a fine on the employer.

The Regulation on the Administration of Housing Provident Funds (《住房公積金管理條例》) issued by the State Council in 1999 and last revised in 2019 provides that enterprises must register with the competent managing center for housing funds and shall contribute to the Housing Provident Fund for any employee on its payroll. Where an employer fails to pay up housing provident funds within the prescribed time limit, the employer may be fined and ordered to make payment within a certain period. Where the contribution has not been made after the expiration of the time limit, the enterprises may be subject to compulsory enforcement by the People’s Court.

On July 31, 2025, the Supreme People’s Court of the PRC has issued the Interpretation II of the Supreme People’s Court of Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》), which took

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effect from September 1, 2025. Pursuant to the Interpretation II, any arrangement not to participate in social insurance through unilateral undertaking by employees or mutual agreement between the employers and the employees, is invalid. If the employee terminates the labor contract on the grounds that the employer fails to make social insurance contributions in accordance with PRC laws and regulations, and claims economic compensation from the employer, the courts shall uphold the claims.

REGULATIONS ON TAX IN THE PRC

Income Tax Law

According to the PRC Enterprise Income Tax Law (《中華人民共和國企業所得稅法》) promulgated by the NPC on March 16, 2007, and most recently amended on December 29, 2018 and effective from the same date and the Enterprise Income Tax Implementation Regulations of the PRC (《中華人民共和國企業所得稅法實施條例》) promulgated by the State Council on December 6, 2007, and most recently amended on December 6, 2024 and effective from January 20, 2025, enterprises are divided into resident enterprises and non-resident enterprises. A unified enterprise income tax rate of 25% is applied equally to both domestic enterprises and foreign invested enterprises excluding non-resident enterprises, except where tax incentives are granted to special industries and projects.

Value-Added Tax

On December 25, 2024, the SCNPC promulgated the Value-added Tax Law of the PRC (《中華人民共和國增值稅法》), or the Value-added Tax law, which took effect on January 1, 2026 and replaced the Provisional Regulations on Value-Added Tax of the PRC (《中華人民共和國增值稅暫行條例》). Pursuant to the Value-added Tax Law, entities engaged in the sale of goods, services, intangible assets and immovables and importation of goods within the territory of the PRC are value-added tax (“VAT”) payers and shall pay VAT. Taxpayers that sell goods are subject to a tax rate of 13% and taxpayers that sell services or intangible assets are subject to a tax rate of 6%. Unless otherwise specified in the Value-added Tax Law, taxpayers making taxable transactions shall calculate and pay VAT by offsetting input tax against output tax according to the general tax calculation method and calculate the VAT payable.

REGULATIONS ON OVERSEAS LISTING

On February 17, 2023, with the approval of the State Council, the CSRC promulgated the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) and relevant five guidelines, which came into force on March 31, 2023.

According to the Trial Administrative Measures, (i) PRC domestic companies that seek to offer or list securities overseas, both directly and indirectly, should fulfill the filing procedure and submit relevant information to the CSRC; if a domestic company fails to complete the filing procedure or conceals any material fact or falsifies any major content in its filing documents, such domestic company may be subject to administrative penalties, such as an order to rectify, warnings, fines, and its controlling shareholders, actual controllers, the person directly in charge and other directly liable persons may also be subject to administrative penalties, such as warnings and fines; (ii) domestic companies that seek to offer or list securities overseas directly are limited by shares offer or list securities in overseas securities markets; and (iii) any PRC company limited by shares is required to file with the CSRC within three business days after its application for overseas listing is submitted. Failure to complete the filing under the Trial Administrative Measures may subject a PRC domestic company to rectification ordered by the CSRC, a warning and a fine of RMB1 million to RMB10 million.

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Besides, PRC domestic companies seeking to overseas offering and listing shall strictly comply with the laws, administrative regulations and relevant provisions of the PRC government on foreign investment, state-owned assets, industry regulation, overseas investment, etc., shall not disrupt domestic market order, and shall not harm national interests, public interest and the legitimate rights and interests of domestic investors. PRC domestic companies that conduct overseas offering and listing shall (i) formulate their articles of association, improve their internal control system and standardize their corporate governance, financial affairs and accounting activities in accordance with the PRC Company Law, the PRC Accounting Law and other PRC laws, administrative regulations and applicable provisions; (ii) abide by the legal system of the PRC on confidentiality and take necessary measures to implement the confidentiality responsibility, not divulge any state secret or the work secrets of state authorities, and also comply with laws, administrative regulations and the relevant provisions of the PRC where involved in the overseas provision of personal information and important data. In addition, the Trial Administrative Measures also provide the circumstances where the overseas offering and listing is explicitly prohibited, including: (i) such securities offering and listing are explicitly prohibited by specific PRC laws and regulations; (ii) such securities offering and listing constitute a threat to or endanger national security; (iii) the PRC domestic company, or its controlling shareholder(s) and the actual controller, have committed relevant crimes such as corruption, bribery, embezzlement, misappropriation of property or undermining the order of the socialist market economy during the latest three years; (iv) the PRC domestic company is currently under investigations for suspicion of criminal offenses or major violations of laws and regulations, and no conclusion has yet been made thereof; or (v) there are material ownership disputes over equity held by the controlling shareholder(s) or by other shareholder(s) that are controlled by the controlling shareholder(s) and/or the actual controller.

On February 24, 2023, the CSRC and other relevant government authorities promulgated the Provisions on Strengthening the Confidentiality and Archives Administration of Overseas Securities Issuance and Listing by Domestic Enterprises (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) (the “**Provision on Confidentiality**”), which took effect on March 31, 2023. Pursuant to the Provision on Confidentiality, where a domestic enterprise provides or publicly discloses to the relevant securities companies, securities service institutions, overseas regulatory authorities and other entities and individuals, or provides or publicly discloses through its overseas listing subjects, documents and materials involving state secrets and working secrets of state organs, it shall report the same to the competent department with the examination and approval authority for approval in accordance with the law, and submit the same to the secrecy administration department of the same level for filing. Domestic enterprises providing accounting archives or copies thereof to entities and individuals concerned such as securities companies, securities service institutions and overseas regulatory authorities shall perform the corresponding procedures pursuant to the relevant provisions of the State.

“Full Circulation” represents listing and circulating on the Stock Exchange of the domestic unlisted shares of an H-share listed company, including unlisted domestic shares held by domestic shareholders prior to overseas listing, unlisted domestic shares additionally issued after overseas listing, and unlisted shares held by foreign shareholders. On November 14, 2019, CSRC announced the Guidelines for the “Full Circulation” Program for Domestic Unlisted Shares of H-share Listed Companies (《H股公司境內未上市股份申請“全流通”業務指引》) (“**Guidelines for the ‘Full Circulation’**”), which were amended on August 10, 2023. As regulated in the Guidelines for “Full Circulation,” shareholders of domestic unlisted shares have the flexibility to jointly decide the amount and proportion of shares that will be included in the circulation application. This decision should be reached through mutual consultation, ensuring compliance with relevant laws, regulations and policies governing state-owned asset administration, foreign investment and industry regulation. Meanwhile, the H-share listed company corresponding to these shares may be authorized to file for “full circulation” with the CSRC. An unlisted domestic joint stock company may file with the CSRC for “full circulation” at the time of its initial public offering and listing overseas. After domestic unlisted shares are listed and circulated on the Stock Exchange, they may not be transferred back to China. Pursuant to the Trial Administrative Measures, which came into effect on

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March 31, 2023, for a domestic company directly offering and listing overseas, shareholders of its domestic unlisted shares applying to convert such shares into shares listed and traded on an overseas trading venue shall conform to relevant regulations promulgated by the CSRC. Additionally, they are required to authorize the domestic company to submit the conversion application to the CSRC on their behalf.

On December 31, 2019, China Securities Depository and Clearing Corporation Limited and Shenzhen Stock Exchange jointly announced the Measures for Implementation of the H-share “Full Circulation” Business (《H股“全流通”業務實施細則》) (the “**Measures for Implementation**”). The businesses of cross-border share transfer registration, maintenance of deposit and holding details, transaction entrustment and instruction transmission, settlement, management of settlement participants, services of nominal holders, etc., in relation to the H-share “Full Circulation” business, are subject to these Measures for Implementation.

REGULATIONS ON FOREIGN EXCHANGE

The principal regulations governing foreign currency exchange in China are the Foreign Exchange Administration Regulations of the PRC (《中華人民共和國外匯管理條例》), which was promulgated by the State Council on January 29, 1996 and was latest amended on August 5, 2008. Pursuant to these regulations and other PRC rules and regulations on currency conversion, Renminbi is freely convertible for payments of current account items, such as trade- and service-related foreign exchange transactions and dividend payments, but not freely convertible for capital account items, such as direct investment, loan or investment in securities outside China unless prior approval of the State Administration of Foreign Exchange (“SAFE”) or its local counterpart is obtained.

In February 2012, SAFE promulgated the Circular on Foreign Exchange Administration for PRC Residents Participating in Share Incentive Plans of Offshore Listed Companies (Huifa [2012] No. 7) (《關於境內個人參與境外上市公司股權激勵計劃外匯管理有關問題的通知》(匯發[2012]7號)) (the “**SAFE Circular 7**”). According to the SAFE Circular 7 and other relevant rules and regulations, a domestic director, supervisor or senior management or employees who has employment or labor relationship with a company listed overseas, and participates in a share incentive plan of the company shall be subject to the foreign exchange registration procedure as required in the SAFE Circular 7. However, H-share direct listings by domestic companies do not fall under the category of ‘overseas listed companies’ as defined in SAFE Circular 7.

According to the “Guidelines for Foreign Exchange Business under Capital Accounts (2024 Edition)” (《資本項目外匯業務指引》(2024年版)) issued by the SAFE on April 3, 2024, in principle, the funds raised by overseas listings of domestic companies should be repatriated to China in a timely manner, and can be repatriated in RMB or foreign currency. The use of funds shall be consistent with the relevant contents listed in the document or corporate bond offering documents, shareholder circulars, resolutions of the board of directors or shareholders’ meeting and other publicly disclosed documents. Domestic companies using the funds raised from overseas listings to carry out overseas direct investment, overseas securities investment, overseas lending and other businesses shall comply with the relevant foreign exchange management regulations.

On December 24, 2025, the PBOC and the SAFE jointly promulgated the Circular on Issues Concerning the Administration of Funds for Overseas Listing of Domestic Enterprises (《關於境內企業境外上市資金管理有關問題的通知》), which will become effective on April 1, 2026. Pursuant to this circular, a domestic enterprise shall complete the registration with the competent banks within 30 business days after the date of its initial overseas listing or the completion of the over-allotment. The proceeds raised may be remitted to the PRC or deposited overseas, provided that the use of funds shall be consistent with the relevant disclosure documents. Domestic shareholders increasing or decreasing their overseas shareholdings are also required to comply with the relevant registration and account management requirements.

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Our Company was established as a limited liability company under the laws of the PRC on November 22, 2015, and was converted into a joint stock company with limited liability on March 3, 2025. Today, we are the No. 1 software-focused smart cockpit solution provider in China by revenue in 2024. We also ranked first by installation volume, with our solutions deployed in more vehicles than any other provider in the China market.

MILESTONES

The following table summarizes the key business and corporate development milestones of our Group:

Year	Event
2015	Our Company was established pursuant to the strategic cooperation between AGH and SAIC.
2016	Our proprietary AOS was adopted by China’s first internet-connected vehicle (ICV) Roewe RX5.
2017	We explored further development in ICV field through cooperation with more brands including MG Motor, Datong, Shenlong and Ford Motor.
2018	We began to collaborate with a content and service provider (CSP) to provide in-vehicle music streaming app, marking the launch of our Vehicle-based Services Marketplace solution.
2020	We initiated the R&D for automotive operating systems related to smart cockpit and commenced our cooperation with SAIC Volkswagen, FAW Volkswagen and Nissan.
2021	The first model equipped with our self-developed smart cockpit OS solutions, IM L7 of IM Motors, was launched.
2022	We obtained ISO 26262 ASIL-D certification, the highest safety integrity level validated within integrated cockpit-driving domain solutions according to CIC.
2023	We acted as a main drafting party in formulation of national standard for in-vehicle operating system designated by The State Administration for Market Regulation.
2024	We upgraded to “All in AI, AI in All” strategy and launched Yan AI, building a full-stack AI technology and service system for the in-vehicle application of smart cockpits.
2025	We completed mass-production deployments of Yan AI to vehicle models of IM Motors and Roewe, and assisted IM Motors and Roewe to expand to overseas markets such as Thailand, Australia, Europe, Latin America, and the Middle East.

OUR SUBSIDIARIES

Set forth below are details for all our subsidiaries as of the Latest Practicable Date. All of them have been wholly owned by our Company during the Track Record Period and up to the Latest Practicable Date.

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Name of subsidiary	Place of incorporation	Registered share capital	Date of incorporation and commencement of business	Principal business
Beijing Diyuixin Internet Data Technology Co., Ltd. (北京締元信互聯網數據技術有限公司)	PRC	RMB16,600,000	February 28, 2007	Technology development, technology consulting, etc.
Banma Information Technology Co., Ltd. (斑馬信息科技有限公 司)	PRC	RMB228,760,000	February 1, 2016	Technology development, technology consulting, etc.
Hangzhou Banma	PRC	RMB25,000,000	November 29, 2019	Technology development, technology consulting, etc.
BANMA ZHIXING NETWORK (HONGKONG) Co., LIMITED	Hong Kong	HK\$1	June 29, 2020	Investment holding
Shanghai Banzhi Information Technology Co., Ltd. (上海斑智信息科技有限責任公司).	PRC	RMB10,000,000	July 28, 2020	Technology development, technology consulting, etc.
Banma Smart Mobility (Beijing) Network Technology Co., Ltd. (斑馬智行(北京)網絡技術有限公 司)	PRC	RMB10,000,000	September 1, 2021	Technology development, technology consulting, etc.
Hefei Banma Smart Mobility Network Technology Co., Ltd. (合肥市斑馬智行網絡技術有限公 司)	PRC	RMB10,000,000	November 12, 2021	Technology development, technology consulting, etc.
Banzhiyuntu Network Technology (Shanghai) Co., Ltd. (斑智雲圖網絡技術(上海) 有限公司).	PRC	RMB10,000,000	January 10, 2022	Technology development, technology consulting, etc.
Banma Intelligent Vehicle Operating System Co., Ltd. (斑馬智能汽車操作系統有限公 司)	PRC	RMB80,000,000	November 17, 2023	Technology development, technology consulting, etc.
Banma Intelligence Software (Wuhan) Technology Co., Ltd. (斑馬智軟(武漢)技術有限公 司)	PRC	RMB10,000,000	November 17, 2023	Technology development, technology consulting, etc.

There were no shareholding changes in our subsidiaries during the Track Record Period and up to the Latest Practicable Date.

CORPORATE DEVELOPMENT AND MAJOR SHAREHOLDING CHANGES

Establishment of the Company and Capital Increase by Shanghai Saili

On November 22, 2015, our Company was established under the PRC laws by Shanghai Saiwei and Shanghai Saili, with an initial registered capital of RMB1,063,800,000. Upon establishment, our Company was held as to 94% by Shanghai Saiwei, a joint venture established by AGH and SAIC, and 6% by Shanghai Saili, our Equity Incentive Platform.

At the time of its establishment, Shanghai Saiwei was owned as to (i) 49.50% by Alibaba China as a limited partner; (ii) 49.50% SAIC Investment Management Limited (上海汽車集團投資管理有限公司) (“SAIC Investment”, a wholly-owned subsidiary of SAIC) as a limited partner; and

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(iii) 1.00% by Shanghai Saiyun Management as the general partner. Shanghai Saili was owned as to 99.99% by Shanghai Saipeng as a limited partner and 0.01% by Shanghai Saiyun Investment as the general partner. Shanghai Saiyun Management is ultimately held as to 50% by SAIC and 50% by Alibaba China, respectively.

Pursuant to the Shareholders’ resolution on September 29, 2017, Shanghai Saili subscribed for an additional registered capital of RMB47,280,000 for equity incentive purpose and the registered capital of our Company was increased from RMB1,063,800,000 to RMB1,111,080,000. Upon such capital increase, our Company was held as to 90% and 10% by Shanghai Saiwei and Shanghai Saili, respectively.

Pre-[REDACTED] Investments

From September 2018 to September 2023, our Company conducted a series of capital increases for financings. For details, see “—Pre-[REDACTED] Investments” below in this section.

Capital Injection in November 2020

In relation to the injection of intellectual property assets related to AOS, pursuant to the Shareholders’ resolution on November 2, 2020, Zhejiang Tmall subscribed the registered capital of RMB679,545,455 and Taobao China subscribed the registered capital of RMB291,233,766, respectively, and the consideration of the capital injection was satisfied by the 100% equity interest in Hangzhou Banma.

Conversion into a Joint Stock Limited Company

On January 22, 2025, our then Shareholders resolved on, among other matters, (i) the conversion of our Company from a limited liability company into a joint stock limited company under the laws of the PRC, (ii) the change of our corporate name from Banma Network Technology Limited (斑馬網絡技術有限公司) to Banma Network Technology Co., Ltd. (斑馬網絡技術股份有限公司), and (iii) the conversion of the net asset value of our Company as of November 30, 2024 which amounted to RMB6,631,350,536.78 into 2,840,826,912 Shares with a par value of RMB1.0 per Share, which were subscribed by all the then Shareholders in proportion to their respective equity interests in our Company immediately before the joint stock conversion. The remaining amount of RMB3,790,523,624.78 was converted into capital reserve of our Company.

Upon completion of the conversion on March 3, 2025, the registered capital of our Company was RMB2,840,826,912, corresponded to 2,840,826,912 Shares with par value of RMB1.00 per Share.

Equity Adjustments in 2025

On July 16, 2025, as agreed among the Company and our Shareholders to, amongst others, facilitate the Shareholders’ approval for the [REDACTED], our Company entered into an equity adjustment agreement with all the then Shareholders, pursuant to which the following steps of equity adjustments (the “**Equity Adjustments**”) have been made: (i) the capital reserve conversion of certain capital reserve of the Company into Shares to be allocated to minority shareholders and Jiaying Ruijia, which was completed on August 8, 2025, (ii) the Company’s repurchase of Shares held by certain minority Shareholders and a follow-up capital reduction, which was completed on September 26, 2025, and (iii) subscription of the registered capital of the Company by the relevant minority Shareholders involved in step (ii) above at the nominal value of RMB1 per Share with the funds received in step (ii) above, which was completed on October 11, 2025. The considerations relating to the Equity Adjustments were irrevocably settled on September 28, 2025, compliant with the Pre-[REDACTED] Investment Guidance as defined in Chapter 4.2 of the Guide for New Listing Applicants. Upon completion of the Equity Adjustments and the Incentive Arrangement (as defined

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below), the investment cost of the minority Shareholders involved in the Equity Adjustments was RMB3.14 per Share and the registered capital of our Company increased from RMB2,840,826,912 to RMB3,344,873,403, corresponded to 3,344,873,403 Shares with par value of RMB1.00 per Share.

Set out below are the shareholding and voting rights of the minority Shareholders involved in the Equity Adjustments before and after the Equity Adjustments and before completion of the [REDACTED], taking into account the voting arrangements in relation to Shares held by Shanghai Saiwei as set out below and the Incentive Arrangement (as defined below):

Shareholder	Before the Equity Adjustments and the Incentive Arrangement			Upon Completion of the Equity Adjustments and the Incentive Arrangement and Before Completion of the [REDACTED]		
	Number of Unlisted Shares held	Shareholding percentage (approx.)	Voting interest (approx.)	Number of Unlisted Shares held	Shareholding percentage (approx.)	Voting interest (approx.)
Shangqi Qitai	69,442,500	2.44%	2.67%	129,411,121	3.87%	4.17%
FIIF	52,081,875	1.83%	2.01%	97,058,341	2.90%	3.13%
FIIF II.	32,684,949	1.15%	1.26%	60,910,766	1.82%	1.96%
FIIF (Dongguan)	17,360,625	0.61%	0.67%	32,352,780	0.97%	1.04%
Shanghai Yunfeng						
Qitai	69,442,500	2.44%	2.67%	129,411,121	3.87%	4.17%
Hainan Yunfeng Fund	16,342,475	0.58%	0.63%	30,455,384	0.91%	0.98%
Shanghai Guohe Banji	61,179,519	2.15%	2.36%	127,460,082	3.81%	4.11%
China Life Dual						
Carbon	7,647,440	0.27%	0.29%	15,932,511	0.48%	0.51%
China Life Tech						
Innovation.	15,294,880	0.54%	0.59%	31,865,021	0.95%	1.03%
Nanjing FAW	22,942,319	0.81%	0.88%	47,797,529	1.43%	1.54%

VOTING ARRANGEMENTS IN RELATION TO SHARES HELD BY SHANGHAI SAIWEI

Pursuant to the shareholders’ agreement entered into by all the then Shareholders of the Company in November 2020, subject to the provisions contained therein, for the 999,972,000 Shares held by Shanghai Saiwei, on a see-through basis, (i) SAIC was entitled to exercise voting rights attached to the 756,486,913 Shares beneficially owned by its associates, including 498,284,793 Shares held by SAIC Investment and 258,202,120 Shares held by Jiaxing Qijun No. 2 Equity Investment Partnership (Limited Partnership) (嘉興頤駿二號股權投資合夥企業(有限合夥)), respectively, through the respective limited partnership interests in Shanghai Saiwei, and (ii) AGH was entitled to exercise voting rights attached to the 243,485,087 Shares beneficially owned by its associate, Alibaba China, through the respective limited partnership interests in Shanghai Saiwei. AGH’s voting rights in our Company were increased to above 50% by the end of November 2020, resulting in the consolidation of the Company into AGH Group.

In December 2024, in contemplation of the joint stock conversion of our Company to allow for more flexibility in its future equity fundraising options, AGH and SAIC agreed to make certain voting adjustments in respect of their Shares held through Shanghai Saiwei in accordance with applicable PRC laws, under which, only direct shareholders can exercise their voting rights in a joint stock company, i.e. Shanghai Saiwei in the current case, and the clarity and stability of ownership also needs to be considered. Accordingly, Alibaba China and SAIC resolved for Shanghai Saiwei to waive the voting rights attached to the 243,485,087 Shares beneficially owned by Alibaba China through Shanghai Saiwei, after which Shanghai Saiwei will only exercise the voting rights attached to the remaining 756,486,913 Shares which are ultimately beneficially owned by SAIC. As SAIC could indirectly exercise the sole and absolute right to appoint the general manager of Shanghai Saiyun Management, who is authorized to exercise the shareholder’ rights on behalf of

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Shanghai Saiwei at the shareholders’ meetings of the Company with respect to the Shares held by Shanghai Saiwei in accordance with the instructions and decisions of SAIC, SAIC also undertook to ensure that Shanghai Saiwei would unconditionally and irrevocably not exercise any voting rights attached to the 243,485,087 Shares beneficially owned by Alibaba China through Shanghai Saiwei. Following the aforementioned voting right adjustments, the voting interest controlled by AGH in our Company decreased to approximately 48.38%, and our Company was deconsolidated by and ceased to be a subsidiary of AGH since December 27, 2024.

The denominator for the calculation of the voting rights of our Shareholders in this Document has excluded the voting rights attached to the 243,485,087 Shares mentioned above.

MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

During the Track Record Period and up to the Latest Practicable Date, we had not conducted any major acquisitions, disposals or mergers that we consider to be material to us.

PRE-[REDACTED] EQUITY INCENTIVE PLANS

We adopted the Pre-[REDACTED] Equity Incentive Plans, details of which are set forth in “Statutory and General Information—Pre-[REDACTED] Equity Incentive Plans” in Appendix IV to this Document.

On August 6, 2025, Hangzhou Haoyue transferred 67,090,000 Shares held by it to Shanghai Saixiang, our Equity Incentive Platform, for the purpose of employee equity incentive under the 2025 Employee Incentive Plan.

On September 28, 2025, our Company repurchased 39,174,312 Shares held by Hangzhou Haoyue, corresponding to the registered capital of RMB39,174,312, for the purpose of equity incentive under the 2025 Management Incentive Plan and re-issued all such Shares to relevant participants under such plan on the same date to directly hold the relevant Shares (the “**Incentive Arrangement**”).

As of the date of this Document, all share awards subject to the Pre-[REDACTED] Equity Incentive Plans were granted to the specified participants. No further share awards will be granted under the Pre-[REDACTED] Equity Incentive Plans following the [REDACTED].

REASONS FOR THE [REDACTED]

Our Company is seeking a [REDACTED] of its H Shares on the Stock Exchange in order to raise further capital for the development of our business, to strengthen our business profile and expand our global presence. For details of our future plans, see “Future Plans and Use of [REDACTED]” in this Document.

[REDACTED]

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[REDACTED]

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PRE-[REDACTED] INVESTMENTS

1. Overview

Details of our Pre-[REDACTED] Investments from September 2018 to September 2023 (not including the capital injection in November 2020 disclosed above) are set forth below:

No.	Date of investment	Date of settlement of consideration (last payment)	Pre-[REDACTED] Investor ⁽¹⁾	Registered capital subscribed for/ Number of Shares	Amount of consideration paid (RMB)	Total funds raised by our Company (RMB in million)	Cost per Share taking into account the Equity Adjustments ⁽²⁾ (approx.) (RMB)	[REDACTED] to the H Share [REDACTED] ⁽³⁾
1. . .	November 10, 2018	December 31, 2019	FIIF FIIF (Dongguan) Shanghai Yunfeng Qitai	52,081,875 ⁽⁴⁾ 17,360,625 ⁽⁴⁾ 69,442,500	304,687,500 101,562,500 406,250,000	1,218.75	3.14	[REDACTED]%
2. . .	May 17, 2021 ⁽⁵⁾	December 30, 2022	Shangqi Qitai FIIF II Hainan Yunfeng Fund	69,442,500 32,684,949 16,342,475	406,250,000 191,206,951 95,603,479	3,000 ⁽⁵⁾	3.14	[REDACTED]%
3. . .	April 4, 2023	May 4, 2023	Shanghai Guohe Banji China Life Tech Innovation China Life Dual Carbon	45,884,639 15,294,880	300,000,000 100,000,000	450	3.14	[REDACTED]%
4. . .	September 1, 2023	September 13, 2023	Nanjing FAW Shanghai Guohe Banji	22,942,319 15,294,880	150,000,000 100,000,000	250	3.14	[REDACTED]%

Notes:

- (1) For the details of the Pre-[REDACTED] Investors, see “—5. Information about the Pre-[REDACTED] Investors” below.
- (2) The cost per unit of registered capital or Share paid by each Pre-[REDACTED] Investor was calculated based on the amount of investment made and amount of registered capital or number of Shares held by the Pre-[REDACTED] Investor immediately after the Pre-[REDACTED] Investment taking into account the effect of the Equity Adjustments in 2025 as detailed above.
- (3) The [REDACTED] to the H Share [REDACTED] is calculated based on the assumption that the [REDACTED] is HK\$[REDACTED] per [REDACTED], being the mid-point of the indicative [REDACTED] of HK\$[REDACTED] to HK\$[REDACTED] per [REDACTED].

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- (4) FIIF and FIIF (Dongguan) initially subscribed for registered capital of RMB104,163,750 and RMB34,721,250, respectively, which were reduced to the current respective amount as agreed among all then Shareholders in May 2020 as no actual payment was made by FIIF and FIIF (Dongguan) for their respective reduced registered capital initially subscribed in November 2018.
- (5) In this round of financing, AGH, through Alibaba China, and SAIC, through Jiaying Ruijia, subscribed for the registered capital of RMB285,762,804 and RMB178,030,285 at a consideration of RMB1,671,712,403 and RMB1,041,477,167, respectively. All equity interest held by Alibaba China was transferred to Hangzhou Haoyue in January 2024 as an internal transfer within the AGH Group.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

2. Principal Terms of the Pre-[REDACTED] Investments

Basis of determining the valuation and consideration paid	The determination of the valuation and consideration is based on arm’s length negotiations between the relevant parties with reference to among others, (i) the timing and market conditions of the investments/equity transfers and the market value of comparable companies at the relevant time, (ii) the operation of our business, the financial performance of our Group at the relevant time/period, and (iii) the prospects of our business.
Lock-up	Pursuant to the applicable PRC law, within the 12 months following the [REDACTED], the Shares issued by the Company prior to the [REDACTED] (including the Shares held by the Pre-[REDACTED] Investors immediately prior to the [REDACTED]) are restricted from transfer.
Use of proceeds from the Pre-[REDACTED] Investments	We utilized the proceeds from the Pre-[REDACTED] Investments for the operations, business expansion and general working capital purpose of our Group. As of the Latest Practicable Date, approximately 83% of the funds raised from the Pre-[REDACTED] Investments have been utilized.
Strategic benefit of the Pre-[REDACTED] Investments to our Group	At the time of each of the Pre-[REDACTED] Investments, our Directors were of the view that our Company could benefit from the Pre-[REDACTED] Investors’ investments in our Group and their knowledge and experience in the automobile industry and artificial intelligence and technology sectors. The Pre-[REDACTED] Investments demonstrated the confidence of the Pre-[REDACTED] Investors in the operations and development of our Group.

3. Special Rights of the Pre-[REDACTED] Investors

The Pre-[REDACTED] Investors have been granted certain special rights in relation to our Company, including, among others, preemptive rights, rights of first refusal and co-sale rights, dividend and liquidation preferences, anti-dilution rights, information rights. In addition, FIIF and FIIF (Dongguan) were entitled to a redemption right granted by the Company in 2020. Pursuant to the aforementioned equity adjustment agreement in relation to the Equity Adjustments and the revised and restated shareholders agreement entered into amongst all existing Shareholders, (i) the redemption right has been automatically terminated prior to the first submission of [REDACTED] application to the Stock Exchange without any reinstating arrangement, and (ii) all other shareholders’ special rights granted shall be automatically terminated upon [REDACTED].

4. Joint Sponsors’ Confirmation

On the basis that (i) the [REDACTED], being the first day of [REDACTED] of the H Shares on the Stock Exchange, will take place no earlier than 120 clear days after completion of the Pre-[REDACTED] Investments and the Equity Adjustments; and (ii) the special rights of the Pre-[REDACTED] Investors have been terminated as disclosed in “—Special Rights of the Pre-[REDACTED] Investors” above, the Joint Sponsors confirm that the Pre-[REDACTED] Investments are in compliance with the Pre-[REDACTED] Investment Guidance as defined in Chapter 4.2 of the Guide for New Listing Applicants issued by the Stock Exchange.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

5. Information about the Pre-[REDACTED] Investors

The background information of our Pre-[REDACTED] Investors is set out below.

Shangqi Qitai

Jiaxing Shangqi Qitai Equity Investment Enterprise (Limited Partnership) (嘉興尚頌頌泰股權投資合夥企業(有限合夥)) is a limited partnership established under the laws of the PRC. The general partner of Shangqi Qitai is Shanghai Hengxu Chuangling Private Equity Fund Management Co., Ltd. (上海恒旭創領私募基金管理有限公司), which is in turn indirectly held as to 40% by SAIC. Shangqi Qitai has three limited partners and its largest limited partner is Wukuang Yuanding Equity Investment Fund (Ningbo) Partnership (Limited Partnership) (五礦元鼎股權投資基金(寧波)合夥企業(有限合夥)) (“**Wukuang Yuanding**”) holding approximately 49.88% partnership interest. None of the other limited partners of Shangqi Qitai holds 30% or more partnership interest therein. The general partner of Wukuang Yuanding is Minmetals Innovation Equity Investment Fund Management (Ningbo) Co., Ltd. (五礦創新股權投資基金管理(寧波)有限公司), which is held as to 45.06% by Minmetals Innovation Investment Co., Ltd. (五礦創新投資有限公司). Minmetals Innovation Investment Co., Ltd. is indirectly wholly owned by the State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會).

To the best knowledge and information of the Company, save for Shanghai Hengxu Chuangling Private Equity Fund Management Co., Ltd., all these aforementioned entities are Independent Third Parties.

Future Industry Investment Fund

FIIF

Future Industry Investment Fund (Limited Partnership) (先進製造產業投資基金(有限合夥)) is a limited partnership established under the laws of the PRC. It is managed by SDIC Fund Management Co., Ltd. (國投創新投資管理有限公司) (“**Sdicfund**”) which is held as to 40% by China SDIC Gaoxin Industrial Investment Corp., Ltd. (中國國投高新產業投資有限公司), which in turn is ultimately controlled by State Development and Investment Corporation (國家開發投資集團有限公司), a 100% state-owned enterprise. FIIF has 11 limited partners, among whom the Ministry of Finance of the PRC (中華人民共和國財政部) holds approximately 35.48% partnership interest and none of the other limited partners holds 30% or more partnership interest therein. Sdicfund is an independent private equity fund manager and focuses on four investment sectors: life science, intelligent NEV, smart manufacturing as well as information & communication technology.

To the best knowledge and information of the Company, all these aforementioned entities are Independent Third Parties.

FIIF II

Future Industry Investment Fund II (Limited Partnership) (先進製造產業投資基金二期(有限合夥)) is a limited partnership established in the PRC. It is managed by CS Capital Co., Ltd. (國投招商投資管理有限公司) (“**CS Capital**”). FIIF II has 37 limited partners, among whom the Ministry of Finance of the PRC (中華人民共和國財政部) and State Development & Investment Corporation (國家開發投資集團有限公司) holds 25.00% and 10.04% partnership interest, respectively, and none of the other limited partners holds more than 10% partnership interest therein. CS Capital has 11 shareholders. The two largest shareholders each holding 20% of the equity interest in CS Capital are (i) China SDIC Gaoxin Industrial Investment Corp., Ltd. (中國國投高新產業投資有限公司); and (ii) China Merchants Capital Management Co., Ltd. (招商局資本管理有限責任公司), which is indirectly owned as to 50% by China Merchants Financial Holdings Co., Ltd. (招商局金融控股有限公司), which is in turn ultimately controlled by China Merchants Group

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Limited (招商局集團有限公司). CS Capital is an independent private equity fund manager and focuses on four investment sectors: life science, intelligent NEV, smart manufacturing as well as information & communication technology.

To the best knowledge and information of the Company, all these aforementioned entities are Independent Third Parties.

FIIF (Dongguan)

Future Industry Investment Fund (Dongguan) (Limited Partnership) (粵莞先進製造產業(東莞)股權投資基金(有限合夥)) is a limited partnership established in the PRC. FIIF (Dongguan) is managed by Sdicfund. FIIF (Dongguan) has seven limited partners and its largest limited partner is FIIF holding approximately 49.88% partnership interest. None of the other limited partners of FIIF (Dongguan) holds 30% or more partnership interest therein.

To the best knowledge and information of the Company, all these aforementioned entities are Independent Third Parties.

Yunfeng Funds

Shanghai Yunfeng Qitai

Shanghai Yunfeng Qitai Investment Centre (Limited Partnership) (上海雲鋒麒泰投資中心(有限合夥)) is a limited partnership established in the PRC and is principally engaged in equity investment. The general partner of Shanghai Yunfeng Qitai is Shanghai Yunfeng Xinchuang Equity Investment Management Centre (Limited Partnership) (上海雲鋒新創股權投資管理中心(有限合夥)) holding approximately 1.14% partnership interest, which is ultimately controlled by Mr. Yu Xuedong, an Independent Third Party. Save for Alibaba China, none of the other limited partners of Shanghai Yunfeng Qitai holds more than one third partnership interest therein.

Hainan Yunfeng Fund

Hainan Yunfeng Fund Center (Limited Partnership) (海南雲鋒基金中心(有限合夥)) is limited partnership established in the PRC and is principally engaged in equity investment. The general partner of Hainan Yunfeng Fund is Hainan Yunfeng Enterprise Management Center (Limited Partnership) (海南雲鋒企業管理中心(有限合夥)) holding approximately 1.45% partnership interest, which is ultimately controlled by Mr. Yu Xuedong, an Independent Third Party. Save for Zhejiang Tmall and Taobao China, none of the other limited partners of Hainan Yunfeng holds more than one third partnership interest therein.

Shanghai Guohe Banji

Shanghai Guohe Banji Enterprise Management Partnership (Limited Partnership) (上海國和斑際企業管理合夥企業(有限合夥)) is a limited partnership established in the PRC and is principally engaged in enterprise management. The general partner of Shanghai Guohe Banji is Shanghai Zhichen Investment Management Co., Ltd. (上海致晨投資管理有限公司) (“**Shanghai Zhichen**”) holding 0.0025% partnership interest, which is in turn held as to 51% by its largest shareholder, Mr. Cheng Fang (程放), an Independent Third Party, and none of the remaining shareholders of Shanghai Zhichen holds 30% or more equity interest therein. Shanghai Guohe Banji has three limited partners and its largest limited partner is Shanghai International Group Asset Management Co., Ltd. (上海國際集團資產管理有限公司) (“**SIGAM**”) holding approximately 74.81% partnership interest, which is a wholly-owned subsidiary of Shanghai International Group Co., Ltd. (上海國際集團有限公司) and ultimately held by Shanghai State-owned Assets Supervision and Administration Commission (上海市國有資產監督管理委員會).

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

To the best knowledge and information of the Company, all these aforementioned entities and individuals are Independent Third Parties.

China Life Capital

China Life Dual Carbon

Hefei China Life Carbon Peak Carbon Neutral Phase I Equity Investment Fund Partnership (Limited Partnership) (合肥國壽碳峰碳中一期股權投資基金合夥企業(有限合夥)) is limited partnership established in the PRC. The general partner of China Life Dual Carbon is China Life (Tianjin) Technology Venture Capital Investment Management Co., Ltd. (國壽(天津)科技創新投資管理有限公司) (“**China Life Technology VC**”) holding approximately 0.05% partnership interest, which is ultimately under the indirect control of the Ministry of Finance of the PRC. China Life Dual Carbon has four limited partners and its largest limited partner is China Life Property & Casualty Insurance Company Limited (中國人壽財產保險股份有限公司) (“**China Life P&C**”) holding approximately 69.87% partnership interest. None of the other three limited partners of China Life Dual Carbon holds 30% or more partnership interest therein.

China Life Tech Innovation

Shenzhen China Life Technology Innovation Private Equity Investment Fund Partnership (Limited Partnership) (國壽(深圳)科技創新私募股權投資基金合夥企業(有限合夥)) is a limited partnership established in the PRC. The general partner of China Life Tech Innovation is China Life Technology VC holding 0.02% partnership interest. China Life Tech Innovation has three limited partners and its largest limited partner is China Life Insurance Company Limited (中國人壽保險股份有限公司) (SSE: 601628; HKEX: 2628) (“**China Life**”) holding approximately 79.94% partnership. None of the other two limited partners of China Life Tech Innovation holds 30% or more partnership interest therein.

To the best knowledge and information of the Company, all these aforementioned entities are Independent Third Parties.

Nanjing FAW

Nanjing FAW Innovation Fund Investment Management Center (Limited Partnership) (南京市一汽創新基金投資管理中心(有限合夥)) is a limited partnership established in the PRC. The general partner of Nanjing FAW is Dingjia Automobile Private Equity Fund Management (Beijing) Co., Ltd. (鼎佳汽車私募基金管理(北京)有限公司), which is owned as to approximately 40.01% by its largest shareholder, FAW Equity Investment (Tianjin) Co., Ltd. (一汽股權投資(天津)有限公司) (“**FAW Equity Investment**”), a wholly-owned subsidiary of China FAW Group Corporation Limited (中國第一汽車集團有限公司) (“**China FAW Group**”). China FAW Group is a state-owned enterprise and its ultimate shareholder is the State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會) (“**SASAC**”).

Nanjing FAW has seven limited partners, among whom, FAW Equity Investment, Beijing Guochuang New Energy Vehicle Equity Investment Fund Partnership (Limited Partnership) (北京國創新能源汽車股權投資基金合夥企業(有限合夥)) (“**Beijing Guochuang NEV Fund**”) and Nanjing Pukou Zhihui Emerging Industry Investment Fund Partnership (Limited Partnership) (南京浦口智匯新興產業投資基金合夥企業(有限合夥)) owned as to approximately 38.46%, 30.77% and 15.38% partnership interest in Nanjing FAW, respectively, and none of the other limited partners holds more than 10% partnership interest of Nanjing FAW. FAW Equity Investment is indirectly wholly owned by the SASAC. The general partner of Beijing Guochuang NEV Fund is Guochuang (Beijing) New Energy Vehicle Investment Fund Management Co., Ltd. (國創(北京)新能源汽車投資基金管理有限公司), which is held as to 80% by Guochuang Fund Management Co., Ltd. (國創基金管理有限公司). Guochuang Fund Management Co., Ltd. is a group company of China Aerospace Science and Technology Corporation (中國航天科技集團有限公司), a state-owned enterprise wholly owned by the SASAC.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

To the best knowledge and information of the Company, all these aforementioned entities are Independent Third Parties.

PUBLIC FLOAT AND FREE FLOAT

Following the conversion of the Unlisted Shares into H Shares and upon completion of the [REDACTED] (assuming that the [REDACTED] is not exercised):

- (a) a total of [REDACTED] H Shares to be held by our core connected persons will not be counted towards the public float, including our Controlling Shareholders, Shangqi Qitai and the Equity Incentive Holders, representing approximately [REDACTED]% of our total issued Shares upon the completion of the [REDACTED];
- (b) a total of [REDACTED] Unlisted Shares held by the remaining existing Shareholders will be converted into H Shares and [REDACTED] on the Stock Exchange, and therefore will be counted as part of the public float, representing [REDACTED]% of our share capital in aggregate upon the completion of [REDACTED]. To the best knowledge of our Directors, none of such remaining existing Shareholders is accustomed to take instructions from any of our core connected persons in relation to the acquisition, disposal, voting or other disposition of their Shares and none of their acquisition of the Shares were financed directly or indirectly by our Group or our core connected person; and
- (c) a total of [REDACTED] H Shares issued pursuant to the [REDACTED] will be counted as part of the public float, representing [REDACTED]% of our share capital upon the completion of [REDACTED] in aggregate.

[REDACTED]

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

CAPITALIZATION

Our Company has filed with the CSRC for H-share full circulation to convert all Unlisted Shares into H Shares upon [REDACTED].

The table below is a summary of the capitalization of our Company as of the Latest Practicable Date and immediately upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised) and the conversion of Unlisted Shares into H Shares:

Shareholder	Upon Completion of the Equity Adjustments and the Incentive Arrangement and prior to the [REDACTED]			Immediately upon Completion of the [REDACTED] (assuming the [REDACTED] is not exercised)		
	Number of Unlisted Shares held	Ownership percentage (approx.)	Voting interest (approx.) ⁽¹⁾	Number of Unlisted Shares held	Number of H Shares held	Voting interest (approx.) ⁽¹⁾
<i>Controlling Shareholders</i>						
<i>AGH</i>						
Shanghai Saiwei ⁽¹⁾	243,485,087	7.28%	–	[REDACTED]	[REDACTED]	[REDACTED]
Zhejiang Tmall	679,545,455	20.32%	21.91%	[REDACTED]	[REDACTED]	[REDACTED]
Taobao China	291,233,766	8.71%	9.39%	[REDACTED]	[REDACTED]	[REDACTED]
Hangzhou Haoyue	179,498,492	5.37%	5.79%	[REDACTED]	[REDACTED]	[REDACTED]
<i>Subtotal for AGH</i>	1,393,762,800	41.67%	37.09%	[REDACTED]	[REDACTED]	[REDACTED]
<i>SAIC</i>						
Shanghai Saiwei ⁽¹⁾	756,486,913	22.62%	24.39%	[REDACTED]	[REDACTED]	[REDACTED]
Jiaxing Ruijia	343,841,202	10.28%	11.09%	[REDACTED]	[REDACTED]	[REDACTED]
<i>Subtotal for SAIC</i>	1,100,328,115	32.90%	35.48%	[REDACTED]	[REDACTED]	[REDACTED]
<i>Equity Incentive Holders</i>						
Shanghai Sali	41,863,520	1.25%	1.35%	[REDACTED]	[REDACTED]	[REDACTED]
Shanghai Saixiang	67,090,000	2.01%	2.16%	[REDACTED]	[REDACTED]	[REDACTED]
KSOP Participants ⁽²⁾	39,174,312	1.17%	1.26%	[REDACTED]	[REDACTED]	[REDACTED]
<i>Other Shareholders</i>						
Shangqi Qitai	129,411,121	3.87%	4.17%	[REDACTED]	[REDACTED]	[REDACTED]
FIIF	97,058,341	2.90%	3.13%	[REDACTED]	[REDACTED]	[REDACTED]
FIIF II	60,910,766	1.82%	1.96%	[REDACTED]	[REDACTED]	[REDACTED]
FIIF (Dongguan)	32,352,780	0.97%	1.04%	[REDACTED]	[REDACTED]	[REDACTED]
Shanghai Yunfeng Qitai	129,411,121	3.87%	4.17%	[REDACTED]	[REDACTED]	[REDACTED]
Hainan Yunfeng Fund	30,455,384	0.91%	0.98%	[REDACTED]	[REDACTED]	[REDACTED]
Shanghai Guohe Banji	127,460,082	3.81%	4.11%	[REDACTED]	[REDACTED]	[REDACTED]
China Life Dual Carbon	15,932,511	0.48%	0.51%	[REDACTED]	[REDACTED]	[REDACTED]

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Shareholder	Upon Completion of the Equity Adjustments and the Incentive Arrangement and prior to the [REDACTED]			Immediately upon Completion of the [REDACTED] (assuming the [REDACTED] is not exercised)		
	Number of Unlisted Shares held	Ownership percentage (approx.)	Voting interest (approx.) ⁽¹⁾	Number of Unlisted Shares held	Number of H Shares held	Ownership percentage of total issued Shares (approx.)
China Life Tech Innovation	31,865,021	0.95%	1.03%	[REDACTED]	[REDACTED]	[REDACTED]
Nanjing FAW	47,797,529	1.43%	1.54%	[REDACTED]	[REDACTED]	[REDACTED]
Other public [REDACTED] taking part in the [REDACTED]	–	–	–	[REDACTED]	[REDACTED]	[REDACTED]
Total	3,344,873,403	100.00%	100.00%	[REDACTED]	[REDACTED]	100.00%

Notes:

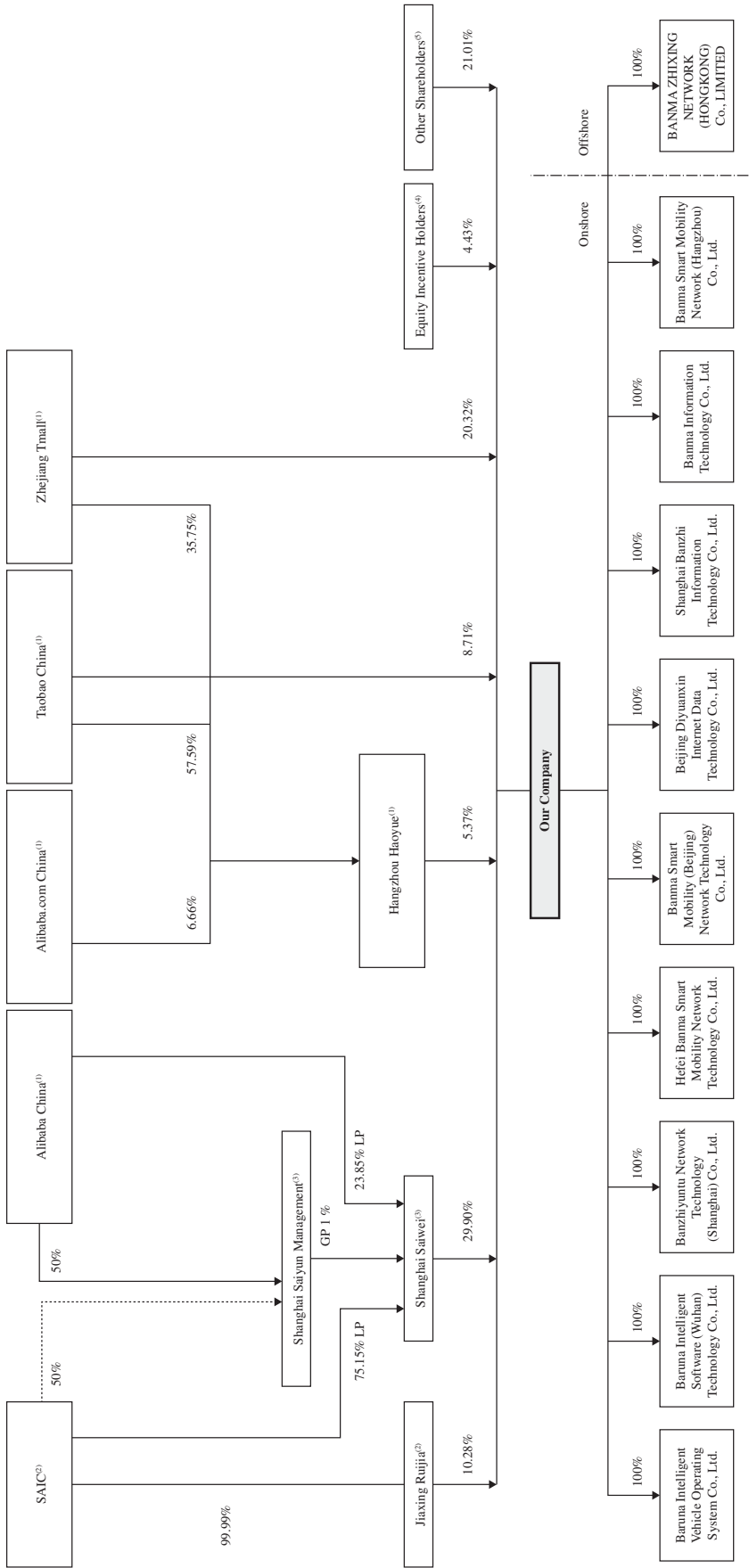
- (1) Taking into account the voting arrangements in relation to Shares held by Shanghai Saiwei as detailed above in this section and the denominator for the calculation of the voting interests has excluded the voting rights attached to the 243,485,087 Shares held by Shanghai Saiwei, which Alibaba China indirectly owned and agreed to, and SAIC has undertaken to ensure that Shanghai Saiwei will waive.
- (2) Share awards under the 2025 Management Incentive Plan were granted to nine participants on September 28, 2025, among which, (i) 13,500,000 management incentive shares were granted to Mr. Dai Wei (戴瑋); (ii) 4,000,000 management incentive shares were granted to Mr. Sun Wei (孫偉); (iii) 5,000,000 management incentive shares were granted to Mr. Si Luo (司羅); (iv) 4,000,000 management incentive shares were granted to Mr. Hao Fei (郝飛); (v) 3,174,312 management incentive shares were granted to Mr. Sun Xiaoguang (孫曉光); (vi) 2,500,000 management incentive shares were granted to Mr. Cai Ming (蔡明); (vii) 2,500,000 management incentive shares were granted to Mr. Pu Yuda (蒲宇達); (viii) 2,000,000 management incentive shares were granted to Ms. Xing Yue (邢悅); and (ix) 2,500,000 management incentive shares were granted to Mr. Huang Youyong (黃佑勇). For further details, see “Statutory and General Information—Pre-[REDACTED] Incentive Plans—2025 Employee Incentive Plan” in Appendix IV to this Document.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

OUR CORPORATE STRUCTURE

Corporate Structure Immediately Before the Completion of the [REDACTED]

The following chart sets forth our Group’s corporate structure immediately prior to the completion of the [REDACTED]:



HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Notes:

- (1) All such entities are ultimately controlled by AGH.
- (2) Jiaxing Ruijia is a subsidiary of SAIC. SAIC is the sole limited partner of Jiaxing Ruijia controlling approximately 99.99% partnership interests therein and the general partner of Jiaxing Ruijia is Shanghai Shangqi Investment Management Enterprise (Limited Partnership) (上海尚祺投資管理合夥企業(有限合夥)) (“**Shangqi Investment**”), holding approximately 0.01% partnership interests therein. The general partner of Shangqi Investment is Shanghai Qiyuan Business Consulting Co., Limited (上海碩元商務諮詢有限公司) (“**Qiyuan Consulting**”), holding 1% partnership interests thereof, which is ultimately controlled by Mr. Feng Ji (馮戟), an Independent Third Party. Shangqi Investment is also held as to (i) 40% by Jiaxing Qihe Enterprise Management Partnership (Limited Partnership) (嘉興碩合企業管理合夥企業(有限合夥)) (“**Jiaxing Qihe**”) as a limited partner, and (ii) 40% by SAIC Group Financial Holding Management Co., Ltd. (上海汽車集團金融控股有限公司) as a limited partner, a wholly-owned subsidiary of SAIC. The general partner of Jiaxing Qihe is Qiyuan Consulting, holding approximately 2.54% partnership interests thereof, which is ultimately controlled by Mr. Feng Ji, and the largest limited partner of Jiaxing Qihe is Mr. Feng Ji, holding approximately 45.80% partnership interests thereof, and none of the remaining two limited partners of Jiaxing Qihe held 30% or more partnership interests thereof.
- (3) The general partner of Shanghai Saiwei is Shanghai Saiyun Management. For the voting rights of Shares held by Shanghai Saiwei, see “—Voting Arrangements in relation to Shares held by Shanghai Saiwei” above. Shanghai Saiyun Management is held as to 50% by SAIC Capital Company Limited (上海汽車集團股權投資有限公司), an indirectly-wholly owned subsidiary of SAIC, and 50% by Alibaba China, respectively. Pursuant to the shareholders’ agreement and articles of association of Shanghai Saiyun Management, SAIC Capital Company Limited exercises the sole and absolute right to appoint the general manager of Shanghai Saiyun Management, who is authorized to exercise the shareholder’s rights on behalf of Shanghai Saiwei at the shareholders’ meetings of the Company with respect to the Shares held by Shanghai Saiwei in accordance with the instructions and decisions of SAIC.
- (4) The Equity Incentive Holders include our Equity Incentive Platforms, Shanghai Saili and Shanghai Saixiang, as well as the participants under the 2025 Management Incentive Plan.
- (5) Other Shareholders include Shangqi Qitai, FIIF, FIIF II, FIIF (Dongguan), Shanghai Yunfeng Qitai, Hainan Yunfeng Fund, Shanghai Yunfeng Banji, China Life Dual Carbon, China Life Tech Innovation and Nanjing FAW. For the details of these Shareholders, see “—5. Information about the Pre-**[REDACTED]** Investors” above.
- (6) The numbers in the charts represents the shareholding percentage of the respective Shareholder, rather than the voting rights. Please refer to “Capitalization” above for further information on the respective voting right.

BUSINESS

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.

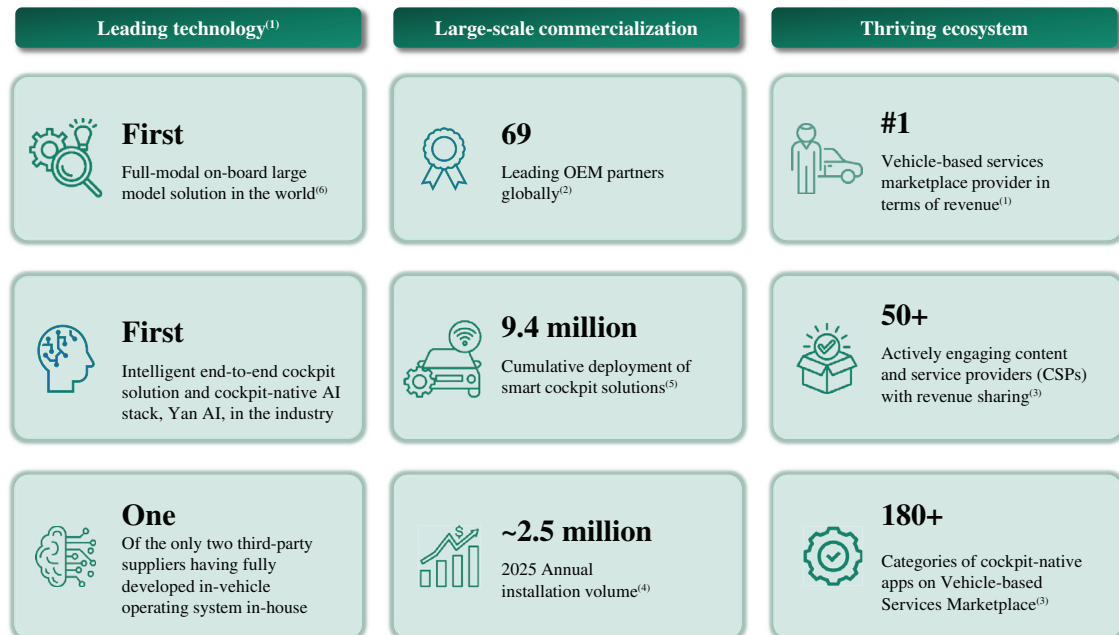
BUSINESS

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

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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.

According to CIC, global smart vehicle sales are projected to grow from 58.0 million units in 2024 to 86.5 million units by 2030, representing a CAGR of 6.9%. Over the same period, the adoption of large language models in smart vehicles is expected to increase from 10% to more than 50% in China.

In China, the smart cockpit solutions market is expected to grow from RMB129.0 billion in 2024 to RMB327.4 billion in 2030, at a CAGR of 16.8%. Within this segment, the market for smart cockpit software solutions is expected to expand even faster, from RMB40.1 billion in 2024 to RMB114.9 billion in 2030, at a CAGR of 19.2%.

Meanwhile, as car owners increasingly seek personalized, intelligent in-vehicle experiences—from entertainment and mobility to integrated everyday services—the “in-vehicle service marketplace” (i.e. service marketplace inside the car—like an “App Store” for vehicles—offering entertainment, navigation, lifestyle, and vehicle-related functions, often personalized and AI-enhanced) in China is projected to reach RMB14.7 billion by 2030, at a CAGR of 64.8% from 2024.

This shift is reshaping how value is created across the auto industry:

- For **OEMs**, the cockpit is becoming the front line of competition. With consumers’ rising demands for richer, safer and more convenient in-vehicle experience, OEMs are under growing pressure to rapidly develop intelligent, responsive and mass-producible software. Building everything in-house is slow and expensive. By partnering with full-stack technology providers, especially those offering proprietary automotive OS, AI capabilities, and a mature App ecosystem, OEMs can move faster, save costs, and stay ahead in a rapidly evolving market.
- For **car owners**, smart cockpit features—especially voice-based interfaces—are becoming key purchase factors. Legacy systems still relied heavily on smartphones: touch screens, rigid voice commands, and limited functionality. AI-powered voice interaction is redefining the experience through natural, conversational interfaces, making driving safer, more intuitive, more personalized, and more fun.
- For **content and service providers (CSPs)**, the smart cockpit represents a promising new frontier—a captive, highly engaged audience, a distinct monetization environment beyond smartphones. However, many CSPs lack the tools or expertise to build for in-vehicle environments. Technology providers with automotive operating systems and AI capabilities can bridge that gap—enabling CSPs to deliver intelligent services inside the car and unlock new commercial opportunities.

Despite their aligned interests, OEMs, car owners, and CSPs still lack effective connection. What the industry needs is a unified solution that brings them all together—seamlessly integrating software, AI, and services into the in-vehicle experience. That’s where Banma comes in.

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Banma’s Solution—Bridging Ecosystem Gaps, Delivering Scalable Value

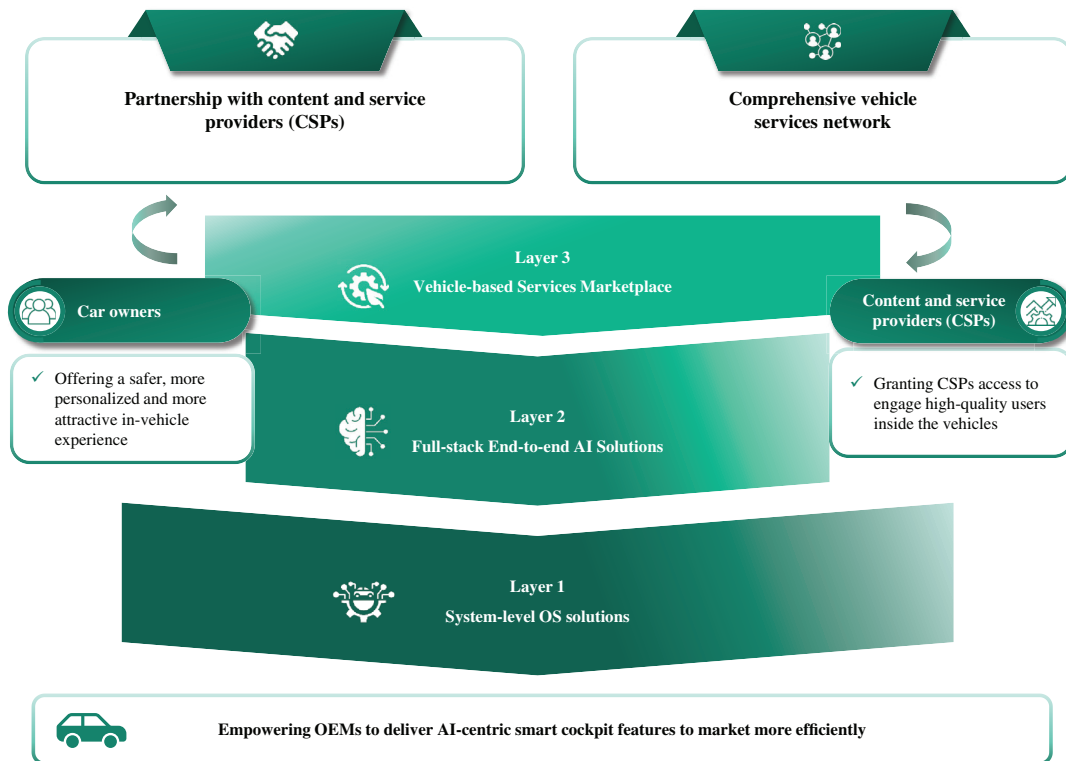
We have solved one of the most persistent challenges in the smart cockpit space: the disconnection among OEMs, car owners, and CSPs. Leveraging over a decade of experience, we have built a closed-loop ecosystem that unifies all three—seamlessly integrating software, AI, and in-vehicle services.

This integrated model allows us to move fast and deliver tangible value: helping OEMs bring AI-powered cockpit features to market more efficiently; offering car owners safer, more personalized and more attractive in-vehicle experiences; and giving CSPs direct access to engaged high-quality users inside the car.

The wheel is spinning—As we secure more OEMs to adopt our solutions, and more car owners to engage with our features—we also draw in even more CSPs to the platform. This self-reinforcing cycle continues to accelerate, deepening our competitive moat and positioning us to scale sustainably as smart mobility enters the next era of evolution.

Banma’s Three-layer Stack: From Operating System to AI to Vehicle-based Services Marketplace

Our solution is built on three tightly integrated layers that work together to power intelligent mobility:



Layer 1—Foundational Automotive Operating System. At the base is our proprietary AOS, engineered specifically for in-vehicle environments. It supports a wide range of automotive-grade chips and provides the underlying architecture for our smart cockpit solutions.

- Our proprietary AOS are based on Linux and Android, which are open-source operating systems. Our AOS is capable of working with a wide range of international and domestic chips—including, among others, UNISOC and Black Sesame—making it the most adaptable automotive operating system in the industry, according to CIC.

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- Our self-developed Hypervisor technology enables concurrent operation of two or more automotive operating systems on a single SoC without interference, and support our integrated dual-AOS architecture: the L+L dual-AOS (Linux + Linux AOS) and L+A dual-AOS (Linux + Android AOS). This integrated dual-AOS architecture enable driving and entertainment domains to operate on a single SoC without compromising performance or safety, which significantly save costs for OEMs, broadens the hardware platform can be chosen by them, and therefore expands our OEM customer base while providing a secure and flexible foundation for building bespoke cockpit experiences.

Layer 2—Full-stack In-cabin AI—Making Cars “Smarter”. We have built a complete AI system to make cars smarter and easier to use—starting from the underlying technology all the way to the features that car owners use every day.

- On the technology side, we have developed a wide array of tools—including a Yan AI software stack encompassing multimodal capabilities, System Agent and on-board model—enabling real-time voice understanding and context awareness capabilities.
- On the feature side, we have built one of the richest sets of in-vehicle AI functions—such as voice-controlled driving assistance, media, real-time navigation and service recommendations, turning apps into voice-first, natural and intelligent assistants.
- On the interaction side, our AI Agents bring internet services into cars and make them part of the daily driving experience.
- On the performance side, our system offers one of the most natural and accurate in-vehicle voice experiences in the industry, according to CIC. Based on our internal testing data, for one major German car brand, our voice assistant achieved 99.5% accuracy and responded in just 0.5 to 1.75 seconds—faster and more accurate than most solutions on the market, according to CIC.

Layer 3—AI-Native Apps Turning User Engagement into Commercial Value. As smart cockpits become more popular, the way people interact with cars is evolving. Traditional mobile apps, however, weren’t built for the driving environment, creating a major opportunity to deliver services designed specifically for in-vehicle use. We moved early to capture this shift—and have built a clear first-mover advantage.

- Built on our AOS and AI foundation, our platform brings CSPs into the car—enabling use cases from navigation and entertainment to everyday services such as food delivery. By connecting user demand with in-vehicle touchpoints, we’ve created a new business model turning in-vehicle engagement into real commercial value.
- According to CIC, we are one of the few companies that have enabled CSPs to integrate AI-powered services directly into the cockpit. For example, we partnered with Taobao Instant Commerce—a leading local services and on-demand delivery platform in China a leading online long-form—to launch the first in-vehicle AI-native food ordering application, which now lives in the IM L6, a mid-size electric sedan from IM Motors.
- Our platform integrates services—including Youku (a leading online long-form video platform in China), Ximalaya (one of China’s largest audio content platforms) and Kugou (one of China’s most popular music streaming services). The platform remains open and extensible, enabling continuous ecosystem expansion. As of December 31, 2025, we had formed deep partnerships and entered into revenue-sharing arrangements with 22 CSPs. We expect that we will enter into revenue-sharing arrangements with more than 30 additional CSPs in 2026. With this growing CSP network, we are building a strong position in this trillion-dollar market with significant long-term potential.

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Our Strong Growth Momentum

We have demonstrated strong commercial momentum and a scalable business model with improving fundamentals. As of December 31, 2025, we had cumulatively installed 9.4 million units of our smart cockpit solutions into mass-produced vehicles. In addition, from 2023 to 2025, the number of our OEM customers increased from 30 to 43, and our annual installation grew from 2.1 million units to 2.5 million units. During the same years, our revenue from Full-stack End-to-end AI Solutions and Vehicle-based Services Marketplace grew at a CAGR of 117.1% and 19.2%, respectively. This rapid scale-up has laid a solid foundation to continue attracting OEM customers, deploying our solutions on more vehicles and cooperating with more CSPs. As of December 31, 2025, we entered close partnership with 22 CSPs under revenue-sharing arrangements, a significant increase from only two by the end of 2024. Our growth will also bring Recurring Revenue opportunities in software services and CSP monetization. In 2025, our Recurring Revenue reached RMB447.8 million, accounting for more than half of our total revenue. See “Glossary of Technical Terms” for more information about how our Recurring Revenue is calculated.

STRENGTHS

Global Leader in Smart Cockpit Solutions

We are a global leader in smart cockpit solutions. We are the No. 1 software-focused smart cockpit solution provider in China by revenue in 2024, according to CIC. We also ranked first by installation volume with our solutions deployed in more vehicles than any other provider in the market, according to the same source. According to CIC, we are one of the only two third-party suppliers in China who have fully developed automotive operating system in-house. We are also the only one to 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, into a unified solution.

We have become one of the most widely adopted smart cockpit providers in China—powering millions of vehicles across a broad spectrum of OEMs and price segments.

- As of December 31, 2025, our solutions had been installed in 9.4 million vehicles across 69 OEMs and more than 16 international markets.
- As of the Latest Practicable Date, our Vehicle-based Services Marketplace featuring cockpit-native apps across over 180 categories—from entertainment and navigation to lifestyle and utilities—the most comprehensive coverage among all smart cockpit providers in China, according to CIC.
- Our annual installation volume grew from 2.1 million units in 2023 to 2.5 million units in 2025; in 2024 alone, our solutions were in total installed in 8.3% of all new vehicles in China, the highest market share of any software-focused smart cockpit solution provider, according to CIC.
- Our solutions support a wide array of vehicle models, with price coverage spanning from RMB50,000 to RMB1.5 million, a range that few competitors can match, according to CIC.
- We have developed customized solutions for overseas markets including Europe, Asia, Middle East, South American and Australia, and have successfully supported the full lineup of IM-branded vehicles in Thailand.

One of the key drivers of our growth is our pioneering investment in AI. We were the first in the industry to develop and deploy a system-level AI framework, Yan AI, with “AI Agents”—smart, voice-enabled assistants—enabling users to control multiple in-vehicle functions, such as navigation, media, and voice search, through a unified, voice-enabled interface. Built on our

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foundational AOS, we integrate a wide range of third-party services directly into the vehicle, delivering highly personalized and intuitive in-vehicle experiences while creating immense monetization opportunities for us and our CSPs.

As an early mover in AI-enabling third-party platforms inside the cockpit, we have built an open ecosystem with strong momentum and a long-term competitive edge that’s hard to replicate. For example, we partnered with Taobao Instant Commerce—a leading local services and on-demand delivery platform in China—to launch the first in-vehicle AI-native food ordering app. The app is the first of its kind in China and has been integrated into IM L6, a mid-size electric sedan from IM Motors.

We also continue to push the boundaries of cockpit AI. In June 2025, we launched the breakthrough intelligent end-to-end cockpit solution in collaboration with a leading chipmaker and Qwen (Alibaba’s proprietary large language model). The system runs large AI models locally, enabling real-time, multimodal interactions with faster response speed.

With more than a decade of experience in automotive software, we have built not only a solid technology foundation but also a clear perspective of where the industry is headed. We have consistently stayed ahead of major shifts—whether in how users interact with their vehicles, how software is architected, or how services are integrated inside the cabin. As smart cockpit adoption accelerates, we are deepening our technical capabilities and expanding deployment on vehicles, uniquely positioning us to capture the large and fast-growing markets this transformation is unlocking.

Full-stack Proprietary AI-centric Technology Capabilities

At the core of our solution is a tightly integrated technology stack—spanning automotive operating system, AI, and ecosystem services—that empowers OEMs to build intelligent cockpits at scale. We bring this stack to life through three interconnected layers:

Full-stack, Production-proven AOS Powering Next-gen AI Cockpits

We built AOS from the ground up based on either Linux or Android—not adapted from general-purpose automotive systems—to meet the complex demands of intelligent cockpits. According to CIC, we are one of the only two third-party players in China with a fully self-developed automotive operating system.

As of December 31, 2025, our AOS has been deployed in approximately 6.3 million vehicles—without a single major recall caused by our AOS. Our self-developed systematic components—*Banma Hypervisor*—which powers our system-level AOS, has obtained ISO 26262 ASIL-D certification, the highest safety integrity level validated within integrated cockpit-driving domain solutions.

We also design our automotive operating system to be open and flexible. We deliver custom OS variants built on Android, giving OEMs the flexibility to meet diverse requirements without compromising performance. This approach allows OEMs to deliver differentiated cockpit experiences—while still building on a stable, production-proven core. At the center of this architecture is our *Hypervisor* technology, which enables multiple automotive operating systems to run securely and efficiently on a single chip. This helps OEMs streamline development across vehicle platforms, increase hardware efficiency, and accelerate time-to-market.

The level of performance—paired with more than 1,000 patents related to our AOS and the industry’s top safety certification, has made our AOS the preferred choice for OEMs. Beyond building systems, we help shape the industry. We are one of the few third-party suppliers in China leading the development of national automotive operating system standards, and have been selected to head two national initiatives in mobile and automotive operating systems—an acknowledgment of our deep technical leadership.

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Industry-leading AI Stack for Natural, Intelligent In-vehicle Experiences

Built on our proprietary AOS, our Yan AI software stack powers intelligent, real-time interaction inside the cabin.

Foundation model compatibility. Yan AI supports multiple large language models—including Qwen and DeepSeek—and is fine-tuned with over a decade of automotive-specific data. As the first partner in the Qwen smart cockpit initiative, we are working closely with chipmakers and the model team to build a tightly integrated AOS-chip-AI stack for cars.

Voice interaction. Back in 2016, we announced that voice—not touch—would become the main way people interact with their cars. Since then, we’ve built one of the most widely used in-vehicle voice systems in China. Our cloud-based voice assistant has processed large volume of voice commands and give us a deep foundation for natural, high-frequency interactions.

Natural language understanding. Working with a leading chipmaker and Qwen, we launched an AI system that handles everything from voice input to understanding and generating responses—all in one smooth process. This helps the system respond faster and more accurately. For one leading automaker, the interactions per user per day handled by our system is much higher than the industry average, according to CIC. Users also stay engaged more time than typical industry benchmarks, according to the same source.

Multimodal AI. Our AI doesn’t just respond to voice—it also combines other inputs like visual cues and driving conditions. It works even when the car is offline, protects user privacy, and is optimized for safety while driving. For example, using the Qwen and our own industry data, our AI not only allows for natural, casual conversations that make the driving experience feel more personal, but also reliably executes specific commands—something many general-purpose models cannot handle well.

System Agent and CSPs: Turning AI into Everyday Utility

We were the first in the industry to develop a System Agent—a smart engine that runs different AI agents for different in-vehicle needs. It works with multiple large language models, giving users fast and accurate responses. For example, in a project with a major German car brand, our system reached 99.5% voice recognition accuracy, with response times as low as 0.5 to 1.75 seconds—both above industry average, according to CIC. We had partnered with a large number of top-tier, well-liked CSPs to bring real AI features into the car, including tools for office use (e.g. DingTalk, an intelligent collaboration workplace and enterprise management platform), everyday services (e.g. Taopiaopiao, an online movie ticketing platform), and entertainment (e.g. Ximalaya, one of China’s largest audio content platforms). By embedding these apps directly into the cockpit, we are creating a richer and more useful in-vehicle experience—while laying the foundation for sustained monetization.

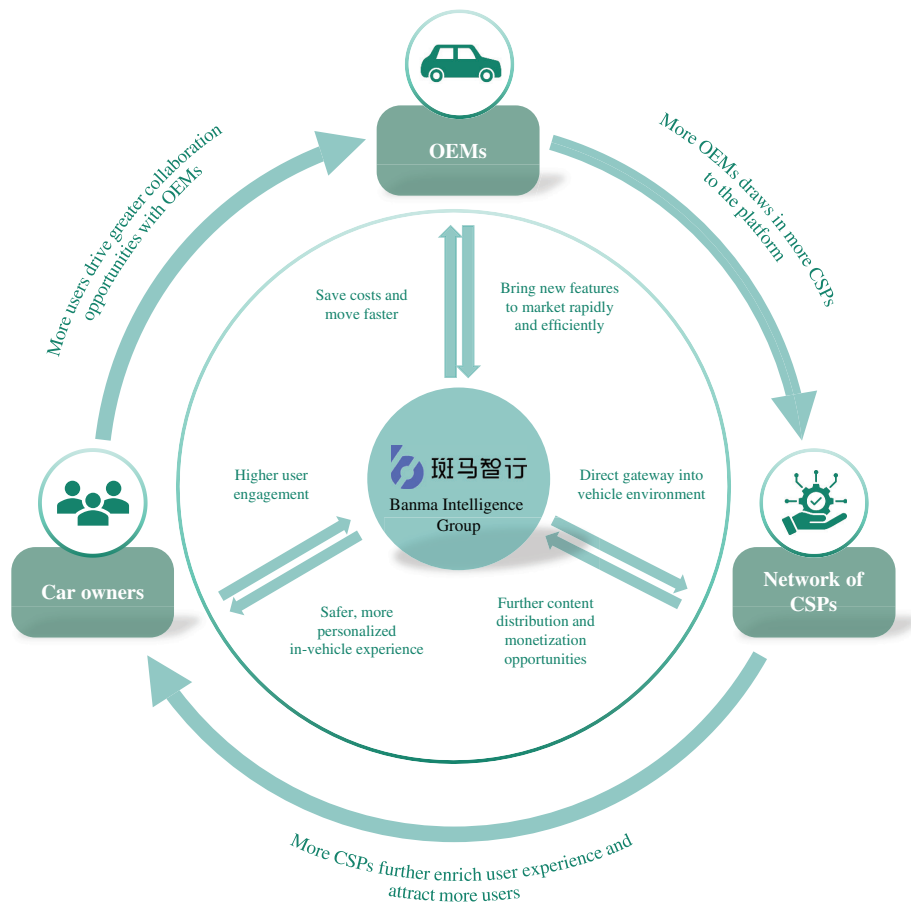
Flywheel Effect Driven by Innovative Business Model

Our business model is built on a self-reinforcing flywheel powered by three core pillars: our proprietary automotive operating system, full-stack AI capabilities, and a growing network of CSPs. By integrating these components, we enable a win-win ecosystem that benefits all participants across the value chain.

For OEMs, our platform reduces the need for heavy upfront investment and accelerates the rollout of smart cockpit features, allowing them to bring differentiated, AI-powered experiences to market faster and more efficiently. For car owners, our solutions offer a safer, more personalized in-vehicle experience, driving higher user engagement and stronger brand recognition. This in turn expands our user base and increases Recurring Revenue opportunities. As our user base continues to grow, we offer CSPs a direct gateway into the vehicle environment, opening new channels for

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content distribution and monetization. The resulting flywheel effect—more users attracting more partners, and more partners enriching the user experience—continues to strengthen our ecosystem advantage and extend our leadership in the smart cockpit solutions market.



We have built deep, long-standing partnerships across Alibaba’s ecosystem—including platforms such as Amap, DingTalk, Youku, and Taobao Instant Commerce. In particular, our collaboration with Taobao Instant Commerce enabled the industry’s first AI-powered in-vehicle food ordering experience, which debuted in the IM L6, a smart sedan that was also the first production vehicle to feature our Yan AI interaction engine. At the same time, our open platform architecture allows us to integrate with a growing range of third-party services. From productivity apps to entertainment platforms such as Ximalaya, we offer OEMs and car owners a rich portfolio of differentiated in-vehicle services, all powered by our full-stack AI capabilities. This dual integration of Alibaba and third-party CSPs sets us apart and strengthens our position as the leading software ecosystem provider in the smart cockpit solutions market.

Our integrated business model—powered by our proprietary AOS and full-stack AI capabilities—creates value for OEMs, car owners, and CSPs, making our platform hard to replace. As of the Latest Practicable Date, our Vehicle-based Services Marketplace supports over 180 categories, ranging from entertainment and food delivery to car maintenance. As of December 31, 2025, our AI-native apps were installed in cars from 15 auto brands, such as SAIC Volkswagen and IM. As of December 31, 2025, we had formed deep partnerships and revenue-sharing arrangement with 22 major CSPs including Ximalaya, Youku and Kugou. We expect that we will enter into revenue-sharing arrangements with more than 30 additional CSPs in 2026.

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Over time, our solutions become increasingly deeply embedded into OEMs’ systems across technical, commercial, and operational levels. For example, we built a highly integrated voice interaction system for all vehicle models of a leading global OEM in China that is hard to replace. We also offer dedicated project teams for key accounts, such as IM Motors and SAIC Volkswagen to ensure fast support and long-term partnership. These long-standing partnerships and scale create high switching costs and structural advantages that newcomers find hard to replicate.

Proven Track Record of Commercialization with Leading OEM Customers

As of the Latest Practicable Date, we have built a strong track record of mass-production deployments with over 40 leading OEMs in both China and international markets, including major automotive groups such as SAIC, SAIC Volkswagen and Nissan. These partners have high standards for product development, testing, and quality, and the fact that they chose us reflects the reliability of our technology. Because of the technical complexity of our solutions, it usually takes more than 12 months to go from customer nomination to final delivery, which creates a natural barrier for new entrants.

We follow differentiated go-to-market strategies depending on the type of OEM. For mainstream domestic OEMs seeking flexibility in chip selection, we offer highly cost-effective solutions by working closely with major chipmakers and supporting multiple chip platforms. This helps OEMs lower hardware costs and simplify development. For example, our solution for a single model is cheaper than most of competing options, according to CIC. For premium joint venture brands seeking to enhance their competitiveness in smart features, we provide a high-performance system with advanced AI features and deliver either full-stack solutions or modular components, depending on customer needs.

As an illustration of our solid OEM relationships and ability to scale across product lines, we have worked with SAIC for over ten years, evolving from a single-function software supplier into a core partner in its smart vehicle strategy. As of December 31, 2025, our smart cockpit solutions had been installed in over 2.4 million SAIC vehicles, spanning all major brands—including IM, Roewe, MG, and MAXUS—and covering a majority of models and price points. As of December 31, 2025, we have supported more than 5 million SAIC vehicles’ OTA upgrades. Our proprietary AI-native apps, Yan AI, was first deployed in IM models and continues to drive innovation across SAIC’s vehicle programs. As another example, we developed an LLM-powered voice assistant for a leading global OEM based on the Qwen model, which supports key in-vehicle features, such as smart navigation, content browsing, and natural conversation. Today, our voice assistant technology are equipped as standard across entire model portfolio of such OEM in China. We have developed a customized in-vehicle marketplace to host third-party apps, as well as an AI-native app for office use and AI assistant, all of which have been integrated into the leading OEM’s mass-produced vehicles. We expect to further deepen our cooperation, secure more design-wins and continue to assist enhancing its automotive intelligence.

Our business is built to scale and achieve profitability. By combining our in-house automotive operating system and full-stack AI capabilities, we are able to adapt quickly to different OEMs and vehicle models, while maintaining efficiency across deployments. Over time, we have moved beyond one-off development projects and built a recurring software and service revenue stream that grows with installation volumes. From 2023 to 2025, the number of our OEM customers increased from 30 to 43, and our installation volume increased from 2.1 million units to 2.5 million units in 2025. During the same years, our revenue from Full-stack End-to-end AI Solutions and Vehicle-based Services Marketplace grew at a CAGR of 117.1% and 19.2%, respectively. This rapid scale-up has laid a solid foundation to continue attracting OEM customers, deploying our solutions on more vehicles and cooperating with more CSPs. As of December 31, 2025, we entered close partnership with 22 CSPs under revenue-sharing arrangements, a significant increase from only two by the end of 2024. Our growth will also bring Recurring Revenue opportunities in software services and CSP monetization. In 2025, our Recurring Revenue reached RMB447.8 million, accounting for more than half of our total revenue. Gross margin from this Recurring Revenue

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stream also improved, contributing to a healthier overall financial profile. As of December 31, 2025, we had secured multiple design-wins from top-tier OEMs, covering a broad range of vehicle models. In parallel, we have built strong partnerships with CSPs. As of December 31, 2025, we had formed deep partnerships and revenue-sharing arrangement with 22 CSPs—including Ximalaya, Youku and Kugou. We expect that we will enter into revenue-sharing arrangements with more than 30 additional CSPs in 2026. We expect these relationships create new monetization opportunities through our revenue-sharing model. As the share of our ecosystem-driven software services continues to grow, we see meaningful room for further margin expansion.

Visionary Management Team with Strong Shareholder Background

We are led by a founding team with deep roots in software, AI, and automotive innovation. Our CEO, Mr. Wei Dai, is one of our early founding members and has nearly 20 years of experience in the internet and technology sectors. He joined Alibaba in 2007 and served as Vice President, where he worked at major businesses such as Taobao, Alipay and OS. Mr. Dai brings deep experience in product development and business operations, especially in applying new technologies like AI and big data. Under his leadership, we expanded from being a system software provider to building a full-stack AI platform, which laid the foundation for our leading role in smart mobility.

We benefit from the strong backing of our two major shareholders—AGH and SAIC. AGH and its affiliates provide us with access to industry-leading AI infrastructure and widely used applications such as Amap, Alipay, and DingTalk, which serves a massive potential user audience. These products help us create seamless and intelligent in-vehicle services. For example, Amap supports our real-time navigation and location features, while Alipay powers smooth payment experiences inside the car. We also use Alibaba’s Qwen to support natural voice interactions and personalized content, helping us build smarter, more personalized user experiences. SAIC, on the other hand, provides a valuable commercial platform through which we gain real-world experience with large-scale vehicle deployments. Their support has helped us iterate quickly and refined both our AOS and AI technologies through actual on-the-road usage across multiple models and segments.

Beyond shareholder support, we continue to invest in our own innovation to stay competitive. In our System-level OS Solutions, for example, we developed a dual-AOS architecture that balances safety, compatibility, and performance. While SAIC remains one of our longest-standing partners, we have also expanded our cooperation to include SAIC’s joint ventures in China. On the software ecosystem front, we have built a dual-track strategy that combines deep integration with Alibaba’s applications and broad partnerships with third-party CSPs, giving us a unique, flexible ecosystem that serves a wide range of use cases.

With the support of industry-leading shareholders and our own continuous innovation, we are well-positioned to expand our offerings, deepen customer relationships, and sustain our leadership in the smart cockpit solutions market.

STRATEGIES

Further Expand Market Share and Solidify Leadership

We plan to further grow our market share and strengthen our leadership position by deepening cooperation with existing domestic customers and expanding to new strategic OEMs.

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For existing Chinese OEMs, we aim to expand the adoption of our solutions across more brands, vehicle models, and price points—from entry-level vehicles to premium segments. This will allow us to support a broader set of product lines and enable larger-scale production deployments. For example, within the SAIC Group, we are extending our solutions beyond SAIC Motor Passenger Vehicle to cover other brands such as Wuling and Maxus commercial vehicle lines.

At the same time, we are actively targeting leading mainstream Chinese OEMs to increase our overall market coverage. As domestic OEMs increasingly shift toward localized chip platforms and integrated cockpit-driving architectures, we plan to offer full-stack system-level solutions starting from the AOS layer. By leveraging our experience with existing customers, we are well positioned to understand and meet the needs of other top-tier players such as Great Wall, offering highly cost-effective, well-integrated solutions.

We are also working closely with international joint ventures looking to deepen their presence in China. With global OEMs such as Nissan setting up R&D hubs in China, we are co-developing smart cockpit solutions tailored to local needs. This includes delivering ongoing AOS upgrades (such as large model-based voice interactions), supporting new modules (such as AI Agent functionality), and contributing to the creation of China-specific cockpit standards. By doing so, we help these OEMs adopt and scale AI-powered features in their local offerings and accelerate product innovation in the Chinese market. Through close cooperation, we aim to enhance our reputation and customer loyalty among domestic and global OEMs to further deepen our market penetration.

Advance our Global Strategy

We are expanding our global presence by supporting Chinese brands in going international and by entering new overseas markets directly.

For Chinese OEMs looking to expand globally, we offer localized solutions tailored to different regions, leveraging our deep understanding of international markets and compliance requirements. For example, we have already supported the full lineup of IM-branded vehicles in their overseas expansion, including in Thailand. Furthermore, in Southeast Asia, we provide localized service support and smart cockpit solutions designed to stand out in competitive environments. In Europe, we help Chinese brands meet local regulatory standards and obtain certifications like CarPlay and Android Auto to support their entry into global markets. In the Middle East and South America, we support custom development for region-specific needs, such as Arabic-language voice interaction or multilingual support for Latin American markets.

In parallel, we are working to establish direct partnerships with international OEMs. We aim to become a trusted technology and ecosystem partner by combining our proprietary AI technology with flexible, market-ready solutions. Our international offering includes multilingual voice capabilities powered by our AI solutions, designed to support natural communication across different cultures and languages. We are also optimizing performance in weak network environments, a common challenge in many developing markets. As of December 31, 2025, approximately 7.0 million vehicles of international OEMs, including their joint ventures, were equipped with our smart cockpit solutions.

In addition, we are building a localized in-vehicle ecosystem through our mini-program framework. For example, we support local EV mapping services and integrate with overseas digital platforms. By connecting these services with overseas ecosystem, we help create a modular, locally adaptable software experience for international users.

Establish a More Open and Collaborative Industry Ecosystem

We are building an open and collaborative ecosystem that brings together chipmakers, Tier 1 suppliers, and CSPs to accelerate innovation, improve development efficiency, and deliver greater value to OEMs and car owner.

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Chipmakers. We work closely with both global and domestic chip partners—including, among others, UNISOC and Black Sesame—to co-develop integrated hardware-software solutions. For example, we are collaborating with leading domestic chipmakers to deliver a unified platform that combines compute modules with modular software, tailored for next-generation cockpit use cases. These partnerships help OEMs break through hardware bottlenecks while speeding up design cycles.

Tier 1 suppliers. We collaborate with top-tier system integrators such as ECARX to jointly offer AI-powered smart cockpit solutions that deliver best-in-class cost-performance. For instance, by embedding our System Agent and AI-native app marketplace into existing cockpit software from Tier 1 suppliers, we help create seamless and intelligent in-vehicle experiences that are deeply optimized for OEM needs.

CSPs. We are building a broad network of CSPs, covering in-vehicle entertainment, daily life services, and aftermarket support. In the short term, we work with OEMs to launch shared-revenue models that bring new services into the cabin. In the long term, we aim to build the largest in-vehicle service ecosystem, powered by our AOS, AI, and strong operations team—helping increase user engagement and create new sources of revenue. We will also continue to enhance our brand awareness among domestic and overseas OEMs and car owners. As more car owners join our ecosystem, they will likely attract even more CSPs, which in turn will further enrich the offering on our marketplace and attract yet more users.

Following our “All in AI, AI in All” strategies, we are building an ecosystem both within and beyond the automotive industry. For example, we are applying our technology to smart devices beyond cars, as part of our vision for the C-AIoT (Conversational AI of Things) and embodied intelligence era.

We are making our AOS and AI systems more open and easier to adapt and building stronger capabilities for handling multiple types of input including voice, vision, and touch. We are improving our System Agent framework to support different ways of connecting with third-party services—such as direct integration, API access, lightweight plug-ins, and open-source protocols.

Explore Strategic Investments and Partnerships

We plan to explore investment, acquisition and strategic partnership opportunities across the smart cockpit and intelligent device value chain. We expect these moves to help us bring in top talent, secure key technologies, and further strengthen our product and ecosystem capabilities. We are also actively looking for strategic partnerships both in China and overseas, including in Southeast Asia, Europe, the Middle East, and South America. By working with local partners, we aim to better understand regional customer needs and leverage localization advantages to capture new growth opportunities.

Attract Talent for Continuous Growth

We believe talent is crucial for cementing our technological leadership and driving our continuous growth. We have established a robust team encompassing leadership, business operation and technology development. In particular, we have a strong R&D team encompassing operating systems, algorithm, deployment, support and other aspects.

We are strengthening our talent pool by bringing experienced professionals from product development, software engineering, automobiles and other areas. To attract and retain our talent base, we will continue to offer competitive compensation package, diverse training programs, and clear career paths to grow our talents into leaders of our Company and the industry.

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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.

The automotive industry is undergoing a profound transformation. Over the past decade, vehicles are no longer just for getting from point A to point B—they are becoming intelligent, connected spaces that support work, entertainment, and everyday life. Much like the mobile phone—once a simple calling device, now an indispensable tool for work, social connection, and entertainment—today’s cars are evolving into smarter, more automated companions that understand and respond to users’ needs.

We are at the forefront of this transformation. By offering smart cockpit solutions, we enable the seamless interaction between people and their cars, delivering a more convenient, connected, and safer user experience, and unlocking new in-vehicle services and monetization opportunities.

To meet this growing demand, we have organized our core business into three clear, progressive “layers.” We use the term “layers” to emphasize how our technology stack is structured in a clear, modular, and progressive way, each layer builds upon the previous one to add more functionality and value. See “—Our Solutions” for a more detailed discussion of these layers.

These three layers directly correspond to our three solution categories: System-level OS Solutions, Full-stack End-to-end AI Solutions, and Vehicle-based Services Marketplace.

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. Additionally, OEMs have the flexibility to combine offerings across these categories or select specific components, systems, or features within a given category—for example, *Banma Hypervisor*.

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The following table provides an overview of our solutions, including their core features and fee and revenue models.

Solutions	Description	Fee and Revenue Model
System-level OS Solutions	Our System-level OS Solutions are based on automotive operating systems and serve as the underlying software platform inside the vehicle. Just like iOS and Android power smartphone applications, our proprietary AOS is designed to support smart cockpit features in cars. Built on our AOS, we offer OEMs turnkey System-level OS Solutions that power a variety of in-vehicle functions, such as multi-screen display, vehicle controls, visual assistance, in-vehicle payments, car-to-smartphone connectivity, and over-the-air updates (OTA); We also provide OEMs with the following ecosystem value-added services: (i) network service packages to enable OTA on their vehicles and (ii) integrated software-and-hardware products to support in-vehicle entertainment functions and OTA.	We primarily generate revenue through: • Technical development service, which we charge customers, primarily OEMs, for the design, development and customization of automotive operating systems and related software prior to the integration of our solutions into their vehicle programs. Depending on different services we provided to OEMs per their requests, we may charge service fees based on vehicle models or charge service fees for the specific services provided, such as developing software platform, upgrading existing automotive operating systems, among others. • License income, which is charged to OEMs upon the integration of our solutions into their mass-produced vehicles and the license fees are charged on a per-vehicle basis. • Ecosystem value-added services, where we derive income from sales of network service packages and integrated software-and-hardware products.
Full-stack End-to-end AI Solutions	Our Full-Stack End-to-end AI Solutions leverage our proprietary Yan AI software stack and the embedded System Agents (i.e. AI-powered intelligent assistant which orchestrates multiple in-vehicle software to work together) to enable smart AI features. This technology understands what users say with high accuracy and knows the meaning behind their words. It then helps carry out their requests, such as adjusting car settings, giving directions, or playing music, simply by talking to the car. We also provide computing power services to our customers as our new initiative.	We primarily generate revenue through: • Technical development service, which we primarily charge customers, primarily OEMs, for the design, development and customization of AI-enabled software; and • License income, which is charged to OEMs upon the integration of our solutions into their mass-produced vehicles. • Service income, which is charged monthly to our customers based on the computing power and integrated services provided by us.

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Solutions	Description	Fee and Revenue Model
Vehicle-based Services Marketplace	We operate a Vehicle-based Services Marketplace of AI-native apps that connect car owners with a wide range of third-party content and services. We offer AI-native apps in the marketplace, which drivers can use to stream music, videos, and audiobooks; navigate to offices, restaurants; join online meetings; place take-out orders and access other Internet services, designed to meet the full spectrum of in-vehicle daily use cases. We also offer ecosystem value-added services, including (i) operating AI-native apps which connect consumers and CSPs (ii) offering lifetime vehicle-based services such as electricity charging services, vehicle appraisal services, vehicle accident identification services, and automotive accessories services, (iii) sales of network service packages to consumers and training services to OEMs. A consumer refers to an individual who uses smart cockpit functions in vehicles, such as car buyer, driver or passenger.	We primarily generate revenue through: • Technical development service, which we charge customers, primarily OEMs, for the design, development and customization of vehicle-based applications; • License income, which is charged to OEMs upon the integration of our solutions into their mass-produced vehicles; • Ecosystem value-added services, where we (i) charge CSPs or consumers commission, based on a pre-agreed percentage of the transaction value made through our marketplace; (ii) generate sales income (such as sales of automotive accessory) and service fees (such as charging network connection, and vehicle appraisal services) for lifetime vehicle-based services, which are charged on a transaction base for each product and service offered (for example, for each sale of automotive accessory, we charge the relevant sales price; and for each charging service or each vehicle appraisal service, we charge the relevant service fees); and (iii) derive income from sales of network service packages and sales of training services.

Our technical development services and license services are interdependent because of the nature of smart cockpit solutions. As the smart cockpit solutions are developed to be integrated with each different vehicle models, we typically first engaged for technical development services. After the technical development phase is completed and vehicles equipped with our solutions enters mass production, we generate revenue from charging customers license fees for the right to use our software based on the number of vehicles installed with our solutions.

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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	%
	<i>(in thousands, except for percentages)</i>					
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. These metrics should be read in conjunction with the discussion of our results of operations and other financial information included elsewhere in this Document.

These key operating metrics have generally shown a steady growth trajectory during the Track Record Period. In 2025, the Company was converted from a limited liability company into a joint stock limited company under the laws of the PRC. As a result, some customers re-initiate their supplier on-boarding procedures with us and the necessary internal approval and contracting processes, pursuant to their supplier management policies. Given our contracts with such customers could only be executed upon completion of these procedures, the conversion resulted in delays in internal approvals and the conclusion of customer contracts. During the conversion period, 22 design-wins were delayed. These delays were one-off in nature and did not reflect changes in customer demand or the competitiveness of our solutions. As of December 31, 2025, we have entered into customer contracts with all 22 delayed design-wins.

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. The design-wins we have secured from OEMs are exclusive and all of the design-wins were converted to actual orders during the Track Record Period.

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

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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 SOLUTIONS

Our solutions include: (i) System-level OS Solutions; (ii) Full-stack End-to-end AI Solutions; and (iii) Vehicle-based Services Marketplace. Customers can choose either one of our solutions or a combination of solutions to fulfill their different demands.

System-level OS Solutions

What is an Automotive Operating System—and Why it is Important?

Automotive operating system is a fundamental underlying operating system made especially for cars—just like iOS and Android run the apps on smart phones, or Windows runs on a personal computer. It acts like the “brain” of the car, supporting and connecting all the apps and features inside the vehicle and helping them function smoothly. Automotive operating system enables users to control their cars, access to navigation, entertainment and other services more conveniently—similar to what a smartphone offers, but engineered to work safely and reliably during driving.

How our System-level OS Solutions Work

Our System-level OS Solutions are comprehensive, software-only platforms that we sell to OEMs as the base layer of their vehicle’s smart cockpit architecture. These solutions include our self-developed automotive operating system (AOS), essential systematic software and application software, which can be customized when needed to meet specific OEM requirements. By delivering a production-ready, flexible automotive operating system solution, we help OEMs lay the digital foundation for their entire in-vehicle experience—from user interfaces and app integration to coordination of hardware resources and long-term software upgrades.

We believe that the automotive operating system is the foundational layer of any smart cockpit system—and that such a critical component must be fully owned and controlled. This is why we have developed our System-level OS Solutions from the ground up entirely in-house, instead of adapting a general-purpose third-party operating system. According to CIC, we are one of the only two third-party suppliers in China to have fully developed an automotive operating system in-house.

Owning the full software stack allows us to deeply optimize system performance and ensure broad compatibility across a wide range of chips including those from both global and domestic chip partners—including, among others, UNISOC and Black Sesame—making our System-level OS Solutions more adaptable than any competing offerings in the industry, according to CIC. According to the same source, we are among the few companies in China’s smart cockpit solutions market with a proprietary automotive operating system capable of supporting the broadest range of automotive-grade chips. The high compatibility of our AOS gives OEMs more flexibility to choose the hardware that best fits their needs without sacrificing performance, safety, or system stability.

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Our System-level OS Solutions involve significant technical complexity and a high degree of customization. Therefore, we typically engage in long-term collaborations with OEMs that extend beyond initial delivery. In addition to developing and integrating our solutions into vehicle models, we also provide ongoing maintenance, updates, and feature upgrades throughout the product lifecycle.

Steps Required to Integrate our System-level OS Solutions into Vehicles

We work closely with each OEM to deliver our System-level OS Solutions, guiding them through every phase from initial concept to final vehicle integration. Our one-stop solutions lead our customers to a seamless path to launch efficient, stable, and highly differentiated smart cockpits. Our major workflow is set forth below.

Solutions design. We begin by collaborating with OEMs to understand their target users, desired features and budget requirements. Based on these insights, we design a development roadmap on how to integrate our System-level OS Solutions into their vehicles that balance functionality, cost, or complexity.

Hardware selection. Choosing the right chip is a critical step in building a smart cockpit system, as it directly impacts system performance, cost efficiency, and future scalability. We help our customers evaluate and choose the most suitable chips— whether high-end, mid-range, or value-focused—by assessing each option’s performance, reliability, and compatibility. Through our deep collaboration with leading chipmakers, we have gained valuable insights and benchmark data that guide these decisions and help OEMs strike the right balance between capability and cost.

Software development. Once the chip is selected, we develop the software—our AOS—which fully leverage the performance of hardware. Our solutions are tailored to meet each OEM’s technical specifications, brand positioning, and user experience goals.

- *Operating System and systematic components.* Our System-level OS Solutions feature our proprietary AOS. In addition, our systematic components, such as *Banma Hypervisor*, enable different systems to run smoothly, securely, and efficiently on a single chip. If an OEM prefers Android or other systems, we offer bespoke adaptation services while layering our full system component stack on top to ensure functionality and consistency.
- *Application software.* On top of our AOS and systematic components, we develop application-layer software features such as multi-screen display, vehicle controls, visual assistance, in-vehicle payments, car-to-smartphone connectivity, over-the-air updates, and more.

Testing. Once our solutions are ready, we conduct rigorous testing across simulated and real-world environments to validate the efficiency and stability of every feature, which covers performance benchmarks, safety compliance, and real-world driving scenarios.

Delivery. We provide highly customizable system solutions. Our customers can choose standalone or a suite of solutions to build their unique, differentiated smart cockpit.

Our Proprietary AOS

We develop customized smart cockpit solutions for OEMs across a range of automotive operating systems. We self-develop AOS based on open-source Linux that serves as the foundation for most of our deployments. In addition, we also offer bespoke AOS solutions built on open-source Android, real-time operating systems (RTOS), and other mainstream automotive operating systems to match each OEM’s chip selection, vehicle model, budget, and target audience.

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Our proprietary AOS is open, flexible, and highly compatible. It supports in-vehicle use of leading 3D rendering engines which are originally designed for gaming and video. With such 3D engines, we develop smooth, lifelike 3D interfaces and animations on in-car displays. We have further engineered our AOS to enable multi-screen connectivity on a wide range of chips, a capability typically only can be supported by high-end chips. In addition, our proprietary AOS supports centralized cloud-based system management, allowing OEMs to remotely monitor the functions of their smart cockpit systems and engage in diagnosis when needed.

Our proprietary AOS is built to meet the diverse technical requirements of modern smart cockpits. In modern vehicles, cockpit functions fall into two broad categories:

Instrument Cluster domain – which handles critical tasks for driver to receive information about vehicles’ status and performance, prioritizing reliability; and

Entertainment domain – which manages infotainment, navigation, voice assistants, and streaming, prioritizing flexibility and user experience.

Because of their fundamentally different performance requirements, the two domains require two separate automotive operating systems to support them. Traditionally, two automotive operating systems require separate SoCs which drives up hardware cost and system complexity. We solved this challenge through our proprietary integrated dual-OS architecture, which allows both automotive operating systems to operate on a single SoC with self-developed *Banma Hypervisor* without compromising performance or safety.

We offer two dual-OS configurations:

L+L dual-AOS (“L+L solutions”) – Two instances of Linux-based AOS—one for instrument clusters domain, one for entertainment domain—run side-by-side. The Linux-based AOS for instrument cluster domain intelligently orchestrates resources of chips to handle safety-critical driving functions with deterministic performance. The other Linux-based AOS for entertainment domain connects navigation, voice control function and video streaming services

L+A dual-AOS (“L+A solutions”) – For similar reasons as *L+L dual-AOS*, our *L+A dual-AOS* has two operating system, where our Linux-based AOS handles the instrument cluster domain, while Android-based AOS runs entertainment domain. We started the deployment of *L+A dual-AOS*, to further expand our addressable market to passenger vehicles using Android automotive operating system for their in-vehicle entertainment domain.

In both cases, the two automotive operating systems share hardware resources securely while maintaining distinct performance boundaries. This architecture allows OEMs to balance performance, cost, and user experience, which highlights the broad compatibility and modularity of our platform across different chips and operating systems.

OS-level Systematic Components

Our OS-level systematic components are the core software modules that enable different in-vehicle systems communicate, coordinate, and run reliably on the same chip. We self-developed *Banma Hypervisor*—an essential systematic component that supports two or more automotive operating systems to run concurrently, and *Banma SOA Fusion*—the vehicle’s “communication hub” which enables vehicle control functions and car-to-smartphone connectivity.

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Banma Hypervisor

The cornerstone of our integrated dual-AOS architecture is our proprietary *Banma Hypervisor*: a secure, stable, and highly efficient system-level component. *Banma Hypervisor* is a bare-metal (Type 1) hypervisor, which runs directly on hardware and thereby offering better performance and resource utilization. By creating a secure and efficient environment, *Banma Hypervisor* allows concurrent operation of two or more automotive operating systems on a single SoC without interference. This dual capability achieves hardware resource isolation (CPU, memory, storage, peripherals) and efficient resource sharing, enhancing system-level security and reducing overall hardware costs. For OEMs, this approach minimizes the need for multiple chips, lowers hardware costs, and simultaneously delivers a fast, reliable, and secure smart cockpit experience.

Designed to improve efficiency and reduce costs, *Banma Hypervisor* demonstrates minimal performance overhead. Its intrinsic overhead is typically limited to under 1% on many mainstream automotive SoCs. Even under typical heavy-load scenarios—when the system is subjected to a high volume of traffic, data, or requests—the combined virtualization overhead for the hypervisor and dual-AOS operation remains below 5%. *Banma Hypervisor* is one of the first domestically developed virtualization solutions to achieve ISO 26262 ASIL-D certification, the highest safety integrity level validated within integrated cockpit-driving domain solutions, according to CIC. By fully leveraging SoC capabilities, *Banma Hypervisor* disrupts the long-standing dominance of foreign technologies, offering a high-performance, high-security domestic alternative. It provides OEMs with a unified foundational platform, streamlining software development and adaptation cycles, ultimately enhancing efficiency.

Banma SOA Fusion

Banma SOA Fusion is our self-developed systematic component that acts as the vehicle’s “communication hub.” It connects in-vehicle systems—such as navigation, voice assistant, multimedia, and climate control—allowing them to exchange information and coordinate effectively and securely. It also integrates devices such as seats, lights, cameras, radar units, microphones. Working together with our application software and AI-powered voice interaction software, Banma SOA Fusion enables users to control their cars, from climate and seat adjustments to lighting and window operation simply by voice.

In addition, Banma SOA Fusion also supports car-to-smartphone connectivity. It synchronizes data in real-time between the vehicle and a paired smartphone, keeping information consistent and up-to-date across platforms. Users can remotely check their vehicle’s status, receive alerts, or lock/unlock cars from their phone, further enhancing the smart cockpit experience.

Our Application Software

Our application software refers to the uppermost layer of our smart cockpit system—the user-facing features and functions that drivers and passengers interact with directly.

Leveraging our ground-up AOS and OS-level systematic components, this application software layer delivers optimized driver experience and vehicle intelligence.

Visual Assistance

Our visual assistance system provides drivers with a real-time, 360° bird’s-eye view of their surroundings. With simple switch, drivers can see their surroundings from different angles. It enhances drivers’ situational awareness, making lane-changing safer and simplifies precise parking.

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In-vehicle Control and Car-to-smartphone Connectivity

Supported by systematic components like Banma SOA Fusion, our application software enables in-vehicle control features and seamless connectivity between the car and a paired smartphone. See “—OS-level Systematic Components—Banma SOA Fusion.”

In-vehicle Payments

With our in-vehicle payment software, users no longer need to use cash, card or phones to pay for tolls, parking, fuel, or even drive-through orders. Instead, they can just tap the car’s screen—or use voice commands powered by our AI assistant—to complete the transaction quickly.

Over-the-air Updates (“OTA”)

Our OTA system keeps every vehicle feature up to date—whether it’s a critical safety patch, a performance tweak, or adding a new capability. Utilizing a resilient, fail-safe delivery architecture, our OTA updates are applied in the background with minimal driver intervention, upgrading each vehicle continuously without ever visiting a service center.

Commercial Impact of Our System-level OS Solutions

As of December 31, 2025, the cumulative installation volume of our System-level OS solutions was approximately 6.3 million units. This achievement further validates our core capabilities in high compatibility to automotive operating systems and hardware platforms, flexible adaptation, and large-scale deployment.

Quality management goes beyond basic compliance. While meeting industry standards is a necessary starting point, we have built a rigorous, automotive-grade quality system for testing and validating our solutions. Our solutions earned recognition from multiple global OEMs, who have subjected us to stringent audits covering product development, quality control, and testing protocols. Successfully passing these stringent audits not only affirm the robustness of our processes, but also establish us as a trusted partner for OEMs.

Case Study

OEM A

OEM A is a joint venture formed by a leading global OEM focusing on the production, sales, and after-sales service of vehicles and automotive components. Over the past few decades, it has steadily expanded its market share in China.

Over the years, we have built solid cooperation with OEM A with our proven successful solutions mix. Our cooperation centers on smart cockpit development and spans across AI tools utilization and big-data analytics. We have deployed smart cockpit solutions on a series of its flagship vehicle models, fueling its transformation towards automotive intelligence. Through empowering OEM A on technology, digital operation and training, we have helped OEM A drive system-level innovation, achieved breakthrough sales growth, and strengthened market leadership position.

As of December 31, 2024, our solutions have been deployed across OEM A’s flagship vehicle models. From 2022 to 2024, 1.6 million of their vehicles were equipped with our solutions, representing 46.0% of OEM A’s total sales volume in the same period.

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UNISOC

UNISOC is a globally leading chip design company specializing in the communication semiconductor industry for over 20 years.

In September 2024, we entered into strategic cooperation with UNISOC to co-develop automotive operating system solutions based on SoCs of UNISOC. Leveraging the technological and business capabilities of both parties, we and UNISOC are well positioned to offer more enhanced products and solutions to OEMs. We believe that our strategic cooperation will further fuel the development of automobile intelligence.

Working together, we and UNISOC co-developed L+A dual-AOS (Linux + Android automotive operating systems) solutions on two of its key automotive chips: A7870 and A8880. Based on our Banma Hypervisor, these joint solutions allow two automotive operating system to run side by side on a single chip, helping OEMs deliver rich cockpit experiences.

Full-stack End-to-end AI Solutions

Overview

Our Full-stack End-to-end AI Solutions are a suite of proprietary, AI-powered software tools which enables users to control seats, lights, windows, climate and more vehicle functions; as well as access navigation, entertainment and many other services, all without taking their hands off the wheel through natural voice commands. However, we do not stop at merely executing commands. Instead, we are developing “AI Agents,” for smart companion who not only understand and fulfill users’ requests, but anticipate their needs based on their habits, vehicle status and surroundings. Our ultimate vision is to redefine the human-vehicle relationship, transforming every drive into a seamlessly intelligent experience.

Our solutions are powered by self-developed Yan AI, a high-performance, domain-specific agentic AI software stack purpose-built for in-vehicle environments. 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. As part of the Yan AI software stack, we developed in-house “System Agent”, a software that integrates multiple in-car systems to fulfill user requests efficiently and safely.

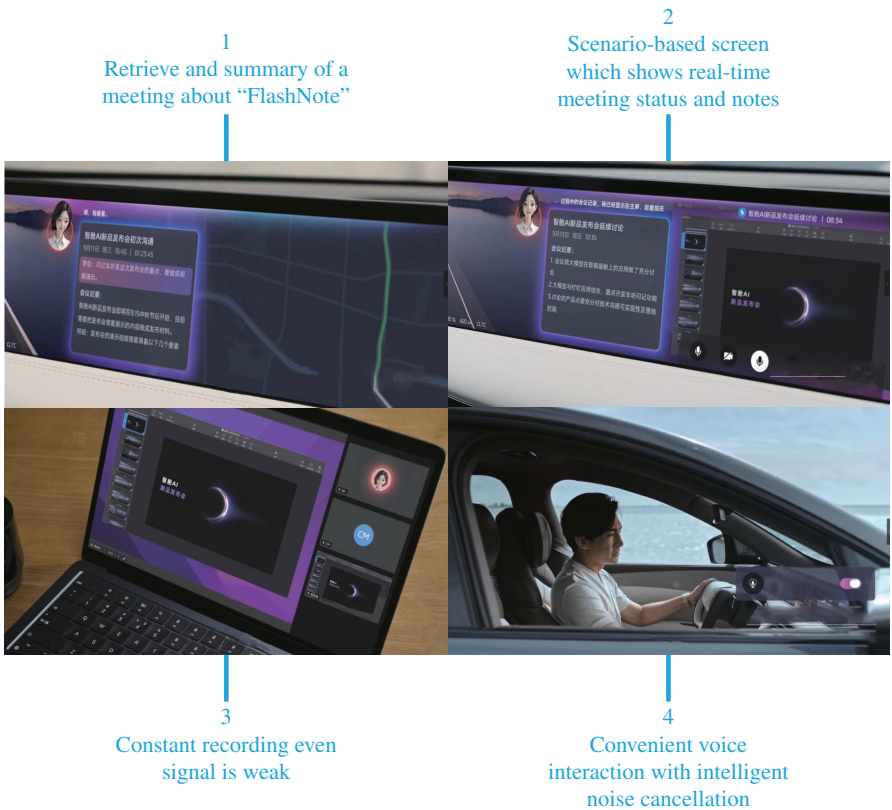
Our Full-stack End-to-end AI Solutions can engage in natural conversations with users and fulfill their requests based on its understanding of the context, as demonstrated by the following examples (different vehicles and systems may behave differently):

Scenarios	Traditional in-vehicle voice interaction system	Our Yan AI-powered in-vehicle voice interaction system
Navigation . . .	Users need to speak out the address and choose the routes displayed on the screen.	User: “Direct me home using the fastest route.” Our voice interaction system: “Sure. Selecting the quickest way home now. Estimated travel time is 50 minutes.”

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Scenarios	Traditional in-vehicle voice interaction system	Our Yan AI-powered in-vehicle voice interaction system
Remote work	The system may send voice alert for calendar event, but is unable to sync information from users' other devices, retrieve or summarize what was said in the last meeting, or automatically take notes for the users.	Our voice interaction system (sending voice reminder): “You have a meeting in 15 minutes titled ‘Smart Cockpit AI Product Launch.’” User: “Last time, I left the meeting early–what did Mr. Li say after I stepped out?” Our voice interaction system: “Let me check. After you left, Mr. Li emphasized that ‘FlashNote’ is the key feature of the launch and needs to be highlighted in the demo.” User: “Got it.” Our voice interaction system (when the meeting time approaches): “The meeting is starting now. Would you like to join?” User: “Yes, please join.” Our voice interaction system will automatically dial in the meeting on behalf of the user. If the car enters a tunnel or loses signal, the system continues to listen and record the meeting in the background. When connectivity is restored, the full transcript from the offline period will be displayed on the main screen.

The functions of our Yan AI-powered in-vehicle voice interaction system are illustrated by the below chart:



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The Answer to Industry Pain Points: Our End-to-end Technologies

We believe voice is the most natural way for people to interact with their cars. Over the years, we have launched our “All in AI, AI in All” strategic upgrade for the AI era and continuously invested in intelligent voice systems.

Traditional in-vehicle interfaces rely on physical buttons, touchscreens, or rigid, command-based voice prompts, significantly limiting the services available to users. While modern voice interaction software has undergone dramatic growth, it typically uses a pipeline architecture: when you speak, your request passes sequentially through speech recognition, language understanding, and response-generation modules. Because each module is developed and operated independently, adding more data and complex requests increases both latency and error rates—seriously degrading the user experience.

We believe an integrated, end-to-end AI solution can overcome this challenge and revolutionize human-machine interaction. This is why we self-developed Yan AI. Instead of training and chaining multiple separate modules, the end-to-end version of Yan AI converts raw inputs into responses—reducing the cumulative latency and error of traditional pipelines. At the same time, it retains the pipeline’s strengths in rapid customization and emergency bug fixes.

As a pioneer in launching the integrated end-to-end software, our voice recognition accuracy reaches 99.5%, outpacing the industry average by 2—3%, according to CIC.

The capabilities of our Full-stack End-to-end AI Solutions has been proven through deep collaboration with leading OEMs, including global OEMs as well as domestic brands such as SAIC’s Roewe, MG Motor, Maxus and IM Motors.

Our Foundational Yan AI Software Stack that Powers AI Agents

We provide OEMs with a foundational software toolkit, our Yan AI software stack, to build their own in-vehicle voice interaction system, which consist of (i) LLM application algorithm, which enables natural language interaction between users and their cars; (ii) System Agent, which orchestrates multiple in-vehicle software to work together; (iii) on-board model, a lightweight model displayed offline; and (iv) digital avatar for more natural ways of user interaction.

LLM Application Algorithm

We have adopted advanced conversational AI techniques that allow users to speak naturally to the system just like talking to another person. There is no need for fixed wake-up word or rigid commands—users can simply speak freely, and the system responds with low latency. Unlike conventional voice assistants that sound mechanical and impersonal, our system responds in a warm, expressive tone that better conveys emotion and context for a more human-like interaction.

We have designed our large language model (LLM) application algorithm based on Alibaba’s Qwen. Qwen serves as a foundation model providing underlying natural-language-understanding capabilities. On this basis, we further optimize and fine-tune the model and develop our proprietary application-layer software on top of it, resulting in an LLM application algorithm specifically adapted for in-vehicle scenarios. We are also technically capable of integrating other leading foundation models, such as DeepSeek, which can serve as alternative base LLMs for computing and analysis within our architecture. In addition, our LLM application algorithm supports multiple languages, including Mandarin, English, Spanish and Arabic, as well as regional dialects such as Cantonese, allowing us to serve diverse user groups and expand globally.

Our LLM application algorithm is further strengthened by multimodal perception algorithm. Our multimodal perception goes beyond “hearing” user speech—it also “sees” and “knows” the status of users and vehicles. By integrating in-vehicle data (seat, window, and climate status),

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external environment (e.g., identifying buildings or objects users point at), and driving conditions (e.g., detecting unsafe behavior), our voice interaction system fully understands the user’s context and responds more accurately and naturally.

System Agent

We are the first in the industry to introduce a “commander in chief” for smart cockpit function: the System Agent, according to CIC.

In cars, even casual chit-chat and short, ordinary commands can require entirely different processing flows—some call for lightweight, local on-board models to control the vehicle instantly, while others rely on large language models to search, reason, and make personalized recommendations. Powered by LLM, our System Agent interprets user intent with scene-specific precision and determines which algorithms and AI modules are best suited to fulfill the request. It then dispatches and coordinates these modules, drawing on multimodal perception of in-vehicle data, external environment, and driving conditions, as well as historical patterns, current status, and user habits, to deliver fast and accurate responses. Further enhanced by sound-source localization technology connecting multiple microphones and cameras, it can identify who is speaking, enabling more nuanced understanding and more precise interaction. The following are a few examples of how this process works:

Users’ demands	AI Models Selected by System Agent	Responses Generated by the Selected AI Models
“I’m a bit cold”	Vehicle control functions powered by on-board AI models	“OK. The air conditioner will be set to 26°C”
“Where is the lowest place in the world?”	Knowledge & Chat Agent powered by LLM application algorithm	“The lowest place in the world is located in the Mariana Trench”
“Play the music in ‘my favorite’ list”.	Entertainment control function powered by on-board AI models	“OK. Playing now”
“Play some classic songs” . .	Entertainment Agent powered by LLM application algorithm	“OK. Playing the songs selected for you.”

Note: See “—Our AI Agents powered by Yan AI Software Stack” for details about AI Agents mentioned in the chart.

In essence, our System Agent functions like a smart coordinator which manages all the software and direct them to appropriate tasks. As a result, when users speak, our voice interaction system not only understands what they are saying, but also instantly triggers the right agent to carry out the request.

On-board AI Models

We believe on-board AI models are the future of in-vehicle voice interaction. As bandwidth and chip performance grow, more voice requests can be handled locally by on-board AI models and no longer requiring transmission to cloud-based LLMs. Using on-board AI models shortens latency, reduces data-transmission costs, and keeps personal data stored securely on local device, greatly enhancing privacy.

On-board models are lightweight AI models, which run locally in vehicles to process users’ requests even without network connection. These models handle common and simple voice commands, like “turn on the air conditioning” or “play music”, and can also detect background noise and driving conditions to improve voice recognition accuracy.

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We have extensive open-domain recognition capabilities—meaning our on-board models can understand more varied user inputs without cloud dependency. We are one of the first market players to deeply integrate on-board models with large language models in the cloud, according to the same source. By handling routine requests locally and transmitting more complex queries to the cloud, this hybrid architecture boosts both speed and accuracy. Built on a leading chipmaker’s fifth-generation chips, it sets a new benchmark for responsive, reliable in-vehicle voice interaction.

Digital Avatar (數字人)

We have developed digital avatars with highly realistic appearance, voice, and expressive animations, offering a more natural way for user interaction. Our digital avatars support open selection and rapid customization via a figure-generation system. Beyond their lifelike appearance, these digital avatars act as next-generation interaction layers, “humanizing” complex AI capabilities and making services feel warmer.

The following interface demonstrates how our lifelike digital avatars serve as intelligent assistants—enhancing in-vehicle services like movie ticket booking through natural conversation:



We offer both standardized suite of software for rapid deployment and fully customized solutions tailored to unique technical and business requirements. Depending on the need of OEMs, we may develop the full Yan AI software stack to build a complete voice interaction system or develop bespoke software based on selected components such as our System Agent, on-board models, and digital avatar.

Our AI Agents Powered by Yan AI Software Stack

Built on our Yan AI software stack, we transform the traditional cockpit-native apps into proactive AI Agents which deeply understand users’ needs and intelligently recommend content and services based on users’ preference. In this way, we help OEMs deliver differentiate user experience, connect to more CSPs, and bring more monetization opportunities.

Our AI Agents are AI-powered software which operate on automotive operating systems developed by us. They are built upon Yan AI Software Stack, where our System Agent plays an essential role in powering the multiple functions. Our current AI Agents are set forth below.

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Daily life Agent. Helps users find restaurants, hotels and attractions by voice and can plan multi-day trips based on destination and route.

Communications & Office Agent. Handles calls, send messages and schedule meetings all by voice; records meeting and takes notes, turning the car into a mobile office.

Entertainment Agent. Helps users search music, audiobooks, videos or news and switch between content; remember users’ preferences and proactively recommends content.

Task Automation Agent. Creates multi-step, cross-domain tasks from a single voice command and executes them automatically when triggers (time, location, etc.) are met.

Knowledge & Chat Agent. Answers general and vehicle-specific questions from a built-in database and supports online search, offering friendly, conversational responses.

Vehicle Use and Service Agent. Provides direct and detailed guidance when users encounter issues in using their cars or involve in accidents.

Vehicle Control Agent. Customized, out-of-box, voice control system of vehicle functions—air conditioning, wipers, seats, locks, capable of understanding implicit users’ intent and proactively offer services.

Navigation Agent. Personalized, voice-driven navigation assistant.

On-the-Go Photography Agent. Tracks the drive, recognize landmarks and hundreds of scenes, and automatically captures and optimizes photos/videos for sharing.

Parent-Child Care Agent. Occupant monitoring system (OMS) which offers rear-seat safety monitoring, intelligent alerts, and interactive storytelling.

Beyond the abovementioned existing applications, we continue to develop new solutions in response to OEMs’ evolving needs. We design our solutions to be open, and our Full-stack End-to-end AI Solutions are compatible with not only our AOS but also automotive operating systems developed by other companies.

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New Initiatives

We have developed a proprietary AI infrastructure (a large-scale computing center) in 2025 to meet the computing power demands of our full stack AI solutions and support our R&D activities. Although demand for our AI solutions is expected to grow rapidly in the foreseeable future, it's still in a nascent stage. As such, to ensure the full utilization of our AI Infrastructure at the early stage, we integrate our surplus resources by collaborating with qualified third-parties to provide cluster-based AI computing power services to external clients at a competitive price. Specifically, our AI computing power services integrate the provision of computing power, network connectivity and associated technical services. This helps us fully optimize resource utilization and create incremental external revenue, which in turn contributes to the growth of our overall revenue and profit margins.

Case study

Chipmaker A

Chipmaker A is a global technology leader, helping to bring intelligent computing everywhere through the development and commercialization of foundational technologies, including 3G (third generation), 4G (fourth generation) and 5G (fifth generation) wireless connectivity, high-performance and low-power computing and in-vehicle artificial intelligence (AI).

Our cooperation with Chipmaker A began in 2018. Since then, we have worked closely with this chipmaker on its third- and fourth-generation cockpit platforms. Our co-developed smart cockpit solutions have been successfully deployed on vehicles of IM Motors, Roewe, MG, and Maxus, earning strong sales and positive market feedback. Building on this deep collaboration, we released a preview of our full-scenario smart cockpit solution powered by Chipmaker A's fifth-generation automotive chip in June 2025. This preview demonstrates strong capabilities, including smart playlist which ease driver anxiety during traffic jams and fully automated cabin controls which automatically adjust the air conditioning in summer. By continually advancing our AI and LLM capabilities, we aim to redefine human-vehicle interaction and unlock the full potential of AI in the smart cockpit.

OEM B

OEM B is the world's leading manufacturer of premium cars and motorcycles and a provider of premium financial and mobility services. In March 2025, we entered into strategic cooperation with OEM B to co-develop customized AI Agents powered by Qwen and Yan AI. Together, we plan to develop a customized AI Agent for OEM B's next generation vehicle models: “Car Genius”. “Car Genius” is designed to answer users' questions about their cars, driving status and maintenance/upgrading tips. By combining OEM B's premium vehicle experience with our full-stack AI capabilities, we expect to deliver highly personalized voice interaction, intelligent in-vehicle assistance, and seamless access to services that enhance both mobility and everyday life. The vehicles equipped with the “Car Genius” feature are expected to enter mass production in the third quarter of 2026. The strong performance of our solutions has earned trust from OEM B, and we are engaging in active discussion in developing more AI agents and services to be equipped in OEM B's vehicles.

ECARX

ECARX (Nasdaq: ECX) is a global automotive technology provider with capabilities to deliver turnkey solutions for next-generation smart vehicles, from the SoC, to central computing platforms, and software.

We have built deep cooperation with ECARX and started to deploy our AI LLM and AI Agents to a mass-produced vehicle model of a leading domestic OEM. We fully integrate our AI LLM and AI Agents to ECARX's SoC and together deliver optimal performance in in-vehicle voice interaction, evidencing the openness of our solutions. Beyond greenfield development, our AI

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solutions can also be integrated into existing smart cockpit system to further enhance its AI capabilities. Importantly, this collaboration is not limited to a single brand of vehicle. Instead, the proven successful integration of our AI solutions and ECARX’s hardware platforms can be quickly replicated across different brands of vehicles, bringing more cooperation opportunities in the future.

Vehicle-based Services Marketplace

We offer AI-native apps to be installed in OEM’s vehicles, and operate a Vehicle-based Services Marketplace of these apps that connect car owners with a wide range of third-party content and services. Through this marketplace, drivers can stream music, videos, and audiobooks; navigate to offices, restaurants; join online meetings; and even place take-out orders, designed to meet the full spectrum of in-vehicle daily use cases. Furthermore, we also offer lifetime vehicle-based services designed to support ongoing vehicle needs, including energy charging, accident notification, appraisal service and automotive accessories. We also offer certain ancillary services such as sales of network service packages and training services. We design our solutions to be open, and our Vehicle-based Services Marketplace are compatible with not only our AOS but also automotive operating systems developed by other companies.

Building on our Yan AI, we help OEMs go beyond core voice interaction by enabling a rich ecosystem of intelligent in-vehicle services. We operate a voice-first services marketplace, where third-party apps—such as music, video, navigation, food delivery, and productivity tools—are transformed into AI-native applications. These apps leverage our AI capabilities to interact through natural voice dialogue, understand real-time vehicle status, and proactively respond to user needs. Unlike conventional infotainment systems that rely on static touch interfaces and are often ignored by drivers, our AI-native apps provide a safer, hands-free, and highly personalized user experience.

Historically, we adapted and deployed in-vehicle versions of mobile applications – primarily music and navigation – on OEMs’ vehicles based on their specific technical and functional requirements, and generated revenue through fees paid by OEMs. Over time, as advances in AI capabilities, system functionality and human-machine interaction performance transformed the in-vehicle environment into a highly interactive digital space, continuous user engagement and in-app monetization within the vehicle became commercially viable – capabilities that were not achievable in the earlier stages of in-vehicle software development. This led us to begin to build our network of CSPs to bring a wider variety of content and services into the in-vehicle experience. As this trend continued, a new monetization model emerged under which revenues are generated directly from end-user transaction activities inside the vehicle and shared among us, the OEMs, and CSPs as the app owners. Under this model, we earn a share of such revenues as commissions, primarily determined as a percentage of the amount of the associated in-vehicle transactions. Meanwhile, OEMs’ shifting budget priorities, including reduced willingness to pay large amounts of upfront fees, have further accelerated the adoption of such transaction-based, revenue-sharing arrangements.

Our AI-native Apps and Services

Our AI-native apps and services encompass scenarios of daily life, productivity, navigation, entertainment and many more. This AI-driven integration not only enhances the value proposition for OEMs by delivering a differentiated user experience—but also opens new monetization opportunities for CSPs within the vehicle environment.

As we expand our app marketplace and connect more people to CSPs, we gain higher commercial benefit from our diversified revenue-generation method. On the one hand, we charge license fees based on the installation units of our apps. On the other hand, we charge sales and service fees for each product or services provided by us, and are exploring revenue-sharing arrangements, where we generate commission revenue based on the percentage of transactions conducted through our apps. By enabling CSPs to reach and engage with consumers more effectively, we capture value from these growing monetization models. As we just commenced entering into revenue-sharing arrangements with CSPs in 2023, the commission revenue only

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accounts for a small portion at the current stage. However, we see significant long-term potential as in-car content and service applications gain broader commercial adoption. The number of CSPs with which we have entered into such arrangements grew from only two as of December 31, 2024 to 22 as of December 31, 2025, indicating strong market interest and growing customer base.

Examples of our AI-native apps and services are set forth below:

Take-out app. We develop an in-vehicle take-out app for OEMs, which enables users to order food and beverage entirely through voice commands. Powered by our AI capabilities, it recommends take-out options based on distance, price, and individual preferences, so that the delivery would arrive just as the user gets home.

Electricity charging services app. We develop an in-vehicle electricity charging services app that monitors battery level in real-time and alerts drivers when it is running low. It automatically suggests nearby charging piles, the optimal route and allows users complete payment through their vehicle system. As of the Latest Practicable Date, our charging network covered approximately 1,676.2 thousand charging piles, and our charging app was adopted by 18 OEMs, making us a leading charging-service platform for intelligent vehicles.

Vehicle Accident Identification app. Our *Vehicle Accident Identification Agent* is a software tool that simplifies the post-accident process for drivers. Traditionally, drivers must report accidents, contact insurers, locate authorized repair shops, and arrange towing services—all separately. Our *Vehicle Accident Identification Agent* automates and streamlines this experience. When an accident is detected, it automatically notifies nearby OEMs, 4-S stores and repair shops, who can proactively contact the driver to offer assistance. By integrating accident detection, claims filing, and repair scheduling into a single workflow, our *Vehicle Accident Identification app* reduces friction and response time.

Vehicle appraisal service. We offer *vehicle appraisal service*, a data-driven evaluation tool that provides vehicle value appraisal, usage-based insurance (UBI) risk assessments, and residual value forecasting for OEMs, car dealers and insurance companies. By consolidating and analyzing diverse data sources—including real-time vehicle condition reports, historical maintenance and accident records, market transaction data, and industry depreciation benchmarks—the vehicle appraisal service delivers accurate, real-time insights to support pricing, risk assessment, and resale decisions.

Automotive accessory. We closely collaborate with mainstream automotive accessory providers to offer *Selected Supply Chain*, an automotive accessory kit including thoughtfully selected automotive-related and other products designed to bring comfort to consumers.

As of the Latest Practicable Date, our Vehicle-based Services Marketplace featuring cockpit-native apps across over 300 in-vehicle apps in over 180 categories—from entertainment and navigation to lifestyle and utilities—the most comprehensive coverage among all smart cockpit providers in China, according to CIC. We cooperated with a large number of top-tier, well-liked CSPs to bring real AI features into the car, including tools for office use (e.g. DingTalk, an intelligent collaboration workplace and enterprise management platform), local services (e.g. Taopiaopiao, an online movie ticketing platform), and entertainment (e.g. Ximalaya, one of China’s largest audio content platforms).

Other Services

In addition, we also sell network service packages to both OEMs and individual car owners, enabling vehicles to stay continuously connected to the internet and access a wide range of online cockpit services. These packages typically include mobile data plans, SIM card management, remote connectivity activation and are critical to powering features such as streaming media, real-time navigation, cloud-based voice interaction, over-the-air updates (OTA), and access to

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third-party content and local lifestyle services. We offer flexible connectivity options across different pricing tiers, data volumes, and service durations to meet the varying needs of OEMs and car owners. For example, OEMs may purchase bulk packages from us to bundle with new vehicles as part of their smart cockpit offering, while car owners can purchase individual data plans through our in-vehicle app store or mobile app interface once their complimentary service period ends.

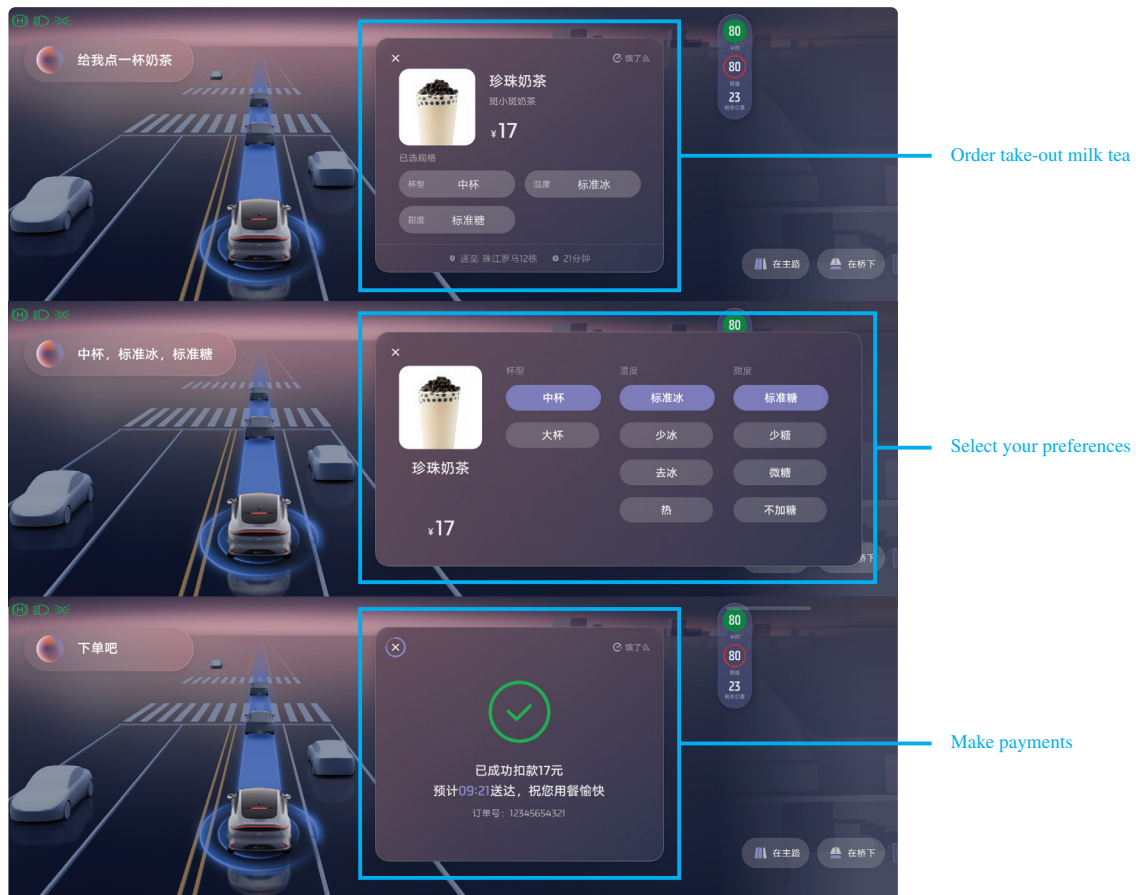
Case Study

Taobao Instant Commerce

Taobao Instant Commerce is a leading local services and on-demand delivery platform in China. We collaborate deeply with Taobao Instant Commerce to offer seamless order and delivery services. With customized in-vehicle Taobao Instant Commerce app, users can place their orders through natural, conversational voice interactions without tapping on screen. In addition, the customized in-vehicle Taobao Instant Commerce app intelligently analyzes each user's taste preferences and order history to generate personalized recommendations, boosting conversion rates and continuously refining its suggestions via real-time feedback.

By seamlessly integrating our smart cockpit system with Taobao Instant Commerce, we have elevated users experience, making the journey and meal more convenient, personalized, and enjoyable.

The following graphics illustrate how our cockpit-integrated food delivery feature streamlines the ordering process through natural voice interaction:



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A summary of the typical terms and conditions of our agreements with key CSPs is set forth below:

Duration. The durations are typically for three years, subject to renewal with both parties’ mutual agreements.

Intellectual Property Rights. We typically co-develop the in-vehicle apps with CSPs and retain all intellectual property rights in relation to developing those apps, including the software code and other intellectual properties that independently developed or mainly contributed by us. CSPs typically retain the content-related intellectual property rights of the apps, including patent rights, copyrights and trademark rights.

Warranty. CSPs shall provide us with required contents and services which allow us to develop the in-vehicle apps and ensure the provided contents and services are either fully owned by them or legally licensed to them.

Service Termination. The agreement can be terminated upon mutual agreement. We can also terminate the agreements for material breach of contract.

Confidentiality. Both CSPs and we have the obligations not to disclose, re-use or misappropriate the confidential information obtained through the collaboration._

TECHNOLOGIES

Over approximately a decade of development, we have built industry-leading engineering and technology capabilities that underpin our business. Our technologies are the foundation for us to cover every aspect of the smart cockpit experience and maintain long-term competitiveness across connected and intelligent vehicles.

Technologies that Power Our System-level OS Solutions

Our systematic software engineering capabilities and microkernel architecture design are keys to build our proprietary AOS.

Systematic software engineering capabilities. We implement a complete systematic architecture in building AOS based on Linux and Android kernel—from graphics, multiple media, window management, application lifecycle management, Board Support Package (BSP) that enables an automotive operating system to interact with a specific hardware platform and adaptation frameworks—to ensure the stability and smoothness of our AOS even in complicated scenarios. On top of this architecture, we pioneered a JavaScript-based UI framework and paired with standardized APIs, thereby decoupling the development of application software and underlying hardware platform. In this way, our application software can be widely and rapidly adopted in different vehicle platforms without the need to adjust the structure based on different underlying platform.

Microkernel architecture design. We also employ a microkernel architecture design, which separates core automotive operating system services (process management, memory management, inter-process communication) from external services (file management, device drivers, etc.). In this way, we isolate each software module, reduce risks of overall malfunction resulted from failure of just one module, and boost overall system security and reliability. This modular approach gives us the flexibility to add, upgrade or remove functional components quickly, supporting continuous platform evolution.

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Technologies that Power Our Full-stack End-to-end AI Solutions

The key technologies of our Full stack End to end AI Solutions is set forth below.

Natural Language Understanding & Intelligent Error Correction software (NLU 2.0). Our NLU 2.0 can precisely interpret complex user intents and automatically correct recognition errors such as mispronunciations, interpreting users’ voice more accurately.

End-to-end Multimodal Model Architecture. Unlike traditional pipeline architectures where separate software modules handle speech recognition, language understanding, dialogue management, and text-to-speech, our single, unified large model handles the entire interaction in one pass. It simultaneously processes audio, text, and visual inputs, delivering faster, more accurate, and more natural exchanges. For example, if a user asks, “buy ice cream cones for all of us in the car,” the system will immediately understand, collect the information of the number of people through visual signals and then help order the right number of ice cream cones for all.

On-board-to-cloud voice algorithm suite. We have developed a comprehensive suite of voice algorithms for automotive use, combining lightweight on-board models with powerful cloud services to deliver clear, responsive, and natural interactions. Our voice algorithms include the following:

- Speech enhancement. Through analyzing data from multiple microphones, we use light-weight on-board models to reduce environmental noises and enhance clarity of voice inputs.
- Noise cancellation. Our algorithms automatically identify and exclude wind and road noise, to keep our system focusing only on valid commands.
- Wake-word-free & voice localization. While supporting keyword-based wake-up mechanism, our system also automatically identifies and respond to users’ request swiftly, even when it is in sleep mode.
- Full-duplex speech dialogue. Full-duplex speech dialogue means users can engage in multiple rounds of conversations with systems with single wake-word. During the dialogue, users can interrupt at any time and start a new conversation.

Our algorithms are deeply optimized for a wide range of global and domestic chip platforms. All functions are exposed through a unified Software Development Kit (SDK), making in-vehicle voice interactions more accurate, efficient, and natural.

Other Technologies that Support our Overall Operation

We have established a leading software engineering system to support quickly developing customized solutions based on standardized software tools. The following are examples of our standardized software tools:

Remote logging & automated analysis tools. We have self-developed a platform that collects vehicle operation logs in real time, enabling remote monitoring and automated anomaly detection. Through proactive alerts and visual analytics, we can pinpoint and resolve issues immediately, reduce the risks corner case and improve overall safety of our solutions.

Distributed integration & debugging system. Our cloud-based testing system supports distributed simulation and multi-instance concurrent debugging, greatly accelerating our testing and validation cycles. Engineers can concurrently conduct multiple tests in stimulated driving scenarios which helps collect more data for better analysis and optimization.

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Collaborative human-machine interaction (HMI) design tools. We have developed an integrated User Interface (UI) and User Experience (UX) platform, which supports one-stop interface design, review, and version control. This seamless platform promotes collaboration among design, development and testing personnel, significantly accelerating the development cycle of software interface.

Low-code application development environment. Our low-code platform features a graphical interface and easy-to-use templates, dramatically lowering the technological barrier to creating in-vehicle application software. Even non-professionals can rapidly build apps, helping OEMs bring new features to market rapidly.

Together, these technologies constitute a robust backbone that help us deliver stable, secure, and ever-evolving smart cockpit experiences for both OEMs and car owners.

RESEARCH AND DEVELOPMENT

Our strong research and development capabilities and innovative culture enable us to continuously advance the development of automotive intelligence technologies and maintain our competitive edge in the industry. We have a strong R&D team encompassing operating systems, algorithm, deployment, support and other aspects. As of December 31, 2025, our research and development team consisted of 931 professionals, accounting for 72.8% of our total employees. As of the same date, 91.9% of our R&D employees held a bachelor’s degree or higher and 35.1% of our R&D employees members held a master’s degree or higher. With a strong emphasize on AI capabilities, our algorithm team had 203 employees as of December 31, 2025.

We have deeply devoted in building our technological foundation. We have engaged in the R&D of automotive operating system for approximately ten years and AI capabilities for more than nine years. As of December 31, 2025, we had over 450 million lines of code in developing our AOS and AI software. We have established long-term, in-depth collaborations with prestigious universities and research institutions, including Tongji University. In 2023, 2024 and 2025, our research and development expenses were RMB1,123.4 million, RMB979.8 million, and RMB725.4 million, respectively, amounting to 128.8%, 118.9% and 84.2% of our total revenue for the same periods. Looking forward, we will continue investing in our technologies to strengthen our industry-leading position.

QUALITY ASSURANCE

We have a dedicated quality management team, which is responsible for (i) establishing and optimizing our overall quality management system and (ii) tracking and monitoring the quality of our software solutions developed for customers.

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We adopt an end-to-end quality control process with the following key procedures:

Supplier quality assessment. We have established a stringent supplier management process that includes strict selection criteria, comprehensive qualification audits, on-site inspections, and sample testing to ensure our suppliers are capable of delivering high-quality products and services.

Performance validation. We employ a multi-faceted testing methodology and a suite of advanced tools to conduct thorough tests on our deliverables.

Issue responding and resolving mechanism. Once quality issue is identified, we formulate and execute targeted improvement plans with clearly defined objectives, measures, and responsible parties. We also closely track the efficacy of these enhancements to ensure complete and final resolution.

Customer feedback loop. We have established comprehensive channels for gathering customers feedback and we conduct regular customer satisfaction surveys to gather opinions and feedback.

We research, develop and deliver our solutions in high standards and strict requirements. As of the Latest Practicable Date, we have led the establishment of numerous national-level standards relating to intelligent and connected vehicles, which include, among others: operating system specifications; general data requirements; security management protocols; software quality assessment standards; AI standards frameworks; and software architecture and interface specifications.

We follow national and industry quality management standards, such as International Organization for Standardization 9001 (ISO 9001), Automotive Software Process Improvement and Capability Determination (ASPICE), Functional Safety of Electrical and Electronic Systems (ISO 26262), Cybersecurity Engineering Certifications (ISO 21434 and ISO 27001), Cybersecurity Management System (CSMS), Capability Maturity Model Integration (CMMI) and other specific quality requirements of our customers.

SALES AND MARKETING

Sales and Marketing Strategies

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. Such strategy has been essential for us to continuously attract and retain high-profile customers and business partners amidst the automotive industry’s increasingly competitive landscape.

Our sales and marketing efforts are strategically focused on cooperating with leading, large-scale domestic and global OEMs. We tailor our solutions based on each customer’s specific requirements, such as their in-house technology development capabilities and features they would like to deploy on their vehicles. Our sales and marketing team and R&D team work closely with our customers, brainstorming together and co-develop the most suitable software solutions. This tailored approach allows us to strategically allocate our resources, build trust with our customers and establish our reputation which will further help us to attract new customers.

We highly emphasize the integrity of the entire service process. From pre-sales support, project delivery and implementation, and continuous maintenance, we have designated team that collaborate closely with our customers, understand their requests and propose solutions to fulfill their needs. We have gained deep customers’ trust in this way, which will fuel our continuous growth attracting new customers and retaining existing ones.

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Pricing Strategies

We price our solutions taking into account various factors, such as research and development costs, procurement cost of software, complexity of the underlying technology, level of customization, costs of system integration, deployment support and ongoing maintenance. We also consider market trends in our pricing strategies, and factor product positioning, customer budget and competitive landscape into our decision. In terms of license fees, we also consider the volume of vehicles which are expected to equip with our software and may offer discount to high-volume or long-term customers. Furthermore, in terms of revenue-sharing arrangements, we charge a percentage of the transaction amount facilitated through our marketplace.

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 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 then increased to RMB1,896.2 million in 2025, primarily due to impairment losses of RMB1,841.0 million in relation to certain intangible assets associated with our System-level OS Solutions. For context, without this one-time impairment and the related tax effect, our net loss would have narrowed significantly in 2025 as compared to 2024. For 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.”

Our historical loss-making position is attributable to several key factors:

Heavy upfront investment in foundational technologies. We have built a comprehensive technology stack from the ground up, including a proprietary AOS and full-stack AI capabilities. These components serve as the core infrastructure for our smart cockpit solutions and require sustained investment in R&D talent, long-term architecture planning, and system-level software engineering. Many of these technologies did not have commercial off-the-shelf alternatives and required significant internal iteration and refinement before they were ready for mass-market deployment.

Strategic pricing to accelerate adoption and design-wins. Our flexible pricing models are designed around a holistic strategy that leverages multiple revenue streams, including technical development services, license income, and ecosystem value-added services. This approach allows us to tailor pricing structures to OEMs. For example, for vehicle models with strong commercial potential, we may strategically adopt a pricing structure under which technical development service fees are set at a relatively lower level, with a greater portion of our overall economic return expected to be realized through ongoing licensing fees linked to the volume of vehicles equipped with our solutions. While these arrangements may have contributed lower margins in the near term, they have enabled us to broaden the adoption of our AOS and AI solutions across multiple OEMs and their vehicle models, significantly expanding our footprint and deepening long-term monetization potential. As the number of vehicle models equipped with our solutions increases and production volumes scale, the contribution from recurring licensing revenue is expected to grow accordingly, supporting margin improvement over time. This strategy prioritizes early adoption and large-scale deployment of our technology platform, with the objective of building a broad installed base that supports recurring software licensing income and ecosystem monetization over time. According to CIC, our market share in terms of installation volume, which is the percentage of

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vehicles pre-installed with our solutions in the overall sales volume of passenger vehicles in China, increased from 3.5% in 2022 to 8.3% in 2024. In addition, we have consistently maintained our market leadership position among China’s software-focused smart cockpit solution providers from 2022 to 2024, in terms of revenue of smart cockpit software solutions in China.

Early-stage business lines with long-term monetization potential. Some of our newer offerings, such as our Vehicle-based Services Marketplace and related ecosystem value-added services, remain at an early stage of commercialization and carry long-term monetization potential. We have intentionally prioritized adoption, customer onboarding and the validation of AI-native in-vehicle applications in these segments, and have absorbed relatively lower margin in exchange for long-term scalability and margin improvement. As these services gain wider adoption, ecosystem offerings such as in-vehicle take-out ordering, electricity charging services and vehicle accident identification are expected to generate recurring revenue streams, as their monetization is directly linked to the daily usage of vehicles. These services therefore provide ongoing monetization opportunities beyond the initial vehicle sale.

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:

- **Expanding market share to build scale and commercial leverage.**

During the Track Record Period, we have kept enhancing the competitiveness of our solutions to attract more customers and expand market share.

- ***Enrich our System-level OS Solutions***

- ***Launch new OS solutions to attract more customers.***

A key driver of our path to profitability is the expansion of our System-level OS Solutions through our Linux + Android (“L+A”) solutions. By supporting both Linux- and Android-based automotive operating systems through a unified architecture, our L+A solutions significantly expands our addressable market, strengthens the commercial attractiveness of our solutions, and improves the economics of our OS business.

Prior to the launch of our L+A solutions, our System-level OS Solutions primarily relied on Linux-based architecture (“L+L”), limiting the application of our solutions only to vehicle models adopting Linux-based automotive operating systems. The launch of L+A solutions has effectively solve the challenge of limited use case and customer base. According to CIC, approximately 60–70% of passenger vehicles in China use Android-based operating systems for in-vehicle infotainment, representing a substantially larger addressable market. By enabling compatibility with both Linux and Android systems, our L+A solutions significantly broaden our market reach and allow us to serve OEMs and vehicle models that were previously beyond the coverage of our L+L solutions. Following the launch of the first vehicle model equipped with our L+A solutions in July 2025, we have engaged in active commercial discussions with ten OEMs and secured design wins with

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seven of them. As of December 31, 2025, four vehicle models equipped with our L+A solutions entered mass production, while an additional seven models were in the pipeline for mass production.

Our L+A solutions have already indicated commercial success. Since the first vehicle equipped with our L+A solutions entered mass production at the end of July 2025, our L+A solutions have already contributed approximately RMB37.8 million in revenue. Considering that the first vehicle equipped with such solutions only entered mass production at the end of July 2025, this revenue contribution demonstrates the strong initial commercial traction. As additional vehicle models enter mass production, we expect revenue from L+A solutions to continue ramping up and become an increasingly important driver of our OS revenue growth.

In addition, L+A solutions typically have higher gross margins than our earlier Linux-only offerings. Historically, because our OS solutions were primarily based on the L+L architecture while the market was predominantly Android-based, the limited addressable customer base resulted in pricing pressure. With the introduction and growing adoption of our higher-margin L+A solutions, which expand our market ceiling and enable us to penetrate more OEM customers, the gross profit margin of our OS business recovered from 38.6% in 2024 to 44.6% in 2025. In the future, we expect that our L+A solutions will further drive up our gross profit margin.

■ *Expanding chip compatibility to improve scale economics and profitability.*

By expanding the compatibility of our solutions across a broader range of automotive system-on-chip (SoC) platforms, we are able to address a wider spectrum of OEM requirements and vehicle programs, strengthening our ability to attract a broader base of OEM customers and expand our long-term, sustainable revenue potential.

When OEMs evaluate different automotive SoCs, they tend to consider whether there is a proven, compatible software stack that will fully leverage the SoCs’ capabilities with minimal integration risk. Through expanding our System-level OS Solutions to cover more SoC families, we can serve a wider range of OEMs who may select different types of chips that match their cost, performance and supply-chain needs. Chip compatibility directly expands our business by increasing the number of OEMs and vehicle models we can serve, as well as marketability and scalability of our solutions. For example, after we developed smart cockpit solutions based on two key automotive chips from UNISOC, we were able to serve OEMs that adopt those chips, including OEMs that may not otherwise have considered our solutions. Similarly, when a leading global chipmaker introduced its fifth-generation automotive chip platform, many OEMs expressed interest in adopting it for their new vehicle models, according to CIC. Our AOS built on this chip immediately positioned us to compete for suppliers of such OEMs.

In addition, it increases our win rate in selecting by OEMs. Once our solution is successfully installed in one vehicle model, we are more likely to be selected by OEMs because they tend to strongly prefer suppliers whose software has already been validated on their chosen SoC, reducing both technical uncertainty and time-to-market. In addition, once our solutions are validated on one SoC, we can complete developing smart cockpit solutions on other vehicle models adopting the same SoC more efficiently, which improves our scalability and profitability. Broadening our chip compatibility

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also expands our coverage to vehicle models targeted on different market by allowing us to support entry-level, mid-range, and flagship models within the same OEM, even when those models use different chips.

As a result of this strategy, as of December 31, 2025, our AOS had been adapted to 26 chipsets, up from 19 chipsets as of December 31, 2024 and 13 chipsets as of December 31, 2023, and we expect to complete full adaptation for a total of 31 chipsets by the end of 2026. As we expand the chip compatibility of our software solutions, the number of our OEM customers increased accordingly from 30 in 2023, and to 40 in 2024, and further to 43 in 2025. Because cooperation with OEMs typically involves multiple vehicle models and generates recurring licensing revenue once vehicles enter mass production, the expansion of our chip compatibility directly supports the growth of our business. According to CIC, our OEM customers included seven of the top ten OEMs in China by sales volume in 2025. These and other OEMs generally maintain broad and continuously refreshed product portfolios and regularly launch new models, providing a steady pipeline of opportunities for additional design wins and participation in higher-volume, flagship vehicle programs that can contribute meaningfully to our revenue growth.

Our technological breakthrough in 2025 has enhanced the competitiveness of our solutions and enable us to acquire more OEM customers. In 2025, a globally leading chipmaker released its most recent fifth generation chip platform, which is one of the most advanced chips in the world and delivers higher computing power compared with its previous generation, according to CIC. Within the same year, we have successfully completed full adaptation of our System-level OS Solutions to this chip, enabling us to support OEMs that adopt the fifth-generation chips in their new vehicle programs. Also in the same year, we launched the world’s first full scenario multi-modal on-board large model and first full-modal on-board large model based on the fifth-generation chip as part of our Full-stack End-to-end AI Solutions. Next-generation chip platforms are typically adopted in higher-end vehicle programs where OEMs place greater emphasis on advanced intelligent cockpit capabilities. As a result, participation in such programs generally allows us to capture more market opportunities on high-end vehicle models and expand the scale of recurring income associated with vehicle production. These capabilities therefore position us to participate in more technologically advanced and commercially attractive vehicle programs, supporting broader OEM adoption and improving the long-term revenue and profitability potential of our business.

■ *Accelerating OEM time-to-market through building more unified development approach.*

Our R&D initiatives accelerate OEMs’ time-to-market by developing a unified development approach that reduces integration and validation efforts for each new vehicle model. By collaborating closely with leading domestic and global chipmakers from the early stages of development, we align our software design with chip specifications and performance characteristics. This front-loaded engineering effort establishes a stable, pre-validated foundation that enables faster deployment across different vehicle platforms. Moreover, once we secure a design-win with an OEM and our solution is integrated and verified in a pilot vehicle, only limited or even minimal model-specific adjustments are needed for subsequent models, as most of the software functionalities have already been developed and tested, allowing

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OEMs to avoid repeating full integration cycles and shortening the average OEM integration cycle. For example, in 2019, we developed cockpit software for a leading vehicle model of a major OEM, which took over 30 months to complete. By 2024, similar projects can be delivered in just 10 months. This approach significantly improves the reusability and scalability of our software across multiple vehicle models and product generations. As more vehicle programs adopt our solutions, the incremental engineering effort required for each additional deployment declines, allowing us to capture additional licensing revenue with relatively limited marginal cost. This operating leverage supports the long-term sustainability of our revenue base and contributes to improving our profitability profile over time.

○ **Enhance the performance of Full-stack End-to-end AI Solutions for optimized user experience**

■ *Optimizing the in-vehicle user experience.*

The development and sales of AI solutions constitute a key strategy for achieving our business sustainability and profitability because a smarter, faster and more reliable smart cockpit system is the key to optimize in-vehicle experience and enhance our competitiveness in attracting OEMs. Improvements such as higher accuracy and faster responding speed of in-vehicle AI solutions are essential for consumer engagement in smart cockpits. A consumer refers to an individual who uses smart cockpit functions in vehicles, such as car buyer, driver or passenger. If an in-vehicle smart cockpit system fails to recognize consumers’ commands or responds too slowly, they may rarely use or quickly abandon the feature. In such cases, OEMs have little incentive to purchase smart cockpit services, as it does not help them attract or retain consumers. Conversely, a smart AI solution, which can not only understand and fulfill consumers’ requests immediately and accurately, but also anticipate their needs even before saying it, will significantly enhance the in-vehicle experience. These capabilities will increase consumer satisfaction and strengthen OEMs’ ability to differentiate their vehicles in a competitive market. As a result, optimized user experience directly drives demand for our solutions, making them more attractive to OEMs and reinforcing our long-term commercialization potential. This is why we keep investing in R&D of our AI solutions to make them smarter, quicker and more human-like. Our R&D investment is directed toward strengthening our foundational technological capabilities rather than targeting any single vehicle model, as we believe these foundational upgrades will benefit and elevate the performance our entire solutions portfolio. Over the long term, stronger technological capabilities will make our offerings more competitive and attractive to OEMs, supporting broader adoption across future vehicle programs. Our R&D investment has translated into rapid commercialization of our AI capabilities. Revenue generated from our Full-stack End-to-End AI Solutions increased from RMB14.1 million in 2023 to RMB66.6 million in 2025, representing a CAGR of 117.1% during this period.

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■ Enhance our end-to-end AI solutions for higher accuracy and speed.

Since the first quarter of 2024, we have continued to invest in upgrading our Full-stack End-to-End AI Solutions, with a focus on our language, voice, end-to-end models and System Agent. The upgrades focus on improving the performance of online speech recognition, semantic understanding, and speech synthesis software. This growth reflects the increasing adoption of our AI-powered cockpit capabilities by OEM customers and demonstrates the expanding commercial value of our end-to-end AI technology stack. Building on this momentum, we continue to enhance our AI capabilities through the following R&D breakthroughs:

- The upgrades have improved users’ satisfaction rate of our voice interaction system by 20% and reduced its failure rate by 80%;
- We integrate third party large language model into our end-to-end Yan AI framework, functioning together with our newly implemented Mixture of Experts (“MOE+”) technology. Our MOE+ technology allows multiple software modules to function like a team, activating only the most relevant ones for each user input, thereby improving speed, efficiency, and accuracy; and
- We have further invested in our System Agent, achieving simultaneous dispatch and coordination of ten software modules with more than 95% accuracy rate, which means that in over 95% of user cases, the right software modules and AI agents (i.e., vehicle control functions powered by on-board AI models, or Knowledge & Chat Agent powered by LLM application algorithm) are dispatched for answering users’ requests.
- In addition, since our enhanced end-to-end AI solutions are cloud-based, they do not impose additional requirements on the computing power of chips. Therefore, our enhanced AI solution can be deployed across low-end chips and high-end chips and their related series.

Our Full-stack End-to-end AI solutions have already experienced increasing market adoption. For example, our development of AI Agents, powered by Qwen and Yan AI, are highly recognized by a world’s leading manufacturer of premium cars. We have built close cooperation with the OEM and plan to develop a customized AI Agent for its next generation vehicle models: “Car Genius”. “Car Genius” is designed to answer users’ questions about their cars, driving status and maintenance/upgrading tips. The vehicles equipped with the “Car Genius” feature are expected to enter mass production in the third quarter of 2026. Through combining the OEM’s high vehicle quality and our full-stack AI capabilities, we expect the new vehicle model to deliver intelligent and personalized cockpit experience and receive strong market interest.

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- *Pioneer in on-board large model for optimized experience: offer AI solutions as a smart companion.*

In June 2025, we launched the world’s first full scenario multi-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. In September 2025, we further launched the world’s first full-modal on-board large model solutions based on this chip platform and its related series for smart cockpits, and remain the only one as of the date of this Document, according to the same source. Our on-board large models have achieved interaction response times under 2 seconds and accuracy rates above 95%. Our on-board large models enable “always-on” proactive intelligence that supports continuous dialogue without the need for repeated wake-up commands. It also enables the smart cockpit system to proactively offer services based on its recognition of outside environment, such as automatically turning on air conditioner in hot weather, playing soft music during traffic jam to ease the tension of drivers, among others. In a scenario where the driver would like to pick up his/her family and go a movie, our AI solutions will automatically recommend suitable route and move time slot in natural conversation. In this way, voice interaction system is no longer a tool that simply answer to users’ instructions, but a smart companion of drivers and passengers.

We expect our software solutions developed based on the fifth-generation chip to drive up our revenue. Vehicles equipped with the fourth-generation chips has already received wide market interest, with the number of Chinese passenger vehicles that were equipped with the fourth-generation chip reached 1.4 million units in 2024 and 1.0 million in just the first half of 2025, according to CIC. The fifth-generation chips have received wide market adoption since its release, and is expected to achieve the similar momentum to the previous chip generation, being one of the mainstream chips for smart cockpit solution in the future. Leveraging our first-mover advantage in integrating our solutions with the fifth-generation chips, we expect to be among the first ones to engage those OEMs who adopt such chips. As of the Latest Practicable Date, among leading global OEMs which announced interests in adopting the chip platform in their smart cockpits, the debut of our on-board large model solutions has attracted 15 OEMs to engage in business conversations with us, six of which have already entered into design-win agreements with us.

Leveraging our upgraded on-board model, we aim to secure 2-3 first-wave OEMs who adopt the fifth-generation chips , with broader adoption expected across additional models in 2026-2027. This initiative positions us to capture early-mover advantage in the emerging on-device AI market, driving medium- to long-term revenue growth.

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○ *Expanding high-margin Recurring Revenue through CSP monetization and in-vehicle services.*

We plan to grow our AI-driven cockpit services and software operations that contribute to higher overall gross margins. For example, we focus on growing the number of CSPs transacted through our marketplace. As we cooperate with more OEM customers and deploy our solutions across a larger vehicle base, more drivers and passengers will access the in-vehicle services and applications provided by CSPs, which in turn attracts additional CSPs to offer services on our marketplace. This ecosystem expansion has already translated into meaningful revenue growth. Our revenue generated from Vehicle-based Services Marketplace increased from RMB106.4 million in 2023 to RMB151.2 million in 2025, representing a CAGR of 19.2%. By enabling CSPs to reach and engage with consumers more effectively, we capture value from revenue-share agreements and other monetization models. We started early-stage commercialization regarding the revenue-sharing arrangements with CSPs in 2023, as evidenced by initial revenue recognition in the same year. The number of CSPs entering into revenue-sharing arrangements with us increased from only two as of December 31, 2024 to 22 as of December 31, 2025. The rapid increase was along with the development of our AI technologies, as smooth, natural and accurate in-vehicle language interaction is the key for consumers to use the in-vehicle services and apps. As we attract more consumers to use such services and apps, more CSPs will be interested in reaching this ever-growing consumer base through our marketplace and entering into cooperation with us. In addition, as more vehicles equipped with our solutions enter into market, we expect to attract more CSPs and generate a greater portion of our revenue from revenue sharing. In 2026, we expect to enter into revenue-sharing arrangements with more than 30 additional CSPs.

Specifically, we have continued to upgrade our solution category and capture more market share to improve profitability. Powered by our agentic AI software stack, we designed the AI-native in-vehicle apps and services to be proactive in understanding and fulfilling consumers’ needs, enabling more personalized and seamless interactions that drive higher user engagement than traditional, passive cockpit-native in-vehicle apps. For example:

■ *Develop more in-vehicle services for broader revenue source.*

We have continued to enrich our AI-native in-vehicle services and apps. For example, We initiated the R&D of our *Super Diagnosis and Service Agent*, a lightweight on-board smart cockpit solution designed to automatically identify accidents and notify nearby 4S shops, repair shops, and insurance companies. Compared with our existing Vehicle Accident Identification Agent, this upgraded service agent will integrate multiple functions, including real-time accident detection, insurance claim guidance, real-time energy consumption display, car maintenance service booking, price comparison, and recommendations from a car wash marketplace. We started to deploy it in vehicles in June 2025. As of December 31, 2025, the *Super Diagnosis Service Agent* was deployed on approximately 349,143 vehicles. Going forward, we plan to further upgrade *Super Diagnosis and Service Agent’s* functions by optimizing the claim reporting mechanism for car owners, developing one-click claims reporting functions, and building drivers’ safety and credibility rating system to assist insurance companies in designing accident or other related insurance products. By offering a broad range of services, the *Super Diagnosis and Service Agent* will enable us to

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connect with a wider network of CSPs. In addition, we expect the number of vehicles equipped with these apps to continue to grow in 2025 and 2026, creating more monetization opportunities through license fees and revenue-sharing arrangements.

- *Convert popular mobile apps into AI-native in-vehicle apps.*

We have been, and plan to continue, developing a series of AI-native in-vehicle apps. The development encompasses (i) building advanced data processing capabilities to support real-time, in-vehicle usage, (ii) unifying user accounts across platforms to ensure seamless access and cross-app integration, (iii) establishing personalized user profiles to deliver tailored experiences, and (iv) creating a standardized operational framework to support scalability and long-term efficiency. By embedding AI capabilities such as user profile analysis and intelligent recommendation algorithms, we plan to continue to improve the accuracy of personalized recommendation and further enhance user experience. We believe that these initiatives will help us to attract new users, strengthen user’s loyalty, and thereby capturing greater value from cooperating with OEMs and CSPs. These developments are expected to generate meaningful growth and profitability for us. As of the Latest Practicable Date, we have developed 13 AI-native in-vehicle apps. Since we charge license fees based on installation volume, higher vehicle sales are expected to drive greater installation volume and, in turn, increased revenue. The technological advantages have attracted an increasing number of CSPs during the Track Record Period.

- In addition, the breadth of services, rather than merely the number of CSPs, contributes to the diversification of our product offerings and monetization model. Based on different features of apps and services, we have adopted different monetization models to enrich its revenue resources, for example:
 - for music streaming apps which are often installed in the car, we charge commission revenue based on a pre-agreed percentage of the transaction value made through our marketplace.
 - for vehicle lifecycle services, we charge services fees for each charging services accomplished through app and each vehicle appraisal report it furnished.

- **Making solid progress in improving efficiency.**

In parallel with our business expansion, we are making steady progress in improving our cost structure and operating efficiency.

- *Achieving economics of scale*

- *Lower incremental R&D costs on additional vehicle models.* We aim to improve the margin profit of our solutions as we expand our business. For example, an automotive operating system ported to five vehicle models across three OEMs requires far less incremental cost than five standalone builds. Similarly, our voice AI foundation model, once trained and integrated with multimodal inputs, can support dozens of cockpit functions across OEMs, with relatively limited incremental cost. We have achieved initial

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economies of scale: our “R&D productivity rate” — measured by dividing total revenue by the average number of R&D personnel — increased by approximately 40%, from RMB0.8 million per R&D personnel in 2023 to RMB1.1 million per R&D personnel in 2025, driven by greater team efficiency and improved commercialization of our technologies.

- *Improved R&D efficiency through reuse of software.* Our self-developed technologies — including our proprietary AOS framework, System Agent and other technologies within the Yan AI software stack — are architected for broad reuse across customers and vehicle platforms. These components require significant upfront R&D investment and long development cycles but are designed to be modular, scalable, and easily adaptable to multiple vehicle models across different OEMs. As adoption and our installation volume increase, each additional deployment benefits from prior validation, accumulated integration experience, existing development toolchains, and a growing library of reusable software modules, leading to declining per-unit development, deployment, and maintenance costs. As we transform our foundational technology into scalable automotive operating system solutions and AI agents, and equip them into an increasing number of vehicles, we drive down per-unit development, validation, and support costs, which is expected to continue to drive margins.

- *Streamlining internal development process*

We have also streamlined internal processes between our engineering, product, and front-line delivery teams to reduce redundancy and accelerate implementation cycles. This allows us to handle more design-wins with fewer incremental resources, while also improving customer satisfaction and deployment quality. As our design-win base and installation volume grow and more software modules are reused across design-wins and vehicle models, we expect to achieve further operational leverage. Specifically, we have taken the following measures to improve our operational efficiency.

- *Develop a centralized cloud-based equipment management platform for improving efficiency.*
 - *Detailed measures.* We have established a centralized cloud-based equipment management system to remotely test its software on testing equipment. The platform enables remote usage, status inspection, monitoring alerts, and automated operations. In addition, it has consolidated dispersed testing equipment into a shared resource pool, and developed intelligent scheduling algorithm based on priority and availability to reduce idle waiting time.
 - *Timeline.*
 - *By fourth quarter of 2022:* completed platform architecture design and core module development, supporting the connection of over 500 testing devices.
 - *By the fourth quarter of 2023:* deployed basic monitoring and automated operations, scaling up to 1,000+ testing devices.

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- ***By the fourth quarter of 2025:*** enhanced intelligent scheduling algorithms, raising utilization rates of project devices to approximately 70%; and integrated AI-driven function to detect and auto-recover faults, fully cover all testing devices.
 - ***Impact.*** These initiatives have delivered, and are expected to continue to deliver, substantial performance enhancements. Device utilization is expected to increase from approximately 30% to over 70%, which will help reduce costs in equipment procurement. Operational efficiency has also been enhanced through reduced manpower requirements, with a single individual be able to maintain more than 500 devices with our optimized vehicle-machine management platform. Response speed is projected to improve dramatically, shortening from an average of four hours to just forty minutes, an 88% increase in efficiency. In addition, the time required to prepare testing environments will be reduced by 97% from two days to only half an hour. It underscores our commitment to achieving substantial gains in productivity, cost-effectiveness, and responsiveness.
- ***Implementation of an integrated automated testing platform.***
- ***Detailed measures.*** We have implemented an integrated automated testing platform which conduct standardized APIs testing and user interface (UI) and user experience (UX) testing. In other words, the platform can verify whether the software works correctly behind the scenes and whether it looks and feels right for drivers and passengers. The platform substantially improves the efficiency through supporting multi-environment execution in parallel. For example, it enables concurrent testing across various vehicle models, automotive machine systems, and automotive operating systems (including Android, Linux, and AOS). Moreover, our testing efficiency was further strengthened by adopting AI-native testing software, utilizing large model-based analysis to automate solution testing and validation.
 - ***Timeline and impact.*** The initiative was completed in the third quarter of 2024, which support a wider range of tested devices, tools, and test-case integration. The roll-out of these initiatives is expected to significantly enhance operational efficiency. For example, the time of testing for vehicle control full functions is expected to reduce from 24 person-days (time equivalent to 24 people working for one day) to 9 person-days (time equivalent to 9 people working for one day).
- ***Introduction of an automated CI/CD pipeline.***
- ***Detailed measures.*** We have focused on improving efficiency through building an automated CI/CD pipeline. CI/CD (Continuous Integration/Continuous Deployment) is a way of automatically testing and delivering new software so that updates can be released quickly and reliably. By using multiple nodes to process tasks in parallel, we improve the utilization rate of computing resources and speeds up the software development process. We also developed an *Incremental Development Algorithm* which automatically recognize the software updates needed and focus on the updates accordingly, thereby avoiding rebuilding everything from scratch, and reducing image building time

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by approximately 80%. In addition, we have developed a centralized software version control system, ensuring consistency and stability across different software development.

- ***Timeline.***
 - ***By the fourth quarter of 2024:*** introduced support for multi-OS pipeline, where software can be developed to be adaptable across multiple operating system.
 - ***By the third quarter of 2025:*** Implemented *Incremental Development Algorithm*.
- ***Impact.*** The CI/CD platform has helped the Company improve the average time for completing a set of coding from one hour to around ten minutes, with the success rate improved from 70% to 90%. It also reduced the waiting time of R&D employees by 80%, thereby saving manual labor costs.
- **Business and Financial Impact of Our Strategies**

Business Impact

As the only smart cockpit solution provider who seamlessly integrate three core pillars of an intelligent vehicle experience, we benefit from strong synergies among our businesses, which support overall revenue growth. For example, breakthrough in Full-stack End-to-end AI solutions, such as introducing AI agents to proactively anticipate users’ demand, accurately understand their requests and swiftly fulfill their needs, will allow us to attract more CSPs and encourage them to integrate their services into our marketplace.

Our efforts have already yielded measurable results. From 2023 to 2025, the number of our OEM customers increased from 30 to 43, and our annual installation grew from 2.1 million units to 2.5 million units. As of December 31, 2025, our cumulative installation volume amounted to 9.4 million units. In addition, the number of our new design-wins increased from 186 in 2023 to 207 in 2024, and further to 214 in 2025, showing strong momentum towards growing installation volume. This rapid scale-up has laid a solid foundation to continue attracting OEM customers, deploying our solutions on more vehicles and cooperating with more CSPs. As of December 31, 2025, we have closely partnered with 22 CSPs with revenue-sharing arrangements, a significant increase from only two as of the end of 2024.

We believe that a larger scale and installation volume directly enhance our commercial bargaining power. As our solutions become more deeply embedded in OEMs’ vehicle lines and supply chains, we gain leverage in negotiating pricing, technical support terms, and CSP partnerships. Our expanding footprint also drives ecosystem influence, enabling us to shape cockpit standards and position ourselves as the go-to partner for next-generation in-car intelligence. Our increased scale has positioned us well to negotiate more advantageous commercial terms with OEMs, suppliers and CSPs, which ultimately benefits our long-term revenue and margin growth.

Financial Impact

Our business strategies and R&D initiatives have translated into sustainable financial performance, and we have achieved substantial financial progress in 2025. Our total revenue have recovered from RMB823.8 million in 2024 to RMB861.1 million in 2025, primarily driven by the growth in the Full-stack End-to-end AI Solutions (which has increased by 22.0% during the same year) and the Vehicle-based Services Marketplace (which has increased by

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83.6% during the same year). Our revenue from System-level OS solutions, while decreasing by 6.3% from 2024 to 2025, we expect our launch of L+A solutions to drive up the revenue in a long run. Since the first vehicle equipped with our L+A solutions entered mass production at the end of July 2025, our L+A solutions have already contributed approximately RMB37.8 million in revenue from August to December 2025, demonstrating the strong initial commercial traction. Our business growth have also bring Recurring Revenue opportunities. In 2025, our Recurring Revenue reached RMB447.8 million, accounting for more than half of our total revenue. At the same time, our gross profit margin also recovered from 38.9% in 2024 to 41.9% in 2025, primarily driven by the launch of our L+A solutions which carries higher gross profit margin than our earlier L+L solutions. Looking ahead, with the continued ramp up of L+A solutions, the rollout of vehicles equipped with our full-modal on-board large model solution, and the expansion of our CSP network, we expect further growth in OEM adoption, installation volumes, and monetization opportunities, supporting sustained growth.

Through our efficiency improvement measurements, we are able to fully optimize workforce productivity. From 2023 to 2025, our revenue per employee increased at a CAGR of 11.6%. To further enhance human resource efficiency, from 2023 to 2025, we have recruited more than 250 employees in Wuhan, Hefei, Chengdu, Chongqing and other cities, where the average annual per capita labor cost was 48% lower than Beijing, Shanghai, and Hangzhou. Leveraging economies of scale and improvements in internal development processes, we have steadily strengthened operating leverage. From 2023 to 2025, our operating expenses declined by 29.8% from RMB1,460.2 million to RMB1,025.7 million. With ongoing optimization of our cost structure and operational efficiency, we expect to continue enhancing operating leverage.

We believe that, with these improvements in revenue, gross profit margin and operating leverage, we are on the path toward sustainable profitability and long term value creation.

OUR CUSTOMERS

Our current customers are primarily OEMs and Tier-1 suppliers, including some of the industry’s most respected brands reflecting our influence in smart cockpit solutions.

Major Customers

In 2023, 2024 and 2025, the aggregate revenue generated from our top five customers for each of the years amounted to RMB783.6 million, RMB728.9 million and RMB658.2 million, which 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 amounted to RMB413.3 million, RMB319.3 million and RMB337.7 million, which accounted for 47.4%, 38.8% and 39.2% of our total revenue, respectively. This level of customer concentration, according to CIC, is in line with the industry norm of the smart cockpit industry, as leading OEMs with substantial market share typically account for a significant portion of the demand for smart cockpit services. In line with this market structure, we have strategically focused on securing partnership agreements with a selected group of leading OEMs, using these flagship collaborations as landmarks to demonstrate our technical merits, reliability and total-cost advantages of our solutions. Our OEM customer base covers seven of top ten OEMs in terms of sales volume in China in 2025, according to CIC.

Consistent with industry practice, we do not proactively track the ultimate geographic destinations of vehicles equipped with our solutions and sold by our OEM customers. However, based on information available to us, we are not aware of vehicle models equipped with our solutions that were sold to the U.S.. Additionally, during the Track Record Period, all of our customers are based in China, and all of our revenue was generated in China. During the Track Record Period and up to the Latest Practicable Date, we have not experienced any material adverse changes in sales, order volume, selling prices, financial performance or received customer requests for order cancellations or renegotiation of sales terms as a result of U.S. or other overseas tariffs.

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Our Business Relationship with SAIC

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. SAIC is a leading Chinese OEM and has been a Controlling Shareholder of our Company since our inception, and we have worked closely with SAIC to develop and implement our proprietary AOS and AI-native smart cockpit solutions across a wide range of SAIC vehicle platforms. During the Track Record Period, we mainly provided SAIC (i) our System-level OS Solutions, recording the revenue of approximately RMB398.8 million, RMB317.4 million and RMB332.1 million for the years ended December 31, 2023, 2024 and 2025, respectively, (ii) Full-stack End-to-end AI recording the revenue of approximately RMB0.1 million, nil and RMB3.1 million for the years ended December 31, 2023, 2024 and 2025, respectively, and (iii) Vehicle-based Services Marketplace recording the revenue of approximately RMB14.4 million, RMB1.9 million and RMB2.5 million for the years ended December 31, 2023, 2024 and 2025, respectively. In addition, during the Track Record Period, SAIC mainly supplied us with hardware products. See “Overlapping of Major Customers and Suppliers” for details.

Our solutions, such as System-level OS Solutions and AI-powered software stack have been designed for deep integration with OEM electronic and software architectures. SAIC’s early involvement has allowed us to deeply embed our solutions into its product development cycle and enabled large-scale commercial deployment across SAIC’s brands, such as IM Motors, Roewe, MG and MAXUS. As of December 31, 2025, our smart cockpit solutions had been installed in over 2.4 million SAIC vehicles, spanning all major brands and a majority of models and price points. The substantial transaction volume with SAIC reflects not structural reliance, but rather the scale and breadth of our cooperation, as well as our ability to deliver stable and high-performance solutions across multiple mass production vehicle lines. Our collaboration with SAIC has also provided us with early and reliable access to production platforms, enabling fast iteration and validation of our core technologies. These synergies have supported SAIC’s digital transformation, while helping us achieve commercial viability and Recurring Revenue at scale. See “Relationship with our Controlling Shareholders—Independence of our Business—Relationship with SAIC” and “Connected Transactions”.

As one of our Controlling Shareholders since inception, it is natural for SAIC to keep our development on its radar and consider using our solutions if they fit SAIC’s demands and brings mutual benefit. In addition, as advised by CIC, this level of customer concentration is not uncommon among technology providers in the early stages of commercialization within the smart cockpit industry and is in line with the industry norm.

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The current concentration is primarily the result of our strategic choice to prioritize scalable OEM partnerships in our early stage of growth. As we continue to expand, we are committed to diversifying our customer base. We do not believe this customer concentration reflects structural reliance or introduces material risk. As we further grow, we plan to continue broaden our customer portfolio. In 2023, 2024 and 2025, 52.6%, 61.2% and 60.8% of our revenue was derived from customers other than SAIC, evidencing our growing capabilities in attracting more diversified customer base. We expect that revenue contribution from non-SAIC customers will continue to increase, as we expand cooperation with other leading OEMs and deepen mass-production programs with new design-wins obtained in 2024 and 2025. Furthermore, we plan to expand our Recurring Revenue through attracting more CSPs to our marketplace and further monetization our in-vehicle services. As our services scale, we expect our revenue base to become increasingly diversified and customer concentration to decline accordingly.

Details of Our Transactions with Five Largest Customers

The following tables set out details of our five largest customers in each period of the Track Record Period:

Customers	Major Type of Products and Services Provided	Year of Commencement of Business Relationship	Payment Method	Credit Term	Revenue Amount <i>(RMB in thousands)</i>	% of Our Total Revenue
Year ended December 31, 2023						
SAIC ⁽¹⁾	Integrated software solutions and licensing service	2017	Bank Transfer	25-60 days	413,296	47.4%
Customer A ⁽²⁾	Integrated software solutions and licensing service	2021	Bank Transfer	30-90 days	183,022	21.0%
Customer B ⁽³⁾	Integrated software solutions	2018	Bank Transfer	30-180 days	162,575	18.6%
Customer C ⁽⁴⁾	Integrated software solutions	2021	Bank Transfer	25-90 days	12,479	1.4%
Customer D ⁽⁵⁾	Integrated software solutions and licensing service	2021	Bank Transfer	15-90 days	12,203	1.4%
Total					783,575	89.8%
Year ended December 31, 2024						
SAIC ⁽¹⁾	Integrated software solutions and licensing service	2017	Bank Transfer	25-60 days	319,334	38.8%
Customer A ⁽²⁾	Integrated software solutions and licensing service	2021	Bank Transfer	30-90 days	182,649	22.2%
Customer B ⁽³⁾	Integrated software solutions	2018	Bank Transfer	30-180 days	179,407	21.8%
Customer E ⁽⁶⁾	Integrated software solutions	2022	Bank Transfer	30 days	29,351	3.6%
Customer C ⁽⁴⁾	Integrated software solutions and licensing service	2021	Bank Transfer	25-90 days	18,154	2.2%
Total					728,895	88.6%
Year ended December 31, 2025						
SAIC ⁽¹⁾	Integrated software solutions and licensing service	2017	Bank Transfer	25-60 days	337,688	39.2%
Customer B ⁽³⁾	Integrated software solutions	2018	Bank Transfer	30-180 days	140,226	16.3%
Customer A ⁽²⁾	Integrated software solutions and licensing service	2021	Bank Transfer	30-90 days	122,815	14.3%
Customer F ⁽⁷⁾	Integrated software solutions and licensing service	2023	Bank Transfer	20 days	31,362	3.6%
Customer G ⁽⁸⁾	Software solutions	2023	Bank Transfer	10 days	26,093	3.0%
Total					658,184	76.4%

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Notes:

- (1) SAIC is a company primarily engaging in manufacturing automotive vehicles, incorporated in 1984, headquartered in Shanghai, China, which is listed on the Shanghai Stock Exchange.
- (2) Customer A is a company primarily engaging in manufacturing automotive vehicles, incorporated in 1991, headquartered in Jilin, China, which is a Sino-German joint venture enterprise.
- (3) Customer B is a company primarily engaging in manufacturing automotive vehicles, incorporated in 1985, headquartered in Shanghai, China, which is a Sino-German joint venture enterprise.
- (4) Customer C is an internet data and big data services provider, incorporated in 2020, headquartered in Liaoning, China. Customer C is a designated tier-1 supplier for a well-established OEM. We provided Customer C with various software development solutions and voice interaction services, who will consolidate our software and services into its smart cockpit solutions provided to the end-OEM.
- (5) Customer D is a telecommunication services and big data services provider, incorporated in 2002, headquartered in Anhui, China, being a subsidiary of a leading communication and big data services provider. We provide Customer D with integrated services to support its engagement in developing a smart transportation project. As smart transportation is based on telecommunication, Internet connection and data transmission, Customer D, as a telecommunication services and big data services provider, are responsible for overall coordination of the project. Therefore, Customer D engaged us to conduct road test, cloud test and provide relevant software services
- (6) Customer E is a company primarily engaging in manufacturing automotive vehicles, incorporated in 2007, headquartered in Shanxi, China.
- (7) Customer F is a company established in 2019 based in Sichuan, China and primarily engaged in professional technical services.
- (8) Customer G is an internet data and data services provider, incorporated in 2014, headquartered in Shenzhen, China.

To the best of our knowledge, other than the circumstances involving SAIC, AGH and Customer B, all of our five largest customers in each period during the Track Record Period are Independent Third Parties, and none of our Directors, Supervisor, their respective close associates or any of our Shareholders (who or which to the knowledge of the Directors owned more than 5% of our issued share capital) had any interest in any of our five largest customers during the Track Record Period. To the best of our knowledge, SAIC owns 50% of equity interest in Customer B. Customer B is an equity investee and not a subsidiary of SAIC.

During the Track Record Period, substantially all of our revenue was derived from China. Consistent with industry practice, we primarily provide smart cockpit solutions for deployment in our customers’ mass-produced vehicles. We do not proactively track the geographic locations where our customers sell such vehicles, nor do we monitor the sources of their downstream revenue, as these factors are outside the scope of our business operations.

Salient Terms of Contracts with Customers

A summary of the typical terms and conditions of our agreements with key customers is set forth below:

Solution specifications. The agreements with our customers generally specify the development and delivery timeline, the delivery quality requirement, pricing and payment arrangement and other detailed items. We do not require minimum purchase commitment from our customers.

Product liability and safety. We are generally responsible for the quality and safety of the solutions provided by us. We provide warranties in line with industry norm and indemnify our customers regarding the quality and/or safety of our solutions for a mutually agreed period of time after our delivery.

Duration. Generally, our agreements’ durations last from two years to ten years.

Warranty. We offer solution warranties to our customers. See “—Customer Service and Warranty.”

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Termination. Our customers have the right to terminate the agreements if our solutions do not meet quality requirements or if we fail to make timely delivery.

During the Track Record Period and up to the Latest Practicable Date, there was no material breach of agreement and/or any purchase orders with our major customers. During the Track Record Period and up to the Latest Practicable Date, we have not encountered any material complaints, litigation, or incidents concerning the quality or safety of our products or services.

We consider, and the Joint Sponsors concur, that the likelihood of termination or material change in our business relationship with major customers to be low. This assessment is based on the following commercial and technical considerations:

Well-established historical collaboration with large customers. Most of our major customers have maintained a long-standing and stable business relationship with us, ranging from three to eight years. As of December 31, 2025, none of our major OEM customers terminated their business relationship with us. According to CIC, on average, a mass-produced vehicle model has a lifespan of two to five years, and it is unlikely for OEM customers to shift away from deploying our smart cockpit solutions during such a lifespan.

Strong market recognition and renewal pattern. As one of the only two third-party suppliers having fully developed in-vehicle operating system in-house, we gained widespread recognition within the market. For the year ended December 31, 2025, we secured 214 design-wins, and 178 of them were from our existing major OEM customers, demonstrating high repurchase rate and trusts from our existing customers.

Customer-oriented technological integration. Our collaboration with our major customers was designed not merely as a commercial arrangement but as a strategic partner to help them upgrade their smart cockpit system, and transform their cars into intelligent companions to drivers and passengers. From AOS to Full-stack End-to-end AI Solutions and to Vehicle-based Services Marketplace, we offer OEM customers with comprehensive services, substantially saving the time and costs for OEMs to develop on their own and shortening the time-to-market. We also closely engaged with OEM customers, including having technical discussion with them on how to achieve desired function with our various AI solutions, further enhancing the competitiveness of their vehicle models in the automotive industry. We believe the strong technological and commercial value we delivered to our customers is the key to attract new customers and retain existing ones.

Customer Service and Warranty

Our approach combines standardized processes with flexible, customer-centric solutions to ensure customer satisfaction and drive continuous product improvement. Our service system is structured across (i) pre-sales and pre-delivery support, where we proactively engage with customers to align on requirements, clarify technical details, and brainstorm solutions; (ii) Project Delivery and Implementation Support, including stages such as requirements analysis, software design and development, system integration and testing, and formal delivery; (iii) on-going technical support for each vehicle model throughout its production phase and for a specified period after the end of production; and (iv) active after-sales services with a dedicated quality and after-sales teams that conduct regular customer satisfaction surveys and root-cause analyses of any reported faults. We provide warranties in line with industry norm and indemnify our customers regarding the quality and/or safety of our solutions for a mutually agreed period of time after our delivery. During the Track Record Period, we have not received any material customer complaints.

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OUR SUPPLIERS

In 2023, 2024 and 2025, purchase amount to our top five suppliers was RMB354.1 million, RMB349.6 million and RMB296.9 million, representing 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 was RMB280.8 million, RMB256.9 million and RMB213.1 million, representing 58.4%, 50.5% and 40.7% of our total purchase amount, respectively.

Our Business Relationship with AGH

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, recording approximately RMB59.4 million, RMB58.1 million and RMB63.4 million for the years ended December 31, 2023, 2024 and 2025, respectively, (ii) software license from Amap and Tmall Genie, which allow us to apply software and applications developed by AGH and its associates at automobile and integrate with the automotive operating system developed by us, such as navigation software, Amap, and others, recording approximately RMB159.7 million, RMB146.3 million and RMB120.0 million for the years ended December 31, 2023, 2024 and 2025, respectively, and (iii) shared services which allow us to share office premises, mid-office and back-office administrative support and other related services, recording approximately RMB56.1 million, RMB44.7 million and RMB41.1 million for the years ended December 31, 2023, 2024 and 2025, respectively. See “Connected Transactions” for details. To a lesser extent, we also provided our integrated software solutions to AGH. See “Overlapping of Major Customers and Suppliers” for details.

Leveraging AGH’s cloud services allows us to deploy our cockpit solutions with higher scalability, operational stability and lower latency, which are critical to meeting real-time, in-vehicle performance standards. Moreover, our access to widely adopted AGH-affiliated applications such as Amap and DingTalk enables us to embed high-frequency mobility and productivity features directly into the cockpit. In addition, sharing office premises, mid-office and back-office administrative support will allow us to effectively leverage AGH’s resources and achieve greater operational efficiency. These integrations strengthen our ability to deliver a differentiated user experience, enhance consumer engagement, and accelerate OEM adoption of our solutions.

Beyond product-level collaboration, our relationship with AGH also offers broader ecosystem-level benefits. AGH supports our long-term development in areas such as AI model training, edge computing, and in-car commerce. For example, our proprietary Yan AI software stack—which powers our smart cockpit assistant—is developed based on *Qwen*, the foundational large language model developed by AGH. We believe this ongoing cooperation enhances our ability to deliver safe, reliable and personalized cockpit experiences.

Due to our aligned strategic interests and complementary strengths, and as AGH is one of our Controlling Shareholders, we expect our cooperation to continue in the future. We do not believe this supplier concentration reflects structural reliance or introduces material risk. We have entered into long-term framework agreements with AGH for all of the cloud services, software licenses and shared services, each effective until December 31, 2027. See “Connected Transactions”.

As a result, we do not believe this supplier concentration reflects structural reliance or introduces material risk.

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Details of Our Transactions with Five Largest Suppliers

The following table sets forth details of our five largest suppliers in each period of the Track Record Period:

Suppliers	Major Type of Products and Services Procured	Year of Commencement of Business Relationship	Payment Method	Credit Term	Purchase Amount <i>(RMB in thousands)</i>	% of Our Total Purchase
Year ended December 31, 2023						
AGH ⁽¹⁾	Software solutions, licensing service and shared services	2017	Bank Transfer	30-45 days	280,821	58.4%
Supplier A ⁽²⁾	Licensing service of software voice modules	2018	Bank Transfer	45 days	29,751	6.2%
Supplier B ⁽³⁾	Software solutions and licensing service	2019	Bank Transfer	30 days	20,715	4.3%
SAIC ⁽⁴⁾	Hardware components	2017	Bank Transfer	60 days	12,072	2.5%
Supplier C ⁽⁵⁾	Software solutions and licensing service	2021	Bank Transfer	60 days	10,775	2.2%
Total					354,134	73.6%
Year ended December 31, 2024						
AGH ⁽¹⁾	Software solutions, licensing service and shared services	2017	Bank Transfer	30-45 days	256,932	50.5%
Supplier B ⁽³⁾	Software solutions and licensing service	2019	Bank Transfer	30 days	35,542	7.0%
Supplier A ⁽²⁾	Licensing service of software voice modules	2018	Bank Transfer	45 days	26,351	5.2%
Supplier C ⁽⁵⁾	Software solutions and licensing service	2021	Bank Transfer	60 days	17,022	3.3%
SAIC ⁽⁴⁾	Hardware components	2017	Bank Transfer	60 days	13,737	2.7%
Total					349,584	68.7%
Year ended December 31, 2025						
AGH ⁽¹⁾	Software solutions, licensing service and shared services	2017	Bank Transfer	30-45 days	213,107	40.7%
Supplier D ⁽⁶⁾	Hardware components	2025	Bank Transfer	10 days	24,883	4.7%
Supplier A ⁽²⁾	Licensing service	2018	Bank Transfer	45 days	22,776	4.3%
Supplier E ⁽⁷⁾	Data services	2025	Bank Transfer	Prepayment	18,336	3.5%
Supplier C ⁽⁵⁾	Software solutions and licensing service	2021	Bank Transfer	60 days	17,763	3.4%
Total					296,865	56.6%

Notes:

(1) Collaboration with AGH

AGH is a global technology company focused on e-commerce and cloud computing which is dual primary listed on the New York Stock Exchange and the Stock Exchange. AGH mainly provided us with (i) software solutions comprising of public cloud computing services, (ii) software license from Amap and Tmall Genie and (iii) shared services which allow us to share office premises, administrative support and other related services. See “— Our Business Relationship with AGH” for details.

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(2) Collaboration with Supplier A

Supplier A is a software developer incorporated in 2019, headquartered in Aachen, Germany. automatic speech recognition, natural language understanding, and text-to-speech. We integrate the various voice modules seamlessly into our voice interaction system. As these modules are general-purpose voice software components, we have added significant value by further developing and customizing them for in-vehicle scenarios. For example, we enhanced the modules to integrate with vehicle control systems, enable recognition of requests from different passengers, and deliver more accurate and responsive interactions. Through these adaptations, we transform standard voice technology into a tailored solution that meets diverse user demands and provides a cohesive, intelligent in-vehicle experience.

A summary of the key terms and conditions of our license agreement with Supplier A which are related to intellectual property rights is set forth:

- Ownership of intellectual property rights: Supplier A retains all ownership in the licensed voice modules. We are granted a non-exclusive, non-transferable, and non-sublicensable license to use such voice modules solely for the purpose of integration into its smart cockpit solutions. We retain all the intellectual property of its smart cockpit software solutions, including those integrates the licensed voice modules.
- Royalty arrangement: Supplier A charges us royalties based on the product units in which the licensed voice modules are installed and deployed in end-users’ vehicles.

(3) Collaboration with Supplier B

Supplier B is a basic telecommunications services provider, incorporated in 2000, and headquartered in Beijing, China, being a subsidiary of a leading communication network provider listed on the Hong Kong Stock Exchange. Supplier B mainly provided us with software solutions, which comprise of network data. We design and convert the network data into different network service packages suitable for vehicle use, and offer such packages to OEMs. These packages enable vehicles to stay continuously connected to the Internet and allow consumers to access a wide range of online cockpit services.

(4) Collaboration with SAIC

SAIC is a company primarily engaging in manufacturing automotive vehicles, incorporated in 1984, headquartered Shanghai, China, which is listed on the Shanghai Stock Exchange. SAIC mainly provided us with automotive related products such as domain controllers, supporting System-Level OS solutions.

(5) Collaboration with Supplier C

Supplier C is an intelligent voice interaction technology provider, incorporated in 2007, headquartered in Jiangsu, China. Supplier C mainly provided us with software licenses, in connection with speech-processing modules and voice recognition software supporting System-Level OS solutions and Full-stack End-to-end AI solutions.

(6) Collaboration with Supplier D

Supplier D is a company primarily in retail and wholesale of computer software, hardware and auxiliary equipment incorporated in 2024, headquartered in Shenzhen, China. Supplier D mainly provided us with hardware components including data service modules, mainly used to support our provision of network services package to individual car owners.

(7) Collaboration with Supplier E

Supplier E is data and information service company, primarily engaging in providing technical service, software development and data processing services, incorporated in 2021, headquartered in Anhui, China. Supplier E mainly provided us with data services, which comprise of insurance data that we use to support our vehicle appraisal service.

To the best of our knowledge, other than the circumstances involving SAIC and AGH, all of our five largest suppliers in each period during the Track Record Period are Independent Third Parties, and none of our Directors, Supervisors, their respective close associates or any Shareholder who owned more than 5% of our issued share capital had any interest in any of our five largest suppliers during the Track Record Period.

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Salient Terms of Supply Agreements

A summary of the typical terms and conditions of our purchase order with key suppliers is set forth below:

Product and solution specifications. We specify the products or services, pricing and payment arrangement, quantity, delivery timeline and other detailed items in each purchase order. We do not have a minimum purchase commitment or any penalty in case of shortfall.

Duration. Our agreement duration is generally below ten years or otherwise upon mutual agreements between our suppliers and us.

Warranty. Suppliers shall deliver products and solutions that meet the mutually agreed quality standards with the suppliers’ warranty to repair or fix any non-conforming products or solutions.

Service Termination. The agreement can be terminated upon mutual agreement. We can also terminate the agreements for breach of contract, including material quality issues.

Confidentiality. We typically have the obligation not to disclose the products or solutions we are purchasing from our suppliers, including the pricing, credit terms and user policies.

Comprehensive Supplier Management

We have implemented a comprehensive and systematic supplier management framework that covers the entire procurement, including supplier selection, onboarding and qualification, risk management, contractual control, and performance evaluation. This framework is designed to ensure the security, compliance, and operational efficiency of our entire procurement and supply chain.

Supplier selection process. As an integrated solution provider, we develop holistic solutions for automotive OEMs. In this capacity, our OEM customers typically exercise significant influence over our selections of third-party suppliers. Key evaluation criteria considered by OEMs include product capabilities, depth of technical expertise, supplier system certifications, cost structure, compliance standards, and service support. While these customer requirements are a decisive factor, we leverage our own independent assessments and expertise to propose an optimal supplier configuration to our OEM customers.

Onboarding and qualification. Before a supplier is admitted to our network, we perform a rigorous qualification process. This due diligence includes, but is not limited to, the verification of business registration details, banking information, and an assessment for any material risks. Concurrently with the execution of commercial contracts, we require all suppliers to enter into Non-Disclosure Agreements (NDAs), Electronic Data Interchange Agreements (EDIAs), and Letters of Integrity Commitment, thereby establishing clear principles of confidentiality and ethical business conduct.

Contractual and performance control. All supplier contracts are aligned with the business needs of the relevant project to ensure that rights and obligations are clearly defined for the duration of the engagement. In the event of a breach, contract terms enable the prompt initiation of supplier replacement procedures, thereby mitigating single-supplier dependency and performance risks.

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We believe we have sufficient alternative suppliers that can provide us with substitutes of comparable quality and prices. During the Track Record Period, we did not experience any disruption to our business as a result of any significant shortage or delay in supply of the products we sourced from our suppliers.

During the Track Record Period, we procured certain software and services from the U.S., primarily software used in developing our AOS for automotive-grade chips. The aggregate procurement amount was RMB43.3 million, representing approximately 1.8% of our total procurement during the Track Record Period. We have not experienced any material interruptions or restrictions in such procurement as a result of violation of applicable U.S. export control laws and regulations, including the U.S. Export Administration Regulations (“EAR”).

As advised by the U.S. Export Control Legal Advisor, a China-based company’s purchase of U.S.-origin software does not, in itself, constitute an “export” under the EAR. In the ordinary course, the export or reexport is effected by the seller or the party that transmits or makes the software available from outside China. Exposure under the EAR could arise in limited circumstances, such as where a purchaser causes or induces an exporter’s licensing failure through misrepresentation, subsequently reexports or transfers the software in a manner regulated under the EAR, shares access credentials in a way that constitutes a controlled “release,” or involves an Entity List party in a manner that triggers a licensing requirement. We did not engage in any intentional evasion or misrepresentation, did not export, reexport, transfer, or release items subject to the EAR to any Entity List party, and did not otherwise create derivative export control exposure through interaction with designated parties. The software we procured consisted of ordinary business, development, or operational software that, depending on classification, is typically exportable to China by the exporter under No License Required or an applicable license exception.

During the Track Record Period, we have not experienced interruptions or restrictions in our procurement from U.S. as a result of the U.S. export control laws. In addition, our software is developed entirely in China. We are not designated on Entity List of the Bureau of Industry and Security (“BIS”), nor, to our best knowledge, are majority-owned, individually or in the aggregate, by one or more Entity List parties. Further, we have not provided its software or services to Entity List parties, military end-users, or parties for use in military or surveillance purposes.

We maintain ongoing commercial relationships with our U.S. software suppliers (the “U.S. Suppliers”). Under the current agreements we entered into with the U.S. Suppliers, we are granted either perpetual license rights to use the licensed software (subject to the applicable contractual terms) or renewal rights that generally allow the agreements to be extended on a year-to-year basis under substantially similar terms. In addition, the U.S. Suppliers are generally required to provide at least 30 days’ prior written notice before any discontinuation of the relevant agreements.

We currently do not have immediate plan to complete a full evaluation or commence engagement with alternative domestic suppliers, as our existing procurement arrangements with U.S. suppliers remain stable and uninterrupted. Nevertheless, according to CIC, there are more than 15 alternative domestic suppliers who provide such software services with comparable quality and price. We have continued to monitor developments relating to export control regulations and supplier availability, and would initiate further evaluation and engagement with alternative suppliers if circumstances so require. According to CIC, alternative domestic suppliers are available that are able to provide similar software and services with broadly comparable commercial terms, pricing and quality to those sourced from the U.S.. If required, we believe we would be able to transition to such suppliers within a reasonable timeframe.

In light of the foregoing, we are of the view, and the Joint Sponsors concur, that the U.S. and Chinese tariffs and U.S. export control restrictions have not had, and are not expected to have, a material adverse impact on the Group.

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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. We mainly provided our integrated software solutions and licensing service to SAIC, and SAIC mainly supplied us with hardware products. In 2023, 2024 and 2025, the revenue contribution of SAIC amounted to RMB413.3 million, RMB319.3 million and RMB337.7 million, which accounted for 47.4%, 38.8% and 39.2% of our total revenue, respectively. Our purchase from SAIC was RMB12.1 million, RMB13.7 million and RMB1.7 million, respectively, accounting for 2.5%, 2.7%, and 0.3% of our total purchase in the same periods, respectively.

AGH, being our largest supplier in 2023, 2024 and 2025, was also one of our customers during the same periods, respectively. We mainly provided our integrated software solutions to AGH, and AGH mainly supplied us with cloud services, software services and shared services. In 2023, 2024 and 2025, our purchase from AGH was RMB280.8 million, RMB256.9 million and RMB213.1 million, representing 58.4%, 50.5% and 40.7% of our total purchase amount, respectively. During the same period, the revenue contribution of AGH amounted to RMB9.4 million, RMB6.7 million and RMB9.5 million, respectively, accounting for 1.1%, 0.8% and 1.1% of our total revenue in the same period, respectively.

Negotiations of the terms of our sales to and purchases from the overlapping customer and supplier are conducted on a case-by-case basis and the purchases are neither interconnected nor inter-conditional with each other. All of our sales to and purchases from the overlapping customer and supplier are entered into after due consideration taking into account the prevailing purchase and selling prices at the relevant times, conducted in the ordinary course of business under normal commercial terms and on arm’s length basis.

According to CIC, it is common for players in the automotive intelligence industry to operate across multiple segments of the value chain. As a result, it is the industry practice for upstream and downstream participants to engage in commercial transactions with one another in both customer and supplier capacities.

INTELLECTUAL PROPERTY

We consider our intellectual property to be fundamental to our business strategy and crucial for safeguarding our future commercial success and maintaining our competitive advantages. As of December 31, 2025, we had submitted a total of 2,205 patent applications, of which 1,863 or approximately 84.5%, were for inventions. As of December 31, 2025, we had been granted an aggregate of 1,224 patents, of which 889, or approximately 72.6%, were invention patents. In addition, as of December 31, 2025, we held 404 trademarks, 50 registered domain names, and 82 software copyrights in the PRC.

During the Track Record Period and up to the Latest Practicable Date, we had not been a party to any material legal, arbitration, or administrative proceedings relating to intellectual property, either as claimant or respondent, nor were we subject to any material allegations of intellectual property infringement. Our Directors confirm that, as of the Latest Practicable Date and to the best of their knowledge and belief, we were not involved in any material legal, arbitration, or administrative disputes concerning the infringement of any third-party intellectual property rights. For further details regarding our material intellectual property, please see the section headed “Appendix IV—Statutory and General Information” in this Document.

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EMPLOYEES

We believe that our employees are our most valuable asset and are critical to our success. As of December 31, 2025, we had a total of 1,279 employees. The following table sets forth a breakdown of our employees by function as of December 31, 2025:

By Function	As of December 31, 2025
Research and Development	931
Product	146
Business Development.	133
Administration	69
Total	1,279

We have implemented a comprehensive human resources strategy focused on attracting, retaining, and developing high-caliber talent.

Remuneration. We benchmark our employment grading system and compensation structure against leading companies in the internet, technology, and software engineering sectors.

Training and Development. Our training framework includes the following programs:

- New Employee Onboarding. All new employees undergo a structured orientation program upon joining our Company. This program covers essential topics including administrative policies, IT systems and protocols, procurement requirements and our corporate culture.
- Continuous and Cross-Functional Training. We conduct regular and ad-hoc training sessions on key technological advancements. For instance, our business development teams receive regular training on emerging technology trends to enhance their understanding of our products and the industry landscape. Similarly, our product and research and development professionals receive market-focused training to deepen their understanding of customer needs and commercial applications.

We believe that we have good working relationships with our employees. Our employees are not represented by a labor union. During the Track Record Period, we did not experience any significant labor disputes with our existing or departing employees, demonstrating our commitment to maintaining positive relationships.

DATA PRIVACY AND SECURITY

We have well-established internal governance framework that covers the entire data collection, transfer and processing to comply with applicable PRC laws and regulations.

Data Collection and Privacy Protection

In conducting our business operations, we process user account information, location and trajectory information, voice, media and order records, and device data. The data is used for vehicle control, navigation and location-based services, voice interaction, in-vehicle entertainment and media delivery. Users refer to individuals who interact with the smart cockpit system, such as car owners, drivers and passengers.

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Regarding the aforementioned personal information, we have disclosed the details of data processing policies to users through showing policies on front-end interactive interfaces (such as operating systems and apps), and obtained users’ consent. We generally allow CSPs to obtain information of users, and embed their data privacy policies into ours, which will together show on the front-end interactive interfaces to users. A CSP can only access information of users who use the in-vehicle app co-developed by us and the CSP. When indirectly obtaining and processing user data from automobile manufacturers, we verify the legality of the data source.

Data Security Management Measures

Our data security governance is guided by our *Banma Data Security Master Policy* (《斑馬網絡數據安全總綱》), which we have formulated and strictly implement across all our business lines and research and development teams. This policy governs all key stages of data processing, including data generation, collection, transmission, storage, use, and display.

In addition to our overall policies, in our daily operations, we have implemented a suite of supporting internal regulations to govern the entire data lifecycle. These include, among others, our *Data Asset Classification and Management Standards*, *Customer-Side Personal Information Collection Standards*, *Data Transmission and Storage Security Standards*, *Data Desensitization and Display Standards*, and *Data Processing Anomaly Response Protocols*.

Data Security Technical Measures

We have implemented multilayered data security protections, including:

For data stored on our system. We deploy data-tailored access controls, encryption, and firewalls, operate an AI-powered SOC for real-time network monitoring, and ensure continuous risk surveillance with incident logging into Banma VMS for tracking and resolution.

For data stored on the system third-party suppliers. Implementing assessment protocols to evaluate their security capabilities such as digital encryption, identity authentication, and digital signatures, ensuring the security of data transmission and compliance with statutory data storage requirements under applicable laws.

We have obtained prior user consent before sharing their data with the CSPs. Prior to using the in-vehicle system, users will be presented with a privacy policy pop-up window for their review and consent. In the section entitled “Sharing with Partnering Service Providers” of such privacy policy, the purposes, methods, and categories of personal information provided to the CSPs are disclosed, along with links to the privacy policies of such CSPs, thereby obtaining user consent; and In addition, for a limited number of CSPs whose content services require user login for access, users are required to scan a QR code on the vehicle screen, and such CSPs will present their own privacy policies through pop-up windows on the mobile phone to obtain user consent. When sharing or entrusting data to third parties for processing, we also stipulate data compliance clauses in our cooperation agreements.

During the Track Record Period, as advised by our PRC data compliance adviser, we did not experience any material leakage of personal information, nor did we receive any material regulatory inquiries, investigations, notices, warnings, penalties, litigations, claims or other legal proceedings related to misuse of personal information or any other personal information protection laws. In the view of our PRC data compliance adviser, we are in compliance with applicable data privacy and cybersecurity regulations in all material respects during the Track Record Period. In addition, in the view of our PRC data compliance adviser, we are not required to proactively initiate a cybersecurity review filing with the CAC in connection with this [REDACTED].

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Our independent internal control consultant has performed a general internal control review on selected areas based on agreed upon procedures, the review scope including the measures relating to data privacy management, and a follow-up review was performed on enhanced internal controls. According to the work performed, there were no material deficiencies in design being identified in relation to our enhanced measures on data privacy and cybersecurity.

Institutional Certifications and Accreditations

Our commitment to quality, security, and operational excellence is validated by our attainment of numerous internationally recognized certifications, including: (i) ISO/IEC 27001 (Information Security Management System); (ii) ISO 26262 (Road Vehicles—Functional Safety); (iii) TISAX (Trusted Information Security Assessment Exchange) at Assessment Level 3 (AL 3); (iv) ISO/SAE 21434 (Road Vehicles—Cybersecurity Engineering); (v) China’s Multi-Level Protection Scheme (MLPS) Level 3 Certification; (vi) ISO 9001 (Quality Management System); (vii) Automotive SPICE (A-SPICE) Capability Level 2; and (viii) Capability Maturity Model Integration (CMMI) Level 3.

AWARDS AND ACHIEVEMENTS

Time	Organization	Awards
2025 . . .	International Conference of Experience Design (IXDC) 國際體驗設計大會(IXDC)	Top 10 Outstanding Innovation Enterprises of the 2024 Top 100 International Experience Innovators 國際體驗創新百強十大傑出創新企業
2025 . . .	Hurun Research Institute 胡潤研究院	2024 Hurun China Artificial Intelligence Enterprises Top 50 2024胡潤中國人工智能企業50強
2024 . . .	Equal Ocean Automotive 億歐汽車	TOP 10 AIEV Innovative Enterprises of Cockpit in China (2024) 2024中國AIEV產業座艙創新企業TOP10
2024 . . .	J.D. Power & Tongji University HVR Lab 君迪&同濟大學人車關係實驗室	2024 Excellent Innovation Ecological Partner of China Intelligent Cabin Awards 華興獎智能座艙前瞻聯盟•優秀創新生態夥伴
2024 . . .	Hurun Report 胡潤百富	2024 Hurun Global Unicorn Index 2024年胡潤全球獨角獸榜
2023 . . .	Office of Shanghai Municipal Leading Group for Strategic Emerging Industries 上海市戰略性新興產業領導小組辦公室	Shanghai Innovative Corporate Headquarters 上海市創新型企業總部
2023 . . .	Ministry of Industry and Information Technology 中華人民共和國工業和信息化部	“Excellent Defense Practice Enterprise” in Vehicle Networking Cybersecurity Drill 車聯網網絡安全實網演練“優秀防守實踐企業”
2023 . . .	Shanghai Small and Medium Enterprises Development Service Center 上海市中小企業發展服務中心	2022 Shanghai Key Service Unicorn Enterprise 2022上海市重點服務獨角獸企業

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COMPETITION

The markets for smart cockpit solutions for in which we operate are currently in their early stages of development and are characterized by intense and technology-driven competition. We expect that this competition will continue and may intensify in the future. Our competitors include other third-party smart cockpit solution providers, large, well-capitalized Tier 1 suppliers, global automotive electronics conglomerates, AI companies, and OEM in-house programs that often have deeper research and development budgets, established brand reputations, and long-standing relationships with OEMs. We also compete with new entrants that may be preparing to enter—or are already entering—the global and China’s smart cockpit solutions market. Some of these competitors may have begun, or may soon begin, pursuing large-scale deployment of autonomous vehicle technologies independently. For more information, see “Risk Factors—Risks Relating to Our Business and Industry—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”.

SEASONALITY

Our results of operations are affected by seasonal fluctuations in demand for our solutions, which are influenced by broader market trends in the automotive industry. In China, OEMs typically determine their annual technology roadmaps and begin to prepare supplier contracts around mid-year. This results in a concentrated period of development activity in the second half of the year, during which we complete development, deliver solutions for customer acceptance, and recognize revenue accordingly. Additionally, OEMs usually deliver more of their vehicle models toward the year end, and therefore the delivery of our solutions also tends to increase in the second half. That said, the actual timing of project acceptance depends on each customer’s internal approval and review processes, which can vary widely. Because of these seasonal and customer-specific dynamics, our quarterly or half-year results may not accurately reflect our full-year performance.

Impact of COVID-19

Our Directors are of the view that the COVID-19 outbreak did not have a material adverse impact on our business operations or financial performance during the Track Record Period. As a company primarily offering software solutions, most of our R&D, engineering, and operational activities could be carried out remotely through online collaboration tools, without significant disruption to project schedules or deliverables. Although the temporary operational suspension of certain OEMs had reduced the number of mass-produced vehicles equipped with our solutions and therefore negatively affected our revenue, such impacts were transitory and had no lasting effect on our overall operations or financial performance. Additionally, the pandemic indirectly stimulated market demand for remote coordination and diagnostic capabilities, which further reinforced the relevance of our software solutions.

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE

We will establish a set of ESG policies (“**ESG Policy**”) in accordance with the standards of Appendix C2 to the Listing Rules, which outlined, among others, (i) the appropriate risk governance on ESG matters, including climate-related risks and opportunities, (ii) ESG strategy formation procedures, (iii) ESG risk management and monitoring, (iv) the identification of key performance indicator (“**KPI**”) and (v) the relevant measurements and mitigating measures.

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ESG Governance

Pursuant to the requirements of the Environmental, Social and Governance Reporting Code, the Company has put in place a Board-led ESG governance structure to ensure that the sustainability philosophy is implemented throughout corporate governance and daily operations. To further enhance the management system and clarify the division of responsibilities, the Company has formulated the ESG Management Measures, which systematically standardize the organisational structure, scope of responsibilities, work processes and assessment mechanisms pertaining to ESG matters.

The Board is the highest decision-making and supervisory body for ESG matters, responsible for reviewing material ESG issues, objectives, disclosures and external reporting, and assumes ultimate responsibility for the effectiveness of ESG management. The Board Office coordinates and supervises day-to-day ESG matters, reviews ESG topics, data and reporting deliverables submitted by the ESG Working Group, and presents relevant matters to the Board. The secretary to the Board reports ESG progress and outcomes to the Board for confirmation. The ESG Working Group coordinates the implementation of ESG initiatives across departments, ensures the timeliness, completeness and accuracy of disclosures, collaborates with third-party consultants on materiality assessment and stakeholder engagement, and prepares the annual ESG report.

ESG Materiality Assessment

The Company conducted an ESG materiality assessment to identify ESG topics relevant to its business and stakeholders. Through stakeholder questionnaire surveys, the Company collected feedback from key stakeholder groups and considered external factors such as regulatory requirements, industry trends and public concerns, with reference to Appendix C2 to the Listing Rules (Environmental, Social and Governance Reporting Code). Based on stakeholder feedback, the Company assessed and ranked ESG topics along two dimensions: (i) importance to external stakeholders and (ii) importance to the Company’s business, and mapped the results into a materiality matrix to determine the Company’s material ESG topics.

Through this assessment, the Company identified a total of 11 material ESG topics, among which data security and customer privacy protection, compliance and business ethics, product responsibility, and employee well-being are most closely associated with the Company’s core business and its stakeholders.

Climate-Related Risk and Opportunity Management

The Company monitors the potential impact of climate change on its business operations and financial performance. Through ongoing analysis of the policy environment and internal operations, the Company identifies and assesses climate-related risks and opportunities to mitigate potential risks and capture transition opportunities. The Company’s assessment covers both physical and transition risks. Physical risks mainly relate to the potential impact of extreme weather events, such as heatwaves and heavy rainfall, on office operations, data centre stability, employee commuting and equipment maintenance. Transition risks primarily arise from tightening climate-related policies and regulations, enhanced carbon disclosure requirements across the supply chain, and increasing customer demand for low-carbon and environmentally responsible software solutions. The Company has also identified climate-related opportunities driven by national “dual carbon” policies and the development of the green digital economy, including the application of green software solutions, energy-efficient data centres and cloud services, and growing market demand for low-carbon intelligent mobility technologies. The Company continues to integrate sustainability considerations into its products and operations and align its business development with national low carbon transition objectives.

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Environmental Management

The Company strictly complies with the Environmental Protection Law of the People’s Republic of China and other environment-related laws and regulations, and continuously promotes green office practices and low-carbon operations. The Company has strengthened advocacy on energy conservation and emissions reduction by posting water- and electricity-saving reminders in office areas, promoting paperless office practices, and fostering a corporate culture of energy efficiency and green office practices. During the Reporting Period, the Company did not experience any significant environmental pollution incidents.

The Company’s business activities primarily involve software development, intelligent connectivity solutions and technical services, and do not involve manufacturing activities, with operations limited to office functions. The Company leases and independently operates office premises in Shanghai, Wuhan and Hefei, where employees in these regions account for nearly 80% of the total workforce. Accordingly, the scope of the Company’s environmental data statistics and target setting covers these three office locations. Based on the Company’s business development direction and environmental management practices, we have established the following environmental targets to support the Company’s continued transition toward green and low-carbon development: (i) reducing electricity intensity by 3% by 2030 compared with 2024; (ii) reducing water intensity by 3% by 2030 compared with 2024; and (iii) reducing Scope 1 and Scope 2 carbon emissions intensity by 3% by 2030 compared with 2024.

Energy Management

The Company actively practices energy conservation and consumption reduction by encouraging employees to turn off non-essential equipment during non-working hours to reduce energy waste, and by installing energy-efficient lighting fixtures and electricity-saving reminders in office areas to improve energy efficiency. All Company-owned vehicles are 100% new energy vehicles, and all of the Company’s energy consumption is sourced from purchased municipal electricity, with no fossil fuel consumption involved. Looking ahead, the Company will continue to optimise its energy management and explore the potential introduction of green electricity and renewable energy to support the low-carbon transformation of its operational activities.

Electricity consumption in the year of 2023, 2024 and 2025 was 915,862.01 kWh, 1,932,389.97 kWh and 2,293,772.31 kWh, respectively. Electricity consumption intensity (unit in kWh per thousand RMB of revenue) in the year of 2023, 2024 and 2025 was 1.05, 2.35 and 2.66, respectively. The data coverage includes office premises in Shanghai, Hefei and Wuhan. Please note that the Shanghai office commenced operation in January 2024.

Water Resource Management

All of the Company’s water consumption is sourced from the municipal tap water supply system, and the Company does not involve production water use or industrial wastewater discharge. To enhance water-use efficiency, the Company posts water-saving reminders in pantry and washroom areas to encourage employees to develop good water conservation habits.

Water consumption in the year of 2023, 2024 and 2025 was 5,244.00 tonnes, 5,640.00 tonnes and 5,815.5 tonnes, respectively. Water consumption intensity (unit in tonnes per million RMB of revenue) in 2023, 2024 and 2025 was 6.01, 6.85 and 6.75, respectively. The data coverage includes office premises in Shanghai, Hefei and Wuhan.

Carbon Emission Management

The Company does not consume fossil fuels, and its indirect greenhouse gas emissions from operations mainly arise from office electricity usage (i.e., Scope 2 greenhouse gas emissions). The Company regularly compiles and calculates Scope 2 greenhouse gas emissions for office premises in Shanghai, Wuhan and Hefei. The Company uses energy-efficient equipment such as LED lighting

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and continuously enhances energy-saving awareness to reduce the carbon emission intensity of its operations. Looking ahead, the Company will continue to optimise data collection and carbon emission management and progressively improve its greenhouse gas accounting system to support the national “dual carbon” goals.

Scope 2 greenhouse gas emission in the year of 2023, 2024 and 2025 was 491,451.56 tonnes CO₂, 1,036,920.46 tonnes CO₂ and 1,230,838.22 tonnes CO₂, respectively. Scope 2 greenhouse gas emission intensity (unit in tonnes CO₂ per thousand RMB of revenue) in the year of 2023, 2024 and 2025 was 0.56, 1.26 and 1.43, respectively.

Waste Management

The waste generated during the Company’s office and operational activities mainly consists of domestic waste and does not involve industrial solid waste or hazardous waste. Domestic waste from office premises is collected and processed collectively by the park where the Company operates. The Company strictly complies with the park’s waste classification and recycling requirements and actively promotes paperless office practices and digital management to reduce waste generation.

Social Responsibility

Employee Well-being

The Company strictly complies with the Labour Law of the People’s Republic of China and other relevant laws and regulations to effectively safeguard employees’ lawful rights and interests and to maintain harmonious and stable labour relations. The Company has formulated and implemented the Human Resources Management System and the Employee Code of Conduct, covering remuneration and benefits, recruitment management, performance appraisal and daily conduct requirements, to ensure that its human resources management is fair, transparent and standardised. The Company provides employees with a comprehensive and diversified benefits system, including but not limited to annual physical examinations for employees and their families, festival gifts and various subsidies.

The Company strictly prohibits forced labour and the employment of child labour. During the Reporting Period, the Company did not identify any instances of forced labour or child labour.

Diversity, Equality and Inclusion

The Company respects and embraces employee diversity, encourages equal communication and collaboration among employees of different backgrounds, genders and experiences, and is committed to fostering an open, inclusive and fair working environment. The Company adheres to the principle of “equal pay for equal work,” ensuring that female employees enjoy equal rights as male employees in terms of remuneration, promotion and career development opportunities. Meanwhile, the Company strictly implements the Labour Law of the People’s Republic of China and the protections applicable to female employees, providing safeguards for female employees during pregnancy, maternity and breastfeeding periods, caring for their physical and mental well-being, and creating a female-friendly and equitable workplace.

As of December 31, 2025, the Company had 8 directors, including 2 female directors, and 3 directors held doctoral degrees or above. In selecting Board members, the Company takes into account professional experience, educational background and gender diversity, continually optimising the Board structure and enhancing the professionalism and inclusiveness of decision-making.

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Occupational Health and Safety

The Company places great emphasis on employees’ health and safety and is committed to creating a safe and healthy working environment. The Company has formulated and implemented the Office Safety Management Rules (《辦公區域物理安全管理規定》), which set out safety responsibilities and emergency measures and regulate fire safety, electrical safety and equipment maintenance in office areas. The Company enhances employee safety awareness by posting safety reminders and publishing articles on safety and health.

Human Resources Development

The Company has established a comprehensive talent management system and developed open, diverse and well-defined career development pathways to support employees’ continuous growth. In accordance with the Human Resources Management System (《人力資源管理制度》), the Company has established a fair and transparent performance appraisal and promotion mechanism that evaluates employees based on business performance and value orientation, helping employees enhance and develop themselves through diversified career paths.

The Company continues to upgrade its training system and provides targeted skills and knowledge training for employees of different departments based on the core competencies required for each position, thereby enhancing the overall professional capability of its workforce. The Company offers a wide range of training programmes, including new employee onboarding, specialised training in artificial intelligence and emerging technologies, management development programmes and cross-functional training. Featured programmes such as “AI Fuel Station” and “Banma Speaking” are offered to all employees, focusing on sharing cutting-edge technologies and enabling multi-field knowledge enhancements, thereby promoting the exchange of innovative concepts and practical experiences.

Sustainable Supply Chain

The Company’s major categories of suppliers include cloud services, mapping services, voice recognition capabilities and communication traffic services. The Company has formulated and implemented the Procurement Management Measures, under which suppliers are managed throughout the entire process covering admission assessment, performance evaluation and exit management, thereby promoting the standardisation and sustainable development of supply chain management. Starting from April 1, 2025, the Company requires all domestic suppliers registered in its system to sign the Supplier ESG Code of Conduct (《供應商ESG行為準則規範》) online. The Code sets out requirements relating to environmental protection, labour rights, occupational health, safety production, business ethics and data privacy, ensuring that suppliers comply with relevant social and environmental responsibility standards in the course of contract performance.

Business Ethics

The Company has formulated and implemented internal policies and systems, including the Employee Code of Conduct, the Integrity (Anti-Fraud) Framework (《廉正(反舞弊)總綱》), the Conflict of Interest Declaration System (《利益衝突申報制度》), and the Internal Control System for Anti-Money Laundering and Counter-Terrorist Financing (《反洗錢和反恐怖融資內部控制制度》), establishing a systematic integrity management mechanism. The Company operates the Banma Network Integrity Reporting System, which covers functions such as gift submission and declaration of interest relationships, ensuring that employees adhere to principles of integrity and self-discipline in their daily work.

The Company organises annual examinations on the Code of Business Conduct and integrity training to continuously reinforce employees’ compliance awareness and professional ethics. The Integrity Department of the Company has established a public reporting channel, encouraging employees and partners to report any suspected violations, fraud or misconduct. The Integrity

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Department centrally receives all reports and conducts verification and investigation according to established procedures, producing reports submitted to management. The identity of whistleblowers is strictly protected to ensure their safety.

During the Reporting Period, the Company did not receive any complaints or lawsuits related to business ethics.

Community Contribution

The Company actively fulfils its social responsibilities by promoting collaborative innovation among industry, academia and research institutions, and advancing innovation and industry integration in the fields of intelligent connected vehicles and artificial intelligence. Focusing on future automotive interaction, cockpit AI and intelligent experience, the Company collaborates with institutions such as the School of Automotive Studies, Tongji University and XAI Lab on standard development, joint research and development, industrial transformation and talent cultivation, supporting the social application of research outcomes. The Company also participates in industry research and smart transportation initiatives, including collaboration with the China Academy of Information and Communications Technology under the “Ten Cities, Ten Vehicles” Data Open Service Initiative, contributing to the practical application of intelligent transportation solutions. In its industry–university–research collaborations, the Company strictly complies with data compliance and intellectual property management requirements, emphasising transparency and responsible use of research outcomes. The Company will continue to support industry collaboration and the sustainable development of the industry.

INSURANCE

We maintain insurance policies to cover certain potential risks and liabilities arising from our business operations. As of the Latest Practicable Date, we believe that our insurance coverage is in line with the industry practice and adequate to cover our key assets, facilities and liabilities. We procured insurance policies by type and amount that we consider sufficient, and evaluated such insurance policies from time to time based on our past experience, changes in industry developments.

LEGAL PROCEEDINGS AND COMPLIANCE

We may from time to time be involved in various legal, arbitration, or administrative proceedings arising in the ordinary course of our business. For details, see “Risk Factors—Risks Relating to Our Business and Industry—We may be exposed to risks related to litigation and administrative proceedings that could materially and adversely affect our business, financial condition, and results of operations”.

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.

RISK MANAGEMENT AND INTERNAL CONTROL

We continually review the implementation of our risk management and internal control policies and procedures to enhance their effectiveness and sufficiency.

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Financial Reporting Risk Management

We have established a comprehensive financial reporting risk management framework supported by robust accounting policies and detailed implementation procedures designed to ensure the accuracy, completeness, and compliance of our financial statements with applicable laws, regulations, and accounting standards. Our finance department conducts ongoing monitoring and analytical reviews to identify and address variances or unusual transactions, while maintaining complete audit trails for transparency and verifiability.

Internal Control Risk Management

We have implemented a stringent compliance and internal control framework to ensure that our operations adhere to applicable laws, regulations, and our internal governance standards. Under this framework, our compliance team works in close coordination with our finance and business departments to (a) conduct periodic risk assessments and formulate corresponding risk management strategies, (b) enhance the efficiency of business processes while monitoring the effectiveness of internal controls, and (c) foster a strong culture of risk awareness across our system.

Human Resources Risk Management

We provide regular and targeted training programs designed to address the specific functional needs of our various departments, with the objective of ensuring that our employees’ professional skills remain current and are aligned with our service quality standards and operational objectives.

Audit Committee Experience and Qualification and Board Oversight

We will establish an Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D.3 of the Corporate Governance Code. The Audit Committee will consist of three Directors, namely Mr. Wang Pengcheng, Mr. Du Yongbo and Mr. Jeff Jianfeng Zhang. For the professional qualifications and experiences of the members of our audit committee, see “Directors, Supervisors and Senior Management–Board Committees.”

PROPERTY

As of the Latest Practicable Date, we leased eight properties in the PRC with a total gross floor area of over approximately 14,000 sq.m. The properties we lease are primarily used for office premises. We believe that our current premises are sufficient for our immediate needs and that additional space can be obtained on commercially reasonable terms to meet our future requirements. We do not anticipate significant difficulties in renewing our leases upon their expiry.

As of December 31, 2025, none of the properties leased by us had a carrying amount of 15.0% or more of our consolidated total assets. According to Chapter 5 of the Listing Rules and section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this Document is exempt from the requirements of section 342(1)(b) of the Companies (Winding up and Miscellaneous Provisions) Ordinance to include all interests in land or buildings in a valuation report as described under paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

LICENSES AND PERMITS

In the opinion of our PRC Legal Advisors, we had obtained all licenses, permits, approvals and certificates that are material to our operations throughout the Track Record Period and up to the Latest Practicable Date.

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We renew all such licenses, permits, approvals and certificates from time to time to comply with the relevant PRC laws and regulations. The table below sets forth the relevant details of the material licenses required for our operations:

No.	Holder	Name of License, Approval and Permit	Expiration Date
1	Banma Network Technology Co., Ltd.	Value-added Telecommunication Business Operation Permit	July 7, 2028
2	Banma Smart Mobility Network (Hangzhou) Co., Ltd.	Value-added Telecommunication Business Operation Permit	February 8, 2028
3	Banzhiyuntu Network Technology (Shanghai) Co., Ltd.	Approval for the Pilot Operation of Value-added Telecommunication Services	December 30, 2030
4	Banma Network Technology Co., Ltd.	Filing Certificate on Security Level Protection of the Information System	Long term
5	Banma Network Technology Co., Ltd.	Filing Certificate on Security Level Protection of the Information System	Long term

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

BOARD OF DIRECTORS

Our Board comprises 12 Directors, including one executive Director, seven non-executive Directors and four independent non-executive Directors^{Note}. Ms. Huang Jiaojiao (黃佼佼) and Mr. Zhu Yong (祝勇) will resign as our Directors upon [REDACTED]. Mr. Yang Qing (楊青) will serve as the employee representative Director and a non-executive Director of our Company effective from [REDACTED]. Accordingly, upon [REDACTED], our Board will comprise 11 Directors, including one executive Director, six non-executive Directors and four independent non-executive Directors. Pursuant to the Articles of Association, our Directors are appointed for a term of three years and may be re-elected for successive re-appointments. Our Board is responsible for and has general powers for the management and conduct of our business. The table below sets forth certain information in respect of the members of the Board as at the Latest Practicable Date.

Name	Age	Position/Title	Date of joining our Group	Date of appointment as a Director	Roles and responsibilities
Executive Director and Non-executive Directors					
Mr. Jeff Jianfeng Zhang (張建鋒)	[52]	Non-executive Director and Chairperson of the Board	September 2019	September 26, 2019	Responsible for advising our Group on overall strategic planning and business management
Mr. Dai Wei (戴瑋)	[49]	Executive Director and Chief Executive Officer	April 2024	July 1, 2024	Responsible for overseeing, including the overall management, business strategies, human resources, R&D, finance
Mr. Xiang Jiao (項嬌)	[47]	Non-executive Director and Vice Chairperson of the Board	October 2025	October 28, 2025	Providing professional opinion and judgment to our Board
Ms. Huang Jiaojiao (黃佼佼)	[43]	Non-executive Director	January 2024	January 30, 2024	Providing professional opinion and judgment to our Board
Mr. Jin Lei (金磊)	[51]	Non-executive Director	November 2024	November 19, 2024	Providing professional opinion and judgment to our Board
Ms. Shen Chen (沈沉)	[43]	Non-executive Director	March 2025	March 3, 2025	Providing professional opinion and judgment to our Board
Mr. Zhang Liang (張亮)	[43]	Non-executive Director	November 2024	November 19, 2024	Providing professional opinion and judgment to our Board
Mr. Zhu Yong (祝勇)	[52]	Non-executive Director	November 2024	November 19, 2024	Providing professional opinion and judgment to our Board
Independent Non-executive Directors					
Dr. Wang Pengcheng (王鵬程)	[55]	Independent Non-executive Director	August 18, 2025	August 18, 2025 ^{Note}	Providing independent opinion and judgment to the Board
Mr. Liu Qiming (劉啟明)	[65]	Independent Non-executive Director	August 18, 2025	August 18, 2025 ^{Note}	Providing independent opinion and judgment to the Board

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Name	Age	Position/Title	Date of joining our Group	Date of appointment as a Director	Roles and responsibilities
Mr. Du Yongbo (杜永波).	[55]	Independent Non-executive Director	August 18, 2025	August 18, 2025 ^{Note}	Providing independent opinion and judgment to the Board
Mr. Du Yilong (杜以龍).	[52]	Independent Non-executive Director	August 18, 2025	August 18, 2025 ^{Note}	Providing independent opinion and judgment to the Board

Note: The appointment will become effective upon the [REDACTED].

Executive Director and Non-Executive Directors

Mr. Jeff Jianfeng Zhang (張建鋒), aged [52], has served as the chairperson of the Board of our Company since September 2019. Mr. Zhang was re-designated as a non-executive Director in August 2025. Mr. Zhang is responsible for advising our Group on overall strategic planning and business management.

Mr. Zhang has served as Alibaba’s chief technology officer since April 2016 and president of Alibaba Cloud Intelligence since November 2018. Previously, Mr. Zhang was president of China retail marketplaces from May 2015 to April 2016, and president of Taobao Marketplace and the wireless business division prior to that. He joined AGH in July 2004 and has held various management positions, at different times leading Taobao Marketplace’s technology teams, the B2C development team, Alibaba.com’s China operations, local services, 1688.com, and Tmall.com. Mr. Zhang founded Alibaba DAMO Academy in October 2017 and is currently the president of the academy.

Mr. Zhang received his doctorate degree in computer science from Zhejiang University (浙江大學) in the PRC in June 2022.

Mr. Dai Wei (戴瑋), aged [49], was appointed as a Director of our Company in July 2024 and re-designated as an executive Director in August 2025. Mr. Dai has been the chief executive officer of our Company since April 2024 and is responsible for overseeing, including the overall management, business strategies, human resources, R&D, finance. As of [the date of this Document], Mr. Dai does not hold any roles or positions at AGH.

Mr. Dai joined AGH Group in 2007 and worked in Taobao, Alipay, and the OS Business Unit. In July 2016, after the establishment of the Entertainment Business Unit of AGH, he joined Youku to manage the membership business and established the Youku operations center. He later became the chief executive officer of Orange Lion Sports Co., Ltd. (橙獅體育有限公司). In 2020, he was appointed as the chief operation officer of the Entertainment Business Unit of AGH, overseeing the entertainment platform business department.

Mr. Dai graduated from Beijing University of Technology (北京工業大學) in 1998.

Mr. Xiang Jiao (項嬌), aged [47], was appointed as a non-executive Director and the vice chairperson of the Board of our Company in October 2025.

Mr. Xiang has worked at IM Motors Co., Ltd. (智己汽車科技有限公司) since January 2021 and is currently the chief technology officer of IM Motors. From January 2008 to January 2021, he worked at the technical centre of SAIC with his last position being the director of project management department.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Xiang received his master’s degree in vehicle engineering from Tongji University (同濟大學) in the PRC in November 2003.

Ms. Huang Jiaojiao (黃佼佼), aged [43], was appointed as a Director of our Company in January 2024 and re-designated as a non-executive Director in August 2025. Ms. Huang will resign as our Director upon [REDACTED].

Ms. Huang has worked at AGH Group since December 2017 and is currently its senior finance director. Ms. Huang has extensive experience in financial management. Prior to that, she was the senior finance manager of AGH Group from February 2012 to April 2016. Before joining Alibaba Group, Ms. Huang worked at the Shanghai branch of KPMG Huazhen LLP from August 2004 to February 2012 with her last position as audit manager.

Ms. Huang has been serving as a non-executive director at Alibaba Health Information Technology Limited, a company listed on the Stock Exchange (stock code: 0241), since May 2023.

Ms. Huang obtained her bachelor’s degree in management in July 2004 from the Shanghai University of Finance and Economics (上海財經大學) in the PRC.

Mr. Jin Lei (金磊), aged [51], was appointed as a Director of our Company in November 2024 and re-designated as a non-executive Director in August 2025.

Mr. Jin is senior legal director of AGH Group since September 2016 and he is primarily responsible for the legal work regarding investment and financing. Prior to joining AGH Group, Mr. Jin worked as general counsel in Symmetry Investments from January 2016 to September 2016. Prior to that, Mr. Jin worked in D. E. Shaw Group as a senior legal counsel from September 2008 to December 2015. Mr. Jin has been an associate in O’Melveny & Myers and Baker & McKenzie during the periods of December 2006 to September 2008 and September 2005 to November 2006, respectively.

Mr. Jin received his bachelor’s degree in English from Beijing Foreign Studies University (北京外國語大學) in the PRC in July 1997. He received his second bachelor’s degree in law from Peking University (北京大學) in the PRC in July 2000 and his Juris Doctor degree from Columbia University in May 2005.

Mr. Jin was admitted to the New York Bar in June 2006 and was admitted as a solicitor of the High Court of Hong Kong in February 2017.

Ms. Shen Chen (沈沉), aged [43], was appointed as a Director of our Company in March 2025 and re-designated as a non-executive Director in August 2025.

Ms. Shen joined AGH since April 2018, and now is the director of the strategic investment of AGH. Prior to joining AGH, Ms. Shen served as a senior investment officer in the World Bank from February 2017 to February 2018. Ms. Shen worked as an associate and then vice president at CDH Investments from August 2010 to December 2016. From August 2004 to June 2008, Ms. Shen served as an investment analyst and then associate at China International Capital Corporation Limited from 2004 to 2008.

Ms. Shen also served as (i) a non-executive director of Lianhua Supermarket Holdings Co., Ltd. (聯華超市股份有限公司), a company listed on the Stock Exchange (stock code: 0980) since September 2024; (ii) a non-independent director of Sanjiang Shopping Club Co., Ltd. (三江購物俱樂部股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 601116) since June 2023; (iii) a director of New Huadu Technology Co., Ltd. (新華都科技股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002264) from July 2023 to April 2025; (iv) a non-independent director of YTO Express Group Co., Ltd. (圓通速遞有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600233) since October 2024; (v) a

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non-independent director of Suning.Com Co., Ltd. (蘇寧易購集團股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002024) from November 2024 to September 2025; (vi) a director of Smart Share Global Limited, a company listed on NASDAQ (stock code: EM) since June 2023; and (vii) a non-executive director of Chongqing Hongjiu Fruit Co., Limited (重慶洪九果品股份有限公司), a company previously listed on the Stock Exchange (delisted, previous stock code: 6689) from December 2023 to March 2024.

Ms. Shen obtained her master’s degree in business administration from Columbia University in July 2010 and her bachelor’s degree in economics from Fudan University (復旦大學) in the PRC in July 2004.

Mr. Zhang Liang (張亮), aged [43], was appointed as a Director of our Company in November 2024 and re-designated as a non-executive Director in August 2025.

Mr. Zhang has served as deputy general manager of the planning department of SAIC since August 2024 and deputy general manager of the data business department of SAIC from January 2020 to August 2023. Mr. Zhang served as deputy general manager at SAIC Passenger Vehicle Branch (上海汽車集團股份有限公司乘用車分公司) since December 2024 where he previously held various senior positions, including the director of the general manager’s office, executive director of marketing department, and chief digital officer from July 2014 to August 2024. From January 2014 to July 2014, Mr. Zhang served as assistant to the general manager at Shanghai General Motors Co., Ltd. (上海通用汽車有限公司). From July 2004 to January 2014, he worked at Pan Asia Technical Automotive Center Co., Ltd. (泛亞汽車技術中心有限公司), holding various positions, including resident representative in Germany, engineering project coordination manager, and engineering manager.

Mr. Zhang received his dual bachelor’s degree in mechanical engineering and automation as well as automation control and master’s degree in engineering from Shanghai Jiao Tong University (上海交通大學) in the PRC in July 2004 and September 2016, respectively.

Mr. Zhu Yong (祝勇), aged [52], was appointed as a Director of our Company in November 2024 and re-designated as a non-executive Director in August 2025. Mr. Zhu will resign as our Director upon [REDACTED].

Mr. Zhu has been serving as head of Huawei cooperation business department of SAIC at SAIC Passenger Vehicle Branch (上海汽車集團股份有限公司乘用車分公司) since January 2025. He served as the deputy general manager of the SAIC Passenger Vehicle Branch from August 2024 to December 2024. From September 2002 to August 2008, Mr. Zhu worked at Shanghai Volkswagen Automotive Co., Ltd.. From September 2008 to March 2011, Mr. Zhu served as the senior manager and subsequently the director of the business planning and project management department at the SAIC Passenger Vehicle Branch from March 2011 to October 2011, respectively. From November 2011 to December 2014, Mr. Zhu served as the director of the powertrain project management department at SAIC Motor Technical Center (上汽集團技術中心). From December 2014 to July 2022, Mr. Zhu served as the director of the business planning and project management department at the SAIC Passenger Vehicle Branch, where he then served the executive director from July 2022 to August 2024.

Mr. Zhu received his bachelor’s degree in mechanical and engineering from Jilin Polytechnical University (吉林工業大學) in the PRC in July 1996. He then received his master’s degree in mechanical and engineering from Inner Mongolia University of Technology (內蒙古工業大學) in the PRC in July 1999. Mr. Zhu obtained his doctorate degree in mechanical and engineering from Beijing Institute of Technology (北京理工大學) in the PRC in October 2002.

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Independent Non-Executive Directors

Dr. Wang Pengcheng (王鵬程), aged [55], was appointed as an independent non-executive Director in August 2025 effective from [REDACTED].

Dr. Wang has been a professor and doctoral supervisor at the Business School of Beijing Technology and Business University (北京工商大學商學院) from July 2022. Dr. Wang held multiple managing positions at Ernst & Young Greater China from December 2014 to June 2022, including chief operating officer of audit services and managing partner of industry development and managing partner of audit services department. He previously worked at Deloitte Touche Tohmatsu (德勤會計師事務所) from 2005 to 2014, with his last position as leading partner of the global financial services industry in Greater China. From July 2000 to May 2005, Dr. Wang was a partner of Pan-China Certified Public Accountants (天健會計師事務所). From April 1994 to June 2000, he taught at the accounting department of Central University of Finance and Economics (中央財經大學) and successively served as director of the foreign accounting teaching and research office and assistant director of the accounting department.

Dr. Wang currently serves as (i) an independent non-executive director of The People’s Insurance Company (Group) of China Limited (中國人民保險集團股份有限公司) since August 2023, a company listed on the Stock Exchange (stock code: 1339) and Shanghai Stock Exchange (stock code: 601319); (ii) an independent non-executive director of Sinopec Oilfield Service Corporation (中石化石油工程技術服務股份有限公司) since June 2024, a company listed on the Stock Exchange (stock code: 1033) and Shanghai Stock Exchange (stock code: 600871) and; (iii) an independent non-executive director of MiniMax Group Inc. since January 2026, a company listed on the Stock Exchange (stock code: 0100).

Dr. Wang received his bachelor’s degree in industrial management engineering from University of Science and Technology Liaoning (遼寧科技大學) (formerly Anshan Iron and Steel College (鞍山鋼鐵學院)) in the PRC in July 1991. He received his master’s degree in accounting from Dongbei University of Finance & Economics (東北財經大學) in the PRC in April 1994. He then received his doctoral degree in accounting from Chinese Academy of Financial Sciences (中國財政科學研究院) in the PRC in July 2000. Dr. Wang is a fellow member of The Chinese Institute of Certified Public Accountants.

Mr. Liu Qiming (劉啟明), aged [65], was appointed as an independent non-executive Director in August 2025 effective from [REDACTED].

Mr. Liu worked at Pan Asia Technical Automotive Center Co., Ltd. (泛亞汽車技術中心有限公司) from June 2003 to March 2021, during which he successively served as executive director of the project management department, deputy general manager, executive deputy general manager and director. From August 1996 to June 2003, he worked at SAIC General Motors Corporation Limited (上海通用汽車有限公司), during which he successively served as product engineer, senior executive assistant to director of the engineering department and deputy manager of the product engineering department. From 1986 to 1997, he worked at the SAIC Motor Technical Center (上汽集團技術中心).

Mr. Liu has been an independent non-executive director of Sunfonda Group Holdings Limited (新豐泰集團控股有限公司), a company listed on the Stock Exchange (stock code: 1771) since November 2024, an independent director of Shanghai Baolong Automotive Corporation (上海保隆汽車科技股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 603197) since December 2022, an independent director of Shanghai Mobitech Technology Co., Ltd. (上海毓恬冠佳科技股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 301173) since August 2021, an independent director of Shanghai Vico Precision Mold & Plastics Co., Ltd. (上海維科精密模塑股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 301499) since April 2021, and an independent director of Semiment Technology Co., Ltd. (賽卓電子科技(上海)股份有限公司) since January 2022.

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Mr. Liu is a senior engineer at the professor level recognized by Shanghai Municipal Human Resources and Social Security Bureau (上海市人力資源和社會保障局) in December 2016.

Mr. Liu received his bachelor’s degree in automobile engineering from Wuhan University of Technology (武漢理工大學) (formerly Wuhan Industrial College (武漢工學院)) in the PRC in July 1986.

Mr. Du Yongbo (杜永波), aged [55], was appointed as an independent non-executive Director in August 2025 effective from [REDACTED].

Mr. DU is now a co-president and the executive director of China Renaissance Holdings Limited (華興資本控股有限公司) (“**China Renaissance**”), a company listed on the Stock Exchange (stock code: 1911), and a managing partner of Huaxing Growth Capital (華興新經濟基金) since January 2016. Since joining China Renaissance in April 2006, Mr. DU has held various senior positions, including as principal of the TME group, and as managing director of the corporate finance group.

Prior to that, Mr. Du served at Lenovo Group Limited (聯想集團有限公司), a company listed on the Stock Exchange (stock code: 0992) from April 1995 to May 2006, holding various positions including investment director, general manager, and vice general manager in its subsidiaries. From July 1993 to January 1995, he was the procurement manager of Huizhou Samsung Electronics Co., Ltd. (惠州三星電子有限公司).

Mr. Du is now an executive director of China Renaissance since February 2024 and previously served as an executive director between August 2011 and August 2020, and was an independent non-executive director of Inkeverse Group (映宇宙集團有限公司) Limited from June 2018 to November 2024, a company listed on the Stock Exchange (stock code: 3700).

Mr. Du received his dual bachelor’s degrees in engineering (majoring in nuclear and thermal energy, and mechanical engineering) from Tsinghua University (清華大學) in July 1993, and his master of business administration degree in finance from the Chinese University of Hong Kong in December 2006.

Mr. Du Yilong (杜以龍), aged [52], was appointed as an independent non-executive Director in August 2025 effective from [REDACTED].

Mr. Du has over 20 years of experience in legal, corporate finance, and corporate governance fields. Mr. Du has served as special counsel at Zhong Lun Law Firm LLP (中倫律師事務所) since May 2025. From June 2019 to December 2023, he worked at Warburg Pincus Asia LLC as managing director and general counsel. He rejoined Latham & Watkins LLP’s Beijing office as a partner from June 2018 to May 2019. From January 2018 to June 2018, he served at Didi Chuxing Technology Co., Ltd. (滴滴出行科技有限公司). Mr. Du was a partner at Latham & Watkins LLP’s Beijing office from October 2016 to December 2017 and at its Hong Kong office from October 2015 to September 2016. From November 2009 to October 2015, he worked at Goldman Sachs as an executive director. He successively served as an associate at Simpson Thacher & Bartlett from April 2007 to October 2009 and at Sidley Austin LLP from August 2002 to October 2005.

Mr. Du is an independent non-executive director of Nanjing Leads Biolabs Co., Ltd. (南京維立誌博生物科技股份有限公司) since July 2025, a company listed on the Stock Exchange (stock code: 9887).

Mr. Du obtained his bachelor’s degree in mathematics and his master’s degree in law from Peking University (北京大學) in July 1996 and July 1999, respectively. He then obtained the Juris Doctor degree in law from Columbia University in May 2002.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

CONFIRMATION FROM OUR DIRECTORS

Rule 8.10 of the Listing Rules

Each of our Directors confirms that as of the Latest Practicable Date, he or she did not have any interest in a business which competes or is likely to compete, either directly or indirectly, with our Company’s business which would require disclosure under Rule 8.10 of the Listing Rules.

Rule 3.09D of the Listing Rules

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules in August 2025 and March 2026 (as applicable), and (ii) understands his or her obligations as a director of a listed issuer under the Listing Rules.

Rule 3.13 of the Listing Rules

Each of the independent non-executive Directors has confirmed (i) his/her independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules, (ii) he/she has no past or present financial or other interest in the business of the Company or its subsidiaries or any connection with any core connected person of the Company under the Listing Rules as of the Latest Practicable Date, and (iii) that there are no other factors that may affect his/her independence at the time of his/her appointments.

SUPERVISORY COMMITTEE

Our Supervisory Committee consists of three Supervisors. The functions and duties of the Supervisory Committee include overseeing the financial conditions of our Company and supervising the performance of duty of the Board and the senior management of our Company.

As of the Latest Practicable Date, Dr. Zhou Qi (周祺), Mr. Feng Yunle (馮雲樂) and Mr. Yang Qing (楊青) are our Supervisors. In light of the fact that the Audit Committee of the Board will be established upon [REDACTED], which, under the PRC Company Law, may exercise, among others, the power of the supervisory committee, the Company will be no longer required to have supervisors or supervisory committee upon [REDACTED]. Therefore, our Supervisors will resign as the Supervisor of the Company upon [REDACTED]. Mr. Yang Qing (楊青) will serve as the employee representative Director and a non-executive Director of our Company effective from [REDACTED].

The following table sets out information in respect of the Supervisors as of the Latest Practicable Date.

Name	Age	Position/Title	Date of joining our Group	Date of appointment as a Supervisor	Roles and responsibilities
Dr. Zhou Qi (周祺)	[47]	Chairperson of the Supervisory Committee	December 2021	January 30, 2024	Supervising the daily operation of our Group
Mr. Feng Yunle (馮雲樂)	[45]	Supervisor	November 2019	December 29, 2023	Supervising the daily operation of our Group
Mr. Yang Qing (楊青)	[44]	Employee Representative Supervisor	January 2020	September 27, 2023	Supervising the daily operation of our Group

Dr. Zhou Qi (周祺), aged [47], is the chairperson of the Supervisory Committee of our Company. He joined our Group in December 2021.

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Dr. Zhou is currently the general counsel of SAIC since March 2023. He joined the SAIC in April 2006, and served successively as an in-house legal counsel, supervisor, deputy manager, manager, chief supervisor, deputy general manager and general manager of the cooperation and legal department at SAIC. Dr. Zhou served as a non-executive director at Shanghai Dongzheng Automotive Finance Co., Ltd. (上海東正汽車金融股份有限公司) since February 2023, a company previously listed on the Stock Exchange and delisted in April 2024.

Prior to joining SAIC, Dr. Zhou was a lawyer at INCE Gordon Dadds LLP Shanghai Representative Office (UK) (formerly known as INCE & Co LLP Shanghai Representative Officer (UK)) from December 2004 to April 2006.

Dr. Zhou is a holder of company lawyer’s licence issued by Shanghai Municipal Bureau of Justice (上海市司法局) and corporate legal counsel qualification certificate issued by the Shanghai Municipal Human resources and Social Security Bureau (上海市人力資源和社會保障局).

Dr. Zhou received his doctoral degree in international law from East China University of Political Science and Law (華東政法大學) in the PRC in June 2016. He obtained his master’s degree in European law and world economic law and another master’s degree in law from Ludwig-Maximilian University of Munich in Germany in July 2004 and July 2003, respectively. Dr. Zhou received his bachelor’s degree in international economic law from Zhejiang University (浙江大學) in the PRC in June 2001.

Mr. Feng Yunle (馮雲樂), aged [45], is a Supervisor. He joined our Group in November 2019.

Mr. Feng joined AGH on March 2015, and now serves act a senior director in Taobao (China) Software Co., Ltd. where he is primarily responsible for the finance and internal control of Alibaba. Prior to that, Mr. Feng worked as a senior manager in Ernst & Young (China) Advisory Co., Ltd. from June 2008 to March 2015. From September 2005 to June 2008, Mr. Feng worked at Ernst & Young Hua Ming LLP (安永華明會計師事務所) as an auditor. He worked at Jiangsu Gongzheng Tianye Certified Public Accountants LLP (江蘇公證天業會計師事務所) (formerly known as Jiangsu GongZheng Certified Public Accountants Co., Ltd. (江蘇公證會計師事務所有限公司)) as an auditor from July 2002 to September 2005.

Mr. Feng received his bachelor’s degree in management from Nanjing Audit University (南京審計大學) (formerly known as Nanjing Audit College (南京審計學院)) in the PRC in June 2002.

Mr. Yang Qing (楊青), aged [44], is an employee representative Supervisor. He joined our Group in January 2020. Mr. Yang will serve as the employee representative Director and a non-executive Director of our Company effective from [REDACTED].

Mr. Yang joined AGH Group in July 2011 as technical expert. He held various positions in AGH Group, including serving as a technical expert from July 2011 to April 2013, and as a senior technical expert from April 2013 to January 2020.

Mr. Yang received his master degree in computer software and theory from Fudan University (復旦大學) in the PRC in June 2009. He received his bachelor degree in computer science from Tongji University (同濟大學) in the PRC in June 2004.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

SENIOR MANAGEMENT

The following table sets out information regarding the members of senior management of our Company.

Name	Age	Position/Title	Date of joining our Group	Date of appointment	Roles and responsibilities
Mr. Dai Wei (戴瑋) . [49]		Executive Director and Chief Executive Officer	April 2024	July 2024	Responsible for overseeing the overall management, business strategies, human resources, R&D, finance, etc.
Mr. Hao Fei (郝飛) [52]		Joint chief executive officer	March 2018	March 2018	Responsible for overseeing the overall management, international business strategies (with particular focus in business growth in the domestic market) and sustainable development of our Group
Dr. Huang Youyong (黃佑勇) [54]		Vice president	May 2020	May 2020	Responsible for the System-level OS Solutions Business, including but not limited to its overall planning and R&D, being our Group’s internal bedrock product development and operation platform as well as the most strategically pivotal business segment across its entire product lines
Mr. Fan Zhengbin (范正斌) [54]		Head of PMO	May 2017	May 2017	Responsible for overseeing the overall completion and delivery of projects to customers from domestic and overseas markets, management of response and feedback from customers as well as the management of all project managers of our Group

Mr. Dai Wei (戴瑋), aged [49], is the executive Director and chief executive officer of our Company. See “—Board of Directors—Executive Director and Non-Executive Directors” in this section for his biographical details.

Mr. Hao Fei (郝飛), aged [52], is the joint chief executive officer of our Company. Mr. Hao joined our Group as chief executive officer in March 2018, and has been serving as the joint chief executive officer since January 2020.

Prior to joining our Company, Mr. Hao served as deputy general manager at Banma Information Technology Co., Ltd. (斑馬信息科技有限公司) from October 2014 to October 2017. He was the general manager of Lianchuang Automotive Electronics Co., Ltd. (聯創汽車電子有限公司)

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from April 2009 to October 2013. Mr. Hao worked as director at SAIC Motor Technical Center (上汽集團技術中心) from April 2005 to September 2014. Prior to that, he was product manager at Shanghai Volkswagen Co., Ltd. (上海大眾汽車有限公司) from April 1998 to March 2005.

Mr. Hao received his EMBA degree from China Europe International Business School (中歐國際工商學院) in the PRC in June 2013. He obtained his master’s degree in engineering in March 1998 and his bachelor’s degree in engineering in July 1995 from Jilin University of Technology (吉林工業大學) in the PRC.

Dr. Huang Youyong (黃佑勇), aged [54], is the vice president of our Company. Dr. Huang joined our Group in May 2020 as senior director and was promoted to vice president of our Company in September 2023.

Prior to joining our Group, Dr. Huang served as technical director at Cainiao Network Technology Co., Ltd. (菜鳥網絡科技有限公司) from May 2018 to April 2020. He previously worked as technical director at Alibaba Communication Technology Co., Ltd. (阿里巴巴雲計算有限公司) from April 2013 to May 2018, and at Beijing Qihui Times Technology Co., Ltd. (北京啓慧時代科技有限責任公司) from March 2009 to September 2012. From August 2002 to April 2008, Dr. Huang worked at Motorola (China) Technology Ltd. (摩托羅拉(中國)技術有限公司).

Dr. Huang received his doctoral degree in circuits and systems in June 2001 and his master’s degree in communications and electronic systems in April 1996 from University of Electronic Science and Technology of China (電子科技大學) in the PRC. He received his bachelor’s degree in science in July 1993 from Shandong University (山東大學) in the PRC.

Mr. Fan Zhengbin (范正斌), aged [54], joined our Group in May 2017 and has been serving as the head of PMO since then.

Prior to joining our Group, Mr. Fan previously worked as senior project specialist in the YunOS department at Alibaba Group from April 2013 to April 2017. He previously worked at Motorola Systems (China) Co., Ltd. Shanghai Branch (摩托羅拉系統(中國)有限公司) from September 2012 to April 2013. From April 2006 to April 2011, he worked at Motorola (China) Technology Co., Ltd. Hangzhou Branch (摩托羅拉(中國)技術有限公司杭州分公司). From June 1999 to April 2006, Mr. Fan served as technical manager in the engineering technology department at Motorola Mobile Communication Equipment (Hangzhou) Co., Ltd. (杭州摩托羅拉移動通信設備有限公司).

Mr. Fan earned the Project Management Professional (PMP) certification from the Project Management Institute (PMI) in the United States in December 2006.

Mr. Fan received his bachelor’s degree in applied electronic technology from Beijing Jiaotong University (北京交通大學) in the PRC in June 1992. He received his master’s degree in business administration from Zhejiang University (浙江大學) in the PRC in June 2007.

INTERESTS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Saved as disclosed above, to the best of the knowledge, information and belief of our Directors having made all reasonable enquiries, as of the Latest Practicable Date, none of our Directors, Supervisors and senior management had been a director of any public company the securities of which were listed on any securities market in Hong Kong or overseas in the three years immediately preceding the date of this Document. There are no other matters with respect to the appointment of our Directors and Supervisors that need to be brought to the attention of the Shareholders, nor is there any information relating to our Directors and Supervisors that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Saved as disclosed above, as of the Latest Practicable Date, none of our Directors, Supervisors or senior management were related to other Directors, Supervisors or senior management of our Company.

Saved as disclosed in the sections headed “Relationship with our Controlling Shareholders,” “Substantial Shareholders” and “Appendix IV—Statutory and General Information—Disclosure of Interests—Disclosure of Interests of Directors and Supervisors” as of the Latest Practicable Date, none of our Directors and Supervisors held any interest in the securities within the meaning of Part XV of the SFO.

JOINT COMPANY SECRETARIES

Ms. Pan Bing (潘冰), aged [34], joined our Company in March 2025 as legal counsel and is primarily responsible for investor relations, investment and financing and day-to-day legal matters. Ms. Pan has been appointed as our Board secretary and joint company secretary with effect upon [REDACTED].

Prior to joining our Company, Ms. Pan served as a legal counsel at Beijing Lingyi Wanwu Information Technology Co., Ltd. (北京零一萬物信息技術有限公司). Prior to that, Ms. Pan was a senior associate at Haiwen & Partners where she worked from July 2016 to August 2024 and primarily focused on capital markets practice.

Ms. Pan is a holder of PRC lawyer’s licence issued by the Beijing Municipal Bureau of Justice in March 2020. She was certified as a securities professional by the Securities Association of China (中國證券業協會) in June 2014.

Ms. Pan received her master and bachelor degree in law from University of International Business and Economics (對外經濟貿易大學) in the PRC in July 2016 and July 2014, respectively.

Ms. Ng Wai Kam (伍偉琴) was appointed as our joint company secretary in August 2025. Ms. Ng is a senior manager of the Company Secretarial Services Division of Tricor Services Limited (member of Vistra group), which is a global professional services provider specialising in integrated business, corporate and investor services. Ms. Ng is a Chartered Secretary and a member of both The Hong Kong Chartered Governance Institute and Chartered Governance Institute in the United Kingdom. Ms. Ng holds a bachelor’s degree in business administration. Ms. Ng has over ten years of experience in the corporate secretarial services field. She has been providing professional corporate services to Hong Kong listed companies, as well as multinational and private and offshore companies.

BOARD COMMITTEES

Our Board delegates certain responsibilities to various committees. In accordance with the relevant PRC laws and regulations and the Corporate Governance Code as set out in the Appendix C1 to the Listing Rules, our Company has formed three Board committees, namely the Audit Committee, the Remuneration Committee and the Nomination Committee.

Audit Committee

We have established an Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules, paragraph C.4 and paragraph D.3 of Part 2 of the Corporate Governance Code. The Audit Committee consists of three Directors, namely Dr. Wang Pengcheng (王鵬程), Mr. Du Yongbo (杜永波) and Mr. Jeff Jianfeng Zhang (張建鋒). Dr. Wang Pengcheng holds the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules, and serves as the chairperson of the Audit Committee. The primary duties of the Audit Committee include, but not limited to, the following:

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

- proposing the appointment or change of external auditors to our Board, and monitoring the independence of external auditors and evaluating their performance;
- guiding internal audit work;
- examining the financial information of our Company, reviewing financial reports and statements of our Company and giving comments on relevant matters;
- assessing the effectiveness of internal control;
- coordinating the communication among management, internal audit department, related departments and external audit agency;
- exercising the powers and functions of the supervisory committee as stipulated in the PRC Company Law; and
- dealing with other matters that are authorized by the Board or involved in relevant laws and regulations.

Remuneration Committee

We have established a Remuneration Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and paragraph E.1 of Part 2 of the Corporate Governance Code. The Remuneration Committee consists of three Directors, namely Mr. Du Yongbo (杜永波), Mr. Du Yilong (杜以龍) and Mr. Dai Wei (戴瑋). Mr. Du Yongbo serves as the chairperson of the Remuneration Committee. The primary duties of the Remuneration Committee include, but not limited to, the following:

- formulating individual remuneration plans for Directors and members of the senior management in accordance with the terms of reference of the job responsibilities, the importance of their positions as well as the remuneration benchmarks for the relevant positions in other comparable companies;
- examining the criteria of performance evaluation of Directors and the senior management of our Company, and conducting annual performance evaluation;
- supervising the implementation of the remuneration plan of the Company;
- reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules; and
- dealing with other matters that are authorized by the Board.

Nomination Committee

We have established a Nomination Committee with written terms of reference in compliance with Rule 3.27A of the Listing Rules and paragraph B.3 of Part 2 of the Corporate Governance Code. The Nomination Committee consists of three Directors, namely Mr. Liu Qiming (劉啟明), Mr. Du Yilong (杜以龍) and Ms. Shen Chen (沈沉). Mr. Liu Qiming serves as the chairperson of the Nomination Committee. The primary duties of the Nomination Committee include, but not limited to, the following:

- making recommendations to our Board with regards to the size and composition (including the skills, knowledge and experience) of our Board based on our Company’s business operation, asset scale and equity structure;

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

- researching and developing standards and procedures for the election of our Board members, general managers and members of the senior management, and making recommendations to our Board;
- conducting extensive search and providing to our Board suitable candidates for Directors, general managers and other members of the senior management;
- examining our Board candidates, general manager and members of the senior management and making recommendations to our Board;
- assessing and reviewing the independence of independent non-executive Directors;
- supporting the Company’s regular evaluation of the Board’s performance; and
- dealing with other matters that are authorized by our Board.

COMPENSATION OF DIRECTORS AND SUPERVISORS

Our Directors and Supervisors received their remuneration in the form of fees, salaries and other benefits, discretionary bonuses, retirement benefit scheme contributions and share-based payments. The remuneration of Directors, Supervisors and senior management is determined with reference to factors including operating results of our Company, market comparables and the achievement of major operating indicators of our Company.

For the three years ended December 31, 2023, 2024 and 2025, the total remuneration paid to our Directors amounted to RMB0.8 million, RMB5.5 million and RMB9.8 million, respectively.

For the three years ended December 31, 2023, 2024 and 2025, the total remuneration paid to our Supervisors amounted to RMB1.4 million, RMB2.2 million and RMB2.7 million, respectively.

Under the arrangement currently in force, we estimate the total compensation before taxation (excluding share-based payments) to be accrued to our Directors and our Supervisors in kind for their service for the year ending December 31, 2026 to be approximately RMB5.7 million. The actual remuneration of Directors and Supervisors in 2026 may be different from the expected remuneration.

For the three years ended December 31, 2023, 2024 and 2025, the total emoluments paid to the five highest paid individuals (excluding Directors and Supervisors) by our Group amounted to approximately RMB38.5 million, RMB9.7 million and RMB19.4 million, respectively.

During the Track Record Period, no remuneration was paid by our Company to, or receivable by, our Directors, Supervisors or the five highest paid individuals as an inducement to join or upon joining our Company or as compensation for loss of office in connection with the management positions of any subsidiary of our Company.

None of our Directors or Supervisors waived any remuneration during the relevant period.

PRE-[REDACTED] EQUITY INCENTIVE PLANS

We adopted the Pre-[REDACTED] Equity Incentive Plans, details of which are set forth in “Statutory and General Information—Pre-[REDACTED] Equity Incentive Plans” in Appendix IV to this Document.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

CORPORATE GOVERNANCE CODE

Our Company expects to comply with the Corporate Governance Code and Corporate Governance Report as set out in Appendix C1 to the Listing Rules. Our Directors will review our corporate governance policies and compliance with the Corporate Governance Code each financial year and comply with the “comply or explain” principle in our corporate governance report which will be included in our annual reports upon the [REDACTED].

BOARD DIVERSITY POLICY

We are committed to promoting the culture of diversity in the Company. We have strived to promote diversity to the extent practicable by taking into consideration a number of factors in our corporate governance structure.

We [have adopted] the board diversity policy (the “**Board Diversity Policy**”) which sets out the objective and approach to achieve and maintain diversity of our Board in order to enhance the effectiveness of our Board. Pursuant to the board diversity policy, we seek to achieve Board diversity through the consideration of a number of factors, including but not limited to gender, age, race, cultural background, educational background, industry experience and professional experience. Our Directors have a balanced mix of knowledge and skills, including knowledge and experience in the areas of business management, financing and engineering. Our four independent non-executive Directors have different industry backgrounds, representing one-third of the members of our Board. Our Board Diversity Policy is well implemented as evidenced by the fact that there are Directors ranging from [43] years old to [65] years old and comprises two female Directors and ten male Directors. Pursuant to the Board Diversity Policy, we aim to maintain at least one female representation in the Board and the current composition of the Board satisfies this target gender ratio.

We will implement policies to ensure gender diversity when recruiting staff to develop a pipeline of female senior management and potential successors to the Board. We will strive to enhance our female representation and achieve appropriate balance of gender diversity with reference to the stakeholders’ expectation and international and local recommended best practices. Furthermore, we will implement comprehensive programs aimed at identifying and training our female staff who display leadership and potential, with the goal of promoting them to the senior management or the Board.

Our Nomination Committee is responsible for ensuring the diversity of our Board members. After the [REDACTED], our Nomination Committee will review the Board Diversity Policy from time to time, develop and review measurable objectives for implementing the policy, and monitor the progress on achieving these measurable objectives to ensure its continued effectiveness. We will disclose in our corporate governance report about the implementation of the board diversity policy on an annual basis.

COMPLIANCE ADVISER

We have appointed Guotai Junan Capital Limited as our Compliance Adviser pursuant to Rules 3A.19 and 3A.23 of the Listing Rules. The Compliance Adviser will provide us with guidance and advice as to compliance with the Listing Rules and other applicable laws, rules, codes and guidelines. Pursuant to Rule 3A.23 of the Listing Rules, the Compliance Adviser will advise our Company in certain circumstances including:

- before the publication of any regulatory announcement, circular or financial report;
- where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues, sales or transfers of treasury shares and share repurchases;

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

- where we propose to use the [REDACTED] of the [REDACTED] in a manner different from that detailed in this Document or where our business activities, developments or results deviate from any forecast, estimate or other information in this Document; and
- where the Hong Kong Stock Exchange makes an inquiry to our Company regarding unusual movements in the price or [REDACTED] volume of its [REDACTED] securities or any other matters in accordance with Rule 13.10 of the Listing Rules.

Pursuant to Rule 3A.24 of the Listing Rules, the Compliance Adviser will, on a timely basis, inform our Company of any amendment or supplement to the Listing Rules that are announced by the Hong Kong Stock Exchange. The Compliance Adviser will also inform our Company of any new or amended law, regulation or code in Hong Kong applicable to us, and advise us on the continuing requirements under the Listing Rules and applicable laws and regulations.

The term of the appointment will commence on the [REDACTED] and is expected to end on the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the [REDACTED].

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

OUR CONTROLLING SHAREHOLDERS

AGH

As of the Latest Practicable Date, AGH, through Shanghai Saiwei, Zhejiang Tmall, Taobao China and Hangzhou Haoyue, is indirectly interested in 1,393,762,800 Shares, representing approximately 41.67% of our total issued share capital. Taking into account the voting arrangements as detailed in the sub-section headed “Voting Arrangements in relation to Shares held by Shanghai Saiwei” under the section headed “History, Development and Corporate Structure”, the voting interest controlled by AGH is approximately 37.09% as at the Latest Practicable Date.

Immediately after the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), 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. Therefore, AGH, together with Shanghai Saiwei, Zhejiang Tmall, Taobao China and Hangzhou Haoyue, will be our Controlling Shareholders.

SAIC

As of the Latest Practicable Date, SAIC, through Shanghai Saiwei and Jiaxing Ruijia, is indirectly interested in 1,100,328,115 Shares, representing approximately 32.90% of our total issued share capital. Taking into account the voting arrangement as detailed in the sub-section headed “Voting Arrangements in relation to Shares held by Shanghai Saiwei” under the section headed “History, Development and Corporate Structure”, the voting interest held by SAIC is approximately 35.48% as at the Latest Practicable Date.

Immediately after the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), 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, SAIC, together with Shanghai Saiyun Management, Shanghai Saiwei and Jiaxing Ruijia, will be our Controlling Shareholders.

DISCLOSURE UNDER RULE 8.10 OF THE LISTING RULES

On the basis of the business delineation as set forth below, we consider that that as of the Latest Practicable Date, apart from the business of our Company and its subsidiaries, our Controlling Shareholders did not control a business similar to the principal business of our Group that competes or is likely to compete, directly or indirectly, with our Group’s business, which would require disclosure under Rule 8.10 of the Listing Rules.

AGH

AGH is a global technology company focused on e-commerce and cloud computing and is one of the Controlling Shareholders of our Company. Our Group is principally engaged in the development and sales of AI-enabled smart cockpit solutions designed specifically for application within the smart cockpit domain and more broadly the automotive industry.

Among AGH Group, the business of Cloud Intelligence Group and Amap within the business group of All others also involves the provision of products and services to participants in the automotive industry. However, AGH Group does not offer similar products and services as those offered by our Group—specifically, AGH Group does not offer AI-enabled smart cockpit solutions based on proprietary research and development capabilities. On the other hand, our Group does not itself engage in the research or development of computing infrastructure and cloud services similar to those of Cloud Intelligence Group, or mobile digital mapping and navigation products or services similar to those of *Amap*.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Business of Cloud Intelligence Group and our Group

Cloud Intelligence Group offers a comprehensive suite of cloud services to customers across various industries based on a three-tiered architecture of infrastructure-as-a-service (IaaS), platform-as-a-service (PaaS), and model-as-a-service (MaaS). Specifically, it provides automotive manufacturing companies with infrastructural and foundational cloud and AI products and services, including amongst others, satisfying the large-scale arithmetic needs of automotive manufacturing companies.

By contrast, our Group’s business specifically focuses on providing automotive operating systems equipped with intelligent cockpit and solutions for application of AI technologies at the automotive end. Compared to the infrastructural and foundational cloud and AI products and services provided by Cloud Intelligence Group, our Group’s businesses are much more tailor-made for automobile manufacturers providing customized operating system solutions, and targeted at enhancing the connectivity and interactions for the automobile end users. The relationship between Cloud Intelligence Group and our Group is vertical rather than horizontal as Cloud Intelligence Group also serves as an upstream supplier of our Group providing cloud-related products and technical services, based on which we further develop customized AI automobile operating systems, AI automobile solutions, and comprehensive solutions for digitalized transportation. For further details of the transactions between Cloud Intelligence Group and our Group, see “Connected Transactions—Non-exempt Continuing Connected Transactions—1. Cloud Services Framework Agreement.”

Business of Amap and our Group

Amap is a leading provider of mobile digital map, navigation and real-time traffic information in China and provides users with a simple one-stop access point to services such as navigation, local services, and ride-hailing, as well as digital map data, navigation software, and real-time traffic information to automobile manufacturers and aftermarket consumers. However, the navigation-related products and services provided by Amap are mainly focused on specific functions within the broader smart mobility ecosystem. Currently, Amap functions mainly as a provider of the mapping module within the smart cockpit ecosystem.

By contrast, our Group delivers an integrated suite of products and solutions that encompass the entire smart cockpit system, while the mobile digital mapping and navigation services provided by Amap only forms a non-critical component and non-core function within the entire smart cockpit system. Amap also provides our Group with a license to apply the software and applications developed by it at automobile and integrate with the automotive operating system developed by our Group. Accordingly, the nature of the relationship between Amap and our Group is primarily one of commercial collaboration, rather than direct competition, as their respective offerings address distinct layers and scopes within the smart cockpit value chain. For further details of the transactions between Amap and our Group, see “Connected Transactions—Non-exempt Continuing Connected Transactions—2. Software License Framework Agreement.”

Given the products and services provided by the Cloud Intelligence Group and Amap are substantially different from, and are clearly delineated with, the Group’s business, as elaborated above, there is clear delineation between AGH Group’s businesses and our Group’s business.

SAIC

SAIC’s business primarily covers complete vehicles, components, mobility services, finance, international operations, and innovative technology. As at the Latest Practicable Date, SAIC was also engaged in the research and development of smart cockpit technologies. However, such in-house development efforts are solely for internal use and do not compete in the public market with third-party smart cockpit solution providers, including our Group. Most of the R&D work is

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

focused on application development, management platform operations, and data maintenance within the SAIC Group. It is currently expected that SAIC is unlikely to launch its self-developed AI-enabled smart cockpit solutions in the near future in a manner that would result in direct competition with our Group.

INDEPENDENCE OF OUR BUSINESS

Having considered the following factors, our Directors are satisfied that we are capable of carrying out our business independently AGH and SAIC after the [REDACTED] for the reasons set out below.

Relationship with AGH

Operational Independence

Our Group is not operationally dependent on AGH. Our Company has full rights to make all decisions on, and to carry out, our own business operations independently. Our Company (including through our subsidiaries) independently owns, and will own, all material trademarks, patents, licenses and other intellectual properties (or rights to use intellectual properties) necessary to carry on our businesses. Our Group has and will continue to have a separate management team and separate departments to carry out core administrative functions, including accounting, taxation, internal control, internal audit and legal functions upon [REDACTED]. We are also able to operate independently according to our own rules, policies and procedures, and manages separate books and records from those of AGH.

Furthermore, our Group has a customer-centric sales and marketing team independent from AGH Group and focused on attracting and retaining high-profile customers and business partners specifically in the automotive industry. There is no material reliance on AGH Group for customer acquisition by our Group and its major customers during the Track Record Period have formed long-term relationships with our Group since its establishment.

During the Track Record Period, our Group entered into several transactions with AGH Group. See “Connected Transactions” and “Financial Information—Related Party Transactions” and Note 40 of the Accountants’ Report as set out in Appendix I to this Document for more details.

Based on the relevant guidance under paragraph 7 of Chapter 1.2B of the Guide for New Listing Applicants for companies operating in the “internet technology sector” (the “**Relevant Sector**”) and the assessment below, our Directors, including the independent non-executive Directors, are of the view that the Group is able to operate independently of AGH Group despite the relevant continuing connected transactions:

- (i) The Company is no longer a consolidated subsidiary of AGH. There was no undue support from AGH Group as the terms of the products and services offered by AGH Group to our Group are fair, reasonable and on normal commercial terms which are determined on an arm’s length basis and similar to those offered to independent third parties in comparable transactions.
- (ii) Historically, certain intellectual property assets related to the development of our AOS, the automotive operating system tailored specifically for smart vehicles, were originated from, and injected by, AGH Group into our Group, which was further independently developed and improved by our Group based on open-source operating systems (rather than the technology architecture of AGH Group) which is open, flexible, and highly compatible, with the support of ancillary and infrastructural cloud products and services offered by AGH Group. The Group has independent capabilities to further develop and upgrade the foundational automotive operating systems and the Company has a designated engineer group to work closely with its customers to fulfill their demands to

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

deliver tailor-made and differentiated AI-enabled smart cockpit solutions. According to CIC, the Company is one of the only two third-party players in China with a fully self-developed in-vehicle operating system.

- (iii) During its nearly 10-year development into a leading smart cockpit software solution provider in China, the Group currently selects AGH Group’s products and services not only due to historical arrangements or group affiliation, but also because of the proven quality, reliability, and strong market position. The relevant members of AGH Group, such as Cloud Intelligence Group and Amap, are established players in their respective sectors, with a track record of delivering high-standard solutions that meet the operational and commercial needs of our Group. Their reputation, technical capabilities, and familiarity with the Group’s business requirements make them a natural and commercially sound choice.
- (iv) According to CIC, it is not uncommon for companies in the Relevant Sector to engage a single vendor for core infrastructure services and products such as cloud computing. Unlike certain user-facing services that may involve multiple providers, foundational infrastructure such as cloud computing is generally sourced from a single vendor to ensure system stability, data security, and cost efficiency. For our Company, adopting a multi-provider model in this context lacks commercial justification.
- (v) The Group has been in a very stable business partnership with AGH Group and they have been very familiar with the needs and requirements of each other. Engaging third-party service providers would not be commercially rational or aligned with the interests of the Shareholder as a whole. For our Group, selecting other suppliers, especially for the provider of cloud and AI-related service and products outside of AGH Group, would introduce unnecessary costs, integration challenges, and operational inefficiencies. Maintaining the current arrangement is consistent with prudent commercial decision-making and is in the interests of the Shareholders as a whole.

Based on the above, our Directors consider there to be no operational dependence on AGH.

Management Independence

The management team of our Group mainly comprises senior management members who are responsible for the day-to-day management of our businesses (the “**Management Team**”), and none of them currently holds or, to the best knowledge of the Company, is expected to hold any directorships and/or senior management positions in AGH as at the Latest Practicable Date or upon the [REDACTED]. The Management Team and our Board will be responsible for maintaining effective conflicts of interest management measures to ensure our ability to make commercial decisions independently and in the interests of our Shareholders as a whole, such as engaging independent professional advisors to assist in the decision-making process in relation to any transactions involving any actual or potential conflicts of interest.

Although four Directors, namely, Mr. Jeff Jianfeng Zhang, Ms. Huang Jiaojiao, Mr. Jin Lei and Ms. Shen Chen (the “**AGH Nominated Directors**”), who have been re-designated by our Company as our non-executive Directors and not members of our day-to-day management team, hold directorships and management positions in AGH Group, none of the AGH Nominated Directors serves as AGH’s director or senior management as disclosed in AGH’s fiscal year 2025 annual report. Mr. Dai Wei, our executive Director and Chief Executive Officer, is not an AGH nominated Director and he is not required to abstain from voting in the relevant Board meetings in relation to resolutions in which AGH has a material interest. Our Directors are of the view that our Company is able to function independently from AGH Group for the following reasons:

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

- (i) each of the AGH Nominated Directors is aware of his or her fiduciary duties and responsibilities under the Listing Rules as a director, which require that he or she must act for the benefit and in the best interests of our Company and not allow any conflict between his or her duties as a Director and his or her personal interests. Each of the AGH Nominated Directors is also expected to obtain legal advice from the Hong Kong legal adviser in relation to the [REDACTED] referred to under Rule 3.09D of the Listing Rules to further understand his or her obligations as a director of a listed issuer under the Listing Rules;
- (ii) the daily management and operations of our Company are carried out by a senior management team, all of whom have substantial experience in the industry in which we are engaged, and will therefore be able to make business decisions that are in the best interests of our Company;
- (iii) we have appointed independent non-executive directors with effect from the [REDACTED], who (i) will account for no less than one-third of the Board, (ii) do not and will not hold any directorships or management positions in AGH Group, (iii) possess the requisite industry knowledge and experience and are qualified to provide independent, sound and professional advice to our Company, and (iv) will be responsible for deciding certain matters of our Company which must always be referred to the independent non-executive Directors for review;
- (iv) pursuant to the articles of association of the Company, for related party transactions and connected transactions to be entered into between the Group and AGH Group, AGH Group will ensure such transactions are fair, reasonable and on normal commercial terms which are determined on an arm's length basis; and
- (v) to support the management independence of our Company, we will adopt a series of corporate governance measures to manage conflicts of interest, if any, between our Company and AGH.

The independent non-executive Directors will be different from the independent directors of AGH. The independent non-executive Directors will also provide checks and balances over the decision-making of the Board on significant transactions, connected transactions and other transactions involving any actual or potential conflicts of interest.

Our Company will adopt corporate governance measures to manage potential conflicts of directors' interests in accordance with the requirements of the Listing Rules. For matters where any Director who may have actual or potential conflicts of interest, he or she will abstain from voting in the relevant Board meetings in compliance with the Articles of Association. The Company will appoint a compliance adviser and a Hong Kong legal advisor upon [REDACTED], which will provide advice and guidance to the Company in respect of compliance with the Listing Rules and applicable laws, rules, codes and guidelines, including various requirements relating to directors' duties and internal controls. In addition, the Directors and senior management of our Company will receive sufficient training for their respective roles in a company to be [REDACTED] on the Hong Kong Stock Exchange.

Based on the foregoing reasons, our Directors believes that our Company will operate and resolve all actual or potential conflicting matters involving our business independently of AGH and vice versa. Our Company will therefore operate independently and in the interests of its shareholders as a whole.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Financial Independence

Our Group is not financially dependent on AGH, and we do not expect to rely on AGH for financing after the [REDACTED]. Our Company has established its own independent finance department and implemented its own independent audit, accounting, internal control and financial management systems. We make financial decisions and determine our use of funds according to our own business needs. We have opened accounts with banks independently and do not share any bank account with AGH. We have made tax filings and paid tax independently of AGH pursuant to applicable laws and regulations. We have adequate internal resources to support our daily operations, and we are capable of obtaining financing from third parties, if necessary, without reliance on AGH. We also have an Audit Committee to oversee our accounting and financial reporting processes.

As of the Latest Practicable Date, there were no loans, guarantees/securities or other forms of financial assistance provided by AGH or its associates to the Group or vice versa. As at the time of the [REDACTED], it is expected that there will be no loans, guarantees/securities or other forms of financial assistance provided by AGH or its associates to the Group or vice versa.

In view of our internal resources, our undrawn banking facilities, our net cash generated from operating activities and the estimated net [REDACTED] from the [REDACTED], our Directors confirm that we will not rely on AGH for financing support after the [REDACTED]. Our Directors also believe that, upon [REDACTED], the sustainability of our business—as demonstrated by our results of operation and financial position during the Track Record Period—will enhance our ability to obtain or renew loans and borrowings from banks on an independent basis without the support of AGH.

Based on the above, our Directors consider there to be no financial dependence on AGH.

Relationship with SAIC

Operational Independence

Our Group is not operationally dependent on our SAIC. Our Company has full rights to make all decisions on, and to carry out, our own business operations independently. Our Company (including through our subsidiaries) independently owns, and will own, all material trademarks, patents, licenses and other intellectual properties (or rights to use intellectual properties) necessary to carry on our businesses. We are also able to operate independently according to our own rules, policies and procedures, and manages separate books and records from those of the SAIC.

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, SAIC Group was one of our major customers. We have also entered into the Product Supply Framework Agreement and Comprehensive Services Supply Framework Agreement with SAIC, under which we provide smart cockpit—related products and services to SAIC and its associates. Further details are set out in “Connected Transactions” and “Financial Information—Related Party Transactions” and Note 40 of the Accountants’ Report in Appendix I to this Document.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Our Directors, including the independent non-executive Directors, are of the view that the Group is able to operate independently of SAIC despite the relevant continuing connected transactions, for the following reasons:

- (i) The continuing connected transactions with SAIC and its associates are conducted in the ordinary and usual course of business, on normal commercial terms or better, on terms that are fair and reasonable, and in the interests of our Company and our Shareholders as a whole.
- (ii) SAIC has been a controlling shareholder of our Company since inception and is also a strategic investor. Our cooperation with SAIC is long-term and stable, and is not expected to undergo any material adverse change in the foreseeable future. The relationship is based on mutual commercial benefits rather than structural reliance, as evidenced by our ability to deliver stable, high-performance solutions for multiple leading automotive manufacturers and to maintain a diversified customer base that contributes materially to our revenue.
- (iii) Our years of collaboration with SAIC have given us a deep understanding of its operational requirements, product development cycles, and those of its associates. This insight enables us to design and deliver highly tailored, reliable solutions, creating a competitive advantage that is difficult for new entrants to replicate. The know-how, credibility, and operational experience gained from serving SAIC will enable us to secure and retain projects for a broad range of independent third-party customers, which we expect will further reinforce and extend this competitive advantage beyond the SAIC ecosystem.
- (iv) Any transactions with SAIC and its associates will be conducted on an arm’s length basis under Chapter 14A of the Listing Rules. Sustainable business expansion resulting from our partnership with SAIC is driven by mutual commercial benefits and our core competitive strengths—such as proprietary technology, product quality, and service capabilities—rather than the shareholding relationship. These strengths are equally applicable in building and deepening relationships with independent third-party customers, supporting our ongoing commitment to diversify our customer base and broaden our market coverage.

Based on the above, our Directors consider there to be no operational dependence on SAIC.

Management Independence

None of the Management Team currently holds any directorships and/or senior management positions in SAIC. The Management Team and our Board will be responsible for maintaining effective conflicts of interest management measures to ensure our ability to make commercial decisions independently and in the interests of its shareholders as a whole, such as engaging independent professional advisors to assist in the decision-making process in relation to any transactions involving any actual or potential conflict of interests.

Although three Directors, namely, Mr. Xiang Jiao, Mr. Zhang Liang and Mr. Zhu Yong (the “SAIC Nominated Directors”), who have served as our non-executive Directors, and not members of our day-to-day management team, hold directorships and senior management positions in SAIC Group, none of the SAIC Nominated Directors served as SAIC’s director or senior management as of the Latest Practicable Date. Our Directors are of the view that our Company is able to function independently from SAIC for the following reasons:

- (i) each of the SAIC Nominated Directors is aware of his fiduciary duties and responsibilities under the Listing Rules as a director, which require that he must act for the benefit and in the best interests of our Company and not allow any conflict between

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

his duties as a Director and his or her personal interests. Each of the SAIC Nominated Directors is also expected to obtain the legal advice from the Hong Kong legal adviser in relation to the [REDACTED] referred to under Rule 3.09D of the Listing Rules to further understands his obligations as a director of a listed issuer under the Listing Rules;

- (ii) the daily management and operations of our Company are carried out by a senior management team, all of whom have substantial experience in the industry in which we are engaged, and will therefore be able to make business decisions that are in the best interests of our Company. In addition, our Executive Director and senior management team holds no position in the SAIC Group;
- (iii) we will appoint independent non-executive directors, who (i) account for no less than one-third of the Board, (ii) do not and will not hold any directorships or management positions in SAIC, (iii) possess the requisite industry knowledge and experience and are qualified to provide independent, sound and professional advice to our Company, and (iv) will be responsible for deciding certain matters of our Company which must always be referred to the independent non-executive directors for review; and
- (iv) to support the management independence of our Company, we will adopt a series of corporate governance measures to management conflicts of interest, if any, between our Company and SAIC.

The independent non-executive Directors will be different from the independent directors of SAIC. The independent non-executive Directors will also provide checks and balances over the decision-making of the Board on significant transactions, connected transactions and other transactions involving any actual or potential conflict of interests.

Our Company will adopt corporate governance measures to manage potential conflicts of directors' interests in accordance with the requirements of the Listing Rules. For matters where any Director who may have actual or potential conflicts of interests, he or she will abstain from voting in the relevant Board meetings in compliance with the Articles of Association. In addition, the Directors and senior management of our Company will receive sufficient training for their respective roles in a company to be [REDACTED] on the Hong Kong Stock Exchange.

Based on the foregoing reasons, our Directors believes that our Company will operate and resolve all actual or potential conflicting matters involving our business independently of SAIC and vice versa. Our Company will therefore operate independently and in the interests of its shareholders as a whole.

Financial Independence

Our Group is not financially dependent on SAIC, and we do not expect to rely on SAIC for financing after the [REDACTED]. Our Company has established its own independent finance department and implemented its own independent audit, accounting, internal control and financial management systems. We make financial decisions and determine our use of funds according to our own business needs. We have opened accounts with banks independently and do not share any bank account with SAIC. We have made tax filings and paid tax independently of SAIC pursuant to applicable laws and regulations. We have adequate internal resources to support our daily operations, and we are capable of obtaining financing from third parties, if necessary, without reliance on SAIC. We also have an Audit Committee to oversee our accounting and financial reporting processes.

As of the Latest Practicable Date, there were no loans, guarantees/securities or other forms of financial assistance provided by SAIC or its associates to the Group or vice versa. All material amounts due from or due to SAIC and/or their associate(s) not arising out of our ordinary course of business will be fully settled before the [REDACTED].

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

In view of our internal resources, our undrawn banking facilities, our net cash generated from operating activities and the estimated net [REDACTED] from the [REDACTED], our Directors confirm that we will not rely on SAIC for financing support after the [REDACTED]. Our Directors also believe that, upon [REDACTED], the sustainability of our business—as demonstrated by our results of operation and financial position during the Track Record Period—will enhance our ability to obtain or renew loans and borrowings from banks on an independent basis without the support of SAIC.

Based on the above, our Directors consider there to be no financial dependence on SAIC.

CORPORATE GOVERNANCE MEASURES

Our Company will comply with the provisions of the Corporate Governance Code, which sets out principles of good corporate governance in relation to, among other matters, directors, the chairperson, board composition, the appointment, re-election and removal of directors, their responsibilities and remuneration and communications with shareholders. Details are set out in the section headed “Directors, Supervisors and Senior Management— Corporate Governance Code”.

Our Directors recognize the importance of good corporate governance to protect the interests of our Shareholders. We have adopted the following corporate governance measures to ensure good corporate governance, and to avoid potential conflicts of interest between our Group and our Controlling Shareholders:

- (i) where a Shareholders’ meeting is to be held for considering proposed transactions in which any of our Controlling Shareholders has any material interest, our Controlling Shareholders will not vote on the resolutions and shall not be counted in the quorum for the voting;
- (ii) our Company has established internal control mechanisms to identify connected transactions. Upon [REDACTED], if our Group enters into connected transactions with our Controlling Shareholders, our Company will comply with the applicable requirements under the Listing Rules;
- (iii) the independent non-executive Directors will review, on an annual basis, whether there are any conflicts of interest between our Group and the Controlling Shareholders (the “Annual Review”), and provide impartial and professional advice to protect the interests of our minority Shareholders;
- (iv) the Controlling Shareholders will undertake to provide all information necessary, including all relevant financial, operational and market information, as well as any other information required by the independent non-executive Directors, for the Annual Review;
- (v) our Company will disclose decisions, with basis, on matters reviewed by the independent non-executive Directors, either in its annual reports or by way of announcements, as required by the Listing Rules;
- (vi) where the advice from an independent professional, such as a financial or legal adviser, is reasonably requested by our Directors (including the independent non-executive Directors), the appointment of such an independent professional will be made at our Company’s expense; and
- (vii) we have appointed Guotai Junan Capital Limited as our Compliance Adviser, who will provide advice and guidance to us in respect of compliance with the Listing Rules, including various requirements relating to corporate governance.

Based on the above, our Directors are satisfied that sufficient corporate governance measures have been put in place to manage conflict of interests between our Group and our Controlling Shareholders, and to protect our minority Shareholders’ rights after the [REDACTED].

CONNECTED TRANSACTIONS

Upon [REDACTED], transactions between us and our connected persons will constitute our connected transactions or continuing connected transactions under Chapter 14A of the Listing Rules.

OUR CONNECTED PERSONS

We have entered into certain transactions with the following connected persons, which will constitute our continuing connected transactions upon [REDACTED]:

Name	Relationship
AGH and its associates, including but not limited to Alibaba Cloud Computing Ltd. (“ Alibaba Cloud Computing ”), AutoNavi Software Co., Ltd. (高德軟件有限公司) (“ Amap ”), Zhejiang Aikesi Elf Artificial Intelligence Technology Co., Ltd. (浙江艾克斯精靈人工智能科技有限公司) (“ Tmall Genie ”) and Alibaba.com China	AGH is our Controlling Shareholder within the meaning under the Listing Rules. Alibaba Cloud Computing is an affiliated consolidated entity of AGH and each of Amap, Tmall Genie and Alibaba.com China is a wholly-owned subsidiary of AGH.
SAIC and its associates (the “ SAIC Entities ”)	SAIC is our Controlling Shareholder within the meaning under the Listing Rules.

SUMMARY OF OUR CONTINUING CONNECTED TRANSACTIONS

Transactions	Counterparty	Applicable Listing Rules	Waiver sought	Proposed annual caps for the year ending December 31,		
				2026	2027	2028
(RMB in millions)						
Non-exempt continuing connected transactions						
Transactions with AGH and its associates						
1. . Cloud Services Framework Agreement	Alibaba Cloud Computing	14A.34, 14A.35, and 14A.105	Announcement, circular and independent shareholders’ approval	96.0	118.0	149.0
2. . Software License Framework Agreement	Amap and Tmall Genie	14A.34, 14A.35, and 14A.105	Announcement, circular and independent shareholders’ approval	66.0	53.0	42.0
3. . Shared Services Framework Agreement	Alibaba.com China	14A.34, 14A.35, and 14A.105	Announcement, circular and independent shareholders’ approval	34.0	32.0	31.0

Transactions with SAIC and its associates

CONNECTED TRANSACTIONS

Transactions	Counterparty	Applicable Listing Rules	Waiver sought	Proposed annual caps for the year ending December 31,		
				2026	2027	2028
				(RMB in millions)		
4. . Product Supply Framework Agreement	SAIC	14A.34, 14A.35, and 14A.105	Announcement, circular and independent shareholders’ approval	170.0 2.0	190.0 2.0	210.0 2.0
5. . Comprehensive Services Supply Framework Agreement	SAIC	14A.34, 14A.35, and 14A.105	Announcement, circular and independent shareholders’ approval	310.0 3.0	340.0 3.0	355.0 3.0
Fully exempt continuing connected transactions						
6. . Buying consumer goods or services	AGH Group	14A.97	N/A	N/A	N/A	N/A
7. . Other CCTs	AGH Group	N/A	N/A	N/A	N/A	N/A

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

1. Cloud Services Framework Agreement

Principal terms

Our Company entered into a cloud services framework agreement (the “**Cloud Services Framework Agreement**”) with Alibaba Cloud Computing on [●], pursuant to which Alibaba Cloud Computing and its associates (collectively “**Alibaba Cloud Computing Entities**”) will provide, on a non-exclusive basis, public cloud computing services (including but not limited to elastic compute service (ECS, EGS etc), object storage service (OSS), content delivery network (CDN), open data processing service (ODPS) and other public cloud services), certain cloud related products (including cloud software and servers) and technical services (including Internet data center services and network services) to members of our Group upon request. The scope of products and services may be adjusted from time to time between the parties in writing to suit our Group’s business needs.

The term of the Cloud Services Framework Agreement will commence on the [REDACTED] and will end on December 31, 2028 and parties thereto may negotiate in good faith to renew the agreement upon expiry, which will be subject to compliance with the requirements under Chapter 14A of the Listing Rules.

Reasons for the transactions

Taking into account (i) the leading position of Alibaba Cloud Computing Entities in the cloud service sector in China; (ii) Alibaba Cloud Computing Entities’ large user base and strong technology capabilities; (iii) the security, stability and reliability in the handling of data demonstrated in the services that Alibaba Cloud Computing Entities has been providing to us; and (iv) the established long-term relationship between our Group and Alibaba Cloud Computing Entities, it is commercially sensible and beneficial for our Group to continue to procure these services.

CONNECTED TRANSACTIONS

Pricing policies

The fees payable by us under the Cloud Services Framework Agreement will be determined by applying the agreed fee rates or per unit purchase prices over the transaction volumes for services or products provided by Alibaba Cloud Computing Entities to us. The fee rates or per unit purchase prices will be determined with reference to prevailing market rates for similar and comparable services or products, including the rates and unit prices for products and services provided by Alibaba Cloud Computing and its associates to independent third parties and the rates and unit prices charged by other cloud services providers.

Historical amounts

In respect of the cloud services provided by Alibaba Cloud Computing Entities to us, the historical amounts were approximately RMB59.4 million, RMB58.1 million and RMB63.4 million for the three years ended December 31, 2023, 2024 and 2025, respectively.

Annual caps

In respect of the Cloud Services Framework Agreement, the transaction amounts to be paid by us for the three years ending December 31, 2028 shall not exceed the proposed annual caps as set out in the table below:

	Proposed annual caps for the year ending December 31,		
	2026	2027	2028
	<i>(RMB in millions)</i>		
Transaction amount to be paid by us to			
Alibaba Cloud Computing Entities	96.0	118.0	149.0

The increase in the proposed annual caps for transactions contemplated under the Cloud Services Framework Agreement is primarily due to the business growth and expansion of our Group as the cloud products and services procured from AGH as well as other cloud service providers are applied in the Group’s all revenue streams, including system-level OS solutions, AI solutions and vehicle-based services marketplace. Cloud services are foundational to the operation and R&D of our three-layer stack, from operating system to AI to vehicle-based services marketplace. Driven by its strategic efforts to upgrade its solution category and capturing more market share and R&D initiatives powered by AI, the Company expects that the procurement cost of cloud service will increase in line with its business prospects in the future, especially the growth potential and demand for our Full-stack End-to-end AI solutions following the launch of Yan AI in 2024 and “All in AI, AI in All” strategy and the commencement of the AI infrastructure projects in the fourth quarter of 2025. Compared to traditional operating system for smart cockpit solutions which we mainly supplied during the Track Record Period and the operation of which does not involve intense application of AI technologies based on cloud services and products, we expect the procurement amount of cloud services since 2026 will increase at a relatively significant level driven by the emerging demand for our LLM and AI agent products and enhanced end-to-end and cloud-based AI Solutions — requiring massive use of AI technologies based on foundational cloud services and products.

Specifically, (i) for operating system, the rapid increase of both the installation volume and accumulative installation volume requires sufficient and stable cloud services. The Company scaled rapidly with strong momentum with its installation volume grew from 0.8 million units in 2022 to 2.3 million units in 2024 with a CAGR of 67.2%; (ii) for Full-stack End-to-end AI Solutions, our revenue increased from RMB15.9 million in 2022 to RMB54.6 million in 2024, representing a CAGR of 85.3%. Following the launch of Yan AI in 2024, we have secured more design-wins with multiple leading global OEMs for our enhanced end-to-end and cloud-based AI Solutions and also

CONNECTED TRANSACTIONS

expanded a broader portfolio AI-enabled technology development and software licensing activities. We launched an AI Infrastructure project in the fourth quarter of 2025, building a large-scale computing centre to meet the computing power demands of our full-stack AI solutions and support R&D activities. We expect that more vehicle models equipped with our enhanced end-to-end AI Solutions will enter mass production from December 2025 to July 2026 with broader adoption of our upgraded on-board model expected across additional models in 2026 and 2027, leading to our increasing demand for cloud services; and (iii) we are also allocating more resources including cloud and computing resources to strengthen our vehicle-based services marketplace and AI-native in-vehicle apps. In addition, we also expect a steady growth of our procurement of cloud services from the Alibaba Cloud Computing Entities for resale to OEMs such as IM Motors.

Basis of caps

In determining the above proposed annual caps, we have primarily considered (i) the historical transaction amounts during the Track Record Period under the existing cloud services arrangements between our Group and Alibaba Cloud Computing Entities; (ii) our Group’s business planning, and consequently the business needs for cloud services within our Group; and (iii) the expected increase in demand for cloud products and services due to (a) the expected growth in our customer base and (b) the transaction volume on our platform.

Listing Rules implications

In respect of the transactions contemplated under the Cloud Services Framework Agreement, as the highest applicable percentage ratio in respect of the highest annual cap, with all transactions with AGH and its associates under the Cloud Services Framework Agreement, Software License Framework Agreement and Shared Services Framework Agreement aggregated in accordance with Rule 14A.81 of the Listing Rules, for the three years ending December 31, 2028 calculated for the purpose of Chapter 14A of the Listing Rules will exceed 5% on an annual basis, such transactions will, upon [REDACTED], constitute continuing connected transactions of our Company subject to the annual reporting requirement under Rules 14A.49 and 14A.71 of the Listing Rules, the announcement requirement under Rule 14A.35 of the Listing Rules and the independent Shareholders’ approval requirement under Rule 14A.36 of the Listing Rules.

2. Software License Framework Agreement

Principal terms

Our Company entered into a software license framework agreement (the “**Software License Framework Agreement**”) with Amap and Tmall Genie on [●], pursuant to which Amap and Tmall Genie will, on a non-exclusive basis, grant license to our Group to apply the software and applications developed by AGH and its associates at automobile and integrate with the automotive operating system developed by our Group, such as navigation software, Amap, and others.

The term of the Software License Framework Agreement will commence on the [REDACTED] and will end on December 31, 2028 and parties thereto may negotiate in good faith to renew the agreement upon expiry, which will be subject to compliance with the requirements under Chapter 14A of the Listing Rules.

Reasons for the transactions

Taking into account (i) the leading position of the relevant software and applications, such as Amap as a leading provider of mobile digital map, navigation and real-time traffic information in China; (ii) the large user base and strong technology capabilities of the relevant software and applications; and (iii) the security, stability and reliability in the handling of data demonstrated in

CONNECTED TRANSACTIONS

the products and services provided to us; and (iv) the established long-term relationship between our Group and relevant parties, it is commercially sensible and beneficial for our Group to continue to procure these products and services.

Pricing policies

The fees payable by us under the Software License Framework Agreement will be determined based on the usage volume and unit price of each software or application as agreed by the parties.

Historical amounts

In respect of the software and applications provided by Amap and Tmall Genie to us, the historical amounts were approximately RMB159.7 million, RMB146.3 million and RMB120.0 million for the three years ended December 31, 2023, 2024 and 2025, respectively.

Annual caps

In respect of the Software License Framework Agreement, the transaction amounts to be paid by us for the three years ending December 31, 2028 shall not exceed the proposed annual caps as set out in the table below:

	Proposed annual caps for the year ending December 31,		
	2026	2027	2028
	(RMB in millions)		
Transaction amount to be paid by us to			
Amap and Tmall Genie	66.0	53.0	42.0

Basis of caps

In determining the above proposed annual caps, we have primarily considered (i) the historical transaction amounts during the Track Record Period under the existing software license arrangements between our Group and Amap and Tmall Genie; and (ii) our Group’s business planning, and consequently the business needs for the use of the software and applications operating by Amap and Tmall Genie within our Group.

Listing Rules implications

In respect of the transactions contemplated under the Software License Framework Agreement, as the highest applicable percentage ratio in respect of the highest annual cap, with all transactions with AGH and its associates under the Cloud Services Framework Agreement, Software License Framework Agreement and Shared Services Framework Agreement aggregated in accordance with Rule 14A.81 of the Listing Rules, for the three years ending December 31, 2028 calculated for the purpose of Chapter 14A of the Listing Rules is expected to exceed 5% on an annual basis, such transactions will, upon [REDACTED], constitute continuing connected transactions of our Company subject to the annual reporting requirement under Rules 14A.49 and 14A.71 of the Listing Rules, the announcement requirement under Rule 14A.35 of the Listing Rules and the independent Shareholders’ approval requirement under Rule 14A.36 of the Listing Rules.

CONNECTED TRANSACTIONS

3. Shared Services Framework Agreement

Principal terms

Our Company entered into a shared services framework agreement (the “**Shared Services Framework Agreement**”) with Alibaba.com China on [●], pursuant to which Alibaba.com China and its associates (collectively “**Alibaba.com China Entities**”) will provide the following services to our Group: (i) sharing of office premises, facilities and the ancillary property management and support services; and (ii) mid-office and back-office administrative support and shared services such as sharing of operational and maintenance software systems; and related technical and software supports and information technology services necessary to provide the above services.

The term of the Shared Services Framework Agreement will commence on the [REDACTED] and will end on December 31, 2028 and parties thereto may negotiate in good faith to renew the agreement upon expiry, which will be subject to compliance with the requirements under Chapter 14A of the Listing Rules.

Reasons for the transactions

Given (i) that the transactions contemplated under the Shared Services Framework Agreement can, on one hand, help enhance the utilization of our Group’s own operational support resources and, on the other hand, reduce the administrative costs of our Group in procuring similar services from a wide range of other providers; and (ii) the established long-term relationship between our Group and Alibaba, it is commercially sensible and beneficial for our Group to continue to procure these products and services.

Pricing policies

The fees payable by us under the Shared Service Framework agreements will be determined as follows:

- (i) fees for the lease of facilities and the ancillary property management services shall be determined based on prevailing market rates for rental of similar properties in nearby locations quoted by independent third parties; and
- (ii) fees for other mid-office and back-office administrative support, telecommunications services and shared services shall be calculated on a cost-plus basis or an actual-cost-split basis as agreed by the parties.

Historical amounts

In respect of the shared services provided by Alibaba.com China Entities to us, the historical amounts were approximately RMB56.1 million, RMB44.7 million and RMB41.1 million for the three years ended December 31, 2023, 2024 and 2025, respectively.

Annual caps

In respect of the Shared Services Framework Agreement, the transaction amounts to be paid by us for the three years ending December 31, 2028 shall not exceed the proposed annual caps as set out in the table below:

	Proposed annual caps for the year ending December 31,		
	2026	2027	2028
	(RMB in millions)		
Transaction amount to be paid by us to			
Alibaba.com China Entities	34.0	32.0	31.0

CONNECTED TRANSACTIONS

Basis of caps

In determining the above proposed annual caps, we have primarily considered (i) the historical transaction amounts during the Track Record Period under the existing shared service arrangements between our Group and Alibaba.com China Entities; and (ii) our Group’s business planning, and consequently the business needs for the use of the shared services.

Listing Rules implications

In respect of the transactions contemplated under the Shared Services Framework Agreement, as the highest applicable percentage ratio in respect of the highest annual cap, with all transactions with AGH and its associates under the Cloud Services Framework Agreement, Software License Framework Agreement and Shared Services Framework Agreement aggregated in accordance with Rule 14A.81 of the Listing Rules, for the three years ending December 31, 2028 calculated for the purpose of Chapter 14A of the Listing Rules is expected to exceed 5% on an annual basis, such transactions will, upon [REDACTED], constitute continuing connected transactions of our Company subject to the annual reporting requirement under Rules 14A.49 and 14A.71 of the Listing Rules, the announcement requirement under Rule 14A.35 of the Listing Rules and the independent Shareholders’ approval requirement under Rule 14A.36 of the Listing Rules.

4. Product Supply Framework Agreement

Principal terms

Our Company entered into a product supply framework agreement (the “**Product Supply Framework Agreement**”) with SAIC on [●], pursuant to which (i) the SAIC Entities will purchase, and our Group will supply products including but not limited to smart cockpit operating systems, hardware, software, and network service packages, and (ii) our Group will purchase, and the SAIC Entities will supply some automotive related ancillary products. The automotive related ancillary products supplied by SAIC to the Group mainly include automotive hardware to be bundled with the software solutions tailor-made for sale to an emerging automotive manufacturing enterprise customer independent from SAIC, pursuant to the procurement arrangement as agreed by the Company and the aforementioned customer, and aforementioned products would not be resold to SAIC.

The term of the Product Supply Framework Agreement will commence on the [REDACTED] and will end on December 31, 2028 and the agreement will be subject to negotiation at renewal with mutual consent and in compliance with the requirements of the Listing Rules and other applicable laws and regulations.

Reasons for the transactions

SAIC is a leading Chinese automotive group engaged in the design, manufacturing, and sales of passenger and commercial vehicles, including new energy vehicles, as well as automotive parts, logistics, and mobility services. As it expands its portfolio in intelligent and connected vehicles, SAIC requires smart cockpit solutions — comprising hardware, software, and network service packages — for staying competitive in the evolving smart mobility landscape.

The Group has established a long-term relationship with SAIC Entities for provision of smart cockpit related products and we are familiar with SAIC Entities’ business needs, quality standards and operational requirements in respect of the services and products. The Company considers that the supply of products to SAIC Entities provides the Group with a stable source of sales revenue and facilitate the business growth and development of the Group.

CONNECTED TRANSACTIONS

Pricing policies

The fees to be obtained by us under the Product Supply Framework Agreement will be determined with reference to government reference price or guidance price. If such price is not available, we will take into account factors in the following order: (i) the market price of comparable independent third-party suppliers of same similar products; (ii) the price we obtained from independent third parties for the same or similar products; or (iii) cost plus reasonable profit.

Historical amounts

In respect of the product purchased by SAIC Entities from us, the historical amounts were approximately RMB310.8 million, RMB222.0 million and RMB201.9 million for the three years ended December 31, 2023, 2024 and 2025, respectively. In respect of the product purchased by us from SAIC Entities, the historical amounts were approximately RMB2.5 million, RMB1.3 million and nil for the three years ended December 31, 2023, 2024 and 2025, respectively.

Annual caps

In respect of the Product Supply Framework Agreement, the transaction amounts to be received/paid by us for the three years ending December 31, 2028 shall not exceed the proposed annual caps as set out in the table below:

	Proposed annual caps for the year ending December 31,		
	2026	2027	2028
	(RMB in millions)		
Transaction amount to be paid by SAIC Entities to us	170.0	190.0	210.0
Transaction amount to be paid by us to SAIC Entities	2.0	2.0	2.0

Basis of caps

In determining the above proposed annual caps, we have primarily considered (i) the historical transaction amounts during the Track Record Period under the existing product supply arrangement between our Group and SAIC Entities; and (ii) the projected demand for our products from SAIC Entities.

Listing Rules implications

In respect of the transactions contemplated under the Product Supply Framework Agreement, as the highest applicable percentage ratio in respect of the highest annual cap, with all transactions with SAIC Entities under the Product Supply Framework Agreement and the Comprehensive Services Supply Framework Agreement aggregated in accordance with Rule 14A.81 of the Listing Rules, for the three years ending December 31, 2028 calculated for the purpose of Chapter 14A of the Listing Rules is expected to exceed 5% on an annual basis, such transactions will, upon [REDACTED], constitute continuing connected transactions of our Company subject to the annual reporting requirement under Rules 14A.49 and 14A.71 of the Listing Rules, the announcement requirement under Rule 14A.35 of the Listing Rules and the independent Shareholders’ approval requirement under Rule 14A.36 of the Listing Rules.

CONNECTED TRANSACTIONS

5. Comprehensive Services Supply Framework Agreement

Principal terms

Our Company entered into a comprehensive service supply framework agreement (the “**Comprehensive Service Supply Framework Agreement**”) with SAIC on [●], pursuant to which our Group will supply to, or purchase from, SAIC Entities, among others, (i) logistic, transportation and warehouse storage services; (ii) automobile maintenance service; and (iii) automobile software development, operation and marketing and research services. Specifically, we will mainly procure from SAIC Entities NEV charging services to satisfy the needs of automotive individual users who are using our smart cockpit solutions. We will mainly supply to SAIC Entities, among others, automobile software development, operation and marketing and research services as part of the smart cockpit related and other comprehensive services. Our Group will also purchase cloud products and services leveraging our long-standing relationship with leading cloud service providers for the sale to SAIC Entities per specific request.

The initial term of the Comprehensive Service Supply Framework Agreement will commence on the [REDACTED] and will end on December 31, 2028 and the agreement will be subject to negotiation at renewal with mutual consent and in compliance with the requirements of the Listing Rules and other applicable laws and regulations.

Reasons for the transactions

SAIC is a leading Chinese automotive group engaged in the design, manufacturing, and sales of passenger and commercial vehicles, including new energy vehicles, as well as automotive parts, logistics, and mobility services. As it expands its portfolio in intelligent and connected vehicles, SAIC requires comprehensive services for applying the smart cockpit solutions to its vehicles.

The Group has established a long-term relationship with SAIC Entities for provision of smart cockpit related and other comprehensive services and we are familiar with SAIC Entities’ business needs, quality standards and operational requirements in respect of the services and products. The Company considers that the supply of the comprehensive services to SAIC Entities provides the Group with a stable source of sales revenue and facilitate the business growth and development of the Group.

Pricing policies

The fees to be obtained by us under the Comprehensive Service Supply Framework Agreement will be determined with reference to government reference price or guidance price. If such price is not available, we will take into account, in order, the followings: (i) the market price of comparable independent third-party suppliers of same similar services; (ii) the price we obtained from independent third parties for the same or similar services; or (iii) cost plus reasonable profit.

Historical amounts

In respect of the services provided by us to SAIC Entities, the historical amounts were approximately RMB300.4 million, RMB308.4 million and RMB323.9 million for the three years ended December 31, 2023, 2024 and 2025, respectively. In respect of the services purchased by us from SAIC Entities, the historical amounts were approximately RMB9.4 million, RMB12.5 million and RMB1.7 million for the three years ended December 31, 2023, 2024 and 2025, respectively.

Annual caps

In respect of the Comprehensive Service Supply Framework Agreement, the transaction amounts to be received by us for the three years ending December 31, 2028 shall not exceed the proposed annual caps as set out in the table below:

CONNECTED TRANSACTIONS

	Proposed annual caps for the year ending December 31,		
	2026	2027	2028
	<i>(RMB in millions)</i>		
Transaction amount to be paid by SAIC Entities to us	310.0	340.0	355.0
Transaction amount to be paid by us to SAIC Entities	3.0	3.0	3.0

Basis of caps

In determining the above proposed annual caps, we have primarily considered (i) the historical transaction amounts during the Track Record Period under the existing service supply arrangements from our Group to SAIC Entities; and (ii) the projected demand for our service from SAIC Entities.

Listing Rules implications

In respect of the transactions contemplated under the Comprehensive Service Supply Framework Agreement, as the highest applicable percentage ratio in respect of the highest annual cap, with all transactions with SAIC Entities under the Product Supply Framework Agreement and the Comprehensive Services Supply Framework Agreement aggregated in accordance with Rule 14A.81 of the Listing Rules, for the three years ending December 31, 2028 calculated for the purpose of Chapter 14A of the Listing Rules is expected to exceed 5% on an annual basis, such transactions will, upon [REDACTED], constitute continuing connected transactions of our Company subject to the annual reporting requirement under Rules 14A.49 and 14A.71 of the Listing Rules, the announcement requirement under Rule 14A.35 of the Listing Rules and the independent Shareholders’ approval requirement under Rule 14A.36 of the Listing Rules.

FULLY EXEMPT CONTINUING CONNECTED TRANSACTION

6. Buying consumer goods or services and other continuing connected transactions

Our Group also has transactions of procurement of travel and accommodation products and services for its employees from AGH Group, which constitute transactions of buying consumer goods or services under Rule 14A.97 of the Listing Rules and are exempt from the connected transaction requirements.

Other than the continuing connected transactions listed above, the Group has certain miscellaneous types of continuing connected transactions, such as the ad hoc project-based software development services and/or products procured from/provided to AGH and its associates, the size tests of which are expected to be less than 0.1%. and therefore are fully exempt from the reporting and disclosure requirements under Chapter 14A of the Listing Rules.

APPLICATION FOR AND CONDITIONS FOR WAIVER

In respect of the Cloud Services Framework Agreement, the Software License Framework Agreement, the Shared Services Framework Agreement, the Product Supply Framework Agreement and the Comprehensive Services Supply Framework Agreement, we have applied to the Stock Exchange for, and the Stock Exchange [has granted] us, a waiver from strict compliance with the announcement, circular and independent shareholders’ approval requirements, provided that the transaction amount involved for each of the three years ending December 31, 2028 shall not exceed the relevant proposed annual caps above.

CONNECTED TRANSACTIONS

CONFIRMATION BY DIRECTORS

Our Directors (including the independent non-executive Directors) are of the view that:

- (i) the continuing connected transactions set out above [have been and] will be entered into in the ordinary and usual course of our business, on normal commercial terms or better, on terms that are fair and reasonable, and are in the interests of our Company and our Shareholders as a whole; and
- (ii) the proposed annual caps in respect of the transactions contemplated under the Cloud Services Framework Agreement, the Software License Framework Agreement, the Shared Services Framework Agreement, the Product Supply Framework Agreement and the Comprehensive Services Supply Framework Agreement are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

CONFIRMATION FROM THE JOINT SPONSORS

Based on the documentation, information and data (including historical figures) provided by our Company, the representations and confirmations provided by our Company and our Directors to the Joint Sponsors, and participation in due diligence and discussions, the Joint Sponsors are of the view that:

- (i) the aforesaid continuing connected transactions for which a waiver has been sought have been entered into in the ordinary and usual course of the Company’s business, on normal commercial terms or better, that are fair and reasonable, and are in the interests of the Company and its Shareholders as a whole; and
- (ii) the proposed annual caps in respect of the transactions contemplated under the Cloud Services Framework Agreement, the Software License Framework Agreement, the Shared Services Framework Agreement, the Product Supply Framework Agreement and the Comprehensive Services Supply Framework Agreement are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

SUBSTANTIAL SHAREHOLDERS

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following the completion of the [REDACTED] and the conversion of our Unlisted Shares to H Shares assuming the [REDACTED] is not exercised, the following persons will have an interest and/or short position in the Shares or the underlying Shares which would fall to be disclosed to us and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, will be, directly or indirectly interested in 10% or more of the nominal value of any class of our share capital carrying rights to vote in all circumstances at general meetings of our Company:

		As of the Latest Practicable Date			Immediately following [REDACTED] (assuming the [REDACTED] is not exercised)		
Name of Shareholder	Nature of Interest	Number of Shares	Approximate percentage of shareholding in our total share capital	Voting interest ⁽³⁾	Number of H Shares ⁽¹⁾	Approximate percentage of shareholding in our total share capital ⁽¹⁾	Voting interest ⁽³⁾
AGH							
AGH ⁽⁵⁾	Interest in controlled corporations ⁽⁵⁾	1,393,762,800	41.67%	37.09%	[REDACTED]	[REDACTED]	[REDACTED]
	Interest in controlled corporation ⁽²⁾	159,866,505	4.78%	5.15%	[REDACTED]	[REDACTED]	[REDACTED]
Shanghai Saiwei ⁽³⁾	Beneficial interest	243,485,087	7.28%	— ⁽³⁾	[REDACTED]	[REDACTED]	[REDACTED]
Zhejiang Tmall	Beneficial interest	679,545,455	20.32%	21.91%	[REDACTED]	[REDACTED]	[REDACTED]
Taobao China	Beneficial interest	291,233,766	8.71%	9.39%	[REDACTED]	[REDACTED]	[REDACTED]
Hangzhou Haoyue	Beneficial interest	179,498,492	5.37%	5.79%	[REDACTED]	[REDACTED]	[REDACTED]
SAIC							
SAIC	Interest in controlled corporation ⁽³⁾⁽⁶⁾	1,100,328,115	32.90%	35.48%	[REDACTED]	[REDACTED]	[REDACTED]
	Interest in controlled corporation ⁽⁴⁾	129,411,121	3.87%	4.17%	[REDACTED]	[REDACTED]	[REDACTED]
Shanghai Saiwei ⁽³⁾	Beneficial interest	756,486,913	22.62%	24.39%	[REDACTED]	[REDACTED]	[REDACTED]
Jiaxing Ruijia	Beneficial interest	343,841,202	10.28%	11.09%	[REDACTED]	[REDACTED]	[REDACTED]

Notes:

(L) All the interests stated are long positions.

- (1) The [REDACTED] Unlisted Shares held by all existing Shareholders will be converted to H Shares upon [REDACTED].
- (2) Represents the beneficial interests in the Company held by Shanghai Yunfeng Qitai and Hainan Yunfeng Fund. As at the Latest Practicable Date, Alibaba China held more than one third partnership interest in Shanghai Yunfeng Qitai as a limited partner. Zhejiang Tmall and Taobao China held more than one third partnership interest in aggregate in Hainan Yunfeng Fund as limited partners. Therefore, AGH is deemed to be interested in the beneficial interests in the Company held by Shanghai Yunfeng Qitai and Hainan Yunfeng Fund by the virtue of the SFO.
- (3) Represents the respective ultimate beneficial interests in the Company held by AGH and SAIC through Shanghai Saiwei, respectively. The general partner of Shanghai Saiwei is Shanghai Saiyun Management, which is held as to 50% by SAIC Capital Company Limited (上海汽車集團股權投資有限公司), an indirectly wholly-owned subsidiary of SAIC, and 50% by Alibaba China, respectively. Alibaba China 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. The denominator for the calculation of the voting rights in the table has excluded the voting rights attached to such 243,485,087 Shares. For further details, please refer to the sub-section headed “Voting Arrangement in relation to Shares held by Shanghai Saiwei” under the section headed “History, Development and Corporate Structure”.
- (4) Represents beneficial interests in the Company held by Shangqi Qitai, the general partner of which is Shanghai Hengxu Chuangling Private Equity Fund Management Co., Ltd. (上海恒旭創領私募基金管理有限公司) (“SAIC Hengxu”), which was in turn held as to 40% by SAIC. Therefore, SAIC is deemed to be interested in the beneficial interests in the Company held by Shangqi Qitai by the virtue of the SFO. Nevertheless, neither Shangqi Qitai nor SAIC Hengxu is controlled by SAIC as SAIC is not the largest shareholder of SAIC Hengxu with a controlling stake and there are no overlapping directors, supervisors and senior management between SAIC and SAIC Hengxu.

SUBSTANTIAL SHAREHOLDERS

- (5) Each of Zhejiang Tmall, Taobao China, and Hangzhou Haoyue is wholly owned by AGH. Therefore, AGH is deemed to be interested in the beneficial interests in the Company held by Zhejiang Tmall, Taobao China, and Hangzhou Haoyue by the virtue of SFO.
- (6) Jiaxing Ruijia is a subsidiary of SAIC. Therefore, SAIC is deemed to be interested in the beneficial interests in the Company held by Jiaxing Ruijia by the virtue of SFO.

Save as disclosed above, our Directors are not aware of any person who will, immediately following completion of the [REDACTED] (assuming that the [REDACTED] is not exercised), have any interest and/or short position in the Shares or underlying Shares of our Company which will be required to be disclosed to our Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who are, directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of the Company or any other member of our Group.

SHARE CAPITAL

This section presents certain information regarding our share capital before and upon completion of the [REDACTED].

BEFORE THE COMPLETION OF THE [REDACTED]

As of the Latest Practicable Date, the registered capital of our Company was RMB3,344,873,403, comprising 3,344,873,403 Unlisted Shares in issue of nominal value RMB1.00 each.

UPON THE COMPLETION OF THE [REDACTED]

Immediately following the completion of the [REDACTED] and the conversion of all Unlisted Shares into H Shares, assuming that the [REDACTED] is not exercised, the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage of the total share capital
Unlisted Shares in issue	—	—
H Share to be converted from Unlisted Shares	[REDACTED]	[REDACTED]
H Shares to be issued under the [REDACTED]	[REDACTED]	[REDACTED]
Total	<u>[REDACTED]</u>	<u>100%</u>

Immediately following completion of the [REDACTED] and the conversion of all Unlisted Shares into H Shares, assuming the [REDACTED] is fully exercised, the issued share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage of the total share capital
Unlisted Shares in issue	—	—
H Share to be converted from Unlisted Shares	[REDACTED]	[REDACTED]
H Shares to be issued under the [REDACTED]	[REDACTED]	[REDACTED]
Total	<u>[REDACTED]</u>	<u>100%</u>

RANKING

Upon completion of the [REDACTED], the Shares will consist of H Shares and Unlisted Shares. H Shares and Unlisted Shares are all ordinary Shares in the share capital of our Company. However, apart from certain qualified domestic institutional investors in the PRC, the qualified PRC investors under the Shanghai—Hong Kong Stock Connect or the Shenzhen—Hong Kong Stock Connect and other persons who are entitled to hold our H Shares pursuant to relevant PRC laws and regulations or upon approvals of any competent authorities, H Shares generally cannot be subscribed for by or traded between investors of the PRC.

Unlisted Shares and H Shares will rank *pari passu* with each other in all respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the date of this Document. All dividends for H Shares will be denominated and declared in Renminbi, and paid in Hong Kong dollars or Renminbi, whereas all dividends for Unlisted Shares will be paid in Renminbi. Other than cash, dividends could also be paid in the form of Shares.

SHARE CAPITAL

CONVERSION OF OUR UNLISTED SHARES INTO H SHARES

The Company has filed for a “full circulation” of the existing [REDACTED] Unlisted Shares into H Shares on a one-for-one basis, and submitted the application reports, authorization documents of the shareholders of Unlisted Shares for which an H-share “full circulation” are applied, explanation about the compliance of share acquisition and other documents in accordance with the requirements of the CSRC.

The relevant filings of the conversion of the existing [REDACTED] Unlisted Shares held by the existing Shareholders into H Shares on a one-for-one basis [have] been completed on [●].

Upon completion of the [REDACTED], if any of our Shares are not [REDACTED] or [REDACTED] on any stock exchange, all our Unlisted Shares (other than those to be converted to H Shares) are not listed or traded on any stock exchange. The holders of our Unlisted Shares may convert their Shares into H Shares provided such conversion shall have gone through any requisite internal approval process and complied with the regulations prescribed by the securities regulatory authorities of the State Council and the regulations, requirements and procedures prescribed by the overseas stock exchange(s) and have completed the required filing with the securities regulatory authorities of the State Council, including the CSRC. The [REDACTED] of such converted Shares on the Hong Kong Stock Exchange will also require the approval of the Hong Kong Stock Exchange.

Based on the procedures for the conversion of our Unlisted Shares into H Shares as disclosed in this section, we can apply for the [REDACTED] of all or any portion of our Unlisted Shares on the Hong Kong Stock Exchange as H Shares in advance of any proposed conversion to ensure that the conversion process can be completed promptly upon notice to the Hong Kong Stock Exchange and delivery of Shares for entry on the H Share register. As any [REDACTED] of additional Shares after our [REDACTED] on the Hong Kong Stock Exchange is ordinarily considered by the Hong Kong Stock Exchange to be a purely administrative matter, it will not require such prior application for [REDACTED] at the time of our [REDACTED] in Hong Kong.

No class Shareholder voting is required for the [REDACTED] and [REDACTED] of the converted Shares on the Hong Kong Stock Exchange. Any application for [REDACTED] of the converted Shares on the Hong Kong Stock Exchange after our [REDACTED] is subject to prior notification by way of announcement to inform Shareholders and the public of such proposed conversion.

After all the requisite approvals have been obtained and filing procedures have been completed, the following procedures will need to be completed: the relevant Unlisted Shares will be withdrawn from the Share register and we will re-register such Shares on our H Share register maintained in Hong Kong and instruct the [REDACTED] to issue H Share certificates. Registration on our H Share register will be on the condition that (a) our [REDACTED] lodges with the Hong Kong Stock Exchange a letter confirming the proper entry of the relevant H Shares on the H Share register of members and the due dispatch of H Share certificates and (b) the admission of the H Shares to trade on the Hong Kong Stock Exchange will comply with the Listing Rules and the General Rules of HKSCC and the HKSCC Operational Procedures in force from time to time. Until the converted Shares are re-registered on our H Share register, such Shares would not be [REDACTED] as H Shares.

For further details, see “Risk Factors—Risks Relating to the [REDACTED]—Future sale or major divestment of Shares by our Controlling Shareholders may materially and adversely affect the prevailing [REDACTED] of our H Shares.”

SHARE CAPITAL

TRANSFER OF SHARES ISSUED PRIOR TO THE [REDACTED]

Pursuant to the PRC Company Law, our Shares issued prior to the [REDACTED] shall not be transferred within one year from the [REDACTED].

Shares transferred by our Directors, Supervisors and members of the senior management each year during their term of office shall not exceed 25% of their total respective shareholdings in our Company. The Shares that the aforementioned persons hold in our Company cannot be transferred within one year from the [REDACTED], nor within half a year after they leave their positions as Directors, Supervisors or members of the senior management in our Company.

See “[REDACTED]” for details of the lock-up undertakings.

PRE-[REDACTED] EQUITY INCENTIVE PLANS

We adopted the Pre-[REDACTED] Equity Incentive Plans, details of which are set forth in “Statutory and General Information—Pre-[REDACTED] Equity Incentive Plans” in Appendix IV to this Document.

GENERAL MANDATE TO ISSUE SHARES, SELL AND/OR TRANSFER TREASURY SHARES AND REPURCHASE MANDATE

Subject to the completion of the [REDACTED], pursuant to the Shareholders resolutions of the Company, our Directors have been granted general unconditional mandates to issue our Shares and sell and/or transfer our Shares out of treasury that are held as treasury shares and repurchase our Shares. See “Appendix IV—Statutory and General Information—1. Further Information about Our Company—D. Shareholders’ Resolutions” for further details.

REGISTRATION OF SHARES NOT LISTED ON AN OVERSEAS STOCK EXCHANGE

According to the Guidelines on Application for the “Full Circulation” Program for Domestic Unlisted Shares of H-Share Listed Companies (《H股公司境內未上市股份申請“全流通”業務指引》) published and implemented by the CSRC on November 14, 2019, which was most recently amended on August 10, 2023, the domestic shareholders of our Shares that are not listed on the overseas stock exchange shall handle share conversion registration business in accordance with the relevant business rules of the CSDCC. Further, H-share companies should submit the relevant status reports to the CSRC within 15 days after the conversion registration with the CSDCC of such shares involved in the application is completed.

SHAREHOLDERS’ GENERAL MEETING

See “Appendix III—Summary of Articles of Association” for details of circumstances under which our general Shareholders’ meeting is required.

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You should read the following discussion and analysis in conjunction with our consolidated financial information including the notes thereto, included in the Accountants’ Report set out in Appendix I to this Document, together with the respective accompanying notes. Our consolidated financial information has been prepared in accordance with IFRSs, which may differ in material aspects from generally accepted accounting principles in other jurisdictions.

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance that involve risks and uncertainties. These statements are based on assumptions and analysis made by us in light of our experience and perception of historical events, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, whether actual outcomes and developments will meet our expectations and predictions depends on a number of risks and uncertainties, many of which we cannot control or foresee. In evaluating our business, you should carefully consider all of the information provided in this Document, including the sections headed “Risk Factors” and “Business.”

For the purpose of this section, unless the context otherwise requires, references to 2023, 2024 and 2025 refer to our financial years ended December 31 of such years. Unless the context otherwise requires, financial information described in this section is described on a consolidated basis.

OVERVIEW

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 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.

We have demonstrated strong commercial momentum and a scalable business model with improving fundamentals. As of December 31, 2025, we had cumulatively installed 9.4 million units of our smart cockpit solutions into mass-produced vehicles. In addition, from 2023 to 2025, the number of our OEM customers increased from 30 to 43, and our annual installation grew from 2.1 million units to 2.5 million units. During the same years, our revenue from Full-stack End-to-end AI Solutions and Vehicle-based Services Marketplace grew at a CAGR of 117.1% and 19.2%, respectively. This rapid scale-up has laid a solid foundation to continue attracting OEM customers, deploying our solutions on more vehicles and cooperating with more CSPs. As of December 31, 2025, we entered close partnership with 22 CSPs under revenue-sharing arrangements, a significant increase from only two by the end of 2024. Our growth will also bring Recurring Revenue opportunities in software services and CSP monetization. In 2025, our Recurring Revenue reached RMB447.8 million, accounting for more than half of our total revenue. See “Glossary of Technical Terms” for more information about how our Recurring Revenue is calculated.

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BASIS OF PRESENTATION AND PREPARATION

The Historical Financial Information has been prepared based on the accounting policies which conform with IFRSs issued by the IASB. The statutory financial statements of the Company for the years ended December 31, 2023 and 2024 were prepared in accordance with Chinese Accounting Standards for Business Enterprises (“CASBE”) and were audited by Deloitte Touche Tohmatsu Certified Public Accountants LLP, a certified public accountant registered in the PRC. For the purpose of preparing and presenting the Historical Financial Information for the Track Record Period, the Group has consistently applied the accounting policies which conform with IFRS Accounting Standards, which are effective for the accounting period beginning on January 1, 2025 throughout the Track Record Period.

KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

The performance and prospects of our business are subject to a variety of critical factors that affect our ability to capture growth opportunities within our total addressable market. These factors include: (i) macroeconomic conditions globally and in the Chinese mainland and the growth of the passenger vehicle market in the Chinese mainland; (ii) increasing penetration of smart cockpit solutions in the Chinese mainland; (iii) advancements in AI technologies and their application in smart cockpit solutions; (iv) competitive landscape in the smart cockpit solutions market; and (v) governmental policies, incentives, and regulations that influence the adoption and development of smart cockpit solutions and technologies.

We believe our results of operations are also affected by the following company-specific factors:

Our Ability to Continuously Develop and Strengthen our Innovative and Differentiated Business Model

Our financial performance depends in part on our ability to continuously develop and strengthen a business model that is not only technically differentiated, but also commercially proven, operationally scalable, and hard to replicate. Over the years, we have built a deeply integrated technology stack that spans three critical layers: a proprietary automotive operating system, full-stack AI capabilities, and a marketplace of AI-native applications. According to CIC, we are the only company in China’s smart cockpit solutions industry that brings all three layers together in a unified system deployed at scale across a wide range of mass-produced vehicles.

This integrated model gives us significant structural advantages. Our proprietary AOS enables multi-chip compatibility, making us deeply embedded in OEMs’ system designs. OEMs benefit from a modular yet deeply integrated architecture that reduces time-to-market and engineering costs, while supporting consistent in-vehicle experience across vehicle models. At the same time, CSPs are drawn to our marketplace as an efficient channel to access users, unlocking monetization opportunities directly within the vehicle. Our business model also delivers value to car owners by enabling a personalized, voice-driven in-car experience. Car owners can access everyday in-vehicle services, such as navigation, entertainment, and even food delivery, directly through the cockpit interface, making driving safer, more convenient, and more enjoyable. Historically, we adapted and deployed in-vehicle versions of mobile applications – primarily music and navigation – on OEMs’ vehicles based on their specific technical and functional requirements, and generated revenue through fees paid by OEMs. Over time, as advances in AI capabilities, system functionality and human-machine interaction performance transformed the in-vehicle environment into a highly interactive digital space, continuous user engagement and in-app monetization within the vehicle became commercially viable – capabilities that were not achievable in the earlier stages of in-vehicle software development. This led us to begin to build our network of CSPs to bring a wider variety of content and services into the in-vehicle experience. As this trend continued, a new monetization model emerged under which revenues are generated directly from end-user transaction activities inside the vehicle and shared among us, the OEMs, and CSPs as the app owners. Under

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this model, we earn a share of such revenues as commissions, primarily determined as a percentage of the amount of the associated in-vehicle transactions. Meanwhile, OEMs’ shifting budget priorities, including reduced willingness to pay large amounts of upfront fees, have further accelerated the adoption of such transaction-based, revenue-sharing arrangements.

For us, this integration supports multiple revenue streams, including technology development service fees for the design, development and customization of smart cockpit solutions, license revenue for the deployment of our solutions in OEMs’ vehicles, and revenue from a range of value-added services built around our smart cockpit solutions that we collectively refer to as our ecosystem value-added services.

Looking ahead, we plan to enhance our business model through technology and product innovations. We also intend to expand our monetization opportunities by growing our ecosystem of CSPs and introducing new in-vehicle services. As our Vehicle-based Services Marketplace allows CSPs to reach and engage with users more effectively, we, as the operator of the app marketplace, will continue to benefit commercially from this ecosystem over time, through monetization models such as revenue-sharing arrangements with CSPs. See “Business—Our Solutions—Vehicle-based Services Marketplace.” We believe that continued evolution of our business model will be critical to driving sustainable growth and long-term financial performance.

Our Ability to Strengthen Technological Capabilities

As the passenger vehicle market increasingly relies on software to power core features, we believe our long-term success depends on maintaining strong capabilities in system design, automotive operating systems, and AI. According to CIC, we are one of the only two third-party providers with a self-developed automotive operating system, and the only one that has combined our core AOS, full-stack end-to-end AI, and a growing range of in-vehicle applications for deployment in mass-produced vehicles.

Our technology capabilities are a key driver of our financial performance. In the smart cockpit space, OEMs prioritize integration stability, functional safety, chip adaptability, and long-term scalability—areas where our technical depth gives us a clear edge. This often determines how early we are brought into vehicle programs and how broadly our solutions are adopted. By owning our full technology stack—from AOS infrastructure to AI modules—we can deliver faster, more customized integration while reducing development complexities for OEMs. This leads to shorter deployment cycles, stronger customer satisfaction, and improved operating leverage as we scale. In turn, these advantages translate into more design-wins and higher installation volume, reinforcing our commercial momentum and market position.

To maintain our leadership, we have continued to invest in research and development during the Track Record Period, while also making meaningful progress in improving R&D efficiency. These improvements reflect not only a more focused and disciplined R&D strategy, but also the growing maturity of our core technologies. Our “R&D productivity rate” — measured by dividing total revenue by the average number of R&D personnel — increased by approximately 40%, from RMB0.8 million per R&D personnel in 2023 to RMB1.1 million per R&D personnel in 2025, driven by greater team efficiency and improved commercialization of our technologies. It allows us to maintain a largely stable size of the core R&D team meanwhile complete substantially more R&D requests and tasks.

As of December 31, 2025, approximately 72.8% of our employees were engaged in R&D, including specialists in embedded systems, automotive software, natural language processing, and machine learning. Many of our senior engineers bring deep experience from global OEMs, Tier-1 suppliers, and leading internet companies. To attract and retain top talent, we offer competitive compensation, clear technical career tracks, and robust internal training programs.

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We believe this combination of deep system-level expertise, proprietary AI capabilities, and world-class engineering talent gives us a durable competitive advantage. As cockpit intelligence becomes a defining battleground in the next generation of vehicles, we are well positioned to deliver innovation at scale, deepen OEM integration, and drive long-term, profitable growth.

Our Ability to Strengthen Relationships with Existing Customers and Expand Customer Base

Our financial performance depends on our success in deepening relationships with existing OEM customers and attracting new ones.

Over the years, we have built long-standing collaborations with leading OEMs by delivering high-performance, deeply integrated smart cockpit solutions—including our System-level OS Solutions, Full-stack End-to-end AI Solutions, and Vehicle-based Services Marketplace. These partnerships are built on multi-year technical alignment and co-development efforts, which allows OEMs to rapidly deploy our solutions across vehicle models. For example, our System-level OS Solutions serve as the foundational software layer that supports scalable integration across multiple chip platforms and vehicle architectures, offering OEMs a secure and efficient path toward software-defined vehicle transformation. Meanwhile, our Full-stack End-to-end AI Solutions, such as multimodal interaction modules, enable OEMs to deliver intuitive, real-time in-vehicle experiences that improve driver satisfaction and safety. These advantages have made us an integral part of our OEM customers’ product roadmaps. As OEMs scale adoption of our solutions from pilot programs to mass production, they tend to expand our engagement across additional models. These expanded relationships have the potential to drive a growing number of design-wins and opportunities for Recurring Revenues. Our deep collaboration with OEMs also provides us with valuable insight into their evolving needs, which we feed back into product iteration and feature development, which reinforce a virtuous cycle that has strengthened customer stickiness and reinforced our position as a long-term innovation partner for OEMs. Our Vehicle-based Services Marketplace also helps OEMs strengthen their brand recognition by embedding widely used third-party apps into the in-vehicle experience, enhancing their user satisfaction and loyalty. In turn, this encourages our existing OEM customers to expand their adoption of our solutions.

We are also focused on expanding our OEM customer base. Many OEMs engage with us initially through modular integration of specific features, such as intelligent voice assistants and in-vehicle multimodal interaction modules, which serves as standalone entry points. These pilot deployments allow OEMs to validate our technical strengths, safety compliance, and responsiveness. Once trust is established, these relationships often evolve into broader collaborations, including system-level integration and full-stack solution rollouts across multiple models. This conversion from point solution to platform partner has become a consistent pattern in our growth trajectory. As we gain design-wins from new OEMs and integrate our solutions into their vehicles, we build stronger brand recognition and industry credibility, which in turn attracts additional OEM interest. Our strong track record with top-tier OEMs and our growing installation volumes give us valuable proof points that help accelerate adoption among new customers.

Our installation volume has continued to grow, reaching approximately 2.1 million in 2023, 2.3 million in 2024 and 2.5 million in 2025. See “—Key Operating Data.” This consistent growth reflects the increasing demand for our solutions and has generated strong commercial momentum. As our footprint expands, we are able to deepen relationships with existing customers, attract new ones more quickly, and build a flywheel that further strengthens our market position. We believe this momentum provides a solid foundation for sustained business expansion and long-term financial performance.

Our Ability to Launch and Upgrade High-quality Solutions Tailored to Customers’ Needs

Our ability to drive sustained revenue growth hinges on our ability to launch and upgrade high-quality solutions tailored to customers’ needs.

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For our System-level OS Solutions, we collaborate closely with OEMs from the earliest stages of vehicle development—often beginning at the chip selection phase—to co-design automotive operating systems tailored to each model’s positioning, feature requirements, and cost targets. Our System-level OS Solutions are deeply compatible with a wide range of chipsets from both domestic and international suppliers, enabling OEMs to flexibly deploy our solutions across multiple vehicle lines while maintaining a unified software architecture. We plan to further enhance our adaptability at the chipset level, deepening integration within OEM platforms and expanding our reach across diverse vehicle segments.

On the AI front, we are committed to delivering a steady pipeline of full-stack end-to-end AI-native applications that enable OEMs to differentiate through intelligent, personalized user experience. According to CIC, we are among the first with China’s smart cockpit solutions market to introduce an integrated end-to-end AI software architecture and have since launched several industry-first cockpit applications. Our technologies are modular, scalable, and designed to serve as core building blocks OEMs can use to construct their own branded digital experiences. For OEMs seeking turnkey solutions, we offer plug-and-play AI modules, spanning voice interaction, infotainment, navigation and more, that help reduce development complexity and accelerate time-to-market.

We are actively enhancing and expanding our Vehicle-based Services Marketplace to deliver richer in-vehicle experiences and generate new value for OEMs. We continue to broaden the range of partners across content, mobility, and lifestyle services, while deepening integration with in-vehicle systems to enable more seamless, personalized user interactions. At the same time, we are improving key system features, such as intelligent recommendations and voice-controlled functions, to make the in-car experience more intuitive and engaging. By expanding both the range of available services and the quality of user interaction, we help OEMs deliver distinctive digital offerings and unlock new monetization opportunities throughout the vehicle lifecycle.

Our Ability to Optimize Cost Structure and Improve Operational Efficiency

Our financial performance depends in large part on our ability to manage costs while scaling our operations effectively. A key strength of our business model is the modular design and reusability of our core technologies—especially our automotive operating system and full-stack end-to-end AI—which can be applied across different OEMs and vehicle models with limited additional engineering. While each vehicle requires some level of customization due to differences in hardware and electronic systems, we have developed proprietary engineering tools that simplify and accelerate this process. These tools help reduce manual work, speed up delivery, and improve efficiency. As a result, we are able to spread R&D costs over more programs, which improves capital efficiency as we scale.

Across our cost structure, we are driving improvements in each of our major expense categories. In R&D, we reduce development and integration costs by leveraging proprietary toolchains that support automated performance testing, remote diagnostics, and streamlined customization. These internal platforms—built and refined over more than a decade—allow us to accelerate delivery cycles while keeping engineering headcount lean. On the selling and distribution side, our ability to standardize deployment processes and scale repeatable components enables us to reach new OEM programs with relatively low go-to-market expense. On the administrative side, we operate on a lean, technology-enabled infrastructure that supports centralized operations and efficient resource allocation across functions.

As our vehicle footprint expands, we are also realizing meaningful economies of scale. Higher volumes enhance our purchasing leverage with upstream suppliers, while our growing position as an integrated cockpit platform operator gives us increased bargaining power with downstream CSPs

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seeking access to in-vehicle ecosystems. This two-sided leverage improves our gross margin profile and allows us to capture more value across the cockpit software value chain. Together, these factors strengthen our operating leverage and create a scalable cost structure designed to support long-term profitability as we grow.

Seasonality

Our results of operations are affected by seasonal fluctuations in demand for our solutions, which are influenced by broader market trends in the automotive industry. In China, OEMs typically determine their annual technology roadmaps and begin to prepare supplier contracts around mid-year. This results in a concentrated period of development activity in the second half of the year, during which we complete development, deliver solutions for customer acceptance, and recognize revenue accordingly. Additionally, OEMs usually deliver more of their vehicle models toward the year end, and therefore the delivery of our solutions also tends to increase in the second half. That said, the actual timing of project acceptance depends on each customer’s internal approval and review processes, which can vary widely. Because of these seasonal and customer-specific dynamics, our quarterly or half-year results may not accurately reflect our full-year performance.

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. We present these operating metrics because they are closely linked to our financial performance. For example, installation volume is closely tied to our license revenue, while the number of design-wins generally correlates with the scale of technology development services we provide primarily to OEMs, as well as the number of vehicle models expected to incorporate our solutions and therefore serve as an indicator of our future revenue visibility. These metrics should be read in conjunction with the discussion of our results of operations and other financial information included elsewhere in this Document.

These key operating metrics have generally shown a steady growth trajectory during the Track Record Period. In 2025, the Company was converted from a limited liability company into a joint stock limited company under the laws of the PRC. As a result, some customers re-initiate their supplier on-boarding procedures with us and the necessary internal approval and contracting processes, pursuant to their supplier management policies. Given our contracts with such customers could only be executed upon completion of these procedures, the conversion resulted in delays in internal approvals and the conclusion of customer contracts. During the conversion period, 22 design-wins were delayed. These delays were one-off in nature and did not reflect changes in customer demand or the competitiveness of our solutions. As of December 31, 2025, we have entered into customer contracts with all 22 delayed design-wins.

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. The design-wins we have secured from OEMs are exclusive and all of the design-wins were converted to actual orders during the Track Record Period.

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	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.

CRITICAL ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES

The Historical Financial Information has been prepared based on the accounting policies which conform with IFRSs issued by the IASB. In addition, the Historical Financial Information includes the applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance. The Historical Financial Information has been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies included in the Accountants’ Report set out in Appendix I to this Document.

In the application of our accounting policies, which are described in Note 4 to the Accountants’ Report set out in Appendix I to this Document, our Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Our management has identified the accounting policies, estimates, and judgments related to (i) revenue; (ii) equity-settled share-based payment transactions; (iii) financial assets; (iv) goodwill; and (v) impairment on property and equipment, right-of-use assets, contract costs, and intangible assets other than goodwill, which they believe are critical to the preparation of our financial statements.

FINANCIAL INFORMATION

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

The table below sets forth our consolidated statements of profit or loss for the years indicated derived from the Accountants’ Report included in Appendix I to this Document:

	For the year ended December 31,		
	2023	2024	2025
	RMB	RMB	RMB
	<i>(in thousands, except for share data)</i>		
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 investors 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 investors 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.

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	For the year ended December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Loss 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)	<u>(791,658)</u>	<u>(757,119)</u>	<u>(1,839,237)</u>

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.

Our financial performance in 2025 was also influenced by an impairment loss on other intangible assets (the “Intangible Assets”) of RMB1,841.0 million recognized during the year, as well as the related tax effect of RMB460.3 million. While this impairment is not treated as a non-IFRS adjustment, we include the following discussion to provide context for investors. The impairment losses were recognized at a time where we have shifted our business focus along with the rapid development of AI. These Intangible Assets represent the intellectual property assets relating to the AOS that was injected into the Company pursuant to the shareholders’ resolution dated November 2, 2020. For more information, see “History, Development and Corporate Structure—Corporate Development and Major Shareholding Changes—Capital Injection in November 2020.” Based on the AOS, we developed L+L solutions as part of our System-level OS Solutions. When the Intangible Assets were initially valued in 2020, there were few domestic third-party service provider with the capability to develop automotive operating system, according to CIC. In recent years, the market competition of automotive operating system has become highly intensified. The changing market conditions have been reflected mainly through (i) increased pricing pressure, (ii) longer customer decision cycles as a broader range of automotive operating system solutions has become available and slower ramp-up for certain legacy projects of a major OEM of us (see “Financial Information—Discussion of Results of Operations” for details), and (iii) a downward revision to the expected economic benefits and future cash flow projections of certain Intangible Assets. At the same time, we have decided to invest more resources in developing AI-powered solutions to capture the opportunity of rapid AI development. Both factors indicate that the cash-generating unit of the system-level OS solutions business, to which the AOS belongs, may be impaired. In other words, as market competition in the automotive operating system has intensified and we have strategically redirected more of our resources toward AI-powered solutions, our revenue directly derived from our System-level OS Solutions may grow at a more moderate pace in the future compared to when the Intangible Assets were initially valued in 2020. Based on this forecast, the recoverable amount of Intangible Assets is lower than its carrying value, resulting in the recognition of an impairment loss. To expand our customer base and respond to increasingly competitive market condition, we subsequently launched our L+A solutions. The launch of L+A solutions does not render the L+L solutions obsolete. Both architectures coexist during the transition, and we continue to maintain and support customers using L+L solutions, and certain technologies and components developed under L+L solutions remain reusable in our current product portfolio and L+A environment. As the AOS underlying the Intangible Assets remains in use, the related assets have not been fully written off. We will continue to invest in the research and development of our System-level OS solutions. For our strategies to enhance the competitiveness of our System-level OS solutions, see “Business—Business Sustainability and Path to Profitability” for details.

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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 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. See “Financial Information—Description of Key Components of Consolidated Statements of Profit or Loss” for more information.

DESCRIPTION OF KEY COMPONENTS OF CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

Revenue

In terms of solution category, we generate revenue from the following three categories of our smart cockpit solutions: (i) System-level OS Solutions; (ii) Full-stack End-to-end AI Solutions; and (iii) Vehicle-based Services Marketplace. The following table sets forth a breakdown of our revenue by solution category both in absolute amounts and as percentages of total revenue in each year during the Track Record Period:

	For the year ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
	<i>(in thousands, except for percentages)</i>					
System-level OS Solutions	751,374	86.2	686,828	83.4	643,317	74.7
Full-stack end-to-end AI solution	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

In terms of nature, our revenues fall into three major categories: (i) technology development services, where we charge our customers, primarily OEMs, for the design, development, testing and customization of (a) automotive operating systems, (b) AI-enabled software applications and/or (c) software relating to Vehicle-based Services Marketplace, prior to integration into OEMs’ mass-produced vehicles; (ii) license, which is charged to OEMs upon the integration of our solutions into their mass-produced vehicles; and (iii) ecosystem value-added services, which comprise sales of network service packages OEMs and car owners and a broad suite of ancillary services built around our smart cockpit solutions to enhance continuous connectivity, deepen user engagement, and enable intelligent in-vehicle experiences. For a breakdown of our revenue by nature, see Note 6 to the Accountants’ Report set out in Appendix I to this Document.

Our System-level OS Solutions have consistently contributed the substantial majority of our total revenue during the Track Record Period. During the Track Record Period, we generated revenue from System-level OS Solutions primarily through: (i) technology development services; (ii) license; and (iii) ecosystem value-added services. Ecosystem value-added services primarily include sales of network service packages to OEMs and sales of smart cockpit hardware pre-installed with our AOS and related software to OEMs. The network service packages mainly consist of mobile data plans that enable core connectivity features for automotive operating systems, including navigation, voice interaction, vehicle control, and over-the-air (OTA) updates.

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Our Full-stack End-to-end AI Solutions revenue consists of (i) technology development services; and (ii) license. During the Track Record Period, our revenue from Full-stack End-to-end AI solutions was derived not only from Yan AI launched in 2024, but also from a broader portfolio of AI-enabled technology development and software licensing activities. Specifically, the revenue recognized in 2023 was primarily attributable to AI-enabled functionalities embedded in our in-car software products, which leveraged our earlier-generation speech recognition and natural language understanding models prior to the introduction of Yan AI. Since the launch of Yan AI in September 2024 and up to the end of 2025, we have secured design-wins on 14 vehicle models with respect to our Full-stack End-to-end AI Solutions.

Our Vehicle-based Services Marketplace revenue consists of (i) technology development services; (ii) license; and (iii) ecosystem value-added services. In the early stages of our Vehicle-based Services Marketplace in 2023, our revenue was primarily derived from technology development services and selected in-vehicle aftermarket services, with revenue-sharing models with CSPs still at a pilot and validation stage. Over time, as advances in AI capabilities, system functionality and human-machine interaction performance transformed the in-vehicle environment into a highly interactive digital space, continuous user engagement and in-app monetization within the vehicle became commercially viable – capabilities that were not achievable in the earlier stages of in-vehicle software development. This led us to begin to build our network of CSPs to bring a wider variety of content and services into the in-vehicle experience. As this trend continued, a new monetization model emerged under which revenues are generated directly from end-user transaction activities inside the vehicle and shared among us, the OEMs, and CSPs as the app owners. Under this model, we earn a share of such revenues as commissions, primarily determined as a percentage of the amount of the associated in-vehicle transactions.

We expect our total revenue to increase as our business continues to grow. In particular, we anticipate that the contribution from our Vehicle-based Services Marketplace will expand over time, driven by our sustained efforts to attract more CSPs to our ecosystem, focus on high-value service categories, and power in-vehicle offerings with AI-enabled capabilities. While the actual timing of project acceptance may vary based on each customer’s internal approval and review processes, which can differ widely, such variations typically reflect seasonal or customer-specific factors, and we do not expect them to alter our long-term growth trajectory.

Cost of Sales

The following table sets forth the breakdown of our cost of sales by solution category, both in absolute amounts and as percentages of total cost of sales in each year during the Track Record Period indicated:

	For the year ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
<i>(in thousands, except for percentages)</i>						
System-level OS Solutions	393,921	84.3	421,886	83.9	356,201	71.3
Full-stack End-to-end AI Solutions	7,005	1.5	33,390	6.6	41,834	8.4
Vehicle-based Services Marketplace	66,557	14.2	47,944	9.5	101,874	20.3
Total	467,483	100.0	503,220	100.0	499,909	100.0

During the Track Record Period, the cost of sales of each of our three solution categories as a percentage of total revenue, as well as the trend of such cost proportions across different periods, generally mirrored the respective revenue contributions and movement of these categories.

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Gross Profit and Gross Profit Margin

The following table sets forth details of our gross profit and gross profit margin by solutions in each year during the Track Record Period indicated:

	For the year ended December 31,					
	2023		2024		2025	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	RMB	%	RMB	%	RMB	%
<i>(in thousands, except for percentages)</i>						
System-level OS Solutions	357,453	47.6	264,942	38.6	287,116	44.6
Full-stack End-to-end AI Solutions . .	7,120	50.4	21,220	38.9	24,764	37.2
Vehicle-based Services Marketplace . .	39,838	37.4	34,405	41.8	49,305	32.6
Total	404,411	46.4	320,567	38.9	361,185	41.9

We recorded total gross profit of RMB404.4 million, RMB320.6 million and RMB361.2 million, and gross margin of 46.4%, 38.9% and 41.9% for the years ended December 31, 2023, 2024 and 2025, respectively.

Our gross margin trends during the Track Record Period reflect the strategic decisions we made to support our long-term growth. Rather than optimizing for short-term profitability, we focused on expanding our scale, deepening partnerships with OEMs, and accelerating market adoption of our core technologies. While these efforts led to temporary margin compression, they have positioned us for broader and more sustainable growth. In 2025, while maintaining the overall revenue growth, we efficiently managed our costs and introduced advanced product offerings carrying higher gross margins, such as the L+A solutions. This efforts have contributed an increase in gross profit margin, which has recovered from 38.9% in 2024 to 41.9% in 2025.

During the Track Record Period, we continued to invest in our talent base to support the growing complexity of our business, strengthen our market position, and deepen our R&D capabilities. While these investments increased our overall cost of sales, they have strengthened our ability to serve strategic customers and deliver high-quality deployments at scale. Starting in the second half of 2024, we enhanced a series of operational and cost optimization initiatives, which have and will continue to have a positive effect on our gross margins during the Track Record Period and in the future.

In a fast-evolving and increasingly competitive market, we took a proactive approach, leveraging our deep customer relationships to reinforce our market position and broaden our reach with key OEMs. For certain high-priority design-wins, particularly in our System-level OS Solutions, we strategically employed more flexible pricing to accelerate adoption and secure large-scale design-wins with leading OEM customers. Although these design-wins typically carried thinner margins as a result of our deliberate competitive pricing strategy, they delivered meaningful revenue and further solidified our long-term customer partnerships.

The gross profit margin of our Full-stack End-to-end AI Solutions fluctuated during the Track Record Period, primarily due to changes in revenue mix between technology development services revenue and license-based revenue, under a relatively small revenue base. During the Track Record Period, this business line was still in an early development stage, and customer engagements were often initiated through project-based technology development services arrangements. Technology development services revenue generally carries a lower gross profit margin than license-based revenue and is recognized based on project-specific development schedules. As a result, the gross profit margin of our Full-stack End-to-end AI Solutions in each year was affected by the timing and size of technology development services revenue recognition and the proportion of license-based revenue recognized in the same period.

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Our Vehicle-based Services Marketplace, still in its early growth stage, experienced margin fluctuations during the Track Record Period, primarily due to strategic resource allocations and upfront personnel investments required to win key customers and validate our service model at scale. For each vehicle model, we engage customers for technical development services to integrate our smart-cockpit solutions, once technical development phase is completed and vehicles equipped with our solutions enter mass production, we generate revenue from charging customers license fees for the right to use our software based on the number of vehicles installed with our solutions. During the Track Record Period, license-based revenue within our Vehicle-based Services Marketplace consistently carried relatively higher gross profit margin, with both technology development services and ecosystem value-added services generally contributing a relatively modest margin. We expect our upfront investment in providing technology development services and ecosystem value-added services to steadily increase our installation volume of our solutions, which establishes a robust foundation for future scaling of revenue generated from our revenue-sharing arrangements with CSPs.

Looking ahead, we expect our gross margins to benefit from our ongoing efforts to optimize our business structure, particularly by driving growth in our higher-margin Vehicle-based Services Marketplace, and to steadily enhance our bargaining power against CSPs and OEMs as our business continues to scale. Key factors influencing our gross margins include: (i) solution mix, as different types of solutions are subject to different levels of market competition, which in turn affects our pricing power and margin profiles; (ii) customer mix, as the number the scale of their design-wins, as well as their adoption patterns and customization needs, affect both revenue and cost structure; and (iii) our commercial strategy, under which we may selectively employ more flexible pricing to accelerate adoption in strategic programs, expand our presence with leading OEMs, and strengthen long-term customer partnerships within a competitive market. Our gross margins may vary from year to year depending on these dynamics.

Other Income

Our other income primarily consists of (i) government grants, awarded in recognition of our contributions to regional economic development and our investments in research and development initiatives; (ii) interest income earned on bank balances and other demand deposits; and (iii) interest income on term deposits. The following table sets forth our other income in absolute amounts and as a percentage of our total other income in each year during the Track Record Period indicated:

	For the year ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
<i>(in thousands, except for percentages)</i>						
Other income						
Government grants ⁽¹⁾ and tax incentives . . .	56,755	49.0	64,096	60.1	104,075	82.6
Interest income on bank balances, other demand deposits and restricted bank deposits	59,118	51.0	31,264	29.4	1,737	1.4
Interest income on term deposits	—	—	11,146	10.5	20,208	16.0
Total	115,873	100.0	106,506	100.0	126,020	100.0

Note:

- (1) The government grants and tax incentives including unconditional and conditional which had been approved by the PRC government authorities. The unconditional government grants mainly accounted for tax refunds and enterprise development supports received from PRC government authorities, which are recognised when payments were received. The conditional government grants are subsidies granted by the PRC government authorities as incentives mainly for the Group’s research and development activities, which are recognised when condition met and the corresponding grants are received.

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Other Gains and Losses, Net

Other gains and losses consist of (i) net foreign exchange gains, arising from transactions with overseas suppliers settled in Euros or U.S. dollars; (ii) gains on fair value changes of financial assets at FVTPL; (iii) gains (losses) on early termination of leases; (iv) gains (losses) on disposal of property and equipment; (v) losses on derecognition of bills receivables at FVTOCI; and (vi) provision loss for litigation claims. The following table sets forth our other gains and losses in absolute amounts and as a percentage of our total other gains and losses, net in each year during the Track Record Period indicated:

	For the year ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
<i>(in thousands, except for percentages)</i>						
Other gains and losses, net						
Net foreign exchange (losses)	(649)	(15.7)	(509)	(4.9)	(426)	(2.9)
Gains on fair value changes of financial assets at FVTPL	3,105	75.3	27,737	265.3	15,703	107.3
Net gains (losses) on early termination of leases	2,279	55.2	(86)	(0.8)	–	–
Net gains on disposal of property and equipment	142	3.4	228	2.2	282	1.9
Losses on derecognition of bills receivables at FVTOCI	(742)	(18.0)	(696)	(6.7)	(957)	(6.5)
Provision loss for litigation claims <i>(Note)</i> . .	–	–	(15,550)	(148.7)	–	–
Others	(9)	(0.2)	(669)	(6.4)	22	0.2
Total	4,126	100.0	10,455	100.0	14,624	100.0

Note: We are involved in a software copyright licensing contract dispute with a third party (the “**Plaintiff**”). In September 2024, the Plaintiff filed a lawsuit against us in the Jiading District People’s Court of Shanghai, seeking payment of software licensing fees amounting to RMB15,550,000. Based on our estimate and pursuant to relevant accounting policies, the provision of an estimated liability based on the Plaintiff’s claimed amounts recognized as at December 31, 2024. On May 19, 2025, the Jiading District People’s Court of Shanghai issued a first-instance judgment ruling against us. The second-instance proceedings are currently ongoing as of the Latest Practicable Date. The software at issue relates to a Bluetooth protocol module that we integrate into AOS and deliver to OEMs. We continue to use the software lawfully, as the Plaintiff did not obtain the right to resume distributorship from the software developer, and we have since entered into a direct licensing agreement with the developer. As a result, this dispute has not had, and is not expected to have, any material adverse impact on our operations or financial performance.

Research and Development Expenses

Our research and development expenses consist primarily of (i) employee compensation and benefits, including salaries, bonuses and other benefits paid to R&D personnel; (ii) share-based compensation, including share-based awards that we grant for employees engaged in R&D activities and participants of our share incentive schemes; (iii) R&D materials costs, including cost of raw materials, components, tools, and supplies used in developing and testing new technologies; (iv) cloud resource costs, representing the expenses incurred for the cloud services used for our research and development activities; (v) depreciation and amortization; and (vi) other miscellaneous expenses. The following table sets forth a breakdown of research and development expenses by nature, in absolute amounts and as percentages of total research and development expenses in each year during the Track Record Period indicated:

	For the year ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
<i>(in thousands, except for percentages)</i>						
Research and development expenses						
Employee compensation and benefits	713,115	63.5	582,610	59.4	469,013	64.7
Share-based compensation	52,231	4.7	59,587	6.1	3,086	0.4

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	For the year ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
	<i>(in thousands, except for percentages)</i>					
R&D materials costs	7,949	0.7	4,038	0.4	8,291	1.1
Cloud resource costs	10,079	0.9	6,636	0.7	7,798	1.1
Depreciation and amortization	313,730	27.9	316,197	32.3	224,204	30.9
Other miscellaneous expenses	26,275	2.3	10,746	1.1	13,000	1.8
Total	1,123,379	100.0	979,814	100.0	725,392	100.0

Administrative Expenses

Our administrative expenses consist of (i) employee compensation and benefits, including salaries, bonuses and other benefits for general and administrative personnel; (ii) share-based compensation, including share-based awards that we grant for employees engaged in administrative activities and participants of our share incentive schemes; (iii) office and lease expenses; (iv) depreciation and amortization; and (v) other miscellaneous expenses. The following table sets forth a breakdown of administrative expenses by nature, in absolute amounts and as percentages of total administrative expenses, in each year during the Track Record Period indicated:

	For the year ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
	<i>(in thousands, except for percentages)</i>					
Administrative expenses						
Employee compensation and benefits	131,145	58.0	144,792	60.4	95,586	54.7
Share-based compensation	13,542	6.0	10,324	4.3	17,591	10.1
Office and lease expenses	20,706	9.1	15,594	6.5	12,131	6.9
Depreciation and amortization expenses	30,740	13.6	34,078	14.2	26,752	15.3
Other miscellaneous expenses	30,005	13.3	34,993	14.6	22,725	13.0
Total	226,138	100.0	239,781	100.0	174,785	100.0

Selling Expenses

Our selling and marketing expenses consist of (i) employee compensation and benefits, including salaries, bonuses and other benefits for our sales and marketing personnel; (ii) share-based compensation, including share-based awards that we grant for employees engaged in selling and marketing activities and participants of our share incentive schemes; and (iii) selling, marketing and other expenses, which include advertising, promotional campaigns, and customer acquisition costs. The following table sets forth a breakdown of our selling expenses by nature, in absolute amounts and as percentages of revenue in each year during the Track Record Period indicated:

	For the year ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
	<i>(in thousands, except for percentages)</i>					
Selling expenses						
Employee compensation and benefits	87,037	78.6	88,188	78.4	91,755	73.1
Share-based compensation	11,609	10.5	11,783	10.5	10,905	8.7
Selling, marketing and other expenses	12,034	10.9	12,537	11.1	22,878	18.2
Total	110,680	100.0	112,508	100.0	125,538	100.0

FINANCIAL INFORMATION

Impairment Losses Under Expected Credit Loss Model, Net of Reversal

Impairment losses under expected credit loss model, net of reversal, represent impairment losses recognized on contract assets and trade receivables. For contract assets and trade receivables, we have applied the impairment assessment under IFRS 9 to measure the loss allowance at lifetime ECL. We assess the ECL on these items based on our historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions. See Note 4 to the Accountants’ Report set out in Appendix I to this Document. We recorded impairment losses under expected credit loss model, net of reversal RMB2.0 million, RMB12.3 million and RMB7.0 million in 2023, 2024 and 2025, respectively.

Finance Costs

Finance costs consist of (i) interests on borrowings; and (ii) interests on lease liabilities. See “—Discussion of Selected Items from the Consolidated Balance Sheets.” The following table sets forth the breakdown of our finance costs in each year during the Track Record Period indicated:

	For the year ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
<i>(in thousands, except for percentages)</i>						
Finance costs						
Interest on borrowings	11,482	90.3	11,640	78.2	7,505	64.0
Interest on lease liabilities	1,237	9.7	3,246	21.8	2,584	22.0
Interest on trade and other payables	—	—	—	—	1,640	14.0
Total	12,719	100.0	14,886	100.0	11,729	100.0

Income Tax Credits

Our income tax expense consists of deferred tax, which mainly relates to the reduction of deferred tax liabilities arising from a historical transaction involving our current System-level OS Solutions. As we amortize the related assets over time, the corresponding deferred tax expense is recognized in profit or loss. For further details of the accounting treatment of such transaction, see Note 13 to the Accountants’ Report set out in Appendix I to this Document. We recorded income tax credits of RMB74.4 million, RMB74.4 million and RMB512.6 million for the years ended December 31, 2023, 2024 and 2025, respectively.

Loss for the Year

We recorded loss for the year of RMB876.2 million, RMB847.4 million and RMB1,896.2 million for the years ended December 31, 2023, 2024 and 2025, respectively.

TAXATION

PRC

The Company was accredited as a “High and New Technology Enterprises” on December 14, 2022 which was renewed on September 19, 2025 and it may entitle to a preferential tax rate of 15% for a three-year period commencing from the year of accreditation, subject to certain conditions. Accordingly, the applicable Enterprise Income Tax (the “EIT”) rate of the Company is 15% for the Track Record Period.

Pursuant to Caishui 2023 circular No. 7, the Company enjoyed super deduction of 200% on qualified research and development expenditures for the Track Record Period. Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, other than certain PRC subsidiaries met the eligibility criteria set for small and low-profit enterprises, the tax rate of the other PRC subsidiaries of the Company is 25% for the Track Record Period.

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Certain subsidiaries of the Company operating in the PRC meet the eligibility criteria set for small and low-profit enterprises for the Track Record Period, which are eligible for preferential corporate income tax policy. The EIT of those eligible PRC subsidiaries is calculated based on 25% of the taxable profit amount and a preferential tax rate of 20% is applied, thus the actual effective EIT rate of those PRC subsidiaries for the Track Record Period is 5% of the taxable profit amount. The qualification of small and low-profit enterprises is reassessed annually through the annual EIT filling process.

No provision for taxation in the PRC has been made as we have no taxable profit for the Track Record Period.

Hong Kong

Banma Zhixing Network (Hong Kong) Co., Ltd., a wholly-owned subsidiary of ours, is subject to Hong Kong Profits Tax rate of 16.5% for the Track Record Period. No provision for Hong Kong Profits Tax has been made as we did not have any assessable income subjected to Hong Kong Profits Tax.

DISCUSSION OF RESULTS OF OPERATIONS

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

Revenue

Our revenue increased from RMB823.8 million in 2024 to RMB861.1 million in 2025 primarily attributable to an increase in revenue from Vehicle-based Services Marketplace and Full-stack End-to-end AI solutions.

Our revenue from System-level OS Solutions decreased by 6.3% from RMB686.8 million in 2024 to RMB643.3 million in 2025, primarily because a major OEM customer was under the transition stage of its vehicle platforms. The old vehicle models which equipped with our solutions have entered the later stage of their lifecycle with a consequent decline in sales volume, which led to decrease in our license revenue. At the same time, we have secured design-wins in relation to six of its new vehicle models, among which two vehicle models have entered mass production in the second half of 2025, one vehicle model has entered mass production in January 2026, and the remaining three vehicle models are in the pipeline, expected to enter mass production by the first half of 2027.

Our revenue from Full-stack End-to-end AI Solutions increased by 22.0% from RMB54.6 million in 2024 to RMB66.6 million in 2025, primarily attribute to our AI computing power services in 2025. For details, see “Business — Our Solutions — Full-stack End-to-end AI Solutions.”

Our revenue from Vehicle-based Services Marketplace increased significantly by 83.7% from RMB82.3 million in 2024 to RMB151.2 million in 2025, primarily due to (i) continued expansion of our ecosystem in relation to our fast growing CSP network; (ii) the increased adoption of Vehicle-based Services Marketplace among OEMs and relevant end-users, including the growth of our vehicle appraisal service; and (iii) income derived from our software services in support of a vehicle-to-everything project.

Cost of Sales; Gross Profit Margin

Our cost of sales remained relatively stable at RMB503.2 million and RMB499.9 million in 2024 and 2025, respectively.

As a result of the foregoing, our gross profit increased by 12.7% from RMB320.6 million in 2024 to RMB361.2 million in 2025.

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The gross profit margin of our System-level OS Solutions increased from 38.6% in the 2024 to 44.6% in 2025, primarily due to (i) improved delivery efficiency driven by the results of our ongoing research and development efforts, and (ii) the mass production of vehicles equipped with our L+A solutions, which carried relatively high gross profit margins. See “Business — Business Sustainability and Path to Profitability.” The gross profit margin of our Full-stack End-to-end AI Solutions decreased from 38.9% in 2024 to 37.2% in 2025, primarily due to our AI computing power services in 2025, which typically carried a lower gross margin than our other AI solutions. The gross profit margin of our Vehicle-based Services Marketplace decreased from 41.8% in 2024 to 32.6% in 2025, primarily attributable to our flexible pricing models, which are designed to prioritize gain in the market share and scale our business over short-term profitability in order to unlock sustainable Recurring Revenue over time. For details, see “Business—Business Sustainability and Path to Profitability.”

Other Income

Our other income increased by 18.3% from RMB106.5 million in 2024 to RMB126.0 million in 2025, primarily attributable to the recognition of government grants received for research and development projects, partially offset by a decrease in interest income on bank balances and other demand deposits, as we reallocated more cash into wealth management products.

Other Gains and Losses, Net

Our other gains increased by RMB4.1 million from RMB10.5 million in 2024 to RMB14.6 million in 2025, primarily due to (i) provision loss for litigation claims recorded in 2024, in connection with a software copyright licensing contract dispute and (ii) gains on fair value changes of financial assets at FVTPL, reflecting the increase in the value of our wealth management products. See “— Description of Key Components of Consolidated Statements of Profit or Loss.”

Research and Development Expenses

Our research and development expenses decreased by 26.0% from RMB979.8 million in 2024 to RMB725.4 million in 2025. This decline primarily reflects the sustained improvement in R&D efficiency as a result of our continued integration of AI technologies across our solution and technology development process. Accordingly, our research and development expenses as a percentage of revenue decreased from 118.9% in 2024 to 84.2% in 2025. Looking ahead, we plan to continue investing in innovation to strengthen our long-term competitiveness.

Administrative Expenses

Our administrative expenses decreased by 27.1% from RMB239.8 million in 2024 to RMB174.8 million in 2025. The decrease primarily reflected lower employee compensation and benefits and reduced leased space in 2025. Our administrative expenses as a percentage of revenue decreased from 29.1% in 2024 to 20.3% in 2025.

Selling Expenses

Our selling expenses remain relatively stable at RMB112.5 million in 2024 and RMB125.5 million in 2025, with minor fluctuations reflecting the business needs for selling and promoting activities from time to time. Our selling expenses as a percentage of revenue remained relatively stable at 13.7% and 14.6% in 2024 and 2025, respectively.

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Impairment Losses on Other Intangible Assets

We recorded impairment losses on other intangible assets of RMB1,841.0 million in 2025, primarily related to certain intangible assets associated with our System-level OS Solutions. These intangible asset relates to the intellectual property assets relating to AOS that were injected into the Company pursuant to the shareholders’ resolution dated November 2, 2020. For more information, see “History, Development and Corporate Structure—Corporate Development and Major Shareholding Changes—Capital Injection in November 2020.” The impairment represented a non-cash accounting adjustment made in accordance with applicable accounting standards, based on the market conditions and strategic context at that time. In early 2025, China’s automotive OS market became more competitive as several major OEMs and technology companies announced broader collaborations and open platform strategies in the intelligent-cockpit space. These developments led to greater pricing pressure and longer customer decision cycles, as OEM customers adopted more comprehensive evaluation and procurement processes before committing to new OS deployments. In addition, the commercialization pace of certain existing vehicle programs incorporating earlier generations of our OS solutions progressed more gradually than previously anticipated, resulting in a slower ramp-up of certain legacy projects and a delay in the expected timing of related revenue realization.

The impairment did not reflect any operational interruptions or deterioration in business fundamentals, nor did it change the strategic importance of our system-level OS business, which remains a core revenue contributor and the technological backbone of our AI strategy. Such impairment loss did not relate to any specific module, component or vehicle model of the system-level OS solutions but rather the AOS system-level operating system solution as an integrated technology platform as a whole. Additionally, such impairment did not result from the obsolescence of the relevant intangible asset, nor was it attributable to any technological failure, operational disruption or loss of core functionality. As the market continues to mature, we expect the system-level OS business to maintain a stable scale with moderate growth. Further details of the impairment test are set out in Note 20 to the consolidated financial statements included in Appendix I to this Document.

Impairment losses (including reversals of impairment losses or impairment gains) on financial assets and other items

Impairment losses (including reversals of impairment losses or impairment gains) on financial assets and other items, decreased from RMB12.3 million in 2024 to RMB7.0 million in 2025. This decrease was primarily due to the decrease in trade receivables aged over one year. For details, see “—Discussion of Selected Items from the Consolidated Balance Sheets—Assets—Trade Receivables.”

Finance Costs

Our finance costs decreased by 21.5% from RMB14.9 million in 2024 to RMB11.7 million in 2025, primarily due to a decrease in bank borrowings. For details, see “—Discussion of Selected Items from the Consolidated Balance Sheets.”

Loss for the Year

As a result of the foregoing, the recorded loss and total comprehensive expense for the year increased significantly by RMB1,048.8 million from RMB847.4 million in 2024 to RMB1,896.2 million in 2025.

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Year Ended December 31, 2024 Compared with Year Ended December 31, 2023

Revenue

Our revenue decreased slightly from RMB871.9 million in 2023 to RMB823.8 million in 2024. This decrease was attributable to decreases in our revenue from System-level OS Solutions and Vehicle-based Services Marketplace, partially offset by an increase in the revenue from Full-stack End-to-end AI Solutions.

Our revenue from System-level OS Solutions decreased 8.6% from RMB751.4 million in 2023 to RMB686.8 million in 2024, as we have deliberately focused more on devoting more resources and focus to scale newer, high-growth offerings, i.e. our Vehicle-based Services Marketplace and Full-stack End-to-end AI Solutions, to accelerate adoption and expand share with customers. In addition, a major project executed in 2024 reached customer acceptance in the first quarter of 2025, and the associated revenue was recognized during the same period.

Our revenue derived from Full-stack End-to-end AI Solutions increased by 287.2% from RMB14.1 million in 2023 to RMB54.6 million in 2024, as a result of more project milestones reaching completion and passing customer acceptance, which was in turn driven by increased customer demand and broader adoption of our AI capabilities across a growing number of vehicle models.

Our revenue derived from Vehicle-based Services Marketplace decreased by 22.7% from RMB106.4 million in 2023 to RMB82.3 million in 2024 primarily due to our strategic efforts to upgrade this solution category. In 2024, we proactively focused more on relatively high-margin and easy-to-standardize services, and redirected resources toward developing higher-value, scalable offerings with stronger long-term potential.

Cost of Sales; Gross Profit Margin

Our cost of sales increased by 7.6% from RMB467.5 million in 2023 to RMB503.2 million in 2024. As a result of the foregoing, our gross profit decreased by 20.7% from RMB404.4 million in 2023 to RMB320.6 million in 2024, and gross profit margin decreased from 46.4% in 2023 to 38.9% in 2024. This decrease in gross profit margin was primarily because (i) a higher share of license revenue during the period, driven by our success in securing design-wins with certain key OEM customers at competitive pricing; (ii) moderated margins on technology development services as we expanded our footprint and strengthened relationships in a more competitive environment; and (iii) a more stable gross margin profile from our ecosystem value-added services, reflecting the maturing of this revenue stream.

The gross profit margin of our System-level OS Solutions decreased from 47.6% in 2023 to 38.6% in 2024, primarily reflecting our deliberate strategy to scale rapidly and solidify our position among leading OEM customers. In 2023 and 2024, a larger portion of our System-level OS Solutions revenue was derived from large-scale, platform-based design-wins with major international OEM groups. These programs, which spanned multiple vehicle models, were priced at relatively lower per-unit license fees and development charges compared with our earlier projects, given the substantial volume commitments and the OEMs’ cost-optimization requirements. While such terms resulted in lower short-term margins, they allowed us to expand deployments across model lines, achieve deeper integration with global vehicle platforms, and strengthen our role as a preferred long-term technology partner to top-tier OEMs. In addition, several high-volume design-wins were still in the early ramp-up phase during 2023 and 2024, and the benefits of our cost-optimization initiatives launched in the second half of 2024 had not yet been fully realized. According to CIC, comparable system-level OS solution providers in China also recorded mild margin compression during the same period due to intensified competition and OEM cost-down pressures, and our margin trend was broadly consistent with the overall industry pattern.

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In 2024, the gross profit margin of our Full-stack End-to-end AI Solutions decreased to 38.9%, compared to 50.4% in 2023, primarily due to a change in our business mix toward technology development services, which generally carry a lower gross margin than license revenue. This change reflected our strategic decision to accelerate the delivery and revenue recognition of several competitively priced design-win projects to scale up the commercialization of our AI solutions and deepen our relationships with key customers. These design-wins, while carrying relatively low margins, enabled us to broaden the adoption of our AI stack among customers. Meanwhile, the rapid emergence of large language models reshaped the competitive landscape and temporarily compressed pricing margins across the industry.

In contrast, the gross margin of our Vehicle-based Services Marketplace improved from 37.4% in 2023 to 41.8% in 2024, primarily due to increased contributions from technology development services provided to certain OEMs, which carried relatively higher margins on a period-to-period basis.

Other Income

Our other income decreased by 8.1% from RMB115.9 million in 2023 to RMB106.5 million in 2024, primarily due to the decreases in (i) a shift in revenue mix, with a lower proportion of System-level OS Solutions that qualify for VAT refund-upon-collection incentives; and (ii) reduced interest income from bank balances and demand deposits, as we reallocated more cash into wealth management products, partially offset by an increase in interest income from term deposits and higher government grants.

Other Gains and Losses, Net

Our other gains and losses, net increased by RMB6.4 million from RMB4.1 million in 2023 to RMB10.5 million in 2024, primarily due to increases in gains arising from financial assets at FVTPL and gains on fair value changes of financial assets at FVTPL, both in connection with our wealth management products.

Research and Development Expenses

Our research and development expenses decreased by 12.8% from RMB1,123.4 million in 2023 to RMB979.8 million in 2024, primarily as a result of improved resource allocation and greater organizational efficiency within our R&D team. In particular, employee compensation and benefits expenses declined as we streamlined our workforce structure to focus on high-priority projects and core technical talent. As a result, research and development expenses as a percentage of revenue decreased from 128.8% in 2023 to 118.9% in 2024.

Administrative Expenses

Our administrative expenses increased by 6.0% from RMB226.1 million in 2023 to RMB239.8 million in 2024 primarily due to certain one-time expenses incurred in connection with workforce streamlining initiatives aimed at enhancing our operational efficiency. Our administrative expenses as a percentage of revenue increased from 25.9% in 2023 to 29.1% in 2024.

Selling Expenses

Our selling expenses increased by 1.6% from RMB110.7 million in 2023 to RMB112.5 million in 2024. Our selling expenses as a percentage of revenue remained stable at 12.7% in 2023 and 13.7% in 2024.

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Impairment losses (including reversals of impairment losses or impairment gains) on financial assets and other items

Our impairment losses (including reversals of impairment losses or impairment gains) on financial assets and other items, increased from RMB2.0 million in 2023 to RMB12.3 million in 2024. The increase was primarily attributable to a temporary rise in the average aging of trade receivables, reflecting the changed timing of payments for certain design-wins in line with customers’ internal acceptance and payment schedules. While these receivables remain recoverable, the shift in payment timing resulted in a higher provision under our expected credit loss model.

Finance Costs

Our finance costs increased by 17.3% from RMB12.7 million in 2023 to RMB14.9 million in 2024, primarily due to higher interest expenses associated with lease liabilities.

Loss for the Year

As a result of the foregoing, the recorded loss of the year decreased by 3.3% from RMB876.2 million in 2023 to RMB847.4 million in 2024.

DISCUSSION OF SELECTED ITEMS FROM THE CONSOLIDATED BALANCE SHEETS

The table below sets forth selected information from our consolidated balance sheets as of the dates indicated, which has been extracted from the Accountants’ Report included in Appendix I to this Document:

	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

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Current Assets and Current Liabilities

The following table sets forth our current assets and current liabilities as of the dates indicated:

	As of December 31,			As of
	2023	2024	2025	January 31,
				2026
	<i>(RMB in thousands)</i>			
Current Assets				
Trade receivables	395,767	388,518	477,052	467,613
Prepayments and other				
receivables	46,582	20,129	64,511	81,068
Contract assets	776	1,811	6,554	6,101
Contract costs	121,195	45,648	27,926	29,381
Financial assets at fair value				
through profit or loss	–	1,598,464	60,037	120,138
Bills receivables at FVTOCI . .	35,408	38,513	9,052	1,184
Other current assets	9,442	22,438	96,061	102,497
Restricted bank deposits	–	15,559	20,490	20,490
Cash and cash equivalents . . .	2,971,114	104,197	897,599	537,629
Total Current Assets	3,580,284	2,235,277	1,659,282	1,366,101
Current Liabilities				
Trade and other payables	580,816	548,545	516,076	436,593
Contract liabilities	55,028	21,397	17,801	17,801
Borrowings	200,175	318,127	233,320	9,800
Redemption liabilities	–	406,250	–	–
Lease liabilities	7,156	18,956	21,197	22,986
Provision	13,500	27,375	15,550	15,859
Deferred income	–	4,850	35,319	35,319
Total Current Liabilities	856,675	1,345,500	839,263	538,358
Net Current Assets	2,723,609	889,777	820,019	827,743

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 derecognition of redemption liabilities, and (iii) a reduction in provisions.

Our net current assets remained relatively stable at RMB820.0 million and RMB827.7 million as of December 31, 2025 and January 31, 2026, respectively.

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Assets

Property and Equipment

The following table sets forth the breakdown of our property and equipment as of December 31, 2023, 2024 and 2025.

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Property and equipment			
Leasehold improvements	4,229	3,827	3,527
Equipment and fixtures	24,065	14,460	566,225
Vehicles	6,911	5,288	2,387
Total	35,205	23,575	572,139

Changes in the balance of property and equipment during the Track Record Period were primarily attributable to routine depreciation, scheduled disposal of assets upon expiration, and new purchases based on business needs. The decrease from RMB35.2 million as of December 31, 2023 to RMB23.6 million as of December 31, 2024, was mainly due to overall decreased number of employees during the period leading to disposal of certain equipments without corresponding replacement. The significant increase from RMB23.6 million to RMB572.1 million was primarily due to our establishment of an AI infrastructure to provide AI computing power services to our customers and support our own AI solutions.

Right-of-use Assets

Our right-of-use assets represent our leases of properties for the operations. As of December 31, 2023, 2024 and 2025, our right-of-use assets were RMB28.4 million, RMB85.1 million, and RMB68.5 million, respectively. The fluctuations in right-of-use assets during the Track Record Period primarily reflect changes in our office lease arrangements. The significant increase from RMB28.4 million as of December 31, 2023 to RMB85.1 million as of December 31, 2024 was primarily attributable to a long-term lease we entered into for our new corporate office to support our continued business expansion. The later decrease from RMB85.1 million as of December 31, 2024 to RMB68.5 million as of December 31, 2025, was primarily attributable to the depreciation of right-of-use assets.

Goodwill

Our goodwill as of December 31, 2023, 2024 and 2025 remained unchanged at RMB1,460.3 million. This balance arose from our acquisition of a subsidiary in 2020.

Goodwill arising from the business combination is allocated to a group of cash-generating units comprising two cash-generating units, system-level OS solutions business and other technical development services business that are expected to benefit from the synergies of such business combination for the purpose of impairment testing.

Impairment test on our goodwill has been conducted by engaging an independent qualified professional valuer, Jinzheng (Shanghai) Asset Valuation Co., Ltd. (“Jinzheng”) for the years ended December 31, 2023 and 2024, and Avista Valuation Advisory Limited (“Avista”) for the year ended December 31, 2025 respectively, to estimate the recoverable amount of the group of cash-generating units. The address of Jinzheng is 7F, T3 Building, East China Airlines Riverside Center, 277 Longlan Road, Xuhui District, Shanghai. The address of Avista is Room 2401-06, 24/F, Everbright

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Centre, No. 108 Gloucester Road, Wan Chai, Hong Kong. For the purpose of impairment test, the recoverable amount of the group of cash-generating units is determined based on a value in use calculation. For further details, see Note 19 to the Accountants’ Report in Appendix I.

Other Intangible Assets

Our other intangible assets primarily consist of our AOS and related software. The decrease from RMB5,041.1 million as of December 31, 2023 to RMB4,771.3 million as of December 31, 2024 was primarily due to amortization in our ordinary course of business. Further, the decrease from RMB4,771.3 million as of December 31, 2024 to RMB2,714.5 million as of December 31, 2025, was mainly due to impairment recognized on the AOS. The following table sets forth the carrying amount of our other intangible assets as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Other intangible assets			
AOS	5,032,878	4,735,368	2,685,000
Software.	8,178	35,967	29,493
Total	<u>5,041,056</u>	<u>4,771,335</u>	<u>2,714,493</u>

Term Deposits

Our term deposits held with commercial banks decreased from RMB811.1 million as of December 31, 2024 to RMB520.4 million as of December 31, 2025, primarily attribute to the withdrawal of term deposits in advance for our daily operations.

Trade Receivables

Trade receivables represent amounts due from customers for goods delivered or services rendered in the ordinary course of business. We grant normally grants a credit period of 30 to 90 days or as otherwise agreed, starting from the date services are completed or control of goods is transferred and invoiced.

Our total trade receivables decreased from RMB395.8 million as of December 31, 2023 to RMB388.5 million as of December 31, 2024 and later increased to RMB477.1 million as of December 31, 2025, reflecting dynamics in customer payment cycles during the Track Record Period. The fluctuations were mainly due to routine billing and collection activities.

The following table sets forth an aging analysis of our trade receivables as of the dates indicated. Our trade receivables over 365 days increased significantly as of December 31, 2024 as compared to 2023, primarily due to a delay in settlement of a substantial receivable due from one of our key customers. As of December 31, 2025, a substantial portion of these long-aged receivables was recovered. Our total trade receivables increased from RMB388.5 million as of December 31, 2024 to RMB477.1 million as of December 31, 2025, because our revenue in the fourth quarter of 2025 was higher than the same period in 2024, which led to higher trade receivables at the year end of 2025.

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	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Trade receivables			
Within 30 days	232,588	198,058	273,580
31-60 days	62,791	60,704	65,599
61-90 days	12,657	28,995	37,139
91-120 days	12,428	1,691	27,389
121-180 days	14,889	50,997	21,792
181-365 days	58,667	6,875	41,956
Over 365 days	1,747	41,198	9,597
Total	395,767	388,518	477,052

For the years ended December 31, 2023, 2024 and 2025, our trade receivables turnover days were 183.3 days, 187.7 days and 196.7 days, respectively. Trade receivables turnover days for a period equals the average of the gross value of the opening and closing trade receivables balance divided by revenue for the relevant period and multiplied by the number of days in the relevant period (i.e. 365 days for a fiscal year). The turnover period remained relatively stable at approximately six months in 2023 and 2024, with minor fluctuations reflecting the timing of revenue recognition and customer payments. Our trade receivables turnover days increased to 196.7 days for the year ended December 31, 2025, primarily due to higher trade receivables at the year end of 2025.

As of January 31, 2026, RMB44.7 million, or 9.0% of our trade receivables outstanding as of December 31, 2025 had been subsequently collected.

We assess the recoverability of our trade and bills receivables by considering changes in credit quality from the time credit was granted to the reporting date. Our estimates draw on historical loss experience and are adjusted for debtor-specific factors, as well as current and expected economic conditions.

To promote timely collection, we maintain a proactive receivables management framework. Our dedicated collection team continuously monitors outstanding balances, conducts regular internal reviews, and maintains close communication with customers through multiple channels to follow up on payments. We have also implemented enhanced internal policies governing receivable management, including clear procedures for monitoring and recovering long-outstanding balances.

We have reviewed the recoverability of our trade and bills receivables, including those aged over one year, and concluded that there are no material impairment or recoverability issues. For these aged balances, we performed customer-by-customer reviews focusing on repayment records, project status, and settlement activity after the balance sheet date. The extended credit periods are consistent with industry practice and reflect both the strength of our commercial relationships and the longer project cycles of our customers.

Our credit control team conducts monthly monitoring of overdue accounts, supported by an internal ageing report measurements that flag invoices approaching key thresholds. For material balances, we may require written acknowledgments of outstanding amounts or collection undertakings from customers. We also coordinate with our project teams to verify progress payments and confirm that the corresponding receivables are contractually recoverable. Looking ahead, we plan to further strengthen our collection practices by developing more targeted strategies, such as using data analytics to identify potential risks at an earlier stage and assigning dedicated account managers to key customers. We are also refining our customer portfolio to focus on those with consistent and sustainable growth while applying more rigorous credit standards to both new

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and existing customers. Supported by these measures and our disciplined approach to credit management, we believe there is no significant risk to the recoverability of our trade and bills receivables, and that our policies will continue to support strong liquidity and a healthy balance sheet.

Prepayments and Other Receivables

Our prepayments and other receivables consist of (i) prepayments for purchase of materials and research and development services, (ii) other receivables, (iii) deposits, and (iv) prepayments for short-term rental and property management fee. The following table sets forth a breakdown of our prepayments, deposits and other receivables as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Prepayments and other receivables			
Prepayments for purchase of materials and research and development services .	37,155	12,672	13,363
Other receivables from employees for exercise price of options	—	—	35,979
Other receivables	2,720	2,192	4,748
Deposits	5,654	5,215	7,427
Prepayments for short-term rental and property management fee	1,053	50	316
Deferred issue costs	—	—	2,678
Total	46,582	20,129	64,511

Our prepayments and other receivables decreased from RMB46.6 million as of December 31, 2023 to RMB20.1 million as of December 31, 2024, primarily due to the software development tools delivered in 2024. Our prepayments and other receivables increased to RMB64.5 million as of December 31, 2025, primarily due to higher receivables from the exercise of employee stock options.

As of January 31, 2026, RMB2.5 million, or 18.7% of our prepayments as of December 31, 2025 had been subsequently settled.

Contract Costs

Our contract costs primarily relate to the staff costs and other related costs incurred for technology development service contracts. Contract costs are recognized as part of cost of sales in the consolidated statement of profit or loss and other comprehensive income in the period in which revenue from the related contract is recognized. As a result, the changes of our contract costs, as well as the amount recognized as cost of sales, are in connection with the changes of our revenue from technology development services. The amount of capitalized costs recognized in profit or loss during the years ended December 31, 2023, 2024 and 2025, was RMB61.6 million, RMB122.7 million and RMB60.7 million, respectively, which was in line with the changes of technology development service revenue in the same period.

Financial Assets at FVTPL

During the Track Record Period, our financial assets measured at FVTPL primarily represented structured deposits with variable interest rates that we purchased as part of our treasury management. The balance of these assets varied over time based on the amount and timing of such investments in line with our cash deployment strategy. Returns generated from these short-term investments, including fair value gains or losses, are recorded under “other gains and losses, net”

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in our consolidated statements of comprehensive income. These returns may fluctuate based on market conditions and the mix of our investment portfolio. As of December 31, 2023, 2024 and 2025, we recorded financial assets at FVTPL of nil, RMB1,598.5 million and RMB60.0 million, respectively. The decrease from RMB1,598.5 million as of December 31, 2024 to RMB60.0 million as of December 31, 2025, was primarily attributable to our redemption of wealth management products and reallocated the proceeds to term deposits.

In this context, we pursue a disciplined cash management strategy that supports both operational flexibility and capital efficiency. We allocate surplus funds primarily to short-duration, low-volatility instruments such as large-denomination certificates of deposit and structured deposits. Liquidity is further supported through access to a range of credit facilities, short-term borrowings, and bill discounting lines, which we use selectively based on funding needs and cost considerations. In parallel, we maintain tight oversight over working capital, with continued efforts to accelerate accounts receivable collection and shorten cash conversion cycles. By centralizing treasury operations at the group level, we are also able to redeploy idle cash across subsidiaries in a more coordinated and efficient manner.

Our investments classified as financial assets at FVTPL will comply with Chapter 14 of the Listing Rules after the [REDACTED].

Our investment strategy prioritizes liquidity, safety, and reasonable returns, with the objective of preserving capital and ensuring the availability of funds to support business operations, while maintaining a conservative risk profile. During the Track Record Period, we primarily allocated surplus cash to low-risk wealth management products, typically with T+1 redemption terms, which provided both stable returns and flexibility for immediate withdrawal when needed. These products were mainly issued by reputable financial institutions with sound credit ratings and transparent investment structures.

To safeguard against market, credit, and liquidity risks, we have established a comprehensive set of internal investment management policies and controls. These policies define clear approval hierarchies, counterparty selection criteria, investment concentration limits, and post-investment monitoring procedures. A single transaction of wealth management products which exceeding RMB10 million shall be subject to the approval of the chief financial officer prior to purchase. Any proposed investment exceeding RMB10.0 million shall be submitted to the Board of Directors for review and approval. Any deviation from approved limits or material market movement triggers an immediate review and, if necessary, adjustment of the portfolio composition.

Our finance department is responsible for managing our investment activities. The members of our financial department have extensive experience in corporate finance, treasury management, and risk control, ensuring that all investment decisions are made prudently, with due regard to liquidity needs and overall financial stability.

Bills Receivables at FVTOCI

Our bills receivables at FVTOCI primarily consist of commercial instruments, including bank acceptance bills and commercial bills, provided by OEMs to fulfil their payment obligations. The following is an ageing analysis of bills receivables at FVTOCI as of the dates indicated:

The loss allowance for bills receivables at FVTOCI is measured based on the 12-month ECL. We consider the credit risk associated with these bills receivables at FVTOCI to be limited because the issuers are reputable banks and Shanghai Automotive Group Finance Co., Ltd. (上海汽車集團財務有限責任公司), a licensed financial institution with high credit ratings assigned by recognized credit rating agencies. In the view of our directors, the credit risk associated with bills receivables at FVTOCI was minimal and accordingly, no impairment was recognized.

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We have discounted certain bills receivables to banks and endorsed the others to certain suppliers for settlement of our trade payables. Given that these bills are issued or guaranteed by reputable PRC banks with high credit ratings, our Directors consider the primary exposure associated with these bills are interest risk, with limited credit risk. Since we have transferred substantially all the risks associated with these bills to relevant banks/suppliers upon discounting or endorsement, therefore we have derecognized these bills receivables from our financial statements.

During the Track Record Period, our bills receivables at FVTOCI were all within 180 days. Our bills receivables at FVTOCI were RMB35.4 million, RMB38.5 million and RMB9.1 million as of December 31, 2023, 2024 and 2025, respectively. Our bills receivables at FVTOCI decreased from RMB38.5 million as of December 31, 2024 to RMB9.1 million as of December 31, 2025, primarily attributable to the settlement of our payment obligations with bills receivables at FVTOCI.

Restricted Bank Deposits

Our restricted bank deposits as of December 31, 2023, 2024, as well as 2025 amounted to nil, RMB15.6 million and RMB20.5 million, respectively. The restricted balance mainly represented funds held under a pre-trial asset preservation arrangement in connection with an ongoing lawsuit in the ordinary course of business.

Cash and Cash Equivalents

Our cash and cash equivalents primarily consist of (i) bank balances, and (ii) other demand deposits. As of December 31, 2023, 2024 and 2025, we had cash and cash equivalents of RMB3.0 billion, RMB0.1 billion, and RMB0.9 billion, respectively.

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.

Liabilities

Trade and Other Payables

Our trade and other payables primarily consist of (i) trade payables for research and development expenses and materials; (ii) accrued staff costs and benefits; (iii) payables for property and equipment; (iv) payable for share service center service fee; (v) other payables; (vi) other tax payables; and (vii) deposits. The following table sets forth a breakdown of our trade and other payables as of the dates indicated:

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	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Trade and other payables			
Trade payables for research and development expenses and materials . . .	300,946	262,584	222,281
Accrued staff costs and benefits	100,171	65,077	53,716
Payables for property and equipment . . .	589	3,209	432,938
Payable for share service center service fee	134,985	177,729	77,038
Accrued [REDACTED] expenses and issue costs	—	—	6,880
Other payables	25,478	28,137	35,089
Other tax payables	18,209	11,663	10,962
Deposits	438	146	207
Total	580,816	548,545	839,111

The fluctuations in our trade and other payables were primarily driven by the timing and amount of settlements. Our trade and other payables of decreased from RMB580.8 million as of December 31, 2023 to RMB548.5 million as of December 31, 2024, primarily attributable to a large outstanding balance payable to a related party cloud service provider as of December 31, 2023. Our trade and other payables further increased substantially to RMB839.1 million as of December 31, 2025, primarily due to purchases of property and equipment related to a computing center. The following table sets forth an aging analysis of our trade payables as of the dates indicated. As of December 31, 2025, approximately 63.7% of our total trade payables were aged within 365 days, consistent with the aging structure as of prior year ends. The portion of payables over 365 days, decreased from RMB105.5 million as of December 31, 2024 to RMB80.6 million as of December 31, 2025, reflecting our ongoing efforts to optimize payment cycles and improve supplier settlement efficiency.

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Trade payables			
Within 30 days	54,426	54,807	77,169
31 to 90 days	61,090	59,581	34,147
91 to 180 days	55,823	28,968	21,700
181 to 365 days	27,025	13,680	8,628
Over 365 days	102,582	105,548	80,637
Total	300,946	262,584	222,281

Our trade payables turnover days were 203.7 days, 204.4 days and 179.5 days, respectively, for the years ended December 31, 2023, 2024 and 2025. Trade payables turnover days for a period equals the average of the gross value of the opening and closing trade payables balance divided by cost of revenue for the relevant period and multiplied by the number of days in the relevant period (i.e. 365 days for a fiscal year). The year-over-year variations primarily reflected changes in procurement volume and the timing of supplier settlements. Our trade payables turnover days decreased from 204.4 days for the year ended December 31, 2024 to 179.5 days for the year ended December 31, 2025, in line with our decrease in trade payables. In the foreseeable future, we expect our trade payables turnover days to remain relatively stable, as we do not anticipate material changes to our procurement structure or supplier payment policies.

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As of January 31, 2026, RMB67.0 million, or 29.2% of our trade payables outstanding as of December 31, 2025 had been subsequently settled.

Contract Liabilities

Contract liabilities refer to our obligations to transfer goods or services to a customer for which we have received the consideration (or the amount is due) before the goods or services have been provided. During the Track Record Period, our contract liabilities primarily pertained to (i) technology development service fees; and (ii) ecosystem value-added service packages.

- *Technology development services.* Advance payments received from customer upon completion of phase acceptance of our technology development services. Such payments are recorded as contract liabilities according to the payment schedule under the technology development service contracts. As the technology development progresses, these contract liabilities are recognized as revenue when the related development work is completed and the deliverables are verified and accepted by the customers.
- *Ecosystem value-added services.* We receive full payment from customers upfront for the ecosystem value-added service package, which gives rise to contract liabilities at the start of the contract.

The following table sets forth the details of our contract liabilities as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Contract liabilities			
Technology development services	48,271	13,287	10,036
Eco-system value added services	28,749	25,226	20,755
Sub-total	77,020	38,513	30,791
Less: Amount due within one year shown under current liabilities	(55,028)	(21,397)	(17,801)
Amount shown under non-current liabilities	21,992	17,116	12,990

Our contract liabilities decreased from RMB77.0 million as of December 31, 2023 to RMB38.5 million as of December 31, 2024, as several of technology development service contracts reached completion and were accepted by customers and the corresponding contract liabilities were recognized as revenue. Our contract liabilities further decreased to RMB30.8 million as of December 31, 2025, driven by more acceptance by the clients compared with 2024.

As of January 31, 2026, RMB2.8 million, or 9.2%, of our contract liabilities as of December 31, 2025 had been subsequently recognized as revenue.

Borrowings

During the Track Record Period, our borrowings primarily consisted of our bank loans. As of December 31, 2023, 2024 and 2025, we had total bank borrowings of RMB697.3 million RMB766.7 million, and RMB318.7 million, respectively. The effective interest rates on our borrowings ranged from 3.05% to 3.25% per annum as of December 31, 2023, 2.70% to 3.05% per annum as of December 31, 2024, and 2.34% to 2.70% per annum as of December 31, 2025.

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Our borrowings increased from RMB697.3 million as of December 31, 2023 to RMB766.7 million as of December 31, 2024, primarily attributable to our decision to secure additional bank loans in light of the declining interest rate environment. Our borrowings then decreased from RMB766.7 million to RMB318.7 million, primarily attributable to routine liquidity management and operational funding requirements. As of January 31, 2026, we had bank facilities of RMB1,197.10 million which remained unutilized. Such bank facilities were all committed facilities, meaning that, subject to the satisfaction of the relevant drawdown conditions and in the absence of any event of default, the lenders are required to make the relevant loan amounts available to us.

Lease Liabilities

Lease liabilities represent payments owed under our office lease agreements. We recorded current lease liabilities of RMB7.2 million, RMB19.0 million and RMB21.2 million, respectively, as of December 31, 2023, 2024 and 2025. We recorded non-current lease liabilities of RMB22.2 million, RMB69.8 million and RMB51.8 million, respectively, as of December 31, 2023, 2024 and 2025. The weighted average incremental borrowing rates applied to the lease liabilities is 2.34% to 3.80% per annum during the Track Record Period. The following table sets forth the details of our lease liabilities as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Lease liabilities payable:			
Within one year	7,156	18,956	21,197
Within a period of more than one year but not exceeding two years	6,531	18,778	17,914
Within a period of more than two years but not exceeding five years	13,034	41,488	26,245
More than five years	2,653	9,578	7,610
Total	29,374	88,800	72,966

LIQUIDITY AND CAPITAL RESOURCES

The following table presents our consolidated cash flow data for the years 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

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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.

We experienced negative operating cash flows during the Track Record Period. See “— 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.

Net Cash Used in Operating Activities

Net cash used in operating activities for the year ended December 31, 2025 was RMB573.5 million, primarily representing our loss before tax of RMB2,408.8 million, primarily adjusted by (i) impairment losses from intangible assets of RMB1,841.0 million, and (ii) amortization of other intangible assets of RMB215.9 million. This amount was further adjusted by changes in certain working capital accounts, primarily including (i) the decrease of RMB139.2 million in trade and other payables, (ii) the increase of RMB94.9 million in trade receivables, and (iii) increase in other current assets, partially offset by (i) the decrease of RMB38.8 million in contract costs.

Net cash used in operating activities for the year ended December 31, 2024 was RMB487.3 million, primarily representing our loss before tax of RMB921.8 million, primarily adjusted by (i) amortization of other intangible assets of RMB305.8 million, and (ii) share-based payment expenses of RMB90.3 million. This amount was further adjusted by changes in certain working capital accounts, primarily including (i) the decrease of RMB68.7 million in contract costs, and (ii) the decrease of RMB26.6 million in prepayments and other receivables, partially offset by (i) the decrease of RMB38.5 million in contract liabilities, and (ii) the decrease of RMB34.9 million in trade and other payables.

Net cash used in operating activities for the year ended December 31, 2023 was RMB416.7 million, primarily representing our loss before tax of RMB950.5 million, primarily adjusted by (i) amortization of other intangible assets of RMB303.6 million, and (ii) share-based payment expenses of RMB84.5 million. This amount was further adjusted by changes in certain working capital, primarily including (i) the increase of RMB104.9 million in trade and other payables, (ii) the decrease of RMB33.2 million in trade receivables, and (iii) the increase of RMB20.7 million in contract liabilities, partially offset by (i) the increase of RMB28.6 million in contract costs, and (ii) the increase of RMB18.3 million in prepayments and other receivables.

Net Cash from/(Used in) Investing Activities

For the year ended December 31, 2025, our net cash from investing activities was RMB1,893.2 million, which primarily consisted of (i) proceeds from disposal of financial assets at FVTPL of RMB4,190.1 million and (ii) withdrawal of term deposits of RMB300.0 million, partially offset by purchase of financial assets at FVTPL of RMB2,636.0 million.

For the year ended December 31, 2024, our net cash used in investing activities was RMB2,416.4 million, which primarily consisted of (i) purchases of financial assets at FVTPL of RMB1,588.0 million, and (ii) placement of term deposits of RMB800.0 million, partially offset by proceeds on disposal of property and equipment of RMB4.3 million.

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For the year ended December 31, 2023, our net cash generated from investing activities was RMB82.4 million, which primarily consisted of disposal of financial assets at FVTPL of RMB108.5 million, partially offset by purchase of property and equipment of RMB26.4 million.

Net Cash from/(Used in) Financing Activities

Net cash used in financing activities for the year ended December 31, 2025, was RMB526.2 million, which primarily consisted of repayments of borrowings of RMB517.4 million, partially offset by proceeds from borrowings of RMB69.8 million.

Net cash generated from financing activities for the year ended December 31, 2024, was RMB36.8 million, which primarily consisted of proceeds from borrowings of RMB273.1 million, partially offset by repayments of borrowings of RMB203.7 million.

Net cash generated from financing activities for the year ended December 31, 2023, was RMB1,147.2 million, which primarily consisted of (i) proceeds from borrowings of RMB540.1 million and (ii) capital injection from shareholders of RMB700.0 million, partially offset by repayments of borrowings of RMB82.5 million.

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].

INDEBTEDNESS

The following table sets forth a breakdown of our i) borrowings, ii) lease liabilities, and iii) redemption liabilities as of the dates indicated.

	As of December 31,			As of January 31,
	2023	2024	2025	2026
	(RMB in thousands)			
Borrowings	697,288	766,690	318,665	171,859
Lease liabilities	29,374	88,800	72,966	73,157
Redemption liabilities	406,250	406,250	—	—
Total	1,132,912	1,261,740	391,631	245,016

As of December 31, 2025, all our borrowings were unsecured and unguaranteed. As of December 31, 2025, our lease liabilities of RMB21.1 million were secured by the rental deposits and unguaranteed, and our remaining lease liabilities of RMB51.9 million were unsecured and unguaranteed. See “—Discussion of Selected Items from the Consolidated Balance Sheets”.

Except as discussed above, we had no outstanding indebtedness or any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or similar indebtedness, liabilities under acceptances (other than normal trade bills), acceptance credits, debentures, mortgages, charges, finance lease or hire purchase commitments, guarantees or other contingent liabilities or any

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covenant in connection therewith as of December 31, 2025, being our indebtedness statement date. After due and careful consideration, our Directors confirm that there had been no material change in our indebtedness since December 31, 2025, and up to the Latest Practicable Date.

Additionally, our Directors confirm that as of the Latest Practicable Date, there was no material covenant on any of our outstanding debt and there was no breach of any covenant during the Track Record Period and up to the Latest Practicable Date. Our Directors further confirm that we did not experience any difficulty in obtaining bank loans and other borrowings, default in payment of bank loans and other borrowings or breach of covenants during the Track Record Period and up to the Latest Practicable Date.

CAPITAL EXPENDITURES

The following table sets forth our capital expenditures for the years indicated.

	For the year ended December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Purchase of property and equipment.	26,414	11,824	131,721
Purchase of other intangible assets.	–	36,071	–
Payments for right-of-use assets.	299	1,990	74
Total	26,713	49,885	131,795

Our capital expenditures were RMB26.7 million, RMB49.9 million and RMB131.8 million, respectively, in 2023, 2024 and 2025. Our capital expenditures are primarily attributable to spending on equipment and intangible assets. We intend to fund our future capital expenditures with financial resources available to us, including our existing cash balance, cash generated from our operating activities, our available banking facilities, and [REDACTED] from the [REDACTED]. See “Future Plans and Use of [REDACTED].”

CONTRACTUAL OBLIGATIONS

We did not have any capital commitments or operating commitments as of the Latest Practicable Date.

OFF-BALANCE SHEET ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any off-balance sheet transactions.

CONTINGENT LIABILITIES

As of December 31, 2023, 2024 and 2025, we did not have any contingent liabilities. Our Directors confirm that there has been no material change in our contingent liabilities as of the Latest Practicable Date.

MATERIAL RELATED PARTY TRANSACTIONS

During the Track Record Period, we primarily conducted related party transactions with AGH and its associates, as well as SAIC and its associates. These transactions included sales of goods and provision of services, procurement of goods and receipt of services, software development services, as well as property lease arrangements. As a result, we recorded various balances with related

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parties, including trade receivables, prepayments and other receivables, bills receivables at FVTOCI, trade and other payables, contract liabilities. See Note 40 to the Accountants’ Report included in Appendix I to this Document for details.

Our Directors believe that our transactions with the related parties during the Track Record were conducted in the normal course of business and on an arm’s length basis, and they did not distort our results of operations or make our historical results not reflective of our future performance.

KEY FINANCIAL RATIOS

The following table sets forth some of our key financial ratios for the years and as of the dates indicated.

	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%

For a more comprehensive discussion of the factors affecting our key financial ratios during the Track Record Period, see “—Discussion of Results of Operations.”

QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

Our activities expose us to a variety of financial risks, primarily the market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner. See Note 42 to the Accountants’ Report included in Appendix I to this Document for details.

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.

DISTRIBUTABLE RESERVES

As of January 31, 2026, we had no retained earnings that were available for distribution to our equity shareholders.

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[REDACTED] EXPENSES

Based on the mid-point [REDACTED] of HK\$[REDACTED] (being the mid-point of our [REDACTED] range 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 [REDACTED], professional fees for our legal advisors and Reporting Accountants of RMB[REDACTED] million and other fees and expenses of RMB[REDACTED], 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] and other fees and expenses of RMB[REDACTED], 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].

UNAUDITED [REDACTED] ADJUSTED NET TANGIBLE ASSETS

Please refer to “Appendix II—Unaudited [REDACTED] Financial Information” for further details.

NO MATERIAL ADVERSE CHANGE

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.

DISCLOSURE REQUIRED UNDER THE LISTING RULES

We confirm that, as of the Latest Practicable Date, there were no circumstances that would give rise to disclosure required under Rules 13.13 to 13.19 of the Listing Rules.

FUTURE PLANS AND USE OF [REDACTED]

FUTURE PLANS

For further details of our future plans, please see the section headed “Business—Strategies” in this Document.

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. In particular:

- a. Approximately [REDACTED]%, or HK\$[REDACTED] million, of the net [REDACTED] will be allocated to further enhance and innovate our System-level OS Solutions. We have been investing in the R&D of our AOS and key system software components such as Banma Hypervisor, and application software, with a focus on making System-level OS Solutions more broadly compatible with a wide range of automotive SoCs. Broader chip compatibility allows us to attract more OEMs, increase our penetration into more vehicle models, and broaden the addressable customer base, thereby driving our sales. More specifically:

- Continue to invest in R&D to introduce new solutions and upgrade existing ones. We plan to further invest in developing new solutions and upgrading existing ones to keep attracting new customers and adding value to existing ones. For example, our launch of L+A solutions have attracted customers who we would not otherwise able to serve. In addition, the introduction of *Banma Hypervisor* has effectively enhanced the competitiveness of our product by reducing hardware costs of our customers while deliver comparable or even better performance. We believe iteration of our System-level OS Solutions is the key to expand our customer base and drive our growth.

We have undertaken several software development R&D initiatives to enhance the performance and compatibility of our System-level Solutions, e.g. AIOS for OS level AI capability. The key milestones are scheduled for the second half of 2026, with deployment of our solutions in vehicle models.

- Continue to invest in R&D to expand SoC compatibility. We plan to continue to invest in R&D to expand our SoC compatibility. As of December 31, 2025, our AOS had been adapted to 26 chipsets, up from 19 chipsets as of December 31, 2024 and 13 chipsets as of December 31, 2023, and we expect to complete full adaptation for a total of 31 chipsets by the end of 2026.

- b. Approximately [REDACTED]%, or HK\$[REDACTED] million, of the net [REDACTED] will be allocated to the improvement and innovation of our AI technology. As part of our “All in AI, AI in All” strategies, we will continue investing in research and development of our industry-leading integrated end-to-end technologies. We plan to further invest in refining such cutting-edge technologies to push new benchmarks in accuracy and response speed of voice interaction systems. In particular, we will enhance the functionalities of Yan AI software stack, including multimodal perception software, System Agent and

FUTURE PLANS AND USE OF [REDACTED]

on-board AI models, through investing in purchase of equipment and training materials for AI algorithms and hiring more top-tier AI talent. Built on our technology capabilities, we will develop more AI Agents in vehicle controls, entertainment, navigation, and other frequent use cases, making the cockpit experience more convenient and personalized. We will also transform our AI software stack into more standardized, turnkey toolkit that OEMs can use to build, manage and upgrade their own smart cockpit system, empowering them to deliver differentiated smart cockpit experiences and maintain long-term operational efficiency. More specifically:

- *Develop cutting-edge AI solutions.* We plan to continue to invest in R&D in developing our on-board large models, as well as other advanced AI solutions. In June 2025, we launched the world’s first full scenario multi-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. In September 2025, we further launched the world’s first full-modal on-board large model solutions based on this chip platform and its related series for smart cockpits, and remain the only one as of the date of this Document, according to the same source. Our on-board large models have achieved interaction response times under two seconds and accuracy rates above 95%. As of the Latest Practicable Date, among leading global OEMs which announced interests in adopting the chip platform in their smart cockpits, the debut of our on-board large model solutions has attracted 15 OEMs to engage in business conversations with us, six of which have already entered into design-win agreements with us. We plan to further upgrade and iterate our on-board large models and launch new AI solutions. In this way, we expect to continue attracting OEMs and expand our customer base.

Leveraging our upgraded on-board model, we aim to secure 2-3 first-wave OEMs who adopt the fifth-generation chips , with broader adoption expected across additional models in 2026-2027. This initiative positions us to capture early-mover advantage in the emerging on-device AI market, driving medium- to long-term revenue growth.

- *Enhance our end-to-end AI solutions for higher accuracy and speed.* We also plan to enhance our foundational technological capabilities to keep improving the accuracy and speed of our AI-powered smart cockpit solutions. These foundational technological capabilities, while not targeting on any specific vehicle models, are essential for strengthening our overall AI technologies. Over the long term, stronger technological capabilities will make our offerings more competitive and attractive to OEMs, supporting broader adoption across future vehicle programs.

Our enhanced end-to-end AI Solutions have already entered into business cooperation with multiple leading OEMs across the premium and mainstream passenger vehicle segments. The first vehicle models equipped with this solution entered mass production in April 2025. The other vehicle models are expected to enter mass production from December 2025 to July 2026. These collaborations are expected to drive revenue streams from license fees and strengthen our position as a leading provider of smart cockpit solutions.

- c. Approximately [REDACTED]%, or HK\$[REDACTED] million, of the net [REDACTED] will be allocated to strengthening our Vehicle-based Services Marketplace and AI-native apps. We plan to optimize our marketplace through investing in technical development and enable more apps to operate on our marketplace with higher speed and stability. In particular, we will invest in research and development to further enhance our AI-native apps, such as

FUTURE PLANS AND USE OF [REDACTED]

broadening the knowledge base, improving intelligent recommendation capabilities, and making the overall user experience smoother and more personalized. More specifically:

- *Develop more in-vehicle services.* We initiated the R&D of our *Super Diagnosis and Service Agent*, a lightweight on-board smart cockpit solution designed to automatically identify accidents and notify nearby 4S shops, repair shops, and insurance companies. We started to deploy the *Super Diagnosis and Service Agent* to vehicles in June 2025. As of December 31, 2025, the *Super Diagnosis Service Agent* was deployed on approximately 349,143 vehicles. Going forward, we plan to further upgrade *Super Diagnosis and Service Agent's* functions by optimizing the claim reporting mechanism for car owners, developing one-click claims reporting functions, and building drivers' safety and credibility rating system to assist insurance companies in designing accident or other related insurance products. By offering a broad range of services, the *Super Diagnosis and Service Agent* will enable us to connect with a wider network of CSPs. In addition, we expect the number of vehicles equipped with these apps to continue to grow in 2025 and 2026, creating more monetization opportunities through license fees and revenuesharing arrangements.
- *Convert popular mobile apps into AI-native in-vehicle apps.* We have been, and plan to continue, developing a series of AI-native in-vehicle apps. The development encompasses (i) building advanced data processing capabilities to support real-time, in-vehicle usage, (ii) unifying user accounts across platforms to ensure seamless access and cross-app integration, (iii) establishing personalized user profiles to deliver tailored experiences, and (iv) creating a standardized operational framework to support scalability and long-term efficiency. By embedding AI capabilities such as user profile analysis and intelligent recommendation algorithms, we plan to continue to improve the accuracy of personalized recommendation and further enhance user experience. We believe that these initiatives will help us to attract new users, strengthen user's loyalty, and thereby capturing greater value from cooperating with OEMs and CSPs. These developments are expected to generate meaningful growth and profitability for us.

As of the Latest Practicable Date, we have developed 13 AI-native in-vehicle apps. We plan to develop additional 13 AI-native in-vehicles apps in the first half of 2026. By the end of December 31, 2026, within our Vehicle-based Service Marketplace, we will establish three interrelated mini-ecosystem covering leading, widely used apps across categories of entertainment, daily life, and productivity apps. Based on different features of the apps, we may explore different revenue generation methods from license fees to commission.

- d. Approximately [REDACTED]%, or HK\$[REDACTED] million, of the net [REDACTED] will be allocated to pioneering innovations in C-AIoT and embodied intelligence. Beyond smart cockpit, we plan to develop AI-powered products in other industries such as intelligent manufacturing, logistics and transportation, and actively look for partnership opportunities with leading companies into scalable products.
- (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. In particular:
 - a. Approximately [REDACTED]%, or HK\$[REDACTED] million will be allocated to attract and retain top sales and marketing talent who understand the automobile industry, is enthusiastic in working closely with customers and can quickly be familiar with region-specific requirements in overseas market.

FUTURE PLANS AND USE OF [REDACTED]

- b. Approximately [REDACTED]%, or HK\$[REDACTED] million will be allocated to marketing and promotional activities. We plan to showcase our technologies and solutions in domestic and international industry conventions to increase our brand awareness among OEMs, chipmakers, Tier-1 suppliers and consumers. We will also strengthen our relationship with OEM customers through co-hosting product launch meetings, industry discussion panels and other activities.
- (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. We plan to focus on opportunities that will expand the technological depth and commercial reach of our solutions, such as technology companies with proprietary capabilities that complement our existing offerings. Through these investments and collaborations, we aim to accelerate innovation across our operating system and AI stack, enhance compatibility with a wider range of vehicle models and chipsets, and deliver a more seamless, intelligent, and connected in-vehicle experience. According to CIC, China’s technology segments serving automotive and mobility applications offer a broad pool of potential partnership, investment and acquisition opportunities that align with our criteria. As of the Latest Practicable Date, we have not identified or entered into any agreement, commitment, or understanding regarding any specific partnership, investment, or acquisition.
- (iv) Approximately [REDACTED]%, or HK\$[REDACTED] million, of the net [REDACTED] will be used for working capital enhancement and general corporate purposes.

If the [REDACTED] is determined at the highest point of the stated range, the net [REDACTED] to our Company would be increased by approximately HK\$[REDACTED] million. If the [REDACTED] is determined at the lowest point of the stated range, the net [REDACTED] to our Company would be decreased by approximately HK\$[REDACTED] million. The above allocation of the net [REDACTED] will be adjusted on a pro rata basis in the event that the [REDACTED] is fixed at a higher or lower level compared to the mid-point of the indicative [REDACTED] stated in this Document.

If the [REDACTED] is exercised in full, the net [REDACTED] that we will receive will be approximately HK\$[REDACTED] million, assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the midpoint of the indicative [REDACTED]). In the event that the [REDACTED] is exercised in full, we intend to apply the additional net [REDACTED] to the aforementioned purposes in the proportions stated above.

To the extent that our net [REDACTED] are not sufficient to fund the purposes set out above, we intend to fund the balance through a variety of means, including cash generated from operations, bank loans, other borrowings and equity financing.

To the extent that the net [REDACTED] from the [REDACTED] are not immediately used for the purposes described above and to the extent permitted by the relevant laws and regulations, they will be placed in short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Futures Ordinance, or applicable laws and regulations in other jurisdictions).

We will issue an appropriate announcement if there is any material change to the above proposed use of [REDACTED].

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

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STRUCTURE OF THE [REDACTED]

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STRUCTURE OF THE [REDACTED]

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STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

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STRUCTURE OF THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

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HOW TO APPLY FOR [REDACTED]

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[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

APPENDIX I

ACCOUNTANTS’ REPORT

The following is the text of a report set out on pages I-1 to I-72, received from the Company’s reporting accountants, [Deloitte Touche Tohmatsu], Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document.

[to insert the firm’s letterhead]

ACCOUNTANTS’ REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF BANMA INTELLIGENCE GROUP AND DEUTSCHE SECURITIES ASIA LIMITED, CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED AND GUOTAI JUNAN CAPITAL LIMITED

Introduction

We report on the historical financial information of Banma Intelligence Group* (“斑馬智能信息技術股份有限公司”) (formerly known as Banma Network Technology Co., Ltd.* (“斑馬網絡技術股份有限公司”)) (the “Company”) and its subsidiaries (together, the “Group”) set out on pages I-3 to I-72, which comprises the consolidated statements of financial position of the Group as at December 31, 2023, 2024 and 2025, the statements of financial position of the Company as at December 31, 2023, 2024 and 2025 and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of the Group for each of the three years ended December 31, 2025 (the “Track Record Period”) and material accounting policy information and other explanatory information (together, the “Historical Financial Information”). The Historical Financial Information set out on pages I-3 to I-72 forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [●] (the “Document”) in connection with the [REDACTED] of shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

Directors’ responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants’ responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 “Accountants’ Reports on Historical Financial Information in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants’ judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity’s preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information in order to design procedures that are

* English name is for identification purpose only.

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appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors of the Company, as well as evaluating the overall presentation of the Historical Financial Information.

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

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants’ report, a true and fair view of the Group’s financial position as at December 31, 2023, 2024 and 2025, of the Company’s financial position as at December 31, 2023, 2024 and 2025 and of the Group’s financial performance and cash flows for the Track Record Period in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-3 have been made.

Dividends

We refer to Note 16 to the Historical Financial Information which states that no dividend was declared or paid by the Company in respect of the Track Record Period.

[Deloitte Touche Tohmatsu]

Certified Public Accountants

Hong Kong

[●]

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HISTORICAL FINANCIAL INFORMATION OF THE GROUP

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants’ report.

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, have been prepared in accordance with the accounting policies which conform with IFRS Accounting Standards issued by International Accounting Standards Board (the “IASB”) and were audited by us in accordance with Hong Kong Standards on Auditing issued by the HKICPA (“Underlying Financial Statements”).

The Historical Financial Information is presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand (RMB’000) except when otherwise indicated.

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CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	NOTES	Year ended December 31,		
		2023	2024	2025
		RMB’000	RMB’000	RMB’000
Revenue	6	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	8	115,873	106,506	126,020
Other gains and losses, net	9	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	10	(2,029)	(12,315)	(6,960)
[REDACTED] expenses		—	—	(25,211)
Finance costs	11	(12,719)	(14,886)	(11,729)
Loss before tax	12	(950,535)	(921,776)	(2,408,776)
Income tax credits	13	74,378	74,378	512,591
Loss and total comprehensive expense for the year		<u>(876,157)</u>	<u>(847,398)</u>	<u>(1,896,185)</u>
Loss per share				
– Basic and diluted (RMB yuan)	15	<u>(0.28)</u>	<u>(0.27)</u>	<u>(0.59)</u>

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CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	NOTES	As at December 31,		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
Non-current assets				
Property and equipment	17	35,205	23,575	572,139
Right-of-use assets	18	28,389	85,096	68,538
Goodwill	19	1,460,252	1,460,252	1,460,252
Other intangible assets	20	5,041,056	4,771,335	2,714,493
Contract assets	24	149	539	1,497
Contract costs	25	17,084	23,939	2,905
Term deposits	29	–	811,146	520,436
		<u>6,582,135</u>	<u>7,175,882</u>	<u>5,340,260</u>
Current assets				
Trade receivables	22	395,767	388,518	477,052
Prepayments and other receivables	23	46,582	20,129	64,511
Contract assets	24	776	1,811	6,554
Contract costs	25	121,195	45,648	27,926
Financial assets at fair value through profit or loss (“FVTPL”)	26	–	1,598,464	60,037
Bills receivables at fair value through other comprehensive income (“FVTOCI”)	27	35,408	38,513	9,052
Other current assets	28	9,442	22,438	96,061
Restricted bank deposits	29	–	15,559	20,490
Cash and cash equivalents	29	2,971,114	104,197	897,599
		<u>3,580,284</u>	<u>2,235,277</u>	<u>1,659,282</u>
Current liabilities				
Trade and other payables	30	580,816	548,545	516,076
Contract liabilities	31	55,028	21,397	17,801
Borrowings	32	200,175	318,127	233,320
Redemption liabilities	33	–	406,250	–
Lease liabilities	34	7,156	18,956	21,197
Provision	35	13,500	27,375	15,550
Deferred income	36	–	4,850	35,319
		<u>856,675</u>	<u>1,345,500</u>	<u>839,263</u>
Net current assets		<u>2,723,609</u>	<u>889,777</u>	<u>820,019</u>
Total assets less current liabilities		<u>9,305,744</u>	<u>8,065,659</u>	<u>6,160,279</u>
Non-current liabilities				
Deferred tax liabilities	13	1,258,219	1,183,841	671,250
Trade and other payables	30	–	–	323,035
Contract liabilities	31	21,992	17,116	12,990
Borrowings	32	497,113	448,563	85,345
Redemption liabilities	33	406,250	–	–
Lease liabilities	34	22,218	69,844	51,769
Provision	35	7,545	11,909	2,047
Deferred income	36	2,650	1,721	130,489
		<u>2,215,987</u>	<u>1,732,994</u>	<u>1,276,925</u>
Net assets		<u>7,089,757</u>	<u>6,332,665</u>	<u>4,883,354</u>
Capital and reserves				
Share capital/paid-in capital	37	2,813,111	2,840,827	3,344,873
Treasury stock	37	–	(3,871)	(2,182)
Reserves		<u>4,276,646</u>	<u>3,495,709</u>	<u>1,540,663</u>
Total equity		<u>7,089,757</u>	<u>6,332,665</u>	<u>4,883,354</u>

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STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

	NOTES	As at December 31,		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
Non-current assets				
Property and equipment	17	15,951	14,056	7,229
Right-of-use assets	18	521	56,230	43,671
Other intangible assets	20	7,814	35,822	29,493
Interests in subsidiaries	21	5,617,907	4,442,108	4,465,684
Contract assets	24	149	–	1,497
Contract costs	25	17,164	21,677	2,815
Term deposits	29	–	811,146	520,436
		<u>5,659,506</u>	<u>5,381,039</u>	<u>5,070,825</u>
Current assets				
Trade receivables	22	371,478	367,063	423,641
Prepayments and other receivables	23	35,876	7,630	13,415
Amounts due from subsidiaries	40(iii)	338,266	655,191	922,681
Contract assets	24	113	1,516	2,754
Contract costs	25	110,293	46,523	25,363
Financial assets at FVTPL	26	–	1,598,464	60,037
Bills receivables at FVTOCI	27	35,354	34,832	8,548
Other current assets	28	8,727	21,069	20,271
Restricted bank deposits	29	–	15,559	20,490
Cash and cash equivalents	29	2,944,346	89,615	649,890
		<u>3,844,453</u>	<u>2,837,462</u>	<u>2,147,090</u>
Current liabilities				
Trade and other payables	30	543,780	753,155	491,927
Contract liabilities	31	24,998	15,666	13,965
Amounts due to subsidiaries	40(iii)	4,894	2,723	12,229
Borrowings	32	200,175	318,127	233,320
Redemption liabilities	33	–	406,250	–
Lease liabilities	34	82	12,200	13,195
Provision	35	8,294	26,297	15,550
Deferred income	36	–	4,850	8,321
		<u>782,223</u>	<u>1,539,268</u>	<u>788,507</u>
Net current assets		<u>3,062,230</u>	<u>1,298,194</u>	<u>1,358,583</u>
Total assets less current liabilities		<u>8,721,736</u>	<u>6,679,233</u>	<u>6,429,408</u>
Non-current liabilities				
Contract liabilities	31	21,988	17,118	12,990
Borrowings	32	497,113	448,563	85,345
Redemption liabilities	33	406,250	–	–
Lease liabilities	34	–	44,936	30,668
Provision	35	6,889	12,331	1,700
Deferred income	36	2,650	1,721	–
		<u>934,890</u>	<u>524,669</u>	<u>130,703</u>
Net assets		<u>7,786,846</u>	<u>6,154,564</u>	<u>6,298,705</u>
Capital and reserves				
Share capital/paid-in capital	37	2,813,111	2,840,827	3,344,873
Treasury stock	37	–	(3,871)	(2,182)
Reserves	38	4,973,735	3,317,608	2,956,014
Total equity		<u>7,786,846</u>	<u>6,154,564</u>	<u>6,298,705</u>

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ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Paid-in capital	Share capital	Treasury stock	Capital reserve	Share reserve	Special reserve	Other reserve	Share- based payments reserve	Accumulated losses	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000 (Note (i))	RMB'000 (Note (ii))	RMB'000	RMB'000	RMB'000
As at January 1, 2023	2,706,047	–	–	8,727,036	–	14,005	(406,250)	365,574	(4,234,066)	7,172,346
Loss and total comprehensive expense for the year	–	–	–	–	–	–	–	–	(876,157)	(876,157)
Capital contributions	107,064	–	–	592,936	–	–	–	–	–	700,000
Recognition of equity-settled share-based payments (Note 39).	–	–	–	–	–	–	–	84,499	–	84,499
Exercise of share options (Note 39)	–	–	–	37,491	–	10,451	–	(37,491)	–	10,451
Forfeit of share options (Note 39) .	–	–	–	295	–	–	–	(295)	–	–
Lapse of share options (Note 39) .	–	–	–	1,312	–	–	–	(1,312)	–	–
Repurchase of shares of exercised share options	–	–	–	–	–	(1,382)	–	–	–	(1,382)
As at December 31, 2023	2,813,111	–	–	9,359,070	–	23,074	(406,250)	410,975	(5,110,223)	7,089,757
Loss and total comprehensive expense for the year	–	–	–	–	–	–	–	–	(847,398)	(847,398)
Capital contributions	27,716	–	–	5,838	–	(33,554)	–	–	–	–
Recognition of equity-settled share-based payments (Note 39).	–	–	–	–	–	–	–	90,279	–	90,279
Exercise of share options (Note 39)	–	–	–	41,677	–	29,422	–	(41,677)	–	29,422
Cancellation of share options (Note 39)	–	–	–	142,463	–	–	–	(142,463)	–	–
Forfeit of share options (Note 39) .	–	–	–	95,275	–	–	–	(95,275)	–	–
Lapse of share options (Note 39) .	–	–	–	8,853	–	–	–	(8,853)	–	–
Repurchase of shares of exercised share options	–	–	(3,871)	–	–	(25,524)	–	–	–	(29,395)
As at December 31, 2024	2,840,827	–	(3,871)	9,653,176	–	(6,582)	(406,250)	212,986	(5,957,621)	6,332,665
Loss and total comprehensive expense for the year	–	–	–	–	–	–	–	–	(1,896,185)	(1,896,185)
Conversion into a joint stock company	(2,840,827)	2,840,827	–	(9,653,176)	3,790,524	–	–	(148,031)	6,010,683	–
Share Conversion (Note 37)	–	363,684	–	–	(363,684)	–	–	–	–	–
Share Reduction (Note 37)	–	(27,239)	–	–	(140,362)	–	–	–	–	(167,601)
Share Subscription (Note 37) . . .	–	167,601	–	–	–	–	–	–	–	167,601
Recognition of equity-settled share-based payments (Note 39)	–	–	–	–	–	–	–	31,737	–	31,737
Exercise of share options (Note 39)	–	–	28,781	–	22,241	–	–	(15,043)	–	35,979
Repurchase of shares of exercised share options	–	–	(27,092)	–	–	–	–	–	–	(27,092)
Reclassification of redemption liabilities as equity (Note 33) . .	–	–	–	–	–	–	406,250	–	–	406,250
As at December 31, 2025	–	3,344,873	(2,182)	–	3,308,719	(6,582)	–	81,649	(1,843,123)	4,883,354

Notes:

- (i) The special reserve reflects reserve movements related to the proceeds from the exercise of the share options paid by the employees as the subscription of partnership interests in the Employee Stock Ownership Platforms (as defined in Note 39 to the Historical Financial Information) and payments for repurchases of certain shares of exercised share options before these net proceeds are injected into the Company as the paid-in capital.
- (ii) The other reserve is related to the recognition and derecognition of redemption liabilities on ordinary shares as disclosed in Note 33 to the Historical Financial Information.

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CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
OPERATING ACTIVITIES			
Loss before tax for the year	(950,535)	(921,776)	(2,408,776)
Adjustments for:			
Interest income on term deposits	–	(11,146)	(20,208)
Finance costs	12,719	14,886	11,729
Depreciation of property and equipment	21,184	21,986	30,381
Depreciation of right-of-use assets	17,887	22,329	18,027
Amortisation of other intangible assets	303,645	305,792	215,852
Impairment loss (including reversals of impairment losses or impairment gains) on financial assets and other items	2,029	12,315	6,960
Impairment losses from intangible assets	–	–	1,840,990
Gains on fair value changes of financial assets at FVTPL	(3,105)	(27,737)	(15,703)
Net (gains) losses on early termination of leases	(2,279)	86	–
Net gains on disposal of property and equipment	(142)	(228)	(282)
Share-based payment expenses	84,499	90,279	31,737
Operating cash flow before movements in working capital	(514,098)	(493,214)	(289,293)
Decrease (increase) in trade receivables	33,233	(4,731)	(94,865)
(Increase) decrease in prepayments and other receivables	(18,256)	26,570	(5,884)
Increase in contract assets	(785)	(1,760)	(6,330)
(Increase) decrease in contract costs	(28,634)	68,692	38,756
Increase in other current assets	(8,335)	(12,996)	(73,623)
(Increase) decrease in bills receivables at FVTOCI	(7,408)	(3,105)	29,461
Increase in restricted bank deposits	–	(15,559)	(4,931)
Increase (decrease) in trade and other payables	104,938	(34,891)	(139,163)
Increase (decrease) in contract liabilities	20,666	(38,507)	(7,722)
(Decrease) increase in provision	(709)	18,239	(21,687)
Increase in deferred income	2,650	3,921	1,750
NET CASH USED IN OPERATING ACTIVITIES	(416,738)	(487,341)	(573,531)
INVESTING ACTIVITIES			
Interest received from term deposits	–	–	10,918
Proceeds on disposal of property and equipment	604	4,316	2,402
Purchase of property and equipment	(26,414)	(11,824)	(131,721)
Purchase of other intangible assets	–	(36,071)	–
Payments for right-of-use assets	(299)	(1,990)	(74)
Refund of rental deposits	268	2,562	1,296
Payments for rental deposits	(259)	(2,679)	(1,276)
Proceeds from disposal of financial assets at FVTPL	108,454	17,273	4,190,130
Purchases of financial assets at FVTPL	–	(1,588,000)	(2,636,000)
(Placement) withdrawal of term deposits	–	(800,000)	300,000
Government subsidies received	–	–	157,487
NET CASH FROM (USED IN) INVESTING ACTIVITIES	82,354	(2,416,413)	1,893,162

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	Year ended December 31,		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
FINANCING ACTIVITIES			
Interest paid	(12,275)	(14,929)	(12,168)
Repayments of payables for property and equipment	—	—	(19,615)
Repayments of borrowings	(82,472)	(203,655)	(517,386)
Repayments of lease liabilities	(15,834)	(17,706)	(17,229)
Proceeds from borrowings	540,100	273,100	69,800
Capital injection from shareholders	700,000	—	167,601
Capital reduction from shareholders	—	—	(167,601)
Proceeds from exercise of share options	19,046	29,422	—
Repurchase of shares of exercised share options	(1,382)	(29,395)	(27,092)
Issue costs paid	—	—	(2,539)
NET CASH FROM (USED IN) FINANCING ACTIVITIES	<u>1,147,183</u>	<u>36,837</u>	<u>(526,229)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	812,799	(2,866,917)	793,402
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	<u>2,158,315</u>	<u>2,971,114</u>	<u>104,197</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u><u>2,971,114</u></u>	<u><u>104,197</u></u>	<u><u>897,599</u></u>

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NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. GENERAL INFORMATION

The Company, formerly known as Banma Network Technology Co., Ltd.* (“斑馬網絡技術股份有限公司”), was incorporated in the People’s Republic of China (the “PRC”) on November 22, 2015 as a limited liability company. On March 3, 2025, the Company was converted to a joint stock company with limited liability under the Company Law of the PRC. The respective address of the registered office and the principal place of business of the Company are set out in the section headed “Corporate Information” to the Document.

The Group is principally engaged in the research, development and sales of artificial intelligence (“AI”) automotive operating system (“OS”), AI automobile solutions and comprehensive solutions for digitalised transportation. Particulars and principal activities of the subsidiaries are disclosed in Note 44.

Upon approval by the Company’s shareholders meeting held on November 2, 2020, Taobao (China) Software Co., Ltd.* (淘寶(中國)軟體有限公司) (“Taobao China”) and Zhejiang Tmall Technology Co., Ltd.* (浙江天貓技術有限公司) (“Zhejiang Tmall”) subscribed the registered capital of the Company at a consideration satisfied by the 100% equity interests of Banma Zhixing Network (Hangzhou) Co., Ltd.* (斑馬智行網絡(杭州)有限公司) (“Banma Hangzhou”) held by Taobao China and Zhejiang Tmall valued at RMB5,980,000,000. Taobao China and Zhejiang Tmall are wholly-owned subsidiaries of Alibaba Group Holding Limited (“Alibaba Group”), which is the ultimate holding company of one of the major shareholders of the Company before this transaction. Before the transaction, the Company did not have an ultimate holding company. After the transaction, Alibaba Group became the Company’s ultimate holding company and Banma Hangzhou became a wholly-owned subsidiary of the Company.

As a result of the voting rights adjustments at the Company’s shareholders’ meeting agreed amongst the Company’s shareholders, Alibaba Group has ceased to exercise more than 50% of the voting rights at the Company’s shareholders’ meeting and has no longer been the ultimate holding company of the Company since December 27, 2024 (the “Voting Rights Adjustment”). After the Voting Rights Adjustment, the Company no longer has an ultimate holding company.

The Historical Financial Information is presented in RMB, which is also the functional currency of the Company.

2. BASIS OF PREPARATION OF THE HISTORICAL FINANCIAL INFORMATION

The Historical Financial Information has been prepared based on the accounting policies set out in Note 4 which conform with IFRS Accounting Standards.

The statutory financial statements of the Company for the years ended December 31, 2023 and 2024 were prepared in accordance with Chinese Accounting Standards for Business Enterprises (“CASBE”) issued by the Ministry of Finance of the PRC and were audited by Deloitte Touche Tohmatsu Certified Public Accountants LLP* (德勤華永會計師事務所(特殊普通合夥)), a certified public accountant registered in the PRC. As at the date of this report, the statutory financial statements of the Company for the year ended December 31, 2025 have not been issued.

3. ADOPTION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

For the purpose of preparing and presenting the Historical Financial Information for the Track Record Period, the Group has consistently applied the accounting policies which conform with IFRS Accounting Standards, which are effective for the accounting period beginning on January 1, 2025 throughout the Track Record Period.

New and amendments to IFRS Accounting Standards in issue but not yet effective

At the date of this report, the following new and amendments to IFRS Accounting Standards have been issued which are not yet effective:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature – dependent Electricity ²
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards - Volume 11 ²
IFRS 18	Presentation and Disclosure in Financial Statements ³
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency ³

- 1 Effective for annual periods beginning on or after a date to be determined
- 2 Effective for annual periods beginning on or after 1 January 2026
- 3 Effective for annual periods beginning on or after 1 January 2027

* English name is for identification purpose only.

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Except for the new IFRS Accounting Standard mentioned below, the directors of the Company anticipate that the application of all amendments to IFRS Accounting Standards will have no material impact on the Group’s consolidated financial statements in the foreseeable future.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 *Presentation of Financial Statements* (“IAS1”). This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* (the title of which will be changed to Basis of Preparation of Financial Statements upon effective of IFRS 18) and IFRS 7. Minor amendments to IAS 7 *Statement of Cash Flows* and IAS 33 *Earnings per Share* are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after January 1 2027, with early application permitted. IFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss.

4. MATERIAL ACCOUNTING POLICY INFORMATION

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards issued by the IASB. For the purpose of preparation of the Historical Financial Information, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the Historical Financial Information includes the applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

Basis of consolidation

The Historical Financial Information incorporates the financial statements of the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group’s accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Business combinations

A business is an integrated set of activities and assets which includes an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired processes are considered substantive if they are critical to the ability to continue producing outputs, including an organised workforce with the necessary skills, knowledge, or experience to perform the related processes or they significantly contribute to the ability to continue producing outputs and are considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

The identifiable assets acquired and liabilities assumed must meet the definitions of an asset and a liability in the *Conceptual Framework for Financial Reporting* (the “Conceptual Framework”) except for transactions and events within the scope of IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* or IFRIC-Int 21 *Leases*, in which the Group applies IAS 37 or IFRIC-Int 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination. Contingent assets are not recognised.

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At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 *Income Taxes* and IAS 19 *Employee Benefits* respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 *Share-based Payment* at the acquisition date (see the accounting policy below);
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard; and
- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in IFRS 16 *Leases*) as if the acquired leases were new leases at the acquisition date, except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low value. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

Goodwill is measured as the excess of the sum of the consideration transferred and the fair value of the acquirer’s previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after re-assessment, the net amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred and the fair value of the acquirer’s previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group’s cash-generating units (or group of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in an annual period, the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of that annual period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of cash-generating units).

Interests in subsidiaries

Interests in subsidiaries are stated in the statement of financial position of the Company at cost less identified impairment loss, if any.

Revenue from contracts with customers

Information about the Group’s accounting policies relating to revenue from contracts with customers is provided in Notes 6, 24, 25 and 31.

Leases

The Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Non-lease components are separated from lease component and are accounted for by applying other applicable standards.

Short-term leases

The Group applies the short-term lease recognition exemption to leases apartments, vehicles and temporary office premise that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognised as expense on a straight-line basis unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

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Right-of-use assets

The cost of right-of-use assets includes:

- the amounts of the initial measurement of the lease liabilities; and
- any lease payments made at or before the commencement date, less any lease incentives received.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statements of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate depends on the term, currency and start date of the lease.

The lease payments include fixed payments.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- a lease contract is modified and the lease modification is not accounted for as a separate lease (see below for the accounting policy for “lease modifications”).

The Group presents lease liabilities as a separate line item on the consolidated statements of financial position.

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

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Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which there are incurred.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under “other income”.

Employee benefits

Retirement benefit costs

Payments to defined contribution retirement benefit plans including state-managed retirement benefit schemes in the PRC are recognised as an expense when employees have rendered service entitling them to the contributions.

Termination benefits

A liability for a termination benefit is recognised at the earlier of when the Group entity can no longer withdraw the offer of the termination benefit and when it recognises any related restructuring costs.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another IFRS Accounting Standard requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

Share-based payment

Equity-settled share-based payment transactions

Share options and restricted shares granted to employees

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group’s estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share-based payments reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payments reserve.

When share options are exercised or restricted shares are vested, the amount previously recognised in share-based payments reserve will be transferred to capital reserve. When the share options are forfeited after the vesting date or expired, the amount previously recognised in share-based payments reserve will be transferred to capital reserve.

Cancellation of the share options

When a grant of share options is cancelled during the vesting period, the Group accounts for the cancellation as an acceleration of vesting, and therefore recognises immediately the amount that otherwise would have been recognised for services received over the remainder of the vesting period. The amount previously recognised in share-based payments reserve will be transferred to capital reserve.

Equity instruments granted by the shareholder of the Company to the employees of the Group

The grant by the shareholder of the Company of equity instruments under its employee stock incentive plan to the employees of the Group is treated as equity-settled share-based payments in the Historical Financial Information. An expense for the grant date fair value of the equity instruments under the employee stock incentive plan is recognised over the vesting

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period of the instruments, with a corresponding increase in equity. The increase in equity is treated as a deemed capital contribution into the Group and is included in share-based payments reserve. When the equity instruments are vested, the amount previously recognised in share-based payments reserve will continue to be held in share-based payments reserve.

Taxation

Income tax expense represents the sum of current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from loss before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group’s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Historical Financial Information and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of each reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of each reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 *Income Taxes* requirements to the lease liabilities and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income tax levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss.

Property and equipment

Property and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes other than construction in progress as described below are stated in the consolidated statements of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Leasehold improvements in the course of construction for administrative purposes are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets other than properties under construction less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Research expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at costs less accumulated amortisation and any accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Intangible assets acquired in a business combination with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Impairment on property and equipment, right-of-use assets, contract costs and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its property and equipment, right-of-use assets, intangible assets with finite useful lives and contract costs to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of property and equipment, right-of-use assets and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Before the Group recognises an impairment loss for assets capitalised as contract costs under IFRS 15, the Group assesses and recognises any impairment loss on other assets related to the relevant contracts in accordance with applicable standards. Then, impairment loss, if any, for assets capitalised as contract costs is recognised to the extent the carrying amounts exceeds the remaining amount of consideration that the Group expects to receive in exchange for related goods or services less the costs which relate directly to providing those goods or services that have not been recognised as expenses. The assets capitalised as contract costs are then included in the carrying amount of the cash-generating unit to which they belong for the purpose of evaluating impairment of that cash-generating unit.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing the recoverable amount, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

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Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Cash and cash equivalents

Cash and cash equivalents presented on the consolidated statements of financial position include:

- cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and
- cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

For the purposes of the consolidated statements of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the net cost of fulfilling it and any compensation or penalties arising from failure to fulfil it.

When assessing whether a contract is onerous or loss-making, the Group includes costs that relate directly to the contract, consisting of both the incremental costs (to specify, e.g. direct labour and materials) and an allocation of other costs (to specify, e.g. an allocation of the depreciation charge for an item of property and equipment used in fulfilling that contract) that relate directly to fulfilling contracts.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value except for trade receivable arising from contracts with customers which are initially measured in accordance with IFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss (“FVTPL”)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributed to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established generally by regulation or convention in the market place concerned.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

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Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (“FVTOCI”):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL.

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

(ii) Bills receivables classified as at FVTOCI

Subsequent changes in the carrying amounts for bills receivables classified as at FVTOCI as a result of interest income calculated using the effective interest method are recognised in profit or loss. The amounts that are recognised in profit or loss are the same as the amounts that would have been recognised in profit or loss if these bill receivables had been measured at amortised cost. All other changes in the carrying amount of these bills receivables are recognised in other comprehensive income and accumulated under the heading of FVTOCI reserve. Impairment allowances are recognised in profit or loss with corresponding adjustment to other comprehensive income without reducing the carrying amounts of these bills receivables. When these bills receivables are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

(iii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any interest earned on the financial asset and is included in the “other gains and losses, net” line item.

Impairment of financial assets and contract assets subject to impairment assessment under IFRS 9

The Group performs impairment assessment under expected credit losses (“ECL”) model on financial assets (including trade receivables, other receivables and deposits, amounts due from subsidiaries, bills receivables at FVTOCI, bank balances, other demand deposits, restricted bank deposits and term deposits) and contract assets which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL (“12m ECL”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after each reporting date. Assessments are done based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables and contract assets.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

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(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at each reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group’s debtors operate, as well as consideration of various external sources of actual and forecast economic information that relate to the Group’s core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument’s external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor’s ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor’s ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) it has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of “investment grade” as per globally understood definitions.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower’s financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group’s recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

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(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. Except for those trade receivables and contract assets with different risk characteristics and other receivables and deposits assessed individually, the Group uses a practical expedient in estimating ECL on trade receivables and contract assets using a provision matrix and taking into consideration historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and forward-looking information, including time value of money where appropriate, that is available without undue cost or effort.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Lifetime ECL for certain trade receivables and contract assets for its operation are considered on a collective basis taking into consideration past due information and relevant credit information such as forward-looking macroeconomic information.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

Except for bills receivables that are measured at FVTOCI, the Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables, other receivables and deposits, amounts due from subsidiaries and contract assets where the corresponding adjustment is recognised through a loss allowance account. For bills receivables that are measured at FVTOCI, the loss allowance is recognised in other comprehensive income and accumulated in the FVTOCI reserve without reducing the carrying amount of these bills receivables. Such amount represents the changes in the FVTOCI reserve in relation to accumulated loss allowance.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the assets expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of bills receivables classified as at FVTOCI, the cumulative gain or loss previously accumulated in the FVTOCI reserve is reclassified to profit or loss.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company’s own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company’s own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities at amortised cost

Financial liabilities including trade and other payables, amounts due to subsidiaries, borrowings and redemption liabilities are subsequently measured at amortised cost, using the effective interest method.

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Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the “other gains and losses, net” line item in profit or loss (Note 9) as part of net foreign exchange gains/(losses) for financial liabilities.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group’s obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Offsetting a financial asset and a financial liability

A financial asset and a financial liability are offset and the net amount presented in the consolidated statements of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group’s accounting policies, which are described in Note 4, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Estimated impairment of goodwill and long-term assets

The Group tests the goodwill acquired in a business combination (as disclosed in Note 19) for impairment annually or when there is any indication that it may be impaired, which has been allocated to a group of cash-generating units comprising two cash-generating units, system-level OS solutions business and other technical development services business since the Group expected to benefit from the synergies of the combination including but not limited to the know-hows and techniques and workforces acquired from the combination. At the time of impairment testing such group of cash-generating units to which goodwill has been allocated, the individual cash-generating units of system-level OS solutions business and other technical development services business are tested for impairment before the group of cash-generating units containing the associated goodwill. Any impairment loss for the individual cash-generating unit shall be recognised before testing for impairment the group of cash-generating units to which the goodwill is allocated. The amount of the impairment loss of the individual cash-generating unit shall be allocated pro rata to all the assets of the respective individual cash-generating unit.

Impairment testing on goodwill requires an estimation of the recoverable amount of the group of cash-generating units to which goodwill has been allocated, which is based on the value in use of the individual cash-generating units of system-level OS solutions business and other technical development services business. The Group has to exercise judgement and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the individual cash-generating unit value; (2) whether the carrying amount of the individual cash-generating unit can be supported by the recoverable amount, in the case of its value in use, the net present value of future cash flows which are estimated based upon the continued use of the cash-generating unit value; (3) whether the carrying amount of the group of cash-generating units containing the goodwill can be supported by the recoverable amount, in the case of total value in use of the cash-generating units of system-level OS solutions business and other technical development services business; and (4) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the recoverable amounts.

As at December 31, 2023, 2024 and 2025, the carrying amount of goodwill is RMB1,460,252,000, RMB1,460,252,000 and RMB1,460,252,000, respectively. No impairment loss of goodwill is recognised during the Track Record Period. Details of the recoverable amount calculation are disclosed in Note 19 to the Historical Financial Information.

The Group tests automotive operating system (the “AOS”) for impairment as at March 31, 2025 due to the indication identified as disclosed in Note 20. The AOS are tested based on the recoverable amount of the cash-generating unit, which is at system-level OS solutions business unit level. The recoverable amount of the cash-generating unit of system-level OS solutions business is determined based on a value in use calculation of such cash-generating unit.

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As at December 31, 2023, 2024 and 2025, the carrying amount of AOS is RMB5,032,878,000, RMB4,735,368,000 and RMB2,685,000,000, respectively. No impairment loss of the AOS is recognised during the years ended December 31, 2023 and 2024. During the year ended December 31, 2025 the Group recognised an impairment loss of RMB1,840,990,000 on the AOS and the details are set out in Note 20 to the Historical Financial Information.

Estimated impairment of interests in subsidiaries

As at December 31, 2023, 2024 and 2025, in view of impairment indicators, the Group performed impairment assessment on interests in subsidiaries. Determining whether impairment loss should be recognised requires an estimation of the recoverable amount of the relevant subsidiaries which is the higher of value in use and fair value less costs of disposal. The value in use calculation requires the management of the Group to estimate the present value of the estimated cash flows expected to arise from dividends to be received from the subsidiaries and the proceeds from the ultimate disposal of the investment taking into account factors, including discount rate, dividend pay-out rate, etc. In cases where the actual cash flows are less or more than expected, or change in facts and circumstances which result in revision of future cash flows estimation or discount rate, a material reversal or further recognition of impairment may arise, which would be recognised in profit or loss for the year in which such a reversal or further recognition takes place.

As at December 31, 2023, 2024 and 2025, the carrying amount of the interests in subsidiaries amounted to RMB5,617,907,000, RMB4,442,108,000 and RMB4,465,684,000, respectively, after taking into account the impairment losses on investments of RMB605,232,000, RMB1,838,077,000 and RMB1,838,077,000 respectively. The Group recognised the impairment loss of RMB10,994,000, RMB1,232,845,000 and nil in profit or loss during the years ended December 31, 2023, 2024 and 2025, respectively.

6. REVENUE

(i) Disaggregation of revenue from contracts with the customers:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Type of business lines			
System-level OS solutions	751,374	686,828	643,317
Full-stack end-to-end AI solution	14,125	54,610	66,598
Vehicle-based services marketplace	106,395	82,349	151,179
	<u>871,894</u>	<u>823,787</u>	<u>861,094</u>
Type of products and services			
Technology development services	352,448	422,500	403,228
License	409,241	325,814	300,548
Ecosystem value-added services	110,205	75,473	157,318
	<u>871,894</u>	<u>823,787</u>	<u>861,094</u>
Timing of revenue recognition			
A point in time	799,953	771,798	767,977
Over time	71,941	51,989	93,117
	<u>871,894</u>	<u>823,787</u>	<u>861,094</u>

(ii) Performance obligations for contracts with customers and revenue recognition policies

The Group generate revenue primarily from sales of our smart cockpit solutions to which fall into three main categories: (i) system-level OS solutions, (ii) full-stack end-to-end AI solutions, and (iii) vehicle-based services marketplace.

System-level OS solutions

The system-level OS solutions are primarily based on the AOS developed by the Group and serve as the underlying software platform inside the vehicle. The Group offers clients system-level OS solutions that power a variety of in-vehicle functions. Revenue from system-level OS solutions primarily include technical development services income, license income of the AOS, and ecosystem value-added services.

The Group offers technical development services to clients for the design, development and customisation of the AOS and related software prior to the integration of the solutions into customers’ vehicle programs. Technical development service is recognised at a point in time when the developed solutions are verified and accepted by the customers.

License income for a right to access the AOS developed by the Group, which is charged on a per-vehicle basis and the revenue is recognised at a point in time when the respective vehicle rolls off the assembly line since such right to access the AOS exists at the point in time at which the license is granted.

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The Group additionally offers ecosystem value-added services to customers under system-level OS solutions business, this mainly includes (a) sales of network service packages and (b) offer original equipment manufacturer (“OEM”) smart cockpit solutions that integrate the AOS, software and hardware.

Revenue of sales of network service packages are recognised over time on a straight-line basis, since the customers simultaneously and evenly receive and consume the benefits provided by the Group as the Group performs during the service period. Revenue recognition for OEM smart cockpit solutions occurs upon transferring control of goods to customers.

Full-stack end-to-end AI solution

The full-stack end-to-end AI solution leverage the Group’s proprietary Yan AI software stack and the embedded system agents to enable smart AI features. Revenue from full-stack end-to-end AI solutions primarily include technical development services income and license income of software.

The Group offers AI solution technical development services to clients for the design, development and customisation of AI-enabled software. AI solution technical development service is recognised at a point in time when the developed solutions are verified and accepted by the clients.

The Group provided computing power services to the clients and recognised over time on a straight-line basis, since the customers simultaneously and evenly receive and consume the benefits provided by the Group as the Group performs during the service period. The property computing power services fees are billed to the clients on stand-alone selling price basis monthly.

License income for a right to access software developed by the Group, which is charged based on each software installed on a vehicle and the revenue is recognised at a point in time when the respective vehicle rolls off the assembly line since such right to access the software exists at the point in time at which the license is granted.

Vehicle-based services marketplace

The Group operates vehicle-based services marketplace business which is an in-vehicle service marketplace of AI-native apps that connect car owners with a wide range of third-party content and services. Revenue from vehicle-based services marketplace primarily include technical development services to build an automotive software ecosystem for intelligent cockpit, license income of software, and revenue from ecosystem value-added services.

The Group offers technical development services to clients to integrate software applications into smart cockpit software ecosystem. Technical development service is recognised at a point in time when the developed solutions are verified and accepted by the clients.

License income for a right to access software ecosystem developed by the Group, which is charged based on each software installed on a vehicle and the revenue is recognised at a point in time when the respective vehicle rolls off the assembly line since such right to access the software exists at the point in time at which the license is granted.

Vehicle-based services marketplace ecosystem value-added services primarily comprises (a) commission revenue, (b) lifetime vehicle-based services and (c) training services.

Commission revenue primarily determined as a percentage of respectively relevant order amounts generated in the Group’s software ecosystem, which are recognised upon the completion of the underlying goods or services provided by the third-party partners to the users. The Groups acts as an agent in this type of transaction. Revenue recognition of lifetime vehicle-based services and training services occurs upon rendering the services to customers and after training courses are evaluated by the customers, respectively.

Contract balances

Retention receivables from technical development services, prior to expiration of defect liability period, are classified as contract assets, which range from one year to two years from the date of the acceptance of the products or solutions. The contract assets are transferred to trade receivables when the collection rights become unconditional, which is the defect liability period expires. Details of contract assets are set out in Note 24 to the Historical Financial Information.

Advance consideration received from technical development services and sales of network service packages are recognised as contract liabilities and are released when the developed solutions are verified and accepted by the customers and on a straight-line basis over the benefit period, respectively. Details of contract liabilities are set out in Note 31 to the Historical Financial Information.

Contract costs of the Group are costs to fulfil a contract with the customers. The contract costs are amortised using a method which is consistent with the pattern of recognition of the respective revenues. Details of contract costs are set out in Note 25 to the Historical Financial Information.

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(iii) Transaction price allocated to the remaining performance obligation for contracts with customers

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) for contracts as at December 31, 2023, 2024 and 2025 and the expected timing of recognising revenue are as follows:

Technical development service

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within one year	203,427	150,163	95,945
More than one year	171,961	52,837	83,129
	<u>375,388</u>	<u>203,000</u>	<u>179,074</u>

Ecosystem value-added services (sales of network service packages)

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within one year	11,670	10,632	8,776
More than one year	17,079	14,594	9,115
	<u>28,749</u>	<u>25,226</u>	<u>17,891</u>

Since the timing of the technical development services to be performed are not subject to contract terms, the above information was based on management’s estimate as at December 31, 2023, 2024 and 2025, and the actual timing of revenue recognition may change, depending on the actual progress of upgrade development of the AOS.

All other products and services provided by the Group are for a period of one year or less. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

7. SEGMENTS INFORMATION

Information reported to the chief executive officer of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment focuses on revenue analysis of all business lines and products as a whole. No other discrete financial information is provided to the CODM for review other than the Group’s results and financial position as a whole. Accordingly, the CODM has identified one operating and reporting segment and only entity-wide disclosures, major customers and geographical information are presented in accordance with IFRS 8 *Operating Segments*.

Geographical information

All revenue was generated in the PRC during the Track Record Period. The Group’s non-current assets are all located in the PRC.

Information about major customers

Revenue from customers contributing over 10% of the total revenue of the Group during the Track Record Period are as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Related party customer A	413,296	319,334	337,688
Related party customer B	162,575	179,407	140,226
Third party customer A	<u>183,022</u>	<u>182,649</u>	<u>122,815</u>

8. OTHER INCOME

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Government grants (<i>Note</i>)	51,505	62,380	102,593
Tax incentives and compensation	5,250	1,716	1,482
Interest income on bank balances, other demand deposits and restricted bank deposits . . .	59,118	31,264	1,737
Interest income on term deposits	–	11,146	20,208
	<u>115,873</u>	<u>106,506</u>	<u>126,020</u>

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Note: The government grants including unconditional and conditional which had been approved by the PRC government authorities. The unconditional government grants mainly accounted for tax refunds and enterprise development supports received from PRC government authorities, which are recognised when payments were received. The conditional government grants are subsidies granted by the PRC government authorities as incentives mainly for the Group’s research and development activities, which are recognised when condition met and the corresponding grants are received.

9. OTHER GAINS AND LOSSES, NET

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Net foreign exchange losses	(649)	(509)	(426)
Gains on fair value changes of financial assets at FVTPL	3,105	27,737	15,703
Net gains (losses) on early termination of leases . . .	2,279	(86)	–
Net gains on disposal of property and equipment . .	142	228	282
Losses on derecognition of bills receivables at FVTOCI	(742)	(696)	(957)
Provision loss for litigation claims (<i>Note</i>)	–	(15,550)	–
Others	(9)	(669)	22
	<u>4,126</u>	<u>10,455</u>	<u>14,624</u>

Note: The Company is involved in a software copyright licensing contract dispute with a third party (the “Plaintiff”). In September 2024, the Plaintiff filed a lawsuit against the Company in the Jiading District People’s Court of Shanghai, seeking payment of software licensing fees amounting to RMB15,550,000. Given that it is probable that the Company will be required to settle the claim, a provision of an estimated liability based on the Plaintiff’s claimed amounts is recognised by the Company as at December 31, 2024. On May 19, 2025, the Jiading District People’s Court of Shanghai issued a first-instance judgement ruling against the Company. As at December 31, 2025, the matter is under adjudication in the appellate proceedings.

10. IMPAIRMENT LOSSES (INCLUDING REVERSALS OF IMPAIRMENT LOSSES OR IMPAIRMENT GAINS) ON FINANCIAL ASSETS AND OTHER ITEMS

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Impairment losses recognised on:			
– trade receivables	(1,983)	(11,980)	(6,331)
– contract assets	(46)	(335)	(629)
	<u>(2,029)</u>	<u>(12,315)</u>	<u>(6,960)</u>

11. FINANCE COSTS

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Interest on borrowings	(11,482)	(11,640)	(7,505)
Interest on lease liabilities	(1,237)	(3,246)	(2,584)
Interest on trade and other payables	–	–	(1,640)
	<u>(12,719)</u>	<u>(14,886)</u>	<u>(11,729)</u>

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12. LOSS BEFORE TAX

Loss before tax for the year has been arrived at after charging:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Depreciation of property and equipment	21,184	21,986	30,381
Depreciation of right-of-use assets	17,887	22,329	18,027
Amortisation of other intangible assets	303,645	305,792	215,852
Total depreciation and amortisation	342,716	350,107	264,260
[REDACTED] expenses	–	–	25,211
Auditors’ remuneration	386	2,338	545
Research and development costs recognised as an expense	1,123,379	979,814	725,392
Contract costs recognised as an expense	61,624	122,713	60,658
Directors’ and supervisors’ emoluments (<i>Note 14(a)</i>)	2,239	7,617	12,508
Other staff costs:			
– salaries and other benefits	832,543	702,868	557,943
– discretionary bonus (<i>Note</i>)	109,011	65,746	81,940
– retirement benefit scheme contributions	83,801	73,583	52,784
– share-based payments expenses	83,500	89,466	24,477
Total staff costs (including directors’ and supervisors’ emoluments)	1,111,094	939,280	729,652
Less: amounts capitalised in the contract costs	(76,385)	(52,503)	(43,129)
	1,034,709	886,777	686,523

Note: Discretionary bonus is determined based on their duties and responsibilities of the relevant individuals within the Group and the Group’s performance.

13. INCOME TAX CREDITS

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Deferred tax – current year	74,378	74,378	512,591

(i) Income tax credits:

The Company was accredited as a “High and New Technology Enterprises” on December 14, 2022 which was renewed on September 19, 2025 and it may entitle to a preferential tax rate of 15% for a three-year period commencing from the year of accreditation, subject to certain conditions. Accordingly, the applicable Enterprise Income Tax (the “EIT”) rate of the Company is 15% for the Track Record Period.

Pursuant to Caishui 2023 circular No. 7, the Company enjoyed super deduction of 200% on qualified research and development expenditures for the Track Record Period.

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, other than certain PRC subsidiaries met the eligibility criteria set for small and low-profit enterprises, tax rate of the other PRC subsidiaries of the Company is 25% for the Track Record Period.

Certain subsidiaries of the Company operating in the PRC meet the eligibility criteria set for small and low-profit enterprises for the Track Record Period, which are eligible for preferential corporate income tax policy. The EIT of those eligible PRC subsidiaries is calculated based on 25% of the taxable profit amount and a preferential tax rate of 20% is applied, thus the actual effective EIT rate of those PRC subsidiaries for the Track Record Period is 5% of the taxable profit amount. The qualification of small and low-profit enterprises is reassessed annually through the annual EIT filing process.

No provision for taxation in the PRC has been made as the Group’s has no taxable profit for the Track Record Period.

Banma Zhixing Network (Hong Kong) Co., Ltd., a wholly-owned subsidiary of the Company, is subject to Hong Kong Profits Tax rate of 16.5% for the Track Record Period. No provision for Hong Kong Profits Tax has been made as the Group did not have any assessable income subjected to Hong Kong Profits Tax.

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The income tax credits for the Track Record Period can be reconciled to the loss before tax per the consolidated statements of profit or loss and other comprehensive expense as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Loss before tax	(950,535)	(921,776)	(2,408,776)
PRC income tax rate at 25%	(237,634)	(230,444)	(602,194)
Tax effect of income not taxable purpose	—	—	(19,248)
Tax effect of expenses that are not deductible for tax purpose	21,281	22,705	8,842
Tax effect of super deduction on research and development expenses	(73,272)	(73,822)	(72,424)
Tax effect of tax losses not recognised	220,236	206,121	167,948
Utilisation of tax losses previously not recognised	(110)	(155)	(99)
Tax effect of deductible temporary differences not recognised	2,201	4,716	4,593
Utilisation of deductible temporary differences previously not recognised	(7,080)	(3,499)	(9)
Income tax credits	<u>(74,378)</u>	<u>(74,378)</u>	<u>(512,591)</u>

(ii) Deferred taxation:

For the purpose of presentation in the consolidated statements of financial position, deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same legal entity and fiscal authority. The following is the analysis of the deferred tax balances for financial reporting purposes:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Deferred tax assets	7,045	15,651	12,767
Deferred tax liabilities	<u>(1,265,264)</u>	<u>(1,199,492)</u>	<u>(684,017)</u>
	<u>(1,258,219)</u>	<u>(1,183,841)</u>	<u>(671,250)</u>

The following are the major deferred tax assets/(liabilities) recognised and movements thereon during the Track Record Period:

	Intangible assets acquired in a business combination	Right- of-use assets	Lease liabilities	Unused tax losses	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Carrying amount					
As at January 1, 2023	(1,332,597)	(4,994)	4,794	200	(1,332,597)
Credit (charge) to profit or loss	<u>74,378</u>	<u>(2,051)</u>	<u>2,185</u>	<u>(134)</u>	<u>74,378</u>
As at December 31, 2023	(1,258,219)	(7,045)	6,979	66	(1,258,219)
Credit (charge) to profit or loss	<u>74,378</u>	<u>(8,606)</u>	<u>8,517</u>	<u>89</u>	<u>74,378</u>
As at December 31, 2024	(1,183,841)	(15,651)	15,496	155	(1,183,841)
Credit (charge) to profit or loss	<u>512,591</u>	<u>2,884</u>	<u>(2,729)</u>	<u>(155)</u>	<u>512,591</u>
As at December 31, 2025	<u>(671,250)</u>	<u>(12,767)</u>	<u>12,767</u>	<u>—</u>	<u>(671,250)</u>

As at December 31, 2023, 2024 and 2025, the Group had deductible temporary differences of RMB36,113,000, RMB40,982,000 and RMB59,317,000, respectively. No deferred tax asset has been recognised in relation to such deductible temporary differences as it is not probable that taxable profit will be available against which such deductible temporary differences can be utilised.

As at December 31, 2023, 2024 and 2025, the Group had unused tax losses of RMB4,673,833,000, RMB5,661,447,000 and RMB6,296,569,000 respectively, available to offset against future profits. As at December 31, 2023, 2024 and 2025, unused tax losses of RMB4,673,394,000, RMB5,660,827,000 and RMB6,296,569,000 had not been recognised as deferred tax assets respectively due to the unpredictability of future profit streams. For these unrecognised tax losses, pursuant to the relevant laws and regulations in the PRC, these tax losses will be carried forward and expired in years as follows:

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	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
2024	543	—	—
2025	36,274	35,654	—
2026	180,907	181,346	180,948
2027	675,305	675,305	675,305
2028	471,829	471,829	471,829
2029	531,926	702,612	702,612
2030	747,160	747,160	921,076
2031	734,011	734,011	734,011
2032	551,973	551,973	551,973
2033	743,466	743,466	743,466
2034	—	817,471	817,471
2035	—	—	497,878
	<u>4,673,394</u>	<u>5,660,827</u>	<u>6,296,569</u>

14. DIRECTORS’, SUPERVISORS’ AND CHIEF EXECUTIVE OFFICER’S EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments paid or payable to the individuals who were appointed as directors, supervisors and the chief executive officer of the Company during the Track Record Period are as follows:

(a) Directors and supervisors and chief executive officer

	Date of appointment	Director fees	Salaries and other benefits	Discretionary bonuses	Retirement benefit scheme contributions	Share-based payments	Total
		RMB'000	RMB'000	RMB'000 (Note (iii))	RMB'000	RMB'000 (Note (iv))	RMB'000
For the year ended							
December 31, 2023							
Directors and chief executive officer:							
Mr. Zhang Chunhui (Note (v))	November 19, 2020	—	772	—	35	—	807
Directors:							
Mr. Zhang Jianfeng (Note (vi))	September 26, 2019	—	—	—	—	—	—
Mr. Yang Xiaodong (Note (vii))	September 26, 2020	—	—	—	—	—	—
Mr. Chen Yingjie (Note (viii))	September 26, 2020	—	—	—	—	—	—
Mr. Yu Wei (Note (vii))	December 15, 2017	—	—	—	—	—	—
Mr. Pan Jiming (Note (vii))	April 12, 2018	—	—	—	—	—	—
Mr. Jing Jie (Note (vii))	December 30, 2021	—	—	—	—	—	—
Mr. Zhou Qi (Note (vii))	November 19, 2020	—	—	—	—	—	—
Mr. Wu Bing (Note (ix))	May 10, 2023	—	—	—	—	—	—
Ms. Zhou Yan (Note (ix))	May 10, 2023	—	—	—	—	—	—
Mr. Xu Ping (Note (ix))	May 10, 2023	—	—	—	—	—	—
Mr. Si Wei (Note (ix))	May 10, 2023	—	—	—	—	—	—
Supervisors:							
Mr. Hu Wei (Note (xvii))	September 26, 2019	—	—	—	—	—	—
Mr. Han Qiang (Note (xx))	November 22, 2015	—	—	—	—	—	—
Mr. Fan Zhengbin (Note (xviii))	November 27, 2023	—	106	—	3	468	577
Mr. Yang Qing (Note (xix))	September 27, 2023	—	306	—	18	531	855
		—	1,184	—	56	999	2,239
		—	—	—	—	—	—

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	<u>Date of appointment</u>	<u>Director fees</u>	<u>Salaries and other benefits</u>	<u>Discretionary bonuses</u>	<u>Retirement benefit scheme contributions</u>	<u>Share- based payments</u>	<u>Total</u>
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(Note (iii))</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(Note (iv))</i>	<i>RMB'000</i>
For the year ended							
December 31, 2024							
<i>Directors and chief executive officer:</i>							
Mr. Zhang Chunhui (Note (v)) . . .	November 19, 2020	–	1,640	2,812	23	–	4,475
Mr. Dai Wei (Note (xiii))	July 1, 2024	–	948	–	34	–	982
<i>Non-executive directors:</i>							
Mr. Zhang Jianfeng (Note (vi)) . . .	September 26, 2019	–	–	–	–	–	–
Mr. Chen Yingjie (Note (viii)) . . .	September 26, 2020	–	–	–	–	–	–
Mr. Wu Bing (Note (ix))	May 10, 2023	–	–	–	–	–	–
Ms. Zhou Yan (Note (ix))	May 10, 2023	–	–	–	–	–	–
Mr. Xu Ping (Note (ix))	May 10, 2023	–	–	–	–	–	–
Mr. Si Wei (Note (ix))	May 10, 2023	–	–	–	–	–	–
Ms. Hu Xiao (Note (x))	January 30, 2024	–	–	–	–	–	–
Ms. Qin Yuehong (Note (xi)) . . .	January 30, 2024	–	–	–	–	–	–
Mr. Lu Yong (Note (xv))	January 30, 2024	–	–	–	–	–	–
Mr. Wang Jun (Note (xii))	July 1, 2024	–	–	–	–	–	–
Mr. Zhang Liang (Note (xiv)) . . .	November 19, 2024	–	–	–	–	–	–
Mr. Jin Lei (Note (xiv))	November 19, 2024	–	–	–	–	–	–
Mr. Zhu Yong (Note (xiv))	November 19, 2024	–	–	–	–	–	–
<i>Supervisors:</i>							
Mr. Hu Wei (Note (xvii))	September 26, 2019	–	–	–	–	–	–
Mr. Fan Zhengbin (Note (xviii)) . .	November 27, 2023	–	29	–	2	4	35
Mr. Yang Qing (Note (xix))	September 27, 2023	–	1,111	134	71	809	2,125
Mr. Zhou Qi (Note (xxi))	January 30, 2024	–	–	–	–	–	–
Mr. Feng Yunle (Note (xxi))	January 30, 2024	–	–	–	–	–	–
		–	<u>3,728</u>	<u>2,946</u>	<u>130</u>	<u>813</u>	<u>7,617</u>
		=	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

	<u>Date of appointment</u>	<u>Director fees</u>	<u>Salaries and other benefits</u>	<u>Discretionary bonuses</u>	<u>Retirement benefit scheme contributions</u>	<u>Share- based payments</u>	<u>Total</u>
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(Note (iii))</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(Note (iv))</i>	<i>RMB'000</i>

For the year ended December 31, 2025

Directors and chief executive officer:

Mr. Dai Wei (Note (xiii))	July 1, 2024	–	2,196	1,583	68	5,993	9,840
<i>Non-executive directors:</i>							
Mr. Zhang Jianfeng (Note (vi)) . . .	September 26, 2019	–	–	–	–	–	–
Ms. Qin Yuehong (Note (xi))	January 30, 2024	–	–	–	–	–	–
Mr. Lu Yong (Note (xv))	January 30, 2024	–	–	–	–	–	–

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	Date of appointment	Director fees	Salaries and other benefits	Discretionary bonuses	Retirement benefit scheme contributions	Share-based payments	Total
		RMB'000	RMB'000	RMB'000 (Note (iii))	RMB'000	RMB'000 (Note (iv))	RMB'000
Mr. Zhang Liang (Note (xiv)) . . .	November 19, 2024	–	–	–	–	–	–
Mr. Jin Lei (Note (xiv))	November 19, 2024	–	–	–	–	–	–
Mr. Zhu Yong (Note (xiv))	November 19, 2024	–	–	–	–	–	–
Mr. Xiang Jiao (Note (xvi))	October 28, 2025	–	–	–	–	–	–
Ms. Shen Chen (Note (xxii))	March 3, 2025	–	–	–	–	–	–
Mr. Huang Jiaojiao (Note (xxiii))	January 30, 2024	–	–	–	–	–	–
Independent non-executive directors (Note (xxiv)):							
Mr. Wang Pengcheng	August 18, 2025	N/A	N/A	N/A	N/A	N/A	N/A
Mr. Liu Qiming	August 18, 2025	N/A	N/A	N/A	N/A	N/A	N/A
Mr. Du Yongbo	August 18, 2025	N/A	N/A	N/A	N/A	N/A	N/A
Mr. Du Yilong	August 18, 2025	N/A	N/A	N/A	N/A	N/A	N/A
Supervisors:							
Mr. Yang Qing (Note (xix))	September 27, 2023	–	1,127	204	71	1,266	2,668
Mr. Zhou Qi (Note (xxi))	January 30, 2024	–	–	–	–	–	–
Mr. Feng Yunle (Note (xxi))	January 30, 2024	–	–	–	–	–	–
		–	3,323	1,787	139	7,259	12,508

Notes:

- (i) None of the directors or supervisors of the Company waived or agreed to waive any emoluments during the Track Record Period.
- (ii) The executive directors’, non-executive directors’ and supervisors’ emoluments shown above were for their services as directors and supervisors of the Group and the Company, respectively.
- (iii) The discretionary bonuses were determined with reference to their duties and responsibilities of the relevant individuals within the Group and the Group’s performance.
- (iv) Mr. Fan Zhengbin and Mr. Yang Qing were granted the share options, in respect of his services to the Group under the employee incentive schemes of the Company. Details of the employee incentive schemes are set out in Note 39 to the Historical Financial Information.
- (v) Mr. Zhang Chunhui resigned from director and chief executive officer of the Company on July 1, 2024.
- (vi) Mr. Zhang Jianfeng was of the opinion that the service provided to the Group only occupies an insignificant portion of his time and therefore it is concluded that he was not remunerated for the service.
- (vii) Mr. Yang Xiaodong, Mr. Yu Wei, Mr. Pan Jiming, Mr. Jing Jie and Mr. Zhou Qi resigned from directors of the Company on September 27, 2023. They were of the opinion that the service provided to the Group only occupies an insignificant portion of their time and therefore it is concluded that they were not remunerated for the service.
- (viii) Mr. Chen Yingjie resigned from director of the Company on January 30, 2024. He was of the opinion that the service provided to the Group only occupies an insignificant portion of his time and therefore it is concluded that he was not remunerated for the service.

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- (ix) Mr. Wu Bing, Ms. Zhou Yan, Mr. Xu Ping and Mr. Si Wei were appointed as directors of the Company on May 10, 2023 and resigned on July 1, 2024. They were of the opinion that the service provided to the Group only occupies an insignificant portion of their time and therefore it is concluded that they were not remunerated for the service.
- (x) Ms. Hu Xiao was appointed as a director of the Company on January 30, 2024 and resigned on November 19, 2024. She was of the opinion that the service provided to the Group only occupies an insignificant portion of her time and therefore it is concluded that she was not remunerated for the service.
- (xi) Ms. Qin Yuehong was appointed as a director of the Company on January 30, 2024 and resigned on March 3, 2025. She was of the opinion that the service provided to the Group only occupies an insignificant portion of her time and therefore it is concluded that she was not remunerated for the service.
- (xii) Mr. Wang Jun was appointed as director of the Company on July 1, 2024 and resigned on November 19, 2024. He was of the opinion that the service provided to the Group only occupies an insignificant portion of his time and therefore it is concluded that he was not remunerated for the service.
- (xiii) Mr. Dai Wei was appointed as a director of the Company on July 1, 2024 and re-designated as an executive director in August 2025. Mr. Dai has been the chief executive officer of the Company since April 2024.
- (xiv) Mr. Zhang Liang, Mr. Jin Lei and Mr. Zhu Yong were appointed as directors of the Company on November 19, 2024 and re-designated as non-executive directors in August 2025. They were of the opinion that the service provided to the Group only occupies an insignificant portion of their time and therefore it is concluded that they were not remunerated for the service.
- (xv) Mr. Lu Yong was appointed as a director of the Company on January 30, 2024 and resigned on March 3, 2025. He was of the opinion that the service provided to the Group only occupies an insignificant portion of his time and therefore it is concluded that he was not remunerated for the service.
- (xvi) Mr. Xiang Jiao was appointed as a non-executive director in October 28, 2025. He was of the opinion that the service provided to the Group only occupies an insignificant portion of his time and therefore it is concluded that he was not remunerated for the service.
- (xvii) Mr. Hu Wei resigned from supervisor of the Company on January 30, 2024. He was of the opinion that the service provided to the Group only occupies an insignificant portion of his time and therefore it is concluded that he was not remunerated for the service.
- (xviii) Mr. Fan Zhengbin was elected as supervisor of the Company on November 27, 2023 and resigned from the position on January 10, 2024.
- (xix) Mr. Yang Qing was elected as supervisor of the Company on September 27, 2023.
- (xx) Mr. Han Qiang resigned from supervisor of the Company on September 27, 2023. He was of the opinion that the service provided to the Group only occupies an insignificant portion of his time and therefore it is concluded that he was not remunerated for the service.
- (xxi) Mr. Zhou Qi and Mr. Feng Yunle were elected as supervisors of the Company on January 30, 2024. They were of the opinion that the service provided to the Group only occupies an insignificant portion of their time and therefore it is concluded that they were not remunerated for the service.
- (xxii) Ms. Shen Chen was appointed as a director of the Company on March 3, 2025 and re-designated as a non-executive director in August 2025. She was of the opinion that the service provided to the Group only occupies an insignificant portion of her time and therefore it is concluded that she was not remunerated for the service.
- (xxiii) Ms. Huang Jiaojiao was appointed as a director of the Company on January 30, 2024 and re-designated as a non-executive director in August 2025.
- (xxiv) The appointment of all independent non-executive directors will become effective upon the [REDACTED].

(b) Five highest paid individuals

The five highest paid individuals of the Group included one, one and [one] directors or supervisors of the Company for the years ended December 31, 2023, 2024 and 2025 respectively, details of whose remuneration are set out above. Details of the remuneration for the remaining four, four and four paid individuals for the Track Record Period are as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Salaries and other benefits.	9,100	6,214	9,266
Retirement benefit scheme contributions.	301	254	222
Discretionary bonuses	1,961	728	2,092
Share-based payments	27,149	2,547	7,810
	<u>38,511</u>	<u>9,743</u>	<u>19,390</u>

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The emoluments of the five highest paid individuals for the Track Record Period are within the following bands:

	Year ended December 31,		
	2023	2024	2025
	No. of employees	No. of employees	No. of employees
Hong Kong Dollars (“HK\$”) 2,000,001 to HK\$2,500,000	–	4	–
HK\$4,000,001 to HK\$4,500,000	–	1	1
HK\$4,500,001 to HK\$5,000,000	1	–	1
HK\$5,000,001 to HK\$5,500,000	1	–	–
HK\$5,500,001 to HK\$6,500,000	–	–	1
HK\$6,500,001 to HK\$7,000,000	1	–	1
HK\$9,000,001 to HK\$9,500,000	1	–	–
HK\$10,500,001 to HK\$11,000,000	1	–	1
	<u>5</u>	<u>5</u>	<u>5</u>
	<u>–</u>	<u>–</u>	<u>–</u>

During the Track Record Period, no emoluments were paid by the Group to the directors of the Company or the five highest paid individuals (including directors and employees) as an inducement to join or upon joining the Group or as compensation for loss of office.

15. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the following data:

Loss figures are calculated as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Loss			
Loss for the purpose of basic and diluted loss per share for the year attributable to owners of the Company	<u>(876,157)</u>	<u>(847,398)</u>	<u>(1,896,185)</u>
	<u>’000</u>	<u>’000</u>	<u>’000</u>
Number of shares			
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share (Note).	<u>3,088,703</u>	<u>3,190,755</u>	<u>3,221,996</u>
	<u>RMB</u>	<u>RMB</u>	<u>RMB</u>
Basic and diluted loss per share	<u>(0.28)</u>	<u>(0.27)</u>	<u>(0.59)</u>

Note: The Company was converted to a joint stock company on March 3, 2025, 2,840,826,912 ordinary shares with par value of RMB1 each were issued and allotted to the respective shareholders of the Company according to the paid-in capital registered under these shareholders on that day. This capitalisation of share capital is applied retrospectively for the purpose of calculating basic loss per share, as adjusted for the capital contributions by the then shareholders and the number of ordinary shares.

The weighted average number of ordinary shares for the purpose of basic loss per share has also been adjusted retrospectively for the combined effect of step (i) the conversion of certain share premium of the Company into shares, step (ii) the reduction and the subscription of the share capital held by certain minority shareholders disclosed in Note 37, pursuant to the Equity Adjustments Agreement as defined in Note 37 to the Historical Financial Information on the assumption that the combined effect had been effective at the beginning of the Track Record Period.

Investments from certain investors with redemption rights which are recorded as financial liabilities at amortised cost as set out in Note 33 and the shares of treasury stock under the management and employee incentive schemes as disclosed in Note 37 to the Historical Financial Information, are not treated as outstanding shares and thus are excluded in the calculation of basic loss per share until the redemption right was legally terminated upon the date before the submission of application for an initial [REDACTED] of shares of the Company on the Stock Exchange (the “[REDACTED]”).

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Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. For the Track Record Period, the Company has certain investors’ shares which are potential ordinary shares and the unexercised share options and unvested restricted shares granted to the directors, management and employees as set out in Note 39 to the Historical Financial Information. As the Group incurred losses for the Track Record Period, the potential ordinary shares were not included in the calculation of diluted loss per share, as their conversion to ordinary shares would decrease loss per share. Accordingly, diluted loss per share for the Track Record Period is the same as basic loss per share for the respective years.

16. DIVIDENDS

No dividend was declared or paid by the Company during the Track Record Period.

17. PROPERTY AND EQUIPMENT

The Group

	Leasehold improvements	Equipment and fixtures	Vehicles	Construction in progress	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
COST					
As at January 1, 2023	33,172	54,120	3,655	–	90,947
Additions	–	13,772	5,840	313	19,925
Transfer	313	–	–	(313)	–
Disposals	–	(2,902)	(359)	–	(3,261)
As at December 31, 2023	33,485	64,990	9,136	–	107,611
Additions	–	6,268	4,418	3,758	14,444
Transfer	3,758	–	–	(3,758)	–
Disposals	–	(10,037)	(5,359)	–	(15,396)
As at December 31, 2024	37,243	61,221	8,195	–	106,659
Additions	–	579,783	401	881	581,065
Transfer	881	–	–	(881)	–
Disposals	–	(11,326)	(3,145)	–	(14,471)
As at December 31, 2025	38,124	629,678	5,451	–	673,253
DEPRECIATION					
As at January 1, 2023	25,576	27,389	1,056	–	54,021
Provided for the year	3,680	16,311	1,193	–	21,184
Eliminated on disposals	–	(2,775)	(24)	–	(2,799)
As at December 31, 2023	29,256	40,925	2,225	–	72,406
Provided for the year	4,160	15,669	2,157	–	21,986
Eliminated on disposals	–	(9,833)	(1,475)	–	(11,308)
As at December 31, 2024	33,416	46,761	2,907	–	83,084
Provided for the year	1,181	27,656	1,544	–	30,381
Eliminated on disposals	–	(10,964)	(1,387)	–	(12,351)
As at December 31, 2025	34,597	63,453	3,064	–	101,114
CARRYING AMOUNT					
As at December 31, 2023	4,229	24,065	6,911	–	35,205
As at December 31, 2024	3,827	14,460	5,288	–	23,575
As at December 31, 2025	3,527	566,225	2,387	–	572,139

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The Company

	Leasehold improvements	Equipment and fixtures	Vehicles	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
COST					
As at January 1, 2023	23,849	38,071	566	–	62,486
Additions	–	6,813	1,663	–	8,476
Disposals	–	(2,665)	–	–	(2,665)
As at December 31, 2023	23,849	42,219	2,229	–	68,297
Additions	–	5,644	1,316	3,758	10,718
Transfer	3,758	–	–	(3,758)	–
Disposals	–	(5,985)	(1,539)	–	(7,524)
As at December 31, 2024	27,607	41,878	2,006	–	71,491
Additions	–	1,589	–	726	2,315
Transfer	726	–	–	(726)	–
Disposals	–	(7,279)	(967)	–	(8,246)
As at December 31, 2025	28,333	36,188	1,039	–	65,560
DEPRECIATION					
As at January 1, 2023	23,377	20,412	248	–	44,037
Provided for the year	472	10,185	263	–	10,920
Eliminated on disposals	–	(2,611)	–	–	(2,611)
As at December 31, 2023	23,849	27,986	511	–	52,346
Provided for the year	659	10,213	450	–	11,322
Eliminated on disposals	–	(5,920)	(313)	–	(6,233)
As at December 31, 2024	24,508	32,279	648	–	57,435
Provided for the year	811	6,107	289	–	7,207
Eliminated on disposals	–	(5,843)	(468)	–	(6,311)
As at December 31, 2025	25,319	32,543	469	–	58,331
CARRYING VALUES					
As at December 31, 2023	–	14,233	1,718	–	15,951
As at December 31, 2024	3,099	9,599	1,358	–	14,056
As at December 31, 2025	3,014	3,645	570	–	7,229

The above items of property and equipment, other than construction in progress, are depreciated on a straight-line basis, after taking into account of the residual value, over the following period:

Leasehold improvements	Over the shorter of the relevant lease terms or 5 years
Equipment and fixtures	3 to 6 years
Vehicles	5 years

18. RIGHT-OF-USE ASSETS

The Group

	Leased properties	Vehicles	Total
	RMB'000	RMB'000	RMB'000
Carrying amount			
As at January 1, 2023	20,322	355	20,677
Additions	28,388	–	28,388
Decrease for early termination	(2,692)	(97)	(2,789)
Depreciation charged for the year	(17,629)	(258)	(17,887)
As at December 31, 2023	28,389	–	28,389
Additions	108,849	–	108,849
Decrease for early termination	(29,813)	–	(29,813)
Depreciation charged for the year	(22,329)	–	(22,329)
As at December 31, 2024	85,096	–	85,096
Additions	1,469	–	1,469
Depreciation charged for the year	(18,027)	–	(18,027)
As at December 31, 2025	68,538	–	68,538

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	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Expenses relating to short-term leases	12,112	5,831	5,410
Total cash outflow for leases	<u>29,067</u>	<u>30,449</u>	<u>26,839</u>

The Company

	Leased properties	Vehicles	Total
	RMB'000	RMB'000	RMB'000
Carrying amount			
As at January 1, 2023	1,399	355	1,754
Additions	8,990	–	8,990
Decrease for early termination	(1,278)	(97)	(1,375)
Depreciation charged for the year	<u>(8,590)</u>	<u>(258)</u>	<u>(8,848)</u>
As at December 31, 2023	521	–	521
Additions	78,211	–	78,211
Decrease for early termination	(7,602)	–	(7,602)
Depreciation charged for the year	<u>(14,900)</u>	<u>–</u>	<u>(14,900)</u>
As at December 31, 2024	56,230	–	56,230
Additions	191	–	191
Depreciation charged for the year	<u>(12,750)</u>	<u>–</u>	<u>(12,750)</u>
As at December 31, 2025	<u>43,671</u>	<u>–</u>	<u>43,671</u>

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Expenses relating to short-term leases	10,168	4,574	3,275
Total cash outflow for leases	<u>19,691</u>	<u>18,049</u>	<u>20,462</u>

During the Track Record Period, the Group and the Company lease various properties and vehicles for the operations. For leased properties, the Group’s and the Company’s lease contracts are entered into for fixed term of twelve months to one hundred and twenty months and eighteen months to sixty-six months respectively. The Company’s lease contracts for vehicles are for the fixed term of eighteen months to three years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. There were no extension options in the lease contracts. In determining the lease term and assessing the length of the non-cancellable period, the Group and the Company apply the definition of a contract and determines the period for which the contract is enforceable.

The Group and the Company regularly entered into short-term leases for apartments and vehicles. As at December 31, 2024 and 2025, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed above. In addition, the Group entered into several short-term leases for the temporary office premise during the year ended December 31, 2023. As at December 31, 2023, the outstanding lease commitments relating to such office premise is nil.

Restrictions or covenants on leases

As at December 31, 2023, 2024 and 2025, the Group’s lease liabilities of RMB29,374,000, RMB88,800,000 and RMB72,966,000 are recognised with related right-of-use assets of RMB28,389,000, RMB85,096,000 and RMB68,538,000 respectively. The Company’s lease liabilities of RMB82,000, RMB57,136,000 and RMB43,863,000 are recognised with related right-of-use assets of RMB521,000, RMB56,230,000 and RMB43,671,000 respectively. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased properties may not be used as security for borrowing purposes.

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19. GOODWILL

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
COST AND CARRYING VALUES			
As at January 1, and			
at December 31, ...	1,460,252	1,460,252	1,460,252

The goodwill held by the Group as at December 31, 2023, 2024 and 2025 arose on the acquisition of subsidiary Banma Hangzhou from Taobao China and Zhejiang Tmall in 2020 as disclosed in Note 1 to the Historical Financial Information. The acquisition was accounted for as an acquisition of a business using the acquisition method. The assets acquired and the liabilities assumed were recognised and measured at the fair value at the date of acquisition.

Goodwill arose in the acquisition of Banma Hangzhou because the consideration for the acquisition effectively included the benefit of expected synergies, revenue growth and future market development of system-level OS solutions business and other technical development services business of the Group. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

Impairment test

Goodwill arising from the business combination is allocated to a group of cash-generating units comprising two cash-generating units, system-level OS solutions business and other technical development services business that are expected to benefit from the synergies of such business combination for the purpose of impairment testing.

Impairment test on the goodwill of the Group has been conducted by the management of the Group by engaging an independent qualified professional valuer, Jinzheng (Shanghai) Asset Valuation Co., Ltd. (“Jinzheng”) for the years ended December 31, 2023 and 2024, and Avista Valuation Advisory Limited (“Avista”) for the year ended December 31, 2025 respectively, to estimate the recoverable amount of the group of cash-generating units. The address of Jinzheng is 7F, T3 Building, East China Airlines Riverside Center, 277 Longlan Road, Xuhui District, Shanghai. The address of Avista is Room 2401-06, 24/F, Everbright Centre, No. 108 Gloucester Road, Wan Chai, Hong Kong. For the purpose of impairment test, the recoverable amount of the group of cash-generating units is determined based on a value in use calculation.

With the assistance of the external valuer, management determined the recoverable amount of the goodwill based on the following approach and the key assumptions:

- The calculation uses cash flow projections based on financial budgets approved by management covering a twelve-year period. Cash flows beyond twelve-year period are extrapolated using the estimated terminal growth rate. The management considers the length forecast period is appropriate, considering that the current stage of industry development. The industry as a whole remains in its early phases, characterised by rapid technological advancement, evolving market dynamics, and significant growth potential. The Group and the industry is still in a period of rapid growth, a longer forecast period is applied to ensure that the Group enters terminal growth period during the stabilization period. In addition, the Group expects itself to experience a period of accelerated expansion, driven by strategic investments, product innovation, and increasing market penetration. Hence, the management believes that a forecast period for the cash generating units longer than five years is justifiable and consistent with industry practice;
- The discount rate used is pre-tax and reflect market assessments of time value and the specific risks relating to the industry; and
- Other key assumptions for the value in use calculations relate to the estimation of cash inflows/outflows which include budgeted sales and gross margin, such estimation is based on the unit’s past performance and director’s expectations for the market development.

The key parameters used for value in use calculations are as follows:

	As at December 31,		
	2023	2024	2025
Annual sales growth rate for			
the year during the twelve years projection			
period	5.5%-57.8%	5.4%-57.8%	4.5%-54.3%
Gross margin rate for the year	35.7%-53.5%	43.2%-53.5%	40.7%-54.6%
Terminal growth rate	0.0%	0.0%	0.0%
Pre-tax discount rate	16.4%	16.8%	17.28%-19.2%

Based on the result of impairment test, there was no impairment for the goodwill as at December 31, 2023, 2024 and 2025. Management believes that any reasonably possible change in any of these assumptions would not result in impairment.

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The corporate assets contributed to the future cash flows of both cash-generating units, including the system-level OS solutions business and the other technical development services business. For the corporate assets could be allocated to the individual cash-generating unit, including the specific software and equipments used for research and development activities on system-level OS solutions business and other technical development services business respectively, the Company performed the impairment test on these corporate assets at individual cash-generating unit level. For the other corporate assets including leased office premises, related leasehold improvements, vehicles and equipment and fixtures used for administrative and marketing activities, the impairment test is performed at the group of cash-generating units level. Based on the result of impairment test, there was no impairment for the corporate assets as at December 31, 2023 and 2024 and 2025.

Impairment test—sensitivity analysis

The Company performed sensitivity analysis by increasing 1 percentage point of pre-tax discount rate or decreasing 1 percentage points of annual sales growth rate for first twelve years, which are the key assumptions determine the recoverable amount of goodwill, with all other variables held constant. The range of impacts on the amount by which the recoverable amount of goodwill above its carrying amount (headroom) are as below:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Headroom	5,275,098	6,899,742	8,584,000
Negative impact by increasing pre-tax discount rate	1,410,000	1,490,000	1,401,000
Negative impact by decreasing annual revenue growth rate for first twelve years	1,230,000	1,290,000	1,217,000

20. OTHER INTANGIBLE ASSETS

The Group

	AOS	Software	Total
	RMB'000	RMB'000	RMB'000
	(Note)		
COST			
As at January 1, 2023 and 2024	5,950,200	104,967	6,055,167
Additions	—	36,071	36,071
As at December 31, 2024 and December 31, 2025 . .	5,950,200	141,038	6,091,238
AMORTISATION AND IMPAIRMENT			
As at January 1, 2023	619,812	90,654	710,466
Charged for the year	297,510	6,135	303,645
As at December 31, 2023	917,322	96,789	1,014,111
Charged for the year	297,510	8,282	305,792
As at December 31, 2024	1,214,832	105,071	1,319,903
Charged for the year	209,378	6,474	215,852
Impairment loss recognised during the year	1,840,990	—	1,840,990
As at December 31, 2025	3,265,200	111,545	3,376,745
CARRYING VALUES			
As at December 31, 2023	5,032,878	8,178	5,041,056
As at December 31, 2024	4,735,368	35,967	4,771,335
As at December 31, 2025	2,685,000	29,493	2,714,493

Note: The AOS held by the Group was recognised as an identifiable intangible asset with fair value of RMB5,950,200,000 at the date of acquisition in the acquisition of Banma Hangzhou as disclosed in Note 1 to the Historical Financial Information.

The AOS has a finite useful life and is amortised on a straight-line basis over a period of twenty years, which is the estimated remaining useful life of the AOS from the time of its acquisition.

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Impairment test

During the three months ended March 31, 2025, given the intensifying market competition in system-level OS solutions business and internal strategic transformation made by the management of the Group in response to such external environmental challenges, the Group planned to increase resource allocation to AI driven business. These external and internal changes indicate that the cash-generating unit of the system-level OS solutions business, to which the AOS belongs, may be impaired.

The management of the Group concluded that there was such indication and conducted impairment assessment on carrying amounts of such cash-generating unit. The AOS are tested based on the recoverable amount of the cash-generating unit to which the intangible asset is related. The cash-generating unit is at system-level OS solutions business unit level.

Impairment test on the AOS of the Group has been conducted by the management of the Group by engaging an independent qualified professional valuer, Jinzheng, to estimate the recoverable amount of the cash-generating unit as at March 31, 2025. For the purpose of impairment test, the recoverable amount of the cash-generating unit of system-level OS solutions business is determined based on a value in use calculation of such cash-generating unit.

With the assistance of the external valuer, management determined the recoverable amount of the AOS based on the following approach and the key assumptions:

- The cash-generating unit of system-level OS solutions business will generate cash inflows within the remaining useful life of the AOS. The calculation uses cash flow projections based on financial budgets approved by management covering a twelve-year period. [Cash flows over twelve-year period but within the remaining useful life of the AOS are extrapolated same as the twelfth year of cash flow in the projections.] The management considers the length forecast period is appropriate, considering that the system-level OS solutions business is expected to enter the stabilization period after twelve years from the end of the reporting period. Hence, the management believes that a forecast period for the cash generating units longer than five years is justifiable and consistent with industry practice;
- The discount rate used is pre-tax and reflect market assessments of time value and the specific risks relating to the industry; and
- Other key assumptions for the value in use calculations relate to the estimation of cash inflows/outflows which include budgeted sales and gross margin, such estimation is based on the unit’s past performance and director’s expectations for the market development.

The key parameters used for value in use calculations as at March 31, 2025 are as follows:

	As at March 31, 2025
Sale growth rate for the year during the twelve years projection period.	4.9% to 54.3%
Gross margin rate for the year	40.7% to 52.4%
The remaining useful life of the AOS	14 years and 7 months
Pre-tax discount rate	19.2%

Based on the result of the assessment conducted as at March 31, 2025, the Group recognised impairment losses of RMB1,840,990,000 related to other intangible assets of the AOS.

As at December 31, 2025, the management is not aware of any significant adverse changes on the respective cash-generating unit of system-level OS solutions business that indicates the carrying amount of such cash-generating unit exceeds its recoverable amount. As a result, no impairment assessment as at December 31, 2025 was performed.

The Company

	Software RMB’000
COST	
As at January 1, 2023 and 2024	104,312
Additions	36,071
As at December 31, 2024 and December 31, 2025	140,383
AMORTISATION	
As at January 1, 2023	90,581
Charged for the year	5,917
As at December 31, 2023	96,498
Charged for the year	8,063
As at December 31, 2024	104,561
Charged for the year	6,329
As at December 31, 2025	110,890
CARRYING VALUES	
As at December 31, 2023	7,814
As at December 31, 2024	35,822
As at December 31, 2025	29,493

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The software of the Group and Company has finite useful lives and is amortised on a straight-line basis over three to ten years.

21. INTERESTS IN SUBSIDIARIES

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Cost of investments	6,223,139	6,280,185	6,303,761
Less: impairment losses on investments	(605,232)	(1,838,077)	(1,838,077)
	<u>5,617,907</u>	<u>4,442,108</u>	<u>4,465,684</u>

22. TRADE RECEIVABLES

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade receivables from third parties	133,175	126,961	209,155
Trade receivables from related parties (<i>Note 40(iii)</i>)	288,167	299,112	305,985
	<u>421,342</u>	<u>426,073</u>	<u>515,140</u>
Less: allowance for credit losses	(25,575)	(37,555)	(38,088)
	<u>395,767</u>	<u>388,518</u>	<u>477,052</u>

As at January 1, 2023, trade receivables from contracts with customers of the Group amounted to RMB430,983,000.

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade receivables from third parties	115,877	103,677	154,892
Trade receivables from related parties (<i>Note 40(iii)</i>)	273,236	289,499	295,894
Trade receivables from subsidiaries (<i>Note 40(iii)</i>)	3,799	3,896	—
	<u>392,912</u>	<u>397,072</u>	<u>450,786</u>
Less: allowance for credit losses	(21,434)	(30,009)	(27,145)
	<u>371,478</u>	<u>367,063</u>	<u>423,641</u>

As at January 1, 2023, trade receivables from contracts with customers of the Company amounted to RMB428,978,000.

The following is an aged analysis of trade receivable net of allowance for credit losses presented based on dates of rendering of services or delivery of goods as at December 31, 2023, 2024 and 2025:

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 30 days	232,588	198,058	273,580
31 to 60 days	62,791	60,704	65,599
61 to 90 days	12,657	28,995	37,139
91 to 120 days	12,428	1,691	27,389
121 to 180 days	14,889	50,997	21,792
181 to 365 days	58,667	6,875	41,956
Over 365 days	1,747	41,198	9,597
	<u>395,767</u>	<u>388,518</u>	<u>477,052</u>

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The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 30 days	220,006	189,127	240,484
31 to 60 days	56,206	58,027	60,187
61 to 90 days	11,557	27,682	27,761
91 to 120 days	12,316	1,474	26,792
121 to 180 days	11,444	50,318	20,667
181 to 365 days	58,204	6,775	39,740
Over 365 days	1,745	33,660	8,010
	<u>371,478</u>	<u>367,063</u>	<u>423,641</u>

The Group and the Company normally grant a credit period of 30 to 90 days or a particular period agreed with third party and related party customers effective from the date when the services have been verified and accepted or control of goods has been transferred to the customer and billed to the customer. The Company does not have a credit period term to its subsidiaries. For certain trade receivables balances which have been past due more than 90 days, the directors of the Company consider that they are not in default since such balances could be recovered based on the historical repayment pattern of overdue trade receivables and the financial conditions of corresponding customers.

Details of expected credit loss assessment of trade receivables are set out in Note 42(b) to the Historical Financial Information.

23. PREPAYMENTS AND OTHER RECEIVABLES

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Prepayments for purchase of materials and research and development services	37,155	12,672	13,363
Other receivables from employees for exercise price of options	–	–	35,979
Other receivables	2,720	2,192	4,748
Deposits	5,654	5,215	7,427
Prepayments for short-term rental and property management fee	1,053	50	316
Deferred issue costs	–	–	2,678
	<u>46,582</u>	<u>20,129</u>	<u>64,511</u>
Prepayments and other receivables with third parties	40,316	16,285	58,041
Prepayments and other receivables with related parties (Note 40(iii))	6,266	3,844	6,470
	<u>46,582</u>	<u>20,129</u>	<u>64,511</u>

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Prepayments for purchase of materials and research and development services	31,815	6,777	6,464
Other receivables	2,691	656	3,537
Deposits	995	181	437
Prepayments for short-term rental and property management fee	375	16	299
Deferred issue costs	–	–	2,678
	<u>35,876</u>	<u>7,630</u>	<u>13,415</u>

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	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Prepayments and other receivables with third parties	34,543	6,331	8,307
Prepayments and other receivables with related parties (Note 40(iii))	1,333	1,299	5,108
	<u>35,876</u>	<u>7,630</u>	<u>13,415</u>

24. CONTRACT ASSETS

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Technical development service			
Contract assets	973	2,733	9,063
Less: allowance for credit losses	(48)	(383)	(1,012)
	<u>925</u>	<u>2,350</u>	<u>8,051</u>
Less: amount due within one year shown under current assets	(776)	(1,811)	(6,554)
Amount shown under non-current assets	<u>149</u>	<u>539</u>	<u>1,497</u>

As at January 1, 2023, contract assets of the Group amounted to RMB186,000.

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Technical development service			
Contract assets	304	1,727	4,953
Less: allowance for credit losses	(42)	(211)	(702)
	<u>262</u>	<u>1,516</u>	<u>4,251</u>
Less: amount due within one year shown under current assets	(113)	(1,516)	(2,754)
Amount shown under non-current assets	<u>149</u>	<u>–</u>	<u>1,497</u>

As at January 1, 2023, contract assets of the Company amounted to RMB178,000.

The Group typically agrees to a retention period ranging from one year to two years for 5% to 20% of the contract value with certain customers in accordance with the terms specified in the relevant contracts. The Group transfers the contract assets to trade receivables upon maturity of retention period.

Details of expected credit loss assessment of contract assets are set out in Note 42(b) to the Historical Financial Information.

25. CONTRACT COSTS

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Costs to fulfill contracts	138,279	69,587	30,831
Analysed for reporting purposes as:			
– Non-current assets	17,084	23,939	2,905
– Current assets	<u>121,195</u>	<u>45,648</u>	<u>27,926</u>
	<u>138,279</u>	<u>69,587</u>	<u>30,831</u>

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The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Costs to fulfill contracts	127,457	68,200	28,178
Analysed for reporting purposes as:			
–Non-current assets	17,164	21,677	2,815
–Current assets	110,293	46,523	25,363
	<u>127,457</u>	<u>68,200</u>	<u>28,178</u>

The contract costs primarily relate to the staff costs and other related material costs incurred for technical development service contracts. Contract costs are recognised as part of cost of sales in the consolidated statements of profit or loss and other comprehensive income in the period in which revenue from the related contract is recognised. The amount of capitalised costs recognised in profit or loss during the years ended December 31, 2023, 2024 and 2025 was RMB61,624,000, RMB122,713,000 and RMB60,658,000 respectively. There was no impairment in relation to the opening balance of capitalised costs or the costs capitalised during the Track Record Period.

26. FINANCIAL ASSETS AT FVTPL

The Group and the Company

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Structured deposits	–	1,598,464	60,037

The structured deposits held by the Group and the Company are with variable interest rates and are classified as current as the management expects to realise these financial assets within twelve months after the reporting period.

27. BILLS RECEIVABLES AT FVTOCI

As at December 31, 2023, 2024 and 2025, the balance represents bills receivables held by the Group which is measured at FVTOCI since the bills are held within the business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets, and the contractual cash flows are solely payments of principal and interest on the principal amount outstanding.

The following is an ageing analysis of bills receivables at FVTOCI at the end of the reporting period:

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 180 days.	<u>35,408</u>	<u>38,513</u>	<u>9,052</u>

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 180 days.	<u>35,354</u>	<u>34,832</u>	<u>8,548</u>

The Group has discounted certain bills receivables to banks and endorsed to certain suppliers for settlement of trade payables. These bills are issued or guaranteed by reputable PRC banks and Shanghai Automotive Group Finance Co., Ltd.* (上海汽車集團財務有限責任公司) (“SAIC Finance”) with high credit ratings, therefore, the directors of the Company consider the substantial risks in relation to these bills are interest risk as the credit risk arising from these bills are minimal. Upon the discount/endorsement of these bills, the Group has transferred substantially all the risks of these bills to relevant banks/suppliers, hence the Group has derecognised these bills receivables.

* English name is for identification purpose only.

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As at December 31, 2023, 2024 and 2025, the Group’s bills receivables at FVTOCI are amounting to nil, RMB53,604,000 and RMB160,207,000, respectively, which are endorsed to certain suppliers for settlement of trade payables but not mature that are derecognised in their entirety. As at December 31, 2023, 2024 and 2025, the Group’s bills receivables at FVTOCI are amounting to RMB63,826,000, RMB3,349,000 and RMB16,431,000, respectively, which are discounted to the banks but not mature that are derecognised in their entirety.

Details of expected credit loss assessment of bills receivables at FVTOCI are set out in Note 42(b) to the Historical Financial Information.

28. OTHER CURRENT ASSETS

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Value-added Tax (“VAT”) recoverable	9,442	22,438	96,061

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
VAT recoverable	8,727	21,069	20,271

29. CASH AND CASH EQUIVALENTS/RESTRICTED BANK DEPOSITS/TERM DEPOSITS

Cash and cash equivalents

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Bank balances	2,968,106	100,963	894,639
Other demand deposits	3,008	3,234	2,960
	<u>2,971,114</u>	<u>104,197</u>	<u>897,599</u>

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Bank balances	2,941,853	87,610	648,447
Other demand deposits	2,493	2,005	1,443
	<u>2,944,346</u>	<u>89,615</u>	<u>649,890</u>

Bank balances and other demand deposits held by the Group and the Company carry interests at market rates, which was from 0.20% to 0.30%, 0.10% to 0.25% and 0.05% to 0.2% as at December 31, 2023, 2024 and 2025 respectively.

Restricted bank deposits

Restricted bank deposits with an interest rate of 1.05% held by the Company were amounted to RMB15,559,000 and RMB20,490,000 as at December 31, 2024 and 2025 respectively, which were represented the restricted funds held under a pre-trial asset preservation arrangement in connection with an ongoing lawsuit in the ordinary course of business. An additional restricted bank deposits of RMB4,931,000 pledged for a bank guarantee. Details of the lawsuit are set out in Note 9 to the Historical Financial Information.

Term deposits

As at December 31, 2024 and 2025, term deposits with an original maturity over one year held by the Company carry interests at market rates, which were from 2.40% to 2.60% and 2.40% to 2.60% respectively.

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Details of impairment assessment of bank balances, other demand deposits, restricted bank deposits and term deposits are set out in Note 42(b) to the Historical Financial Information.

30. TRADE AND OTHER PAYABLES

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade payables for research and development expenses and materials	300,946	262,584	222,281
Accrued staff costs and benefits	100,171	65,077	53,716
Payables for property and equipment	589	3,209	432,938
Payable for share service center service fee	134,985	177,729	77,038
Accrued [REDACTED] expenses and issue costs	—	—	6,880
Other payables	25,478	28,137	35,089
Other tax payables	18,209	11,663	10,962
Deposits	438	146	207
	<u>580,816</u>	<u>548,545</u>	<u>839,111</u>
Trade and other payables to third parties	186,706	179,643	632,485
Trade and other payables to related parties (Note 40(iii))	394,110	368,902	206,626
	<u>580,816</u>	<u>548,545</u>	<u>839,111</u>
Less: amount due within one year shown under current liabilities	(580,816)	(548,545)	(516,076)
amount shown under non-current liabilities	—	—	323,035

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade payables for research and development expenses and materials	361,604	547,834	376,681
Accrued staff costs and benefits	40,802	26,110	19,558
Payables for property and equipment	—	2,620	552
Payable for share service center service fee	121,798	148,139	65,916
Accrued [REDACTED] expenses and issue costs	—	—	6,880
Other payables	15,066	25,455	19,525
Other tax payables	4,406	2,895	2,687
Deposits	104	102	128
	<u>543,780</u>	<u>753,155</u>	<u>491,927</u>
Trade and other payables to third parties	90,466	90,067	96,627
Trade and other payables to related parties (Note 40(iii))	357,284	341,752	190,391
Trade and other payables to subsidiaries (Note 40(iii))	96,030	321,336	204,909
	<u>543,780</u>	<u>753,155</u>	<u>491,927</u>

The following is an aged analysis of trade payables presented based on the invoice dates at the end of each reporting period:

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 30 days	54,426	54,807	77,169
31 to 90 days	61,090	59,581	34,147
91 to 180 days	55,823	28,968	21,700
181 to 365 days	27,025	13,680	8,628
Over 365 days	102,582	105,548	80,637
	<u>300,946</u>	<u>262,584</u>	<u>222,281</u>

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The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 30 days	130,863	228,824	207,137
31 to 90 days	108,156	100,283	60,773
91 to 180 days	44,641	86,081	29,233
181 to 365 days	52,021	90,901	7,004
Over 365 days	25,923	41,745	72,534
	<u>361,604</u>	<u>547,834</u>	<u>376,681</u>

The average credit period granted by third party and related party suppliers is normally 30 to 90 days. There is no credit period terms for the payables between the Company and its subsidiaries.

The carrying amounts of the trade and other payables denominated in currencies other than functional currencies of the relevant group entities at the end of each reporting period are as follows:

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
United States Dollars (“USD”)	22,257	17,346	344
European Dollar (“EUR”)	42	2	21
Hong Kong Dollar (“HKD”)	–	–	5
	<u>–</u>	<u>–</u>	<u>–</u>

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
USD	22,161	17,346	344
EUR	42	2	21
HKD	–	–	5
	<u>–</u>	<u>–</u>	<u>–</u>

31. CONTRACT LIABILITIES

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Technical development service	48,271	13,287	10,036
Ecosystem value-added services	28,749	25,226	20,755
	<u>77,020</u>	<u>38,513</u>	<u>30,791</u>
Less: amount due within one year shown under current liabilities	<u>(55,028)</u>	<u>(21,397)</u>	<u>(17,801)</u>
amount shown under non-current liabilities . .	<u>21,992</u>	<u>17,116</u>	<u>12,990</u>

As at January 1, 2023, contract liabilities of the Group amounted to RMB56,354,000.

Included in contract liabilities balance of the Group as at January 1, 2023, 2024 and 2025, RMB23,957,000, RMB55,028,000 and RMB21,397,000 were recognised as revenue during the years ended December 31, 2023, 2024 and 2025, respectively.

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The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Technical development service	18,238	7,558	6,200
Ecosystem value-added services	28,748	25,226	20,755
	<u>46,986</u>	<u>32,784</u>	<u>26,955</u>
Less: amount due within one year shown under current liabilities	(24,998)	(15,666)	(13,965)
amount shown under non-current liabilities . .	<u>21,988</u>	<u>17,118</u>	<u>12,990</u>

As at January 1, 2023, contract liabilities of the Company amounted to RMB39,336,000.

Included in contract liabilities balance of the Company as at January 1, 2023, 2024 and 2025, RMB23,179,000, RMB24,998,000 and RMB15,666,000 were recognised as revenue during the years ended December 31, 2023, 2024 and 2025, respectively.

Typical payment terms which impact on the amount of contract liabilities recognised are as follows:

Technical development service

Advance payments received by the Group according to the payment schedule determined in the technical development service contract results in contract liabilities. These contract liabilities shall be carried forward to recognise as revenue when the corresponding developed solution is verified and accepted by the customers.

Ecosystem value-added services (sales of network service packages)

The Group receives the full contract value in advance from customers before they consume the benefits from network service package, this will give rise to contract liabilities being recognised at the start of the contract. These contract liabilities shall be recognised as revenue on a straight-line basis over the benefit period, which is normally three to five years.

32. BORROWINGS

The Group and the Company

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Unsecured variable-rate bank borrowings	<u>697,288</u>	<u>766,690</u>	<u>318,665</u>

The carrying amounts of the above borrowings are analysed based on contractual repayment date as follows:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
The carrying amounts of the above borrowings are repayable:			
Within one year	200,175	318,127	233,320
Within a period of more than one year but not exceeding two years	257,131	377,218	72,545
Within a period of more than two years but not exceeding five years	<u>239,982</u>	<u>71,345</u>	<u>12,800</u>
	<u>697,288</u>	<u>766,690</u>	<u>318,665</u>
Less: amount due within one year shown under current liabilities	(200,175)	(318,127)	(233,320)
amount shown under non-current liabilities . .	<u>497,113</u>	<u>448,563</u>	<u>85,345</u>

The Group’s and Company’s variable-rate borrowings carry interest at Loan Prime Rate (“LPR”). Interest rates are reset every half year or one year.

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As at December 31, 2023, 2024 and 2025, the ranges of effective interest rates (which are also equal to contracted interest rates) on the Group’s and Company’s borrowings are from 3.05% to 3.25%, 2.70% to 3.05% and 2.34% to 2.70%, respectively.

In respect of borrowings as at December 31, 2023, 2024 and 2025, the Group is not required to comply with significant financial covenants throughout the continuance of the relevant borrowings.

33. REDEMPTION LIABILITIES

The Group and the Company

Upon the establishment, the Company conducted several rounds of financing by increasing registered capital to investors, among which, the Company entered into a supplemental agreement with two independent investors in 2020 and these two investors were entitled to a redemption right pursuant to the supplemental agreement. The redemption right is upon the occurrence of qualified [REDACTED] (“[REDACTED]”) application cannot be submitted by the earlier of (a) December 31, 2025, or (b) the date of expiration of five years from the date on which the Company’s board of directors unanimously resolves that all of the following conditions have been met: (i) the Company becomes a key nationally supported autonomous vehicle operating system project, and (ii) the Company receives national-level policy support such as tax and financial incentives or rebates, reaching an aggregate amount of RMB400 million (i) and (ii) are collectively referred to as the “Trigger Conditions”). If the Company fails to submit a [REDACTED] application by above specified time point, these two investors have the right to request the Company to repurchase the registered capital subscribed by them in 2018 at the same subscription price of RMB406,250,000.

As at December 31, 2023 and 2024, the Company was liable for the above redemption obligation, which was recognised as the financial liabilities at amortised cost of RMB406,250,000. Since the Trigger Conditions had not been met as at December 31, 2024, the redemption liabilities were classified as non-current liabilities in the Historical Financial Information as at December 31, 2023, and then reclassified as current liabilities as at December 31, 2024.

Pursuant to the Equity Adjustments Agreement (as defined in Note 37 to the Historical Financial Information) entered into by the Company with, among others, the then shareholders of the Company dated July 16, 2025, the abovementioned redemption feature was terminated to be effective from August 19, 2025, the date before the submission of application for the [REDACTED], which will not be reinstated. The amounts of the redemption liabilities of RMB406,250,000 as at the termination date were derecognised and credited to other reserve on August 19, 2025.

34. LEASE LIABILITIES

The Group

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Lease liabilities payable:			
Within one year	7,156	18,956	21,197
Within a period of more than one year but not exceeding two years	6,531	18,778	17,914
Within a period of more than two years but not exceeding five years	13,034	41,488	26,245
More than five years	2,653	9,578	7,610
	<u>29,374</u>	<u>88,800</u>	<u>72,966</u>
Less: amount due for settlement within 12 months shown as current liabilities	<u>(7,156)</u>	<u>(18,956)</u>	<u>(21,197)</u>
amount due for settlement after 12 months shown as non-current liabilities	<u>22,218</u>	<u>69,844</u>	<u>51,769</u>

The Company

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Lease liabilities payable:			
Within one year	82	12,200	13,195
Within a period of more than one year but not exceeding two years	–	14,269	13,559
Within a period of more than two years but not exceeding five years	–	30,667	17,109
	<u>82</u>	<u>57,136</u>	<u>43,863</u>
Less: amount due for settlement within 12 months shown as current liabilities	<u>(82)</u>	<u>(12,200)</u>	<u>(13,195)</u>
amount due for settlement after 12 months shown as non-current liabilities	<u>–</u>	<u>44,936</u>	<u>30,668</u>

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As at December 31, 2023, 2024 and 2025, the ranges of the incremental borrowing rates applied to the lease liabilities are from 3.55% to 3.80%, 3.35% to 3.80% and 2.34% to 3.55%, respectively.

35. PROVISIONS

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Analysed for reporting purposes as:			
Non-current liabilities	7,545	11,909	2,047
Current liabilities	13,500	27,375	15,550
	<u>21,045</u>	<u>39,284</u>	<u>17,597</u>
	Provision for onerous contract	Litigation	Total
	RMB'000	RMB'000 (Note 9)	RMB'000
As at January 1, 2023	21,754	—	21,754
Additional provision in the year	7,115	—	7,115
Utilisation of provision	(7,824)	—	(7,824)
As at December 31, 2023	<u>21,045</u>	<u>—</u>	<u>21,045</u>
Additional provision in the year	16,189	15,550	31,739
Utilisation of provision	(13,500)	—	(13,500)
As at December 31, 2024	<u>23,734</u>	<u>15,550</u>	<u>39,284</u>
Additional provision in the year	753	—	753
Utilisation of provision	(22,440)	—	(22,440)
As at December 31, 2025	<u>2,047</u>	<u>15,550</u>	<u>17,597</u>

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Analysed for reporting purposes as:			
Non-current liabilities	6,889	12,331	1,700
Current liabilities	8,294	26,297	15,550
	<u>15,183</u>	<u>38,628</u>	<u>17,250</u>
	Provision for onerous contract	Litigation	Total
	RMB'000	RMB'000 (Note 9)	RMB'000
As at January 1, 2023	18,093	—	18,093
Additional provision in the year	4,292	—	4,292
Utilisation of provision	(7,202)	—	(7,202)
As at December 31, 2023	<u>15,183</u>	<u>—</u>	<u>15,183</u>
Additional provision in the year	16,189	15,550	31,739
Utilisation of provision	(8,294)	—	(8,294)
As at December 31, 2024	<u>23,078</u>	<u>15,550</u>	<u>38,628</u>
Additional provision in the year	649	—	649
Utilisation of provision	(22,027)	—	(22,027)
As at December 31, 2025	<u>1,700</u>	<u>15,550</u>	<u>17,250</u>

The provision for onerous contracts relates to certain contracts with customers under which the unavoidable costs of meeting the obligation exceed the economic benefits to be received due to anticipated increase in certain development costs including staff costs and other related material costs related to technical development services.

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36. DEFERRED INCOME

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Government subsidies (<i>Note</i>)	2,650	6,571	165,808
Less: within 12 months shown under current liabilities	—	(4,850)	(35,319)
Amount shown under non-current liabilities.	<u>2,650</u>	<u>1,721</u>	<u>130,489</u>

Note: As at December 30, 2025, the Group received a government subsidy of approximately RMB157,487,000 towards the cost of computing equipments. The amount received in respect of the cost of computing equipments is not repayable and has been treated as deferred income. The amount is transferred to income over the useful lives of the relevant assets. As at 31 December 2025, All the amount remains to be amortised.

As at December 31, 2023, 2024 and 2025, government subsidies of RMB2,650,000, RMB6,571,000 and RMB8,321,000 are provided in relation to the research and development activities of the Company.

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Government subsidies (<i>Note</i>)	2,650	6,571	8,321
Less: within 12 months shown under current liabilities	—	(4,850)	(8,321)
Amount shown under non-current liabilities.	<u>2,650</u>	<u>1,721</u>	<u>—</u>

Note: The government subsidies are provided in relation to the research and development activities of the Company.

37. SHARE CAPITAL/PAID-IN CAPITAL/TREASURY STOCK

As disclosed in Note 1 to the Consolidated financial statements, the Company converted into a joint stock company on March 3, 2025, the balance as at January 1, 2023, December 31, 2023 and January 1, 2025 represented the paid-in capital of the Company prior to the conversion of the Company. Share capital as at December 31, 2025 represented the issued share capital of the Company.

Registered capital

	Registered capital
	RMB'000
Authorised	
As at January 1, 2023	3,166,040
Reduction of registered capital (<i>Note (i)</i>)	(325,213)
As at December 31, 2024	2,840,827
Share Conversion (<i>Note (iii)</i>)	363,684
Share Reduction (<i>Note (iii)</i>)	(27,239)
Share Subscription (<i>Note (iii)</i>)	167,601
As at December 31, 2025	<u>3,344,873</u>

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Paid-in capital

	Paid-in capital
	RMB’000
Issued and paid	
As at January 1, 2023	2,706,047
Capital contributions from investors	107,064
As at December 31, 2023	2,813,111
Capital contributions from an employee stock ownership platform (<i>Note 39</i>).	27,716
As at December 31, 2024	2,840,827
Conversion into a joint stock company (<i>Note (ii)</i>)	(2,840,827)
As at December 31, 2025	—

Share capital

	Number of shares	Nominal value of shares
		RMB’000
Ordinary shares of RMB1 each		
Authorised and issued		
As at January 1, 2025	—	—
Conversion into a joint stock company (<i>Note (ii)</i>)	2,840,826,912	2,840,827
Share Conversion (<i>Note (iii)</i>)	363,684,398	363,684
Share Reduction (<i>Note (iii)</i>)	(27,238,542)	(27,239)
Share Subscription (<i>Note (iii)</i>)	167,600,635	167,601
As at December 31, 2025	3,344,873,403	3,344,873

Treasury stock

	Treasury stock
	RMB’000
As at January 1, 2023, December 31, 2023	—
Repurchase of shares of exercised share options (<i>Note (iv)</i>)	3,871
As at December 31, 2024	3,871
Exercise of share options	(28,781)
Repurchase of shares of exercised share options (<i>Note (iv)</i>)	27,092
As at December 31, 2025	2,182

Notes:

- (i) On September 28, 2024, pursuant to the resolution of the Company’s shareholders’ meeting, the Company reduced the registered capital of RMB325,213,000 subscribed by Shanghai Saili Investment Partnership (Limited Partnership)* (上海賽立投資合夥企業(有限合夥)) (“Shanghai Saili”) and Shanghai Saixiang Enterprise Management Partnership (Limited Partnership)* (上海賽翔企業管理合夥企業(有限合夥)) (“Shanghai Saixiang”), which are employee stock ownership platforms established by the Company. The registered capital subscription of the remaining shareholders remained unchanged. Details of the employee incentive schemes are set out in Note 39 to the Historical Financial Information.
- (ii) On March 3, 2025, the Company was converted into a joint stock company with limited liability under the Company Law of the PRC. The net assets of the Company as at the conversion date of November 30, 2024, including paid-in capital, reserves and accumulated losses were converted into 2,840,826,912 shares with a nominal value of RMB1 each. The excess of net assets converted over nominal value of the ordinary shares was credited to the Company’s share premium.
- (iii) On July 16, 2025, as agreed among the Company and the shareholders of the Company, the Company entered into an equity adjustment agreement with all the then shareholders (the “Equity Adjustments Agreement”), pursuant to which the following steps of equity adjustments (the “Equity Adjustments”) have been made: (i) the Company converted its share premium of RMB363,684,000 into 363,684,398 shares allocated to certain shareholders other than those controlled by Alibaba Group, which was completed on July 16, 2025 (the “Share Conversion”), (ii) the

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Company repurchased 27,238,542 shares held by certain minority shareholders at a repurchase consideration of RMB167,601,000 and reduced its share capital of RMB27,239,000, which was completed on September 26, 2025 (the “Share Reduction”), and (iii) the relevant minority shareholders involved in step (ii) above subscribed 167,600,635 shares of the Company at the nominal value of RMB1 per share with the funds received in step (ii) above on September 28, 2025 (the “Share Subscription”).

- (iv) The movement of treasury stock represented the repurchased share capital/paid-in capital of the Company held by the employee stock ownership platforms, in respect of the exercised share options from the resigned employees, as disclosed in Note 39 to the Historical Financial Information. The Company expects to grant the share options to the employees of the Group under the employee stock option plan-II (the “ESOP II”) with all the outstanding treasury stock of 814,785 shares as at December 31, 2025 before the [REDACTED].
- (v) As disclosed in Note 39 to the Historical Financial Information, the Group repurchased 39,174,312 shares of the Company at nil consideration and was transferred 67,090,000 shares of the Company at nil consideration respectively from Hangzhou Haoyue Enterprise Management Co., Ltd. (杭州灝月企業管理有限公司) (“Hangzhou Haoyue”), one of the Company’s shareholders controlled by Alibaba Group, for the Group’s management and employee incentive schemes. Certain shares are treated as the treasury stock of the Company before the corresponding share options are exercised or restricted shares are vested.

38. RESERVES OF THE COMPANY

	Capital reserve	Share reserve	Other reserve	Share-based payment reserve	Accumulated losses	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
As at January 1, 2023	8,727,036	–	(406,250)	302,196	(3,735,726)	4,887,256
Loss and total comprehensive expense for the year	–	–	–	–	(589,649)	(589,649)
Capital contributions	592,936	–	–	–	–	592,936
Recognition of equity-settled share-based payments (Note 39)	–	–	–	83,192	–	83,192
Exercise of share options (Note 39)	37,491	–	–	(37,491)	–	–
Forfeit of share options (Note 39)	295	–	–	(295)	–	–
Lapse of share options (Note 39)	1,312	–	–	(1,312)	–	–
As at December 31, 2023	9,359,070	–	(406,250)	346,290	(4,325,375)	4,973,735
Loss and total comprehensive expense for the year	–	–	–	–	(1,752,092)	(1,752,092)
Capital contributions	5,838	–	–	–	–	5,838
Recognition of equity-settled share-based payments (Note 39)	–	–	–	90,127	–	90,127
Exercise of share options (Note 39)	41,677	–	–	(41,677)	–	–
Cancellation of share options (Note 39)	142,463	–	–	(142,463)	–	–
Forfeit of share options (Note 39)	95,275	–	–	(95,275)	–	–
Lapse of share options (Note 39)	8,853	–	–	(8,853)	–	–
As at December 31, 2024	9,653,176	–	(406,250)	148,149	(6,077,467)	3,317,608
Loss and total comprehensive expense for the year	–	–	–	–	(295,521)	(295,521)
Conversion into a joint stock company (Note 37)	(9,653,176)	3,790,524	–	(148,031)	6,010,683	–
Share Conversion (Note 37)	–	(363,684)	–	–	–	(363,684)
Share Reduction (Note 37)	–	(140,362)	–	–	–	(140,362)
Reclassification of redemption liabilities as equity (Note 33)	–	–	406,250	–	–	406,250
Recognition of equity-settled share-based payments (Note 39)	–	–	–	31,723	–	31,723
Exercise of share options (Note 39)	–	15,043	–	(15,043)	–	–
As at December 31, 2025	–	3,301,521	–	16,798	(362,305)	2,956,014

39. SHARE-BASED PAYMENT TRANSACTIONS

Equity-settled share option schemes of the Company

In order to attract, motivate and retain certain eligible directors and employees, the Company established eight employee stock ownership platforms, namely Shanghai Saili, Shanghai Saixiang, Shanghai Saicai Enterprise Management Partnership (Limited Partnership)* (上海賽才企業管理合夥企業(有限合夥))* (“Shanghai Saicai”), Shanghai Saimin Enterprise Management Partnership (Limited Partnership) (上海賽旻企業管理合夥企業(有限合夥))* (“Shanghai Saimin”), Shanghai Saishun Enterprise Management Partnership (Limited Partnership)* (上海賽舜企業管理合夥企業(有限合夥)),

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Shanghai Saiwu Enterprise Management Partnership (Limited Partnership)* (上海賽武企業管理合夥企業(有限合夥)), Shanghai Saichong Enterprise Management Partnership (Limited Partnership)* (上海賽重企業管理合夥企業(有限合夥)) and Shanghai Saishu Enterprise Management Partnership (Limited Partnership)* (上海賽蜀企業管理合夥企業(有限合夥)) (collectively referred to as “Employee Stock Ownership Platforms”) in 2015, 2020 and 2021 to subscribe the Company’s registered capital for implementation of employee incentive schemes of the Company. The Company have adopted two share option schemes since its establishment.

Employee stock option plan-I (the “ESOP I”)

The ESOP I was adopted pursuant to a resolution passed on February 22, 2018. Under the ESOP I, the directors of the Company may grant options to eligible employees, including directors of the Company and its subsidiaries, to indirectly hold the capital of the Company through Shanghai Saili, Shanghai Saicai and Shanghai Saimin. The total registered capital of the Company in respect of which options may be granted under the ESOP I shall not in aggregate exceed RMB111,108,000. The accumulated capital of the Company issued and to be issued in respect of which options granted and may be granted to any individual under the ESOP I shall not be permitted to exceed 1% of the total paid-in capital of the Company in issue at any point in time.

The exercise price is the highest of (a) the fair value at the grant date referred to the latest validated valuation, (b) subscription price of the most recent round of financing within one year, and (c) RMB1 for each RMB1 registered capital per option.

The vesting and exercise periods under the ESOP I (the “ESOP I Vesting Period”) are as follows:

- (i) 33% may be exercised at any time from two years from the date of grant of the share option to the fifth anniversary of the date of grant;
- (ii) 33% may be exercised at any time from three years from the date of grant of the share option to the fifth anniversary of the date of grant; and
- (iii) 34% may be exercised at any time from four years from the date of grant of the share option to the fifth anniversary of the date of grant.

The vesting of options is subject to the Company’s and the grantee’s performance. The options granted under the ESOP I expire in five years from the date of grant.

Employee stock option plan-II

The ESOP II was adopted pursuant to a resolution passed on May 12, 2021. Under the ESOP II, the directors of the Company may grant options to eligible employees, including directors of the Company and its subsidiaries, to indirectly hold the capital of the Company through the Employee Stock Ownership Platforms. Shanghai Saixiang subscribed 130,985,412 registered capital of the Company in November 2020 and then subscribed 124,983,258 registered capital of the Company in April 2023 for the ESOP II. In addition, the registered capital of the Company in respect of ungranted, forfeited and lapsed options under the ESOP I is also available for the grant under the ESOP II. The capital of the Company issued and to be issued in respect of which options granted and may be granted to any individual under the ESOP II shall be determined by the directors of the Company.

The special one-off exercise price of options granted in 2021 is RMB1.17 for each RMB1 registered capital per option, and the normal exercise price of options granted is the higher of (a) the discounted market fair value at the grant date determined by the directors of the Company, and (b) RMB5.85 for each RMB1 registered capital per option.

The vesting period of the options under the ESOP II granted shall be determined by the directors of the Company and stipulated in the grant agreement with each grantee, which are categorised into the following two types:

Type A (the “ESOP II Type A Vesting Period”):

- (i) 25% may be exercised at any time from one year from the date of grant of the share option to the eighth anniversary of the date of grant;
- (ii) 25% may be exercised at any time from two years from the date of grant of the share option to the eighth anniversary of the date of grant;
- (iii) 25% may be exercised at any time from three years from the date of grant of the share option to the eighth anniversary of the date of grant; and
- (iv) 25% may be exercised at any time from four years from the date of grant of the share option to the eighth anniversary of the date of grant.

Type B (the “ESOP II Type B Vesting Period”):

- (i) 50% may be exercised at any time from one year from the date of grant of the share option to the eighth anniversary of the date of grant;

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- (ii) 25% may be exercised at any time from two years from the date of grant of the share option to the eighth anniversary of the date of grant; and
- (iii) 25% may be exercised at any time from three years from the date of grant of the share option to the eighth anniversary of the date of grant.

Type C (the “ESOP II Type C Vesting Period”):

100% may be exercised at any time from the date of grant of the share option to the eighth anniversary of the date of grant.

The vesting of options is subject to the Company’s and the grantee’s performance. The options granted under the ESOP II expire in eight years from the date of grant.

Employee stock option plan-III (the “ESOP III”)

As approved by the Company’s shareholders on August 6, 2025, Hangzhou Haoyue transferred 67,090,000 shares of the Company to Shanghai Saixiang to adopt the ESOP III, which 67,090,000 shares, representing 2.01% of the total number of ordinary shares of the Company after the Equity Adjustments, shall be granted to the eligible employees of the Group identified by the board of the Company or its committee (the “Employee Grantees”). The vesting period of the ESOP III is four years from the vesting start date and 6.25% of share options may be exercised for each quarter during the vesting period. The exercise price for each share option is RMB0.01. The Employee Grantees shall comply with the vesting period and restriction requirements set forth in their grant agreements. The options granted under the ESOP III expire in five years from the grant date of corresponding options.

No share option under the ESOP III was granted by the Company during the Track Record Period. The Company granted all the share options under the ESOP III to the Employee Grantees on January 15, 2026.

Details of the outstanding options granted under the ESOP I and the ESOP II are as follows:

Share option plan	Grantee	Grant during The year of	Vesting period defined	Number of outstanding options granted		
				As at December 31,		
				2023	2024	2025
	(Note)					
ESOP I	Employees	2018	ESOP I Vesting Period	–	–	–
ESOP I	Employees	2019	ESOP I Vesting Period	3,613,638	–	–
ESOP I	Employees	2020	ESOP I Vesting Period	371,288	–	–
ESOP II	Supervisors*	2021	ESOP II Type A Vesting Period	319,850	–	–
ESOP II	Employees	2021	ESOP II Type A Vesting Period	65,631,450	–	–
ESOP II	Employees	2021	ESOP II Type B Vesting Period	15,215,000	–	–
ESOP II	Supervisors*	2022	ESOP II Type A Vesting Period	134,629	–	–
ESOP II	Employees	2022	ESOP II Type A Vesting Period	37,343,871	–	–
ESOP II	Employees	2022	ESOP II Type B Vesting Period	21,795,000	–	–
ESOP II	Employees	2023	ESOP II Type A Vesting Period	14,052,000	–	–
ESOP II	Employees	2023	ESOP II Type B Vesting Period	9,530,000	–	–
				<u>168,006,726</u>	<u>–</u>	<u>–</u>

* Certain employees were granted the share options in 2021 and 2022 and then were appointed as the supervisors of the Company in 2023.

On August 29, 2024, the Company passed a board resolution to cancel all the outstanding unexercised share options under the ESOP I and the ESOP II as at September 21, 2024. Then the Company reduced the Company’s registered capital by RMB325,213,000 subscribed by the Employee Stock Ownership Platforms, which was in respect of ungranted, forfeited, lapsed and cancelled share options under the ESOP I and the ESOP II. Acceleration of vesting of the options accounted for RMB47,025,000 of the Company’s registered capital, have been treated as immediately exercised in Shanghai Saili on the cancellation date and RMB62,259,000 of share-based payments expenses have been recognised regarding the acceleration of vesting of the options due to the cancellation of certain unexercised options under the ESOP I and the ESOP II.

In addition, the Employee Stock Ownership Platforms repurchased its partnership interests in respect of the exercised share options from the resigned employees during the years ended December 31, 2023, 2024 and 2025. These partnership interests in the Employee Stock Ownership Platforms were accounted for RMB712,000, RMB14,560,000 and

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RMB14,276,000 of the Company’s share capital and the aggregate consideration paid for the repurchases were RMB1,382,000, RMB29,395,000 and RMB27,092,000 during the years ended December 31, 2023, 2024 and 2025, respectively, of which RMB2,047,000 and RMB815,000 of the Company’s paid-in capital/share capital repurchased at consideration of RMB3,871,000 and RMB2,182,000 were repurchased after the net proceeds from the exercise of the share options are injected into the Company during the year ended December 31, 2024 and 2025 respectively, which were recorded as treasury stock as set out in Note 37 to the Historical Financial Information.

Since the Company controls the Employee Stock Ownership Platforms, the assets and liabilities of the Employee Stock Ownership Platforms are consolidated into the Group’s consolidated statements of financial position.

The following table discloses movements of the outstanding share options under the ESOP I and the ESOP II during the Track Record Period:

	Number of share options	Weighted average exercise price	Weighted average grant date fair value	Weighted average remaining contractual life
		RMB	RMB	Years
Outstanding as at January 1, 2023	180,616,873	4.66	2.89	4.80
Granted	23,582,000	5.85	3.34	
Exercised	(8,856,994)	1.18	4.23	
Forfeited	(26,810,446)	4.38	2.63	
Lapsed	(524,707)	5.85	2.50	
Outstanding as at December 31, 2023	168,006,726	5.05	2.87	4.52
Exercised	(15,878,857)	1.85	2.62	
Cancelled	(47,024,500)	5.16	3.03	
Forfeited	(101,556,360)	5.38	2.89	
Lapsed	(3,547,009)	5.85	2.50	
Outstanding as at December 31, 2024	—	—	—	—
Granted	15,508,288	2.32	0.97	
Exercised	(15,508,288)	2.32	0.97	
Outstanding as at December 31, 2025	—	—	—	—

Fair value of share options granted

For share options granted during the years ended December 31, 2023 and 2025, the weighted average fair value of those options at the grant date was RMB3.34 and RMB0.97 respectively. No share option was granted by the Company during the year ended December 31, 2024.

The Company applies the Black-Scholes pricing model in determining the fair value of the share options. The key assumptions used to estimate the fair value of the share options granted during the years ended December 31, 2023 and 2025 are as follows:

	Year ended December 31,	
	2023	2025
Fair value for each RMB1 registered capital/share capital at the grant date	RMB6.54	RMB3.29
Exercise price	RMB5.85	RMB2.32
Expected volatility	28.59%-28.85%	63%
Expected life	5.26-5.38 years	1 day
Risk-free rate	2.47%-2.63%	1.54%
Expected dividend yield	0.00%	0.00%

The directors of the Company estimated the risk-free interest rate based on the yield of the China Corporate Bonds with a maturity life close to the option life of the share options. Volatility was estimated at grant date based on average of historical volatilities of the comparable companies with length commensurable to the time to maturity of the share options. Expected dividend yield is based on management estimation at the grant date.

The Group shall estimate the forfeiture rate of the ESOP I and the ESOP II based on comprehensive consideration of expected retention rate and the possibility of achievement of relevant performance conditions of each eligible grantee in order to determine the amount of share-based payment expenses charged to the consolidated statements of profit or loss and other comprehensive income. As at 31 December 2023, 2024 and 2025, the average forfeiture rate were assessed as 21%, 21% and 0%, respectively.

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Equity-settled restricted share scheme of the Company

Management restricted share scheme (the “Management RSU Scheme”)

In order to attract, motivate and retain certain core management personnel who have made significant contributions to the Group’s development, as well as other eligible candidates identified by the board of the Company or its committee (the “Management Grantees”), the Company’s shareholders passed a resolution on September 28, 2025, pursuant to which the Company repurchased its 39,174,312 shares from Hangzhou Haoyue to adopt the Management RSU Scheme, which 39,174,312 restricted shares, representing 1.17% of the total number of ordinary shares of the Company after the Equity Adjustments, shall be granted to the Management Grantees. The Management RSU Scheme will expire on September 27, 2035.

On September 28, 2025, all the restricted shares under the Management RSU Scheme had been granted to the Management Grantees. The subscription price for each restricted share is RMB0.01 with a contingent consideration related to the [REDACTED].

Pursuant to the Management RSU Scheme, before the [REDACTED], the granted restricted share shall be vested in four tranches: (i) 25% vested on the first anniversary of the date of grant; (ii) 25% vested on the second anniversary of the date of grant; (iii) 25% vested on the third anniversary of the date of grant; and (iv) 25% vested on the fourth anniversary of the date of grant. All the unvested restricted shares shall be vested immediately upon the [REDACTED]. If the grantees terminate their labor relationships with the Group within the vesting period, the Company or a third party designated by the Company shall buy back the unvested restricted shares at nil consideration.

Details of the unvested restricted shares as at December 31, 2025 under the Management RSU Scheme are as follows:

Grant date	Amount of share capital	Grantee
	RMB’000	
September 28, 2025	13,500	Directors
September 28, 2025	25,674	Senior managements
	39,174	

The following table discloses the movement of the unvested restricted shares under the Management RSU Scheme during the Track Record Period:

	Unvested restricted shares	Weighted average grant date fair value per share
	’000	RMB
As at January 1, 2025	—	
Granted.	39,174	3.28
As at December 31, 2025	39,174	3.28

Fair value of restricted shares granted

The Group used discounted cash flow model to determine the underlying equity fair value of the Company. The fair value of restricted shares granted at grant date was determined to be RMB3.28 per RMB1 share capital, by referring to the equity fair value amounted RMB3.29 per share of the Company and the purchase price of the restricted share of RMB0.01 per share and the fair value of the contingent consideration. The foresaid fair value of restricted shares at date of grant was valued by directors of the Company.

Share-based payment expenses for the share options and restricted shares

The Group recognised the expenses of RMB79,524,000, RMB88,384,000 and RMB32,433,000 for the years ended December 31, 2023, 2024 and 2025 respectively, in relation to share options and restricted shares granted by the Company under the ESOP I, the ESOP II and the Management RSU Scheme.

With respect to employees transferred to the Group from Alibaba Group in the acquisition of Banma Hangzhou as disclosed in Note 1 to the Historical Financial Information, the fair value of Alibaba Group’s restricted share units granted to them by Alibaba Group is measured based on the closing price of Alibaba Group’s shares on the relevant grant date. The Company receives services from the employees while Alibaba Group has the obligation to settle the share-based payment transaction, proportional to the service period of such employees within the Company, at the time of vesting of the restricted share units. The vesting period of certain restricted share units granted by Alibaba Group is from 3 to 5 years. No director or supervisor of the Group had been granted certain restricted share units by Alibaba Group. For the years ended December 31, 2023, 2024 and 2025, the Group recognised RMB4,975,000, RMB1,895,000 and reversed RMB696,000 of share-based payment expenses in relation to the restricted share units granted by Alibaba Group respectively.

The total share-based payment expenses in relation to the restricted shares granted by Alibaba Group and the share options and restricted shares granted by the Company recognised for the Track Record Period are as follows:

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	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Research and development expenses	52,231	59,587	3,086
Cost of sales.	7,117	8,585	155
Administrative expenses	13,542	10,324	17,591
Selling expenses	11,609	11,783	10,905
	<u>84,499</u>	<u>90,279</u>	<u>31,737</u>

40. RELATED PARTY TRANSACTIONS

(i) The relationships with related parties during the Track Record Period

During the Track Record Period, other than the subsidiaries of the Company, the Group and the Company mainly have the transaction and balances with the affiliates of Alibaba Group and Shanghai Automotive Industry (Group) Co., Ltd. (“SAIC Group”). The counterparties with below natures of relationship constitute the related parties of the Group during the Track Record Period:

- Alibaba Group;
- Subsidiaries of Alibaba Group;
- Associates of Alibaba Group (*Note*);
- Subsidiaries of SAIC Group;
- Joint ventures of SAIC Group;

Note: As disclosed in Note 1 to the Historical Financial Information, Alibaba Group has not been the ultimate holding company of the Company since December 27, 2024, the associates of Alibaba Group has no longer been the related parties of the Company onwards.

- (ii) Other than as disclosed in Note 39 to the Historical Financial Information, the Group had the following transactions with its related parties during the Track Record Period.

Sales of goods and rendering of services

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Subsidiaries of Alibaba Group	9,405	6,729	9,518
Associates of Alibaba Group	16	3	N/A
Subsidiaries of SAIC Group.	413,296	319,334	337,688
Joint ventures of SAIC Group.	162,975	179,407	140,226
	<u>585,692</u>	<u>505,473</u>	<u>487,432</u>

Purchase of goods and receipt of services

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Subsidiaries of Alibaba Group	249,815	220,136	167,453
Associates of Alibaba Group	13,096	2,224	N/A
Subsidiaries of SAIC Group.	12,021	13,564	1,345
Joint ventures of SAIC Group.	167	—	265
	<u>275,099</u>	<u>235,924</u>	<u>169,063</u>

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Receipt of services of software development services and other services

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Subsidiaries of Alibaba Group	31,006	36,796	46,676
Associates of Alibaba Group	155	344	N/A
Subsidiaries of SAIC Group	51	173	75
	<u>31,212</u>	<u>37,313</u>	<u>46,751</u>

- (iii) Other than as disclosed in Notes 21 and 27 to the Historical Financial Information, the Group and the Company had balances with related parties, which are all interest-free and unsecured at the end of the Track Record Period, as follows:

The Group

Trade receivables

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Subsidiaries of Alibaba Group	6,630	5,218	7,984
Associates of Alibaba Group	22	N/A	N/A
Subsidiaries of SAIC Group	227,737	197,410	245,323
Joint ventures of SAIC Group	53,778	96,484	52,678
	<u>288,167</u>	<u>299,112</u>	<u>305,985</u>

Prepayments and other receivables

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Subsidiaries of Alibaba Group	1,537	3,837	6,127
Associates of Alibaba Group	63	N/A	N/A
Subsidiaries of SAIC Group	4,666	7	343
	<u>6,266</u>	<u>3,844</u>	<u>6,470</u>

Bills receivables at FVTOCI

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
A subsidiary of SAIC Group	6,122	13,214	5,995
	<u>6,122</u>	<u>13,214</u>	<u>5,995</u>

Trade and other payables

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Subsidiaries of Alibaba Group	374,721	361,138	200,843
Associates of Alibaba Group	8,605	N/A	N/A
Subsidiaries of SAIC Group	10,784	7,764	5,518
Joint ventures of SAIC Group	–	–	265
	<u>394,110</u>	<u>368,902</u>	<u>206,626</u>

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Contract liabilities

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Subsidiaries of Alibaba Group	315	315	479
Subsidiaries of SAIC Group	3,818	26,009	20,861
	<u>4,133</u>	<u>26,324</u>	<u>21,340</u>

The Company

Trade receivables

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Subsidiaries of the Company	3,799	3,896	—
Subsidiaries of Alibaba Group	6,470	5,048	7,829
Associates of Alibaba Group	22	N/A	N/A
Subsidiaries of SAIC Group	212,966	187,967	235,387
Joint ventures of SAIC Group	53,778	96,484	52,678
	<u>277,035</u>	<u>293,395</u>	<u>295,894</u>

Prepayments and other receivables

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Subsidiaries of Alibaba Group	1,040	1,297	4,769
Associates of Alibaba Group	291	N/A	N/A
Subsidiaries of SAIC Group	2	2	339
	<u>1,333</u>	<u>1,299</u>	<u>5,108</u>

Bills receivables at FVTOCI

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
A subsidiary of SAIC Group	6,122	9,533	5,995
	<u>6,122</u>	<u>9,533</u>	<u>5,995</u>

Amounts due from subsidiaries

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Subsidiaries of the Company (Note)	338,266	655,191	922,681
	<u>338,266</u>	<u>655,191</u>	<u>922,681</u>

Note: All of the amounts due from subsidiaries are non-traded related and repayable on demand.

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Trade and other payables

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Subsidiaries of the Company	96,030	321,336	204,909
Subsidiaries of Alibaba Group	355,418	340,278	190,014
Associates of Alibaba Group	716	N/A	N/A
Subsidiaries of SAIC Group	1,150	1,474	112
Joint ventures of SAIC Group	–	–	265
	<u>453,314</u>	<u>663,088</u>	<u>395,300</u>

Amounts due to subsidiaries

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Subsidiaries of the Company (Note)	<u>4,894</u>	<u>2,723</u>	<u>12,229</u>

Note: All of the amounts due to subsidiaries are non-traded related and repayable on demand.

Contract liabilities

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Subsidiaries of Alibaba Group	315	315	273
Subsidiaries of SAIC Group	<u>28,749</u>	<u>25,226</u>	<u>19,670</u>
	<u>29,064</u>	<u>25,541</u>	<u>19,943</u>

(iv) Compensation of key management personnel

The remuneration of directors and supervisors of the Company and other members of key management was as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Salaries and other benefits	5,683	11,987	19,741
Retirement benefits scheme contribution	195	462	687
Discretionary bonus	587	3,518	5,073
Share-based payments expenses	<u>13,470</u>	<u>927</u>	<u>22,400</u>
	<u>19,935</u>	<u>16,894</u>	<u>47,901</u>

41. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to investors through the optimisation of the debt and equity balance. The Group’s overall strategy remains unchanged throughout the Track Record Period.

The capital structure of the Group consists of net debts, which includes borrowings disclosed in Note 32, redemption liabilities disclosed in Note 33 and lease liabilities disclosed in Note 34, net of cash and cash equivalents, restricted bank deposits and term deposits disclosed in Note 29 and total equity comprising paid-in capital, treasury stock and reserves.

The management of the Group reviews the capital structure regularly. As part of this review, the management of the Group considers the cost of capital. Based on recommendation of the management of the Group, the Group will balance its overall capital structure through the new share issues, or issue of new debt, or the redemption of existing debt.

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42. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
<u>Financial assets</u>			
Amortised cost	3,375,255	1,326,827	1,963,731
Financial assets at FVTPL	–	1,598,464	60,037
Bills receivables at FVTOCI	35,408	38,513	9,052
	<u> </u>	<u> </u>	<u> </u>
<u>Financial liabilities</u>			
Amortised cost	1,565,974	1,644,745	1,086,218
	<u> </u>	<u> </u>	<u> </u>

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
<u>Financial assets</u>			
Amortised cost	3,657,776	1,939,411	2,541,112
Financial assets at FVTPL	–	1,598,464	60,037
Bills receivables at FVTOCI	35,354	34,832	8,548
	<u> </u>	<u> </u>	<u> </u>
<u>Financial liabilities</u>			
Amortised cost	1,607,004	1,899,813	793,696
	<u> </u>	<u> </u>	<u> </u>

(b) Financial risk management objectives and policies

The Group’s major financial instruments include trade receivables, other receivables and deposits, bank balances, other demand deposits, restricted bank deposits, term deposits, financial assets at FVTPL, bills receivables at FVTOCI, trade and other payables, redemption liabilities and borrowings. The Company’s major financial instruments include trade receivables, other receivables and deposits, amounts due from subsidiaries, bank balances, other demand deposits, restricted bank deposits, term deposits, financial assets at FVTPL, bills receivables at FVTOCI, trade and other payables, amounts due to subsidiaries, redemption liabilities and borrowings. Details of these financial assets and liabilities are disclosed in respective notes.

The risks associated with the financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

The Group’s and the Company’s activities expose it primarily to currency risk and interest rate risk. There has been no change in the Group’s and the Company’s exposure to these risks or the manner in which it manages and measures the risks.

(i) Currency risk

The Company and certain subsidiaries of the Company have foreign currency payments for license fee which are exposed to foreign currency risk. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

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The carrying amounts of the Group’s and the Company’s foreign currencies denominated monetary assets and liabilities at the end of the Track Record Period are as follows:

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Liabilities			
USD	22,257	17,346	344
EUR	42	2	21
HKD	—	—	5
	<u> </u>	<u> </u>	<u> </u>

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Liabilities			
USD	22,161	17,346	344
EUR	42	2	21
HKD	—	—	5
	<u> </u>	<u> </u>	<u> </u>

Sensitivity analysis

The following table details the Group’s sensitivity to a 5% increase and decrease in RMB against the relevant foreign currencies, the foreign currencies with which the Group may have a material exposure. 5% represents management’s assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis uses outstanding foreign currencies denominated monetary items as a base and adjusts their translation at the end of each reporting period for a 5% change in foreign currency rates. A negative number below indicates a decrease in profit where RMB strengthens 5% against the relevant foreign currencies. For a 5% weakening of RMB against the relevant foreign currencies, there would be an equal and opposite impact on the profit for the respective years.

	As at December 31		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Profit or loss	<u>1,115</u>	<u>867</u>	<u>19</u>

(ii) Interest rate risk

The Group and the Company are primarily exposed to fair value interest rate risk in relation to term deposits (Note 29), trade and other payables (Note 30), lease liabilities (Note 34) and cash flow interest rate risk in relation to variable-rate bank borrowings (Note 32) and bank balances, other demand deposits and restricted bank deposits (Note 29). The Group currently does not have an interest rate hedging policy to mitigate interest rate risk; nevertheless, the management monitors interest rate exposure and will consider hedging significant interest rate risk should the need arise.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates at the end of the Track Record Period. The analysis is prepared assuming the financial instruments outstanding at the end of Track Record Period were outstanding for the whole year. A 50 basis point increase or decrease in variable-rate bank borrowings are used which represents management’s assessment of the reasonably possible change in interest rates. Cash and cash equivalents are excluded from sensitivity analysis as the management considers that the exposure of cash flow interest rate risk arising from variable-rate bank balances is insignificant.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group’s loss for the years ended December 31, 2023, 2024 and 2025 would increase/decrease by RMB3,486,000, RMB3,833,000 and RMB1,593,000. This is mainly attributable to the Group’s and the Company’s exposure to interest rates on its variable-rate bank borrowings.

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Credit risk and impairment assessment

Credit risk refers to the risk that the Group’s and the Company’s counterparties default on their contractual obligations resulting in financial losses to the Group and the Company. The Group’s and the Company’s credit risk exposures are primarily attributable to trade receivables, other receivables and deposits, bills receivables at FVTOCI, contract assets, amounts due from subsidiaries, bank balances, other demand deposits, restricted bank deposits and term deposits. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

Trade receivables and contract assets arising from contracts with customers

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In this regard, the management of the Group consider that the Group’s credit risk is significantly reduced.

The Group and the Company perform impairment assessment under ECL model on trade receivable and contract assets balances individually and collectively. Except for trade receivables from subsidiaries and items that are subject to individual evaluation, which are assessed for impairment individually, the remaining trade receivables and contract assets balances are assessed collectively by using a provision matrix, estimated based on debtors’ aging because these customers consist of a large number of customers with common risk characteristics that are representative of the customers’ abilities to pay all amounts due in accordance with the contractual terms.

The Group’s concentration of credit risk for 54.05%, 46.33% and 47.62% of the total trade receivables was due from subsidiaries of SAIC Group as at December 31, 2023, 2024 and 2025, respectively. The Company’s concentration of credit risk for 54.20%, 47.34% and 52.22% of the total trade receivables was due from subsidiaries of SAIC Group as at December 31, 2023, 2024 and 2025, respectively.

Other receivables and deposits

For other receivables and deposits, the management makes periodic individual assessment on the recoverability of other receivables and deposits based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The management believes that there is no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12m ECL.

Bills receivables at FVTOCI

The credit risk on bills receivables at FVTOCI is limited because the counterparties are banks and SAIC Finance, which is a qualified financial institution and these banks and SAIC Finance are with high credit-ratings assigned by credit rating agencies. Loss allowance for bills receivables at FVTOCI is measured at an amount equal to 12m ECL. In the view of the directors of the Company, the credit risk of bills receivables at FVTOCI is insignificant and no impairment was provided on them at the end of each reporting period.

Amounts due from subsidiaries

The ECL on amounts due from subsidiaries are assessed individually based on the probability of defaults of amounts due from subsidiaries, the management has taken into account the financial position of the counterparties as well as forward looking information that is available without undue cost or effort. The management believes that there is no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12m ECL.

Bank balances, other demand deposits, restricted bank deposits and term deposits

The credit risk on bank balances, other demand deposits, restricted bank deposits and term deposits is limited because the counterparties are banks and financial institution with high credit ratings assigned by international credit-rating agencies.

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The tables below detail the credit risk exposures of the Group’s and the Company’s financial assets and contract assets, which are subject to ECL assessment:

			Gross carrying amounts					
			The Group			The Company		
			As at December 31,			As at December 31,		
Notes	12m or lifetime ECL		2023	2024	2025	2023	2024	2025
			RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets at amortised cost								
Trade receivables	22	Lifetime ECL-not credit-impaired (collectively assessed)	411,238	411,815	495,145	382,722	383,750	440,108
		Lifetime ECL-not credit-impaired (individually assessed)	—	—	—	3,799	3,896	—
		Lifetime ECL- credit-impaired (individually assessed)	10,104	14,258	19,995	6,391	9,426	10,678
Other receivables and deposits	23	12m ECL	8,374	7,407	48,154	3,686	837	3,974
Amounts due from subsidiaries	40(iii)	12m ECL	N/A	N/A	N/A	338,266	655,191	922,681
Term deposits	29	12m ECL	—	811,146	520,436	—	811,146	520,436
Restricted bank deposits .	29	12m ECL	—	15,559	20,490	—	15,559	20,490
Bank balances and other demand deposits . . .	29	12m ECL	2,971,114	104,197	897,599	2,944,346	89,615	649,890
Financial assets at FVTOCI								
Bills receivables at FVTOCI	27	12m ECL	35,408	38,513	9,052	35,354	34,832	8,548
Other item								
Contract assets	24	Lifetime ECL-not credit-impaired (collectively assessed)	973	2,553	8,883	304	1,547	4,773
		Lifetime ECL- credit-impaired (individually assessed)	—	180	180	—	180	180

Provision matrix—debtors’ ageing

As part of the Group’s and the Company’s credit risk management, except for the debtors’ balances assessed individually, the Group and the Company use debtors’ ageing to assess the impairment for its customers in relation to its operation because these customers have common risk characteristics that are representative of the customers’ abilities to pay all amounts due in accordance with the contractual terms.

The Group

The following table provides information about the exposure to credit risk for trade receivables of the Group which are assessed based on provision matrix as at December 31, 2023, 2024 and 2025 within lifetime ECL. Trade receivables with credit-impaired with gross carrying amounts of approximately RMB10,104,000, RMB14,258,000 and RMB19,995,000 as at December 31, 2023, 2024 and 2025 were assessed individually by the Group. The average loss rate of the contract assets assessed collectively by the Group are with reference to the average loss rate of trade receivables as at December 31, 2023, 2024 and 2025 within lifetime ECL. Contract assets with credit-impaired with gross carrying amounts of approximately nil, RMB180,000 and RMB180,000 as at December 31, 2023, 2024 and 2025 were assessed individually by the Group.

	Gross carrying amount		
	Average loss rate	Trade receivables	Contract assets
		RMB’000	RMB’000
As at December 31, 2023			
Within 3 months	0.95%	310,981	669
4 to 6 months	3.68%	28,360	78
7 to 9 months	7.81%	15,634	–
10 to 12 months	10.40%	10,728	46
13 to 15 months	19.12%	43,095	180
16 to 18 months	27.39%	91	–

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	Gross carrying amount		
	Average loss rate	Trade receivables	Contract assets
		RMB'000	RMB'000
19 to 21 months.	37.46%	2,349	–
		411,238	973

	Gross carrying amount		
	Average loss rate	Trade receivables	Contract assets
		RMB'000	RMB'000
As at December 31, 2024			
Within 3 months	1.35%	291,750	1,233
4 to 6 months	4.42%	55,123	316
7 to 9 months	9.25%	7,035	335
10 to 12 months.	12.35%	559	–
13 to 15 months.	21.08%	34,783	669
16 to 18 months.	30.84%	9,728	–
19 to 21 months.	41.21%	9,873	–
22 to 24 months.	60.83%	2,964	–
		411,815	2,553

	Gross carrying amount		
	Average loss rate	Trade receivables	Contract assets
		RMB'000	RMB'000
As at December 31, 2025			
Within 3 months	1.61%	382,457	2,807
4 to 6 months	4.98%	51,757	2,941
7 to 9 months	10.18%	37,380	–
10 to 12 months.	14.14%	9,762	1,161
13 to 15 months.	24.14%	9,314	1,974
16 to 18 months.	34.45%	1,902	–
19 to 21 months.	46.50%	2,128	–
22 to 24 months.	66.92%	445	–
		495,145	8,883

The Company

The following table provides information about the exposure to credit risk for trade receivables of the Company which are assessed based on provision matrix as at December 31, 2023, 2024 and 2025 within lifetime ECL. Trade receivable from subsidiaries with different credit risk characteristics of RMB3,799,000, RMB3,896,000 and nil as at December 31, 2023, 2024 and 2025 were assessed individually by the Company. Trade receivables with credit-impaired with gross carrying amounts of approximately RMB6,391,000, RMB9,426,000 and RMB10,678,000 as at December 31, 2023, 2024 and 2025 were assessed individually by the Company. The average loss rate of the contract assets assessed collectively by the Company are with reference to the average loss rate of trade receivables as at December 31, 2023, 2024 and 2025 within lifetime ECL. Contract assets with credit-impaired with gross carrying amounts of approximately nil, RMB180,000 and RMB180,000 as at December 31, 2023, 2024 and 2025 were assessed individually by the Company.

	Gross carrying amount		
	Average loss rate	Trade receivables	Contract assets
		RMB'000	RMB'000
As at December 31, 2023			
Within 3 months	0.95%	286,684	–
4 to 6 months	3.68%	24,667	78
7 to 9 months	7.81%	15,306	–
10 to 12 months.	10.40%	10,707	46
13 to 15 months.	19.12%	42,918	180
16 to 18 months.	27.39%	91	–
19 to 21 months.	37.46%	2,349	–
		382,722	304

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	Gross carrying amount		
	Average loss rate	Trade receivables	Contract assets
		RMB'000	RMB'000
As at December 31, 2024			
Within 3 months	1.35%	274,702	1,230
4 to 6 months	4.42%	54,185	317
7 to 9 months	9.25%	6,985	–
10 to 12 months.	12.35%	498	–
13 to 15 months.	21.08%	28,168	–
16 to 18 months.	30.84%	6,382	–
19 to 21 months.	41.21%	9,866	–
22 to 24 months.	60.83%	2,964	–
		<u>383,750</u>	<u>1,547</u>

	Gross carrying amount		
	Average loss rate	Trade receivables	Contract assets
		RMB'000	RMB'000
As at December 31, 2025			
Within 3 months	1.61%	334,093	2,799
4 to 6 months	4.98%	49,944	–
7 to 9 months	10.18%	35,240	–
10 to 12 months.	14.14%	9,420	–
13 to 15 months.	24.14%	7,026	1,974
16 to 18 months.	34.45%	1,888	–
19 to 21 months.	46.50%	2,052	–
22 to 24 months.	66.92%	445	–
		<u>440,108</u>	<u>4,773</u>

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort.

The following table shows the movement in lifetime ECL that has been recognised for trade receivables and contract assets under the simplified approach.

The Group

	Lifetime ECL-not credit-impaired	Lifetime ECL credit- impaired	Total
	RMB'000	RMB'000	RMB'000
As at January 1, 2023	11,974	11,620	23,594
– Transfer to credit-impaired	(847)	847	–
– Impairment losses recognised, net of reversal	<u>4,392</u>	<u>(2,363)</u>	<u>2,029</u>
As at December 31, 2023	15,519	10,104	25,623
– Transfer to credit-impaired	(947)	947	–
– Impairment losses recognised, net of reversal	<u>8,928</u>	<u>3,387</u>	<u>12,315</u>
As at December 31, 2024	23,500	14,438	37,938
– Transfer to credit-impaired	(2,803)	2,803	–
– Impairment losses recognised, net of reversal	<u>(1,772)</u>	<u>8,732</u>	<u>6,960</u>
– Bad debt written off	<u>–</u>	<u>(5,798)</u>	<u>(5,798)</u>
As at December 31, 2025	<u>18,925</u>	<u>20,175</u>	<u>39,100</u>

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The Company

	Lifetime ECL-not credit-impaired	Lifetime ECL credit- impaired	Total
	RMB'000	RMB'000	RMB'000
As at January 1, 2023	11,904	11,467	23,371
– Transfer to credit-impaired	(847)	847	–
– Impairment losses recognised, net of reversal	4,028	(5,923)	(1,895)
As at December 31, 2023	15,085	6,391	21,476
– Transfer to credit-impaired	(946)	946	–
– Impairment losses recognised, net of reversal	6,475	2,269	8,744
As at December 31, 2024	20,614	9,606	30,220
– Transfer to credit-impaired	(2,050)	2,050	–
– Impairment losses recognised, net of reversal	(1,575)	5,000	3,425
– Bad debt written off	–	(5,798)	(5,798)
As at December 31, 2025	16,989	10,858	27,847

Liquidity risk

In the management of the liquidity risk, the Group and the Company monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group’s and the Company’s operations and mitigate the effects of fluctuations in cash flows. The management of the Group monitors the utilisations of bank borrowings and rely on increasing of paid-in capital as significant sources of liquidity.

The following table details the Group’s and the Company’s remaining contractual maturity for its financial liabilities and lease liabilities based on agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived based on management’s best estimates at the end of the reporting period, taking into consideration interest rate curve, if available.

The Group

	Weighted average effective interest rate	Within 1 year and on demand	1 to 2 years	2 to 5 years	Over 5 years	Total	Carrying amount
	%	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at December 31, 2023							
Trade and other payables	–	462,436	–	–	–	462,436	462,436
Borrowings	3.16	220,315	269,930	245,470	–	735,715	697,288
Redemption liabilities	–	–	406,250	–	–	406,250	406,250
Lease liabilities	3.62	7,442	7,064	14,661	3,104	32,271	29,374
		690,193	683,244	260,131	3,104	1,636,672	1,595,348

	Weighted average effective interest rate	Within 1 year and on demand	1 to 2 years	2 to 5 years	Over 5 years	Total	Carrying amount
	%	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at December 31, 2024							
Trade and other payables	–	471,805	–	–	–	471,805	471,805
Borrowings	2.94	337,927	387,248	72,438	–	797,613	766,690
Redemption Liabilities	–	406,250	–	–	–	406,250	406,250
Lease liabilities	3.38	19,714	20,310	46,668	11,205	97,897	88,800
		1,235,696	407,558	119,106	11,205	1,773,565	1,733,545

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	Weighted average effective interest rate	Within 1 year and on demand	1 to 2 years	2 to 5 years	Over 5 years	Total	Carrying amount
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at December 31, 2025							
Trade and other payables	–	548,668	104,150	190,942	–	843,760	767,553
Borrowings	2.47	241,911	74,037	12,984	–	328,932	318,665
Lease liabilities	3.34	23,219	19,348	28,976	8,079	79,622	72,966
		<u>813,798</u>	<u>197,535</u>	<u>232,902</u>	<u>8,079</u>	<u>1,252,314</u>	<u>1,159,184</u>

The Company

	Weighted average effective interest rate	Within 1 year and on demand	1 to 2 years	2 to 5 years	Over 5 years	Total	Carrying amount
	%	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at December 31, 2023							
Trade and other payables	–	498,572	–	–	–	498,572	498,572
Borrowings	3.16	220,315	269,930	245,470	–	735,715	697,288
Amounts due to subsidiaries	–	4,894	–	–	–	4,894	4,894
Redemption liabilities	–	–	406,250	–	–	406,250	406,250
Lease liabilities	3.80	85	–	–	–	85	82
		<u>723,866</u>	<u>676,180</u>	<u>245,470</u>	<u>–</u>	<u>1,645,516</u>	<u>1,607,086</u>

	Weighted average effective interest rate	Within 1 year and on demand	1 to 2 years	2 to 5 years	Over 5 years	Total	Carrying amount
	%	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at December 31, 2024							
Trade and other payables	–	724,150	–	–	–	724,150	724,150
Borrowings	2.94	337,927	387,248	72,438	–	797,613	766,690
Amounts due to subsidiaries	–	2,723	–	–	–	2,723	2,723
Redemption liabilities	–	406,250	–	–	–	406,250	406,250
Lease liabilities	3.35	12,621	15,271	37,588	–	65,480	57,136
		<u>1,483,671</u>	<u>402,519</u>	<u>110,026</u>	<u>–</u>	<u>1,996,216</u>	<u>1,956,949</u>

	Weighted average effective interest rate	Within 1 year and on demand	1 to 2 years	2 to 5 years	Over 5 years	Total	Carrying amount
	%	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at December 31, 2025							
Trade and other payables	–	462,802	–	–	–	462,802	462,802
Borrowings	2.47	241,911	74,037	12,984	–	328,932	318,665
Amounts due to subsidiaries	–	12,229	–	–	–	12,229	12,229
Lease liabilities	3.35	14,443	14,367	18,687	–	47,497	43,863
		<u>731,385</u>	<u>88,404</u>	<u>31,671</u>	<u>–</u>	<u>851,460</u>	<u>837,559</u>

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(c) Fair value measurements of financial instruments

Some of the Group’s financial instruments are measured at fair value for financial reporting purposes. The Group’s finance department headed by the chief financial officer is responsible for determining the policies and procedures for the fair value measurement of financial instruments.

In estimating the fair value, the Group uses market-observable data to the extent it is available.

Fair values are categorised into different fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3 fair value measurements are those derived from valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable (significant unobservable input).

(i) Fair value of the Group’s financial assets that are measured at fair value on a recurring basis

Some of the Group’s and the Company’s financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

The Group

		Fair value as at				
		December 31,				
	Notes	2023	2024	2025	Fair value hierarchy	Valuation techniques and key inputs
		RMB'000	RMB'000	RMB'000		
Financial assets						
Structured deposits at FVTPL	26	–	1,598,464	60,037	Level 2	Discounted cash flow method. Future cash flows are estimated based on expected return and discount rate observed in the available market.
Bills receivables at FVTOCI	27	35,408	38,513	9,052	Level 2	Discounted cash flow method. Future cash flows are estimated based on discount rate observed in the available market.

The Company

		Fair value as at				
		December 31,				
Notes	2023	2024	2025	Fair value hierarchy	Valuation techniques and key inputs	
	RMB'000	RMB'000	RMB'000			
Financial assets						
Structured deposits at FVTPL	26	–	1,598,464	60,037	Level 2	Discounted cash flow method. Future cash flows are estimated based on expected return and discount rate observed in the available market.

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	Notes	Fair value as at			Fair value hierarchy	Valuation techniques and key inputs
		December 31,				
		2023	2024	2025		
		RMB'000	RMB'000	RMB'000		
Bills receivables at FVTOCI	27	35,354	34,832	8,548	Level 2	Discounted cash flow method. Future cash flows are estimated based on discount rate observed in the available market.

There were no transfers between Level 1 and Level 2 during the Track Record Period.

- (ii) ***Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required)***

The directors of the Company consider that the carrying amounts of the Group’s and the Company’s financial assets and financial liabilities recorded at amortised cost in the Historical Financial Information approximate their fair values.

43. RETIREMENT BENEFIT PLANS

The employees of the Group in the PRC are members of the state-sponsored retirement benefit scheme organised by the relevant local government authority in the PRC. The PRC entities are required to contribute, based on a certain percentage of the payroll costs of their employees, to the retirement benefit scheme and have no further obligations for the actual payment of pensions or post-retirement benefits beyond the annual contributions. The total amount provided by the Group to the scheme in the PRC and charged to profit or loss are RMB83,857,000, RMB73,713,000 and RMB52,923,000 for the years ended December 31, 2023, 2024 and 2025 respectively.

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44. PARTICULARS OF SUBSIDIARIES

During the Track Record Period and as at the date of this report, the Company has direct equity interests in the following subsidiaries:

Name of subsidiaries	Place/country and date of establishment/incorporation	Issued and fully paid-in/registered capital				Equity interest attributable to the Company			
		As at December 31,		As at the date of this report		As at December 31,		As at the date of this report	
		2023	2024	2025	As at the date of this report	2023	2024	2025	Principal activities
北京銘元信互聯網絡技術有限公司 Beijing Diyuixin Internet Data Technology Co., Ltd.* (Note (i))	The PRC/February 28, 2007	RMB16,600,000/ RMB16,600,000	RMB16,600,000/ RMB16,600,000	RMB16,600,000/ RMB16,600,000	[RMB16,600,000/ RMB16,600,000]	100%	100%	100%	100% Technology development, technology consulting, etc.
班馬信息科技有限公司 Bama Information Technology Co., Ltd.* (Note (i))	The PRC/February 1, 2016	RMB109,000,000/ RMB228,760,000	RMB109,000,000/ RMB228,760,000	RMB109,000,000/ RMB228,760,000	RMB109,000,000/ RMB228,760,000	100%	100%	100%	100% Technology development, technology consulting, etc.
班馬智行網絡(杭州)有限公司 Bama Zhixing Network (Hangzhou) Co., Ltd.* (Note (i))	The PRC/November 29, 2019	RMB25,000,000/ RMB25,000,000	RMB25,000,000/ RMB25,000,000	RMB25,000,000/ RMB25,000,000	[RMB25,000,000/ RMB25,000,000]	100%	100%	100%	100% Technology development, technology consulting, etc.
上海班智信息科技有限公司 Shanghai Banzhi Information Technology Co., Ltd.* (Note (i))	The PRC/July 28, 2020	Nil/ RMB10,000,000	Nil/ RMB10,000,000	Nil/ RMB10,000,000	[Nil/ RMB10,000,000]	100%	100%	100%	100% Technology development, technology consulting, etc.
班馬智行網絡(香港)有限公司 Bama Zhixing Network (Hong Kong) Limited (Note (ii))	Hong Kong/June 29, 2020	HKD1/HKD1	HKD1/HKD1	HKD1/HKD1	[HKD1/HKD1]	100%	100%	100%	100% Investment holding
班馬智行(北京)網絡技術有限公司 Bama Zhixing (Beijing) Network Technology Co., Ltd.* (Note (i))	The PRC/September 1, 2021	Nil/ RMB10,000,000	Nil/ RMB10,000,000	Nil/ RMB10,000,000	[Nil/ RMB10,000,000]	100%	100%	100%	100% Technology development, technology consulting, etc.
合肥市班馬智行網絡技術有限公司 Hefei Banmaa Zhixing Network Technology Co., Ltd.* (Note (i))	The PRC/November 12, 2021	Nil/ RMB10,000,000	Nil/ RMB10,000,000	Nil/ RMB10,000,000	[Nil/ RMB10,000,000]	100%	100%	100%	100% Technology development, technology consulting, etc.
班馬雲圖網絡技術(上海)有限公司 Banzhi Networks Technology (Shanghai) Co., Ltd.* (Note (i))	The PRC/January 10, 2022	RMB5,000,000/ RMB10,000,000	RMB10,000,000/ RMB10,000,000	RMB10,000,000/ RMB10,000,000	[RMB10,000,000/ RMB10,000,000]	100%	100%	100%	100% Technology development, technology consulting, etc.
班馬智能汽車操作系統有限公司 Bama Intelligent Vehicle Operating System Co., Ltd.* (Note (iii))	The PRC/November 17, 2023	Nil/ RMB80,000,000	Nil/ RMB80,000,000	Nil/ RMB80,000,000	[Nil/ RMB80,000,000]	100%	100%	100%	100% Technology development, technology consulting, etc.
班馬智軟(武漢)技術有限公司 Bama Intelligent Software (Wuhan) Technology Co., Ltd.* (Note (iii)).	The PRC/November 17, 2023	Nil/ RMB10,000,000	Nil/ RMB10,000,000	Nil/ RMB10,000,000	[Nil/ RMB10,000,000]	100%	100%	100%	100% Technology development, technology consulting, etc.

* English name is for identification purpose only.

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Notes:

- (i) The statutory financial statements of these subsidiaries for the years ended December 31, 2023 and 2024 were prepared in accordance with CASBE and were audited by Deloitte Touche Tohmatsu Certified Public Accountants LLP. [As at the date of this report, the statutory financial statements of these subsidiaries for the year ended December 31, 2025 have not been issued.]
- (ii) The statutory financial statements of this subsidiary for the years ended December 31, 2023 and 2024 were prepared in accordance with HKFRS Accounting Standards issued by the HKICPA and were audited by Deloitte Touche Tohmatsu. [As at the date of this report, the statutory financial statements of this subsidiary for the year ended December 31, 2025 have not been issued.]
- (iii) The statutory financial statements of these subsidiaries were prepared in accordance with CASBE. However, they were not audited because there are no compulsory statutory audit requirements.

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ACCOUNTANTS’ REPORT

45. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group’s liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group’s consolidated statements of cash flows as cash flows from financing activities.

	Lease liabilities	Borrowings	Issue costs	Payables for property and equipment	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
As at January 1, 2023	22,187	239,216	—	—	261,403
Financing cash flow	(17,071)	446,590	—	—	429,519
<i>Non-cash changes:</i>					
Finance costs	1,237	11,482	—	—	12,719
New leases entered	28,089	—	—	—	28,089
Early termination of leases . .	(5,068)	—	—	—	(5,068)
As at December 31, 2023 . .	29,374	697,288	—	—	726,662
Financing cash flow	(20,952)	57,762	—	—	36,810
<i>Non-cash changes:</i>					
Finance costs	3,246	11,640	—	—	14,886
New leases entered	106,859	—	—	—	106,859
Early termination of leases . .	(29,727)	—	—	—	(29,727)
As at December 31, 2024 . .	88,800	766,690	—	—	855,490
Financing cash flow	(19,813)	(455,530)	(2,539)	(19,615)	(497,497)
<i>Non-cash changes:</i>					
Finance costs	2,584	7,505	—	1,640	11,729
New leases entered	1,395	—	—	—	1,395
Purchase of property and equipment	—	—	—	450,342	450,342
Deferred issue cost recognised	—	—	2,678	—	2,678
As at December 31, 2025 . .	72,966	318,665	139	432,367	824,137

46. SUBSEQUENT EVENTS

On January 15, 2026, 67,090,000 shares options was granted by the Company to the Employee Grantees under the ESOP III. Details of the ESOP III are set out in Note 39.

47. SUBSEQUENT FINANCIAL STATEMENTS

[No audited financial statements of the Group, the Company or any of its subsidiaries have been prepared in respect of any period subsequent to December 31, 2025 and up to the date of this report.]

APPENDIX II

UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II

UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II

UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II

UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II

UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX III

SUMMARY OF ARTICLES OF ASSOCIATION

This Appendix is mainly providing investors with an overview on the Articles of Association of our Company. The following information is only a summary, not covering all the information that may be material to investors.

SHARES AND REGISTERED CAPITAL

The issuance of the shares of our Company shall be conducted in the principle of fairness and justness, and each share of the same class shall be entitled to equal rights. For shares issued at the same time and within the same class, it shall be issued in the same conditions and price; and subscribers shall pay the same price for each share they subscribe. The domestic unlisted shares issued by our Company shall be deposited at a domestic securities depository and settlement agency. The overseas listed shares issued by our Company may be deposited in accordance with applicable laws of Hong Kong and the general practice of securities registration and depository, and may be held by the Shareholder in the name of an individual.

INCREASE/DECREASE, REPURCHASE AND TRANSFER OF SHARES

Increase/Decrease of Shares

According to the needs for the operation and development of our Company, and subject to applicable laws, administrative regulations, departmental rules, normative documents, Listing Rules, and requirements by relevant regulatory authorities upon respective resolution by a Shareholders’ meeting, our Company may increase its registered capital by any of the following means:

- (1) public offering of shares;
- (2) non-public offering of shares;
- (3) distribution of bonus shares to existing Shareholders;
- (4) converting the reserved funds into share capital; or
- (5) other means stipulated by applicable laws, administrative regulations, departmental rules, normative documents, securities regulatory provisions of the stock exchange listing venue and approved by or filed with the relevant domestic and overseas securities regulatory authorities.

To reduce its registered capital, our Company shall proceed in compliance with the PRC Company Law, the Listing Rules, other relevant applicable laws, administrative regulations, departmental rules, normative documents, securities regulatory provisions of the stock exchange listing venue and the Articles of Association.

Repurchase of Shares

In any of the following circumstances, our Company may repurchase its issued shares in accordance with the PRC Company Law, the Listing Rules and other relevant applicable laws, administrative regulations, departmental rules, normative documents, securities regulatory provisions of the stock exchange listing venue and the Articles of Association and subject to the registration or filing with the relevant domestic and overseas securities regulatory authorities:

- (1) reducing the registered capital of our Company;
- (2) merging with another company holding shares of our Company;
- (3) using shares for stock incentive plans and employee stock plans;

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SUMMARY OF ARTICLES OF ASSOCIATION

- (4) acquiring the shares of Shareholders who vote against any resolution adopted at the Shareholders’ meeting on the merger or demerger of our Company and request our Company to acquire their shares;
- (5) using shares for converting corporate bonds issued by our Company convertible into shares;
- (6) as required for our Company to maintain corporate value and Shareholders’ interests; or
- (7) other circumstances approved by applicable laws, administrative regulations, departmental rules, normative documents, securities regulatory provisions of the stock exchange listing venue and regulatory authorities.

Any repurchase under circumstances (3), (5) or (6) above, subject to the requirements of the Listing Rules and the regulatory rules and guidelines of the Hong Kong Stock Exchange, shall be conducted through open and centralized trading.

A resolution of a Shareholders’ meeting is required for repurchasing shares under circumstances (1) or (2) above. In accordance with the provisions of the Articles of Association or the authorization of the Shareholders’ meeting, repurchase of shares under circumstances (3), (5) or (6) above may be resolved by a resolution of a meeting of the Board with a quorum of more than two-thirds of Directors, unless otherwise provided by the Listing Rules. In compliance with securities regulatory provisions of the stock exchange listing venue, the shares acquired under the above circumstance (1), shall be de-registered within ten days from the date of repurchase; the shares acquired under the above circumstances (2) or (4), shall be transferred or de-registered within six months; and the shares acquired under the above circumstances (3), (5) or (6), shall be transferred or de-registered within three years, and the shares held in total by our Company shall not exceed 10% of total shares issued by our Company. Where applicable laws, administrative regulations, departmental rules, normative documents, securities regulatory provisions of the stock exchange listing venue and domestic and overseas securities regulatory authorities provide otherwise regarding the relevant matters involved in the aforementioned share repurchase, those provisions shall prevail.

Where our Company acquires its own shares, it shall fulfill its information disclosure obligations in accordance with applicable laws, administrative regulations, departmental rules, normative documents, securities regulatory provisions of the stock exchange listing venue and the relevant requirements of domestic and overseas securities regulatory authorities.

Transfer of Shares

Unless otherwise required by applicable laws, administrative regulations, departmental rules, normative documents, securities regulatory provisions of the stock exchange listing venue and the Articles of Association, the fully paid shares of our Company may be transferred freely. The transfer of overseas listed shares shall be registered with the local Hong Kong share registrar entrusted by our Company.

Shares issued by our Company prior to the [REDACTED] shall not be transferred within one year from the date our Company’s shares are listed and traded on the Hong Kong Stock Exchange.

The Directors and senior management of our Company shall report their shareholding in our Company and changes thereof to our Company, and during their tenure determined at the time of taking office, the shares transferred by them each year shall not exceed 25% of the total number of Company shares held by them; the shares held by them shall not be transferred within one year from the date when the shares of our Company are listed and traded; within half a year from departure

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SUMMARY OF ARTICLES OF ASSOCIATION

from our Company, the aforesaid persons shall not transfer our Company shares held by them. If applicable laws, administrative regulations, departmental rules, normative documents and securities regulatory provisions of the stock exchange listing venue provide otherwise, such rules shall apply in the principle of strictness.

All transfers of overseas listed shares shall adopt the written transfer instrument in general or common format or any other form acceptable to the Board (including the standard transfer format or transfer form prescribed by Hong Kong Stock Exchange from time to time) or a form permitted by applicable laws, administrative regulations, department rules, regulatory documents, or securities regulatory rules of the place where the shares are listed; the written transfer documents may only be manually signed with signatures, or (if the transferor or the transferee is a corporation) stamped with valid seals. If the transferor or transferee of the shares of our Company is a recognized clearing house or its nominee as defined by the relevant regulations in force from time to time under the laws of Hong Kong, the written transfer documents may be signed by hand or machine printing. All transfer documents must be placed at the legal address of our Company, the address of the transfer office or such other place as the Board may designate from time to time. If our Company refuses to register the transfer of shares, our Company shall, within two months from the date of the formal application for transfer, provide the transferor and transferee with a notice of refusal to register the transfer of the shares.

SHAREHOLDERS AND SHAREHOLDERS’ MEETING

Shareholders

Our Company establishes its register of Shareholders based on certificates provided by the securities registrar and the register of Shareholders shall be the prima facie evidence of share ownership, unless there is evidence to the contrary. Shareholders enjoy rights and assume obligations according to the class of shares they hold; each share of the same class shall bear the same rights and obligations.

The Shareholders of our Company shall be entitled to the following rights:

- (1) receiving dividends and other forms of interest distribution in proportion to their shareholdings;
- (2) requiring, convening, chairing, attending by person or by proxy a Shareholders’ meeting pursuant to the laws, and exercising the relevant speaking right, inquiry right and voting right at the meeting (except for waiver of voting right required by the securities regulatory rules in the jurisdiction where our Company’s shares are listed);
- (3) supervising, presenting suggestions on or making inquiries about the business operation of our Company;
- (4) transferring, gifting or pledging the shares held by them, in accordance with applicable laws, administrative regulations, departmental rules, normative documents, securities regulatory provisions of the stock exchange listing venue and the Articles of Association;
- (5) accessing and replicating the Articles of Association, the register of Shareholders, minutes of Shareholders’ meeting, resolutions of Board and publicly disclosed financial data and accounting reports;
- (6) participating in the distribution of residual assets of our Company in proportion to their shareholdings, upon termination or liquidation of our Company;

APPENDIX III

SUMMARY OF ARTICLES OF ASSOCIATION

- (7) for Shareholders who vote against any resolution adopted at the Shareholders’ meeting on the merger or demerger of our Company, requesting our Company to acquire its shares; and
- (8) any other rights stipulated by applicable laws, administrative regulations, departmental rules, normative documents, securities regulatory provisions of the stock exchange listing venue or the Articles of Association.

In the event that any resolution by the Shareholders’ meeting or the Board meeting violates applicable laws and administrative regulations, the Shareholders may request people’s court to invalidate such a resolution. In the event that the convening procedures or voting means of the Shareholders’ meeting or the Board meeting violate applicable laws, administrative regulations or the Articles of Association, or any resolution violates the Articles of Association, Shareholders may request people’s court to withdraw such resolution within sixty days from the date of resolution, unless there are only minor defects in the convening procedures or voting means of the Shareholders’ meeting or the Board meeting, which do not have a material impact on the resolutions.

The Shareholders of our Company shall undertake the following obligations:

- (1) abiding by applicable laws, administrative regulations, departmental rules, normative documents, securities regulatory provisions of the stock exchange listing venue and the Articles of Association;
- (2) making payment according to the number of shares subscribed for and the manners of subscription;
- (3) not withdrawing the shares, unless otherwise stipulated by applicable laws, administrative regulations, departmental rules, normative documents, securities regulatory provisions of the stock exchange listing venue and the Articles of Association;
- (4) not abusing Shareholder’s rights to harm the interests of our Company or other Shareholders; not abusing the independent legal person status of our Company and the limited liability of Shareholders to harm the interests of our Company’s creditors; and
- (5) any other obligations stipulated by applicable laws, administrative regulations, departmental rules, normative documents, securities regulatory provisions of the stock exchange listing venue and the Articles of Association.

Any Shareholder who abuses Shareholder’s rights causing losses to our Company or other Shareholders shall be liable for compensation pursuant to the laws. Any Shareholder who abuses the independent legal person status of our Company and the limited liability of Shareholders to evade debts and severely infringe upon the interests of our Company’s creditors shall be held jointly and severally liable for our Company’s debts.

The controlling Shareholder or actual controller of our Company shall not utilize its connected relationship against the interests of our Company, or else shall compensate our Company for any loss incurred.

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SUMMARY OF ARTICLES OF ASSOCIATION

General Rules for Shareholders’ Meetings

The Shareholders’ meeting is the organ of authority of our Company, and shall duly exercise the following functions and powers:

- (1) to elect and remove any Director (not including employee representative(s)) and to determine the remuneration of the relevant Directors;
- (2) to review and approve the reports of the Board;
- (3) to review and approve our Company’s profit distribution plans and loss recovery plans;
- (4) to resolve on our Company’s increase/decrease of registered capital;
- (5) to resolve on our Company’s issuance of bonds or any class of shares, warrants and other similar securities as well as the [REDACTED];
- (6) to resolve on our Company’s merger, division, spin-off, dissolution, liquidation or change of its corporate form;
- (7) to amend the Articles of Association;
- (8) to decide on the engagement or dismissal of the accounting firm and the audit fee of the accounting firm;
- (9) to review and approve the motions proposed by Shareholder(s) individually or jointly holding at least 1% voting shares of our Company;
- (10) to review and approve the relevant transactions and guarantee matters required to be resolved by the Shareholders’ meeting as specifically provided in the Articles of Association;
- (11) to review and approve transactions between our Company and its connected persons that meet the requirements for approval by the Shareholders’ meeting under Listing Rules;
- (12) to review and approve our Company’s purchase or disposals of material assets accumulated within one year in the amount exceeding 30% of the latest audited total assets of our Company;
- (13) to review and approve the change in the use of raised [REDACTED];
- (14) to review and approve the stock incentive plans and employee stock plans;
- (15) to adopt resolutions on certain acquisition of our Company’s own shares by itself due to the circumstances as specifically provided in the Articles of Association; and
- (16) other matters to be decided by Shareholders’ meeting under applicable laws, administrative regulations, departmental rules, normative documents, securities regulatory provisions of the stock exchange listing venue and the Articles of Association.

There are two types of Shareholders’ meetings, namely annual Shareholders’ meeting and extraordinary Shareholders’ meeting. The annual Shareholders’ meeting shall be convened once a year and shall be held within six months from the end of last accounting year.

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The extraordinary Shareholders’ meeting shall be convened within two months from the date of occurrence of any of the following events:

- (1) the number of Directors is less than two-thirds of the quorum required by the PRC Company Law, or less than two-thirds of the quorum required by the Articles of Association;
- (2) the outstanding losses of our Company account for one-third of our Company’s total share capital;
- (3) Shareholder(s) individually or jointly holding at least 10% shares of our Company send(s) a written request for meeting;
- (4) the Board deems necessary;
- (5) the Audit Committee proposes to convene the meeting;
- (6) more than two independent non-executive Directors propose to convene the meeting; or
- (7) other circumstances under applicable laws, administrative regulations, departmental rules, normative documents, securities regulatory provisions of the stock exchange listing venue or the Articles of Association.

The motions proposed by the convener shall be included in the agenda of the Shareholders’ meeting under circumstances (3), (4), (5), or (6) above.

Convening of Shareholders’ Meetings

Independent non-executive Directors may propose to convene an extraordinary Shareholders’ meeting. In accordance with applicable laws, administrative regulations, departmental rules, normative documents, securities regulatory provisions of the stock exchange listing venue and the Articles of Association, the Board shall provide written feedback on whether to agree or disagree with the proposal to convene such extraordinary Shareholders’ meeting within ten days after receiving the proposal. In the event the Board agrees to convene an extraordinary Shareholders’ meeting, the Board shall issue an extraordinary Shareholders’ meeting notice within five days of making its resolutions. In the event that the Board declines to convene an extraordinary Shareholders’ meeting, the Board shall specify the reasons and make an announcement.

The Audit Committee may propose in writing to convene an extraordinary Shareholders’ meeting. In accordance with applicable laws, administrative regulations, departmental rules, normative documents, securities regulatory provisions of the stock exchange listing venue and the Articles of Association, the Board shall provide written feedback on whether to agree or disagree with the proposal to convene such extraordinary Shareholders’ meeting within ten days after receiving the proposal. In the event the Board agrees to convene an extraordinary Shareholders’ meeting, the Board shall issue an extraordinary Shareholders’ meeting notice within five days of making its resolutions, and any changes to the original proposal in such notice shall be agreed upon by the Audit Committee. In the event that the Board declines to convene an extraordinary Shareholders’ meeting or fails to respond within ten days, it shall be deemed to be unable or to fail to fulfill its duty to convene a Shareholders’ meeting and then the Audit Committee may convene and preside over the meeting on its own.

Shareholder(s) individually or jointly holding 10% or more of shares may request in writing to convene an extraordinary Shareholders’ meeting to the Board and specify the subject of the meeting. In accordance with applicable laws, administrative regulations, departmental rules, normative documents, securities regulatory provisions of the stock exchange listing venue, the Articles of Association and the relevant rules of procedure for the meeting, the Board shall provide

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written feedback on whether to agree or disagree with the request to convene such extraordinary Shareholders' meeting within ten days after receiving the request. In the event the Board agrees to convene an extraordinary Shareholders' meeting, the Board shall issue an extraordinary Shareholders' meeting notice within five days of making its resolutions, and any changes to the original request in such notice shall be agreed upon by the requesting Shareholder(s). In the event that the Board declines to convene an extraordinary Shareholders' meeting or fails to respond in writing within ten days after receiving the request, Shareholder(s) individually or jointly holding 10% or more of shares may request in writing to convene an extraordinary Shareholders' meeting to the Audit Committee. In the event the Audit Committee agrees to convene an extraordinary Shareholders' meeting, the Audit Committee shall issue an extraordinary Shareholders' meeting notice within five days of receiving such request, and any changes to the original request in such notice shall be agreed upon by the requesting Shareholder(s). In the event that the Audit Committee fails to issue the notice within the time limit, it shall be deemed to fail to convene and chair a Shareholders' meeting, and then the Shareholder(s) individually or collectively holding 10% or more of shares for at least ninety consecutive days may convene and chair the meeting on its/their own.

In the event of the Audit Committee or the Shareholder(s) convening and holding a Shareholders' meeting on its/their own, the necessary expenses incurred for such meeting shall be borne by our Company, which may be recovered by deducting the amount from any sums due to any defaulting director(s) by our Company.

Notice of Shareholders' Meetings

To hold an annual Shareholders' meeting, the convener shall notify all Shareholders by announcement twenty-one days in advance. To hold an extraordinary Shareholders' meeting, the convener shall notify all Shareholders by announcement ten business days or fifteen days (whichever is longer) in advance. If applicable laws, administrative regulations, departmental rules, normative documents, securities regulatory provisions of the stock exchange listing venue and the Articles of Association provide otherwise, such rules shall apply. The period shall exclude the date on which the meeting is convened.

The notice of Shareholders' meeting shall be made in writing (including paper documents or electronic documents that meet the requirements of the relevant regulatory rules of the listing venue) and include the following:

- (1) the time, place and duration of meeting;
- (2) convening method of the meeting;
- (3) matters and proposals submitted to the meeting for review;
- (4) If any Director or senior officer has a material interest in the matter to be discussed at the meeting, the nature and degree of interest shall be disclosed; if the influence of the matter to be discussed on such a Director or senior officer in their capacity as Shareholders is different from the influence on other Shareholders, such difference shall be explained;
- (5) meeting materials necessary for Shareholder's voting;
- (6) explain in conspicuous words that all Shareholders have the right to attend the Shareholders' meeting and may appoint a proxy in writing to attend the meeting and participate in the vote, and the Shareholder proxy need not be a Shareholder of our Company;
- (7) state the time and address of delivery of the power of attorney for the voting proxy;

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- (8) share registration date of the Shareholders entitled to attend the Shareholders' meeting;
- (9) the convener and chair of a meeting, the proposer of an extraordinary Shareholders' meeting and the proposer's written proposal;
- (10) name and telephone number of the permanent contact person for conference affairs;
- (11) time and voting procedures for online or other method of voting; and
- (12) the notice and supplementary notice shall contain information as required by Listing Rules and the Articles of Association and shall fully, completely and accurately disclose the specific contents of all proposals and all the information or explanations necessary for the Shareholders to make reasonable judgment on the proposed matters. In case the opinions of independent non-executive Directors are necessary for matters to be discussed, the opinions and reasons given by independent non-executive Directors shall be disclosed at the same time when the Shareholders' meeting notice or supplementary notice is issued.

Proposals at Shareholders' Meetings

When our Company convenes a Shareholders' meeting, the Shareholder(s) individually or jointly holding 1% or more of shares of our Company are entitled to put forward new proposals to our Company and submit them in writing to the convener ten days in advance, and the convener of the Shareholders' meeting shall issue a supplemental notice of Shareholders' meeting, announcing the contents of the new proposals, within two days after receiving such proposals, and include the matters in the new proposals that fall within the scope of authorities of the Shareholders' meeting in the agenda of the meeting and submit the same to the Shareholders' meeting for deliberation.

Proxy at Shareholders' Meetings

A Shareholder may appoint one or more persons (such persons need not be Shareholders) as proxies to attend and vote within the authorization scope on the Shareholders behalf.

The power of attorney issued by any Shareholder for appointing a proxy to attend the Shareholders' meeting shall include the instructions to vote for, vote against or abstain from each matter to be discussed as listed in the agenda of the Shareholders' meeting. Such power of attorney shall specify whether the proxy may vote at his/her own discretion in absence of instructions from the Shareholder. If it is not specified, it shall be deemed that the proxy is entitled to vote at his/her own discretion.

Where the appointing Shareholder dies, loses the capacity to act, withdraws the power of attorney, withdraws the authorization to sign the power of attorney or where the relevant shares have been assigned before voting, the vote made by the proxy so appointed shall be still valid, as long as our Company did not receive a notice in writing of such events before meeting.

Resolutions of Shareholders' Meetings

There are two kinds of resolutions made at Shareholders' meeting, namely ordinary resolutions and special resolutions. Ordinary resolutions shall be approved by more than half of voting rights held by the Shareholders (including proxies) attending the Shareholders' meeting. Special resolutions shall be approved by above two-thirds of the voting rights held by Shareholders (including proxies) attending the Shareholders' meeting.

A Shareholder or proxy shall exercise its voting rights pertaining to the voting shares held by it when voting at Shareholders' meeting, and each share shall have one vote. When voting on shares, Shareholders (including their proxies) with two or more voting rights are not required to cast all

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their votes in favor, against or in abstention on a proposal. Where a shareholder (including the proxy of a shareholder) voluntarily waives all or part of the voting rights corresponding to the shares he/she holds, the shares corresponding to the voting rights waived shall not be voted and the number of shares corresponding to the voting rights waived shall not be included in the total number of valid votes. However, there is no voting rights attached to the shares held by our Company, and such portion of shares shall not be included in the total number of shares with voting rights at Shareholders’ meeting.

When the matters of connected transactions (as defined in the Listing Rules) are reviewed at Shareholders’ meeting, connected Shareholders or their close associates (as defined in the Listing Rules) shall not vote, and the number of voting shares held by them shall not be included in the total number of valid votes. The announcement on resolution of Shareholders’ meeting shall fully disclose the voting results of non-connected Shareholders. Before the Shareholders’ meeting reviews connected transactions, our Company shall determine the scope of connected Shareholders in accordance with applicable laws, administrative regulations, departmental rules, normative documents, normative documents and securities regulatory provisions of the stock exchange listing venue. Connected Shareholders or their proxies may attend the Shareholders’ meeting and express their views to the attending Shareholders in accordance with the meeting procedures.

The following matters shall be approved by ordinary resolutions at the Shareholders’ meeting:

- (1) the work report of the Board;
- (2) the profit distribution plan and plan for covering losses formulated by the Board;
- (3) the issuance of bonds, any class of shares, warrants and other similar securities as well as the listing of our Company (provided that such matters have not been delegated to the Board by the Shareholders’ meeting);
- (4) the election and removal of members of the Board (not being employee representative(s)) and their remunerations and the method of payment thereof;
- (5) our Company’s annual financial budgets and final accounts plans;
- (6) certain acquisition of our Company’s own shares by itself due to the circumstances as specifically provided in the Articles of Association;
- (7) the relevant transactions and guarantee matters required to be resolved by the Shareholders’ meeting as specifically provided in the Articles of Association;
- (8) connected transactions between our Company and its connected persons that meet the requirements for approval by the Shareholders’ meeting under the Listing Rules;
- (9) change in the use of raised proceeds;
- (10) the stock incentive plans and employee stock plans; and
- (11) other matters to be decided by the Shareholders’ meeting other than those required to be approved by a special resolution under applicable laws, administrative regulations, departmental rules, normative documents, securities regulatory provisions of the stock exchange listing venue and the Articles of Association.

The following matters shall be approved by special resolutions at the Shareholders’ meeting:

- (1) the increase or decrease of share capital of our Company;

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- (2) the division, spin-off, or merger of our Company;
- (3) the dissolution or liquidation of our Company;
- (4) the amendment to the Articles of Association;
- (5) the purchase, disposals of material assets or provision of guarantees accumulated within one year in the amount exceeding 30% of latest audited total assets of our Company; and
- (6) any other matters to be approved by extraordinary resolutions as required by applicable laws, administrative regulations, departmental rules, normative documents, securities regulatory provisions of the stock exchange listing venue and the Articles of Association as well as other matters that are determined by the ordinary resolutions of the Shareholders' meeting to have a significant impact on our Company and require to be approved by special resolutions.

DIRECTORS AND THE BOARD OF DIRECTORS

Directors

The Directors of our Company shall be natural persons.

Directors shall be elected or replaced at Shareholders' meeting, for a tenure of three years. Upon the expiration of his tenure, a Director may be re-elected and serve consecutive terms.

The tenure of a Director shall be from the date of appointment to the expiry of tenure of the current Board. If a Director's tenure expires but an alternate Director is not elected in time, then before the alternate Director holds office, the original Director shall still perform the duties as Director, in accordance with applicable laws, administrative regulations, departmental rules, normative documents, securities regulatory provisions of the stock exchange listing venue and the Articles of Association.

A Director may propose resignation before expiry of tenure, by filing a resignation report in writing to the Board. The Board will disclose the relevant information within the time limit specified by applicable laws, administrative regulations, departmental rules, normative documents and securities regulatory provisions of the stock exchange listing venue. Directors shall not evade their responsibilities through resignation or other means. If the resignation of a Director causes the number of board members to be less than the quorum, then before the alternate Director holds office, the original Director shall still perform the duties as Director under applicable laws, administrative regulations, departmental rules, normative documents, securities regulatory provisions of the stock exchange listing venue and the Articles of Association. Otherwise, a Director's resignation shall be effective from the time such resignation report is delivered to the Board.

Chairman

The Board shall have one chairman and may have vice chairmen, who shall be elected by more than half of Directors.

The chairman of the Board shall exercise the following powers and functions:

- (1) leading the Board and ensuring the effective operation of the Board;

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- (2) presiding over Shareholders' meetings, convening and presiding over Board meetings, formulating and approving the agenda for each Board meeting, taking into account any matters proposed to be added to the agenda by other Directors where appropriate, and ensuring that all Directors at the Board meeting are properly informed of such matters;
- (3) supervising and inspecting the implementation of resolutions of the Board;
- (4) signing the securities issued by our Company;
- (5) signing the important documents of the Board within the scope of authorization by the Board and other documents which shall be signed by the legal representative of our Company, and to exercise the authorities of the legal representative;
- (6) ensuring that Directors receive adequate information in a timely manner and that such information is accurate, clear, complete and reliable;
- (7) ensuring that appropriate measures are taken to maintain effective liaison with Shareholders and ensuring that Shareholders' opinions can be conveyed to the entire Board;
- (8) ensuring that good corporate governance practices and procedures are formulated by our Company;
- (9) encouraging dissenting Directors to express their concerned matters, providing adequate time to discuss these matters, and ensuring that the resolutions of the Board can fairly reflect the consensus of the Board;
- (10) examining and approving other matters beyond the scope of authorities of the Shareholders' meeting, the Board and the general manager prescribed by applicable laws, administrative regulations, departmental rules, normative documents, securities regulatory provisions of the stock exchange listing venue or the Articles of Association; and
- (11) other duties granted by the Board.

Where the chairman is incapable of performing or fails to perform its duties, such duties shall be performed by the vice chairman; where the vice chairman is incapable of performing or fails to perform its duties, such duties shall be performed by a Director jointly elected by a majority of Directors.

Board

Our Company sets up the Board, composed of 11 Directors. Directors of our Company shall be divided into executive Directors, non-executive Directors (including the employee Director(s)) and independent non-executive Directors. The number of independent non-executive Directors shall account for at least one-third of the total number of the Board and shall be no less than three.

The Board shall exercise the following functions and powers:

- (1) convening the Shareholders' meeting and submitting work reports to the Shareholders' meetings;
- (2) implementing resolutions of the Shareholders' meetings;
- (3) determining the operating plans and investment schemes of our Company;

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- (4) formulating the profit distribution plan and loss makeup plan of our Company;
- (5) formulating our Company’s plans for increase or decrease of the registered capital, issuance of corporate bonds or other securities, or [REDACTED] plans;
- (6) reviewing and approving the conversion of the domestic unlisted shares held by the shareholders of our Company into overseas listed shares and the [REDACTED] and trading thereof on the Hong Kong Stock Exchange;
- (7) contemplating the plans for major acquisitions, share repurchase, merger, division, dissolution or change of corporate form of our Company;
- (8) deciding, to the extent authorized by the Shareholders’ meeting, our Company’s external investment, acquisition and sale of assets, mortgage of assets, external guarantee, entrusted management of wealth, connected transactions, external donations and other matters;
- (9) deciding on the setup of internal management bodies of our Company;
- (10) deciding on the appointment or dismissal of our Company’s senior officers; and deciding on their remuneration, reward and punishment; deciding on the appointment or dismissal of the executive deputy general manager, chief financial officer, and deciding on their remuneration, reward and punishment;
- (11) formulating and reviewing the fundamental management systems of our Company as well as business regulation policies and practices;
- (12) formulating the stock incentive plans and employee stock plans;
- (13) formulating the modification plan of the Articles of Association;
- (14) managing the information disclosure of our Company;
- (15) proposing to the Shareholders’ meeting the engagement or replacement of the accounting firm which provides audit services to our Company;
- (16) hearing the work reports by the general manager of our Company and inspecting the work performed by the general manager;
- (17) reviewing and supervising of the training and continuing professional development of directors and senior management personnel;
- (18) reviewing and supervising our Company’s policies and practice in respect of compliance with applicable laws, administrative regulations, departmental rules, normative documents, and securities regulatory rules of the place where the shares are listed;
- (19) reviewing Company Compliance with the Code on Corporate Governance (Appendix C1 of the Hong Kong Listing Rules) and Disclosure in the Corporate Governance Reports;
- (20) changes in the main business of our Company and access to new business areas;
- (21) resolving on certain acquisition of our Company’s own shares by itself due to the circumstances as specifically provided in the Articles of Association; and

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- (22) any other functions and powers granted by applicable laws, administrative regulations, departmental rules, normative documents, securities regulatory provisions of the stock exchange listing venue, the Articles of Association or the Shareholders' meeting.

Upon the consent of more than half of the Board, the chairman may be authorized to exercise certain functions and powers of the Board when it is not in session, which shall be determined by the Board resolutions. However, major matters of our Company shall be decided collectively by the Board. The statutory functions and powers that should be exercised by the Board shall not be delegated to the chairman, the general manager or others.

The Board shall explain to Shareholders' meeting about the non-standard audit opinions issued by the CPA firm against the financial statements of our Company.

The Board may hold two kinds of meetings, namely regular meetings and interim meetings. The Board shall hold at least four regular meetings per year, approximately once every quarter, convened by the chairman. The chairman shall hold at least one meeting annually with the independent non-executive Directors without the presence of other Directors. The notice and relevant documents for the regular meeting shall be delivered to all Directors at least fourteen days prior to the date of regular meetings (excluding the day on which the meeting is held) for the purpose of enabling all Directors to attend the meeting.

The notice of interim meetings shall be sent to all Directors five days prior to the date of interim meetings by fax, e-mail, or other means. In an emergency requiring the Board to hold an interim meeting as soon as possible, the notice of meeting may be given by telephone or other oral means, provided that the convener shall make explanations at the meeting. With the consent of all Directors of our Company, the notification time limit specified as the foregoing may be waived.

A meeting of the Board may not be held without more than half of Directors being present. To determine whether a quorum of the meeting exists, any Director who or whose close associates (as defined in the Listing Rules) has an interest in or has a connection with any matter to be resolved at the meeting or is required to abstain from voting according to the Listing Rules shall not be counted.

Every Director may cast one vote. A motion at the meeting of the Board may be passed as resolution by a simple majority of all Directors unless otherwise required by the Articles of Association, and any Director who or whose close associates (as defined in the Listing Rules) has an interest in or has a connection with any matter to be resolved at the meeting, or is required to abstain from voting according to the Listing Rules shall abstain from voting, nor shall they exercise voting rights on behalf of other Directors. Where the number of directors who are not related directors attending the meeting is less than three persons, such proposal shall not be voted on and the matter shall be submitted to the board of shareholders for deliberation.

Where there is a tie of votes cast both for and against a resolution, the chairman shall have the right to cast one more vote.

Directors shall attend Board meetings in person or actively participate in Board meetings through electronic means. A Director who is unable to attend a meeting for any reason shall appoint another Director to attend a Board meeting on its behalf in writing, and the appointed Director shall issue the power of attorney to the Board. The appointed Director shall exercise the rights as Director within the scope of authorization. The failure of a Director to attend a Board meeting in person or by proxy shall be deemed as forfeiting his/her voting rights at such meeting.

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Board Special Committees

Audit Committee

The Board shall establish an Audit Committee to exercise the powers and functions of the supervisory committee as prescribed by the PRC Company Law. The Audit Committee shall comprise at least three members, all of whom must be non-executive Directors and may not serve as senior management of our Company. A majority shall be independent non-executive Directors, and at least one member shall be an independent non-executive Director who possesses either (i) an appropriate professional qualification recognized under the Hong Kong Listing Rules or (ii) appropriate accounting or related financial-management expertise. The chairman must be an independent non-executive Director. In addition, more than half of the members may not hold any position in our Company other than that of Director and may not have any relationship with our Company that could affect their independent and objective judgment. Employee-representative Directors on the Board may serve on the Audit Committee. A former partner of our Company’s current external auditor is ineligible to serve on the Audit Committee for two years from the later of (1) the date he or she ceased to be a partner of the audit firm, or (2) the date he or she no longer holds any financial interest in the firm.

The Audit Committee is responsible for reviewing our Company’s financial information and its disclosure, supervising and evaluating the work of both internal and external auditors, and assessing internal controls. The following matters shall be approved by a majority of all Audit Committee members before being submitted to the Board for consideration:

- (1) the disclosure of financial information in financial statements and periodic reports, as well as internal-control evaluation reports;
- (2) the appointment or dismissal of the accounting firm engaged to perform our Company’s audit;
- (3) the appointment or dismissal of the chief financial officer;
- (4) changes in accounting policies or estimates, or corrections of material accounting errors, other than those resulting from changes in accounting standards;
- (5) any other matters required by applicable laws, administrative regulations, departmental rules, normative documents, securities-regulatory rules of the place where our Company’s shares are listed, the Articles of Association, or domestic and foreign securities regulators.

The Audit Committee shall meet at least once each quarter. Extraordinary meetings may be convened upon the request of two or more members or whenever the convener deems it necessary. An Audit Committee meeting may be held only when at least two-thirds of its members are present, one of whom must be an independent non-executive Director. Resolutions of the Audit Committee shall be adopted by a simple majority of its members. Each member is entitled to one vote. Minutes of the meeting shall be prepared in accordance with applicable requirements and signed by all attending members. The Board shall adopt detailed rules governing the Audit Committee’s work.

Nomination Committee and Remuneration Committee

The Board shall establish a Nomination Committee and a Remuneration Committee, which shall perform their duties in accordance with the Articles of Association and the Board’s authorisation. Proposals adopted by these committees shall be submitted to the Board for decision. The Board shall adopt detailed rules governing each committee’s work.

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The Nomination Committee shall be chaired by the Chairman of the Board or an independent non-executive Director; a majority of its members shall be independent non-executive Directors and it shall include at least one Director of a different gender.

The Remuneration Committee shall be chaired by an independent non-executive Director; a majority of its members shall be independent non-executive Directors.

The Nomination Committee is responsible for establishing selection criteria and procedures for Directors and senior management, identifying and reviewing candidates and their qualifications, and making recommendations to the Board on:

- (1) the nomination or removal of Directors;
- (2) the appointment or dismissal of senior management;
- (3) any other matters required by applicable laws, administrative regulations, departmental rules, normative documents, securities-regulatory rules of the place where our Company’s shares are listed, or the Articles of Association.

Where the Board does not adopt, or only partially adopts, the Nomination Committee’s recommendations, the Board resolution must set out the committee’s views and the specific reasons for non-adoption, and such information must be disclosed.

The Remuneration Committee is responsible for formulating performance-evaluation standards for Directors and senior management, conducting such evaluations, and designing, reviewing and recommending policies and procedures governing remuneration decisions, payment and claw-back arrangements. It shall advise the Board on:

- (1) the remuneration of Directors and senior management;
- (2) the adoption or amendment of equity-incentive plans or employee-share-ownership plans, and the fulfilment of conditions for the grant or exercise of benefits under such plans;
- (3) arrangements for Directors and senior management to hold shares in a subsidiary proposed to be spun off;
- (4) any other matters required by applicable laws, administrative regulations, departmental rules, normative documents, securities-regulatory rules of the place where our Company’s shares are listed, or the Articles of Association.

Where the Board does not adopt, or only partially adopts, the Remuneration Committee’s recommendations, the Board resolution must set out the committee’s views and the specific reasons for non-adoption, and such information must be disclosed.

Senior Management

Our Company shall have one general manager, to be appointed or dismissed by the Board. Our Company may appoint one or more Deputy General Managers; upon nomination by the General Manager, the Board shall decide on their appointment or dismissal. Deputy General Managers shall assist the General Manager in handling our Company’s affairs.

The term of office of the general manager shall be three years and may be re-elected and serve consecutive terms.

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Our Company operates under a General Manager responsibility system led by the Board. The General Manager has overall charge of our Company's day-to-day operations and management. The general manager shall be responsible to the Board, and exercises the following functions and powers:

- (1) take charge of the production, operation and management of our Company, organize the implementation of resolutions made at Board meetings and report to the Board;
- (2) organize the implementation of the annual operation plan and investment plan of our Company;
- (3) the monthly update to be provided to the Board shall include, among other things, monthly management accounts and management updates; the directors may request further information from the management if they are of the view that the materials provided to them by the management are insufficient;
- (4) contemplate the internal management setup plan of our Company;
- (5) contemplate the fundamental management system of our Company;
- (6) formulate the specific rules and regulations of our Company;
- (7) propose to the Board the nomination or replacement of employees at the deputy general manager level or above;
- (8) appoint or dismiss a manager other than those who should be appointed or dismissed by the Board;
- (9) to decide on the remuneration, reward and penalty of our Company's employees in accordance with the relevant provisions formulated by the Shareholders' meeting and the board of directors; and
- (10) other duties authorized by the Articles of Association or the Board.

The general manager and secretary to the Board shall attend Board meetings.

The senior management shall faithfully perform his/her duties and safeguard the maximum interest of our Company and all Shareholders. If the senior management fails to faithfully perform their duties or violate their integrity obligations, causing damage to the interest of our Company and the public Shareholders, they shall bear compensation liability in accordance with the law.

Eligibility and Obligations of Directors and Senior Management

Any of the following persons shall not act as Director, general manager or other senior management of our Company:

- (1) who has no or limited civil capacity;
- (2) who was sentenced for corruption, bribery, embezzlement or misappropriation of properties or destruction of the order of socialist market-oriented economy, and the execution of such sentence has expired for no more than five years; or who was deprived of political rights due to any crime, and the execution of such deprivation has expired for no more than five years, and for those who have been declared on probation, the probation period has expired for no more than two years;

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- (3) who acted as director, factory manager, manager of a company or enterprise in bankruptcy liquidation, and was personally liable for the bankruptcy of such a company or enterprise, and a three-year period has not elapsed since the completion of bankruptcy liquidation of such company or enterprise;
- (4) who acted as the legal representative of a company or enterprise whose business license was revoked, or which was ordered to close down due to violation of law and who is personally liable, and a three-year period has not elapsed since the revocation of the business license or the closure of such company or enterprise;
- (5) who has a significant amount of due and outstanding debts and was listed as dishonest person subjected to enforcement by the people’s court;
- (6) who has been barred from the securities market by the CSRC for a certain period of time and such period has not expired yet;
- (7) who is publicly deemed by the stock exchange where our Company’s shares are listed as unfit to hold the position of director or senior manager of a listed company, where the specified period of such disqualification has not yet expired; or
- (8) any other circumstances stipulated by applicable laws, administrative regulations, departmental rules, normative documents and securities regulatory provisions of the stock exchange listing venue.

The Directors shall comply with applicable laws, administrative regulations, departmental rules, normative documents, securities regulatory provisions of the stock exchange listing venue and the Articles of Association and assume the duty of loyalty to our Company. Such obligations include:

- (1) shall not accept any bribery or other illegal income by using his or her powers and position;
- (2) shall not embezzle our Company’s property or misappropriate our Company’s funds;
- (3) shall not open accounts in his/her own name or in the names of others to deposit funds or assets of our Company;
- (4) shall not lend our Company’s funds to others or pledge Company’s properties in favor of others in violation of the Articles of Association or without the approval of the Shareholders’ meeting or the Board;
- (5) shall not accept commission for transactions with our Company as personal gains;
- (6) shall not take advantage of duty to seek business opportunities for themselves or others that would have been directed to our Company, except for those that our Company may not take the advantage of as resolved by the Board or the Shareholders’ meeting or as stipulated by applicable laws, administrative regulations, departmental rules, normative documents, securities regulatory provisions of the stock exchange listing venue and the Articles of Association;
- (7) shall not engage in business similar to those of our Company for themselves or others, without the approval of the Board or the Shareholders’ meeting in accordance with the Articles of Association;

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- (8) shall not conclude any contract directly or indirectly with our Company without the approval of the Board or the Shareholders’ meeting in accordance with the Articles of Association; these provisions shall apply to the close relatives of Directors or enterprises directly or indirectly controlled by their close relatives, as well as connected persons with other connections with Directors where they conclude contracts or conduct transactions with our Company;
- (9) shall not disclose any confidential information involving our Company without authorization;
- (10) shall not impair the interests of our Company through connected relationship; and
- (11) other loyalty obligations provided under applicable laws, administrative regulations, departmental rules, normative documents, securities regulatory provisions of the stock exchange listing venue and the Articles of Association.

The senior management assume the aforementioned duty of loyalty.

The Directors shall comply with applicable laws, administrative regulations, departmental rules, normative documents, securities regulatory provisions of the stock exchange listing venue and the Articles of Association and assume the duty of diligence to our Company. Such obligations include:

- (1) shall exercise the powers granted by our Company carefully, faithfully and diligently to ensure the business carried out by our Company is in compliance with applicable laws, administrative regulations, departmental rules, normative documents, securities regulatory provisions of the stock exchange listing venue and economic policies of the state, and such business activities are within the scope of business scope specified in our Company’s business license;
- (2) shall treat all Shareholders equally;
- (3) shall stay informed with the business and operation of our Company timely;
- (4) shall sign the written confirmation opinions on our Company’s regular reports, and ensure that the information disclosed by our Company is true, accurate, and complete;
- (5) shall provide relevant information and materials to the Audit Committee truthfully and shall not hinder the Audit Committee or the Supervisors from performing their duty; and
- (6) other diligence obligations in accordance with applicable laws, administrative regulations, departmental rules, normative documents, securities regulatory provisions of the stock exchange listing venue and the Articles of Association.

The senior management assume the aforementioned obligations.

FINANCIAL ACCOUNTING POLICY

Our Company formulates the financial and accounting system according to applicable laws, administrative regulations, departmental rules, normative documents and securities regulatory provisions of the stock exchange listing venue.

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The Board shall submit the financial reports prepared by our Company as required by applicable laws, administrative regulations, departmental rules, normative documents as well as securities regulatory provisions of the stock exchange listing venue to Shareholders at each annual Shareholders’ meeting. Our Company shall not establish other accounting books other than those required by laws. Our Company’s assets shall not be deposited into any account opened in the name of any individual person.

The financial report shall be made available for Shareholders’ inspection twenty days prior to the annual Shareholders’ meeting. The foregoing financial report shall include the Board report, the balance sheet (including various documents as required to be attached by the PRC or other applicable laws, administrative regulations, department rules, normative documents and securities regulatory provisions of the stock exchange listing venue) and the profit and loss statement (income statement) or income and expenditure statement (cash flow statement) or a financial summary report approved by the Hong Kong Stock Exchange (provided that there will be no violation of applicable PRC laws, administrative regulations, departmental rules or normative documents).

Our Company shall publish the financial reports at international or Hong Kong accounting standards twice each accounting year, that is, publish the annual report within four months from the end of said accounting year, and publish the interim report within three months from the end of the first six months of an accounting year. Our Company shall publish the annual performance announcement within three months from the end of an accounting year and publish the interim performance announcement within two months from the end of the first six months of an accounting year. Our Company shall prepare the above-mentioned annual report and interim report in accordance with applicable laws, administrative regulations, departmental rules, normative documents and the securities regulatory provisions of the stock exchange listing venue, and report, disclose and/or submit the annual report and interim report and other documents to Shareholders. If the relevant laws, administrative regulations, departmental rules, normative documents, securities regulatory provisions of the stock exchange listing venue, or the domestic and overseas securities regulatory authorities provide otherwise, such provisions shall prevail.

PROFITS DISTRIBUTION

To distribute after-tax profits for the current year, our Company shall allocate 10% of profits for the statutory reserves of our Company. If the cumulative amount of statutory reserves exceeds 50% of the registered capital of our Company, no further allocation is required. If the statutory reserves are insufficient to make up for previous losses, then our Company shall firstly make up for previous losses with current profits, before any allocation is made to the statutory reserves in accordance with the preceding sentence.

After foregoing provision for statutory reserves, our Company may also draw discretionary reserves from after-tax profits, subject to the resolution of the Shareholder’s meeting.

The remaining after-tax profits after loss makeup and provisions for reserves shall be distributed to Shareholders in proportion to their shareholding percentages, except for those that are not distributed in proportion to the shareholding percentages as stipulated in the Articles of Association.

If the Shareholder’s meeting breaches the foregoing provisions and distributes profits to Shareholders before losses are made up and the statutory reserves are drawn, then Shareholders shall refund the distributed profits to our Company in violation of the foregoing provisions. Where such violation causes losses to our Company, Shareholders and duty-bound Directors, and senior officers shall be jointly and severally liable for compensation.

The shares held by our Company per se shall not participate in the profit distribution.

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The reserves of our Company are used to make up losses, expand business, or increase the registered capital of our Company. To make up for our Company’s losses, the discretionary reserves and statutory reserves should be used first; if it is still unable to make up for it, the capital reserves can be used in accordance with relevant provisions.

When the statutory reserves are converted into capital, the remaining amount of said reserves shall not be less than 25% of the registered capital of our Company before such conversion.

After the Shareholders’ meeting of our Company has resolved on the profit distribution plan, the Board shall complete the distribution of dividends within six months from the date of the Shareholders’ meeting.

The holder of any shares shall be entitled to interest on amounts paid in advance of a call by our Company, provided that no Shareholder shall have the right to participate in dividends declared after such advance payment in respect of the prepaid amount.

Our Company shall appoint a collection agent for the holders of overseas listed shares, who shall receive the dividends and other payables of our Company in respect of overseas listed shares, on behalf of said Shareholders.

The collection agent appointed by our Company shall meet the requirements of laws of Hong Kong and the relevant regulations of Hong Kong Stock Exchange.

The collection agent appointed by our Company for the holders of overseas shares listed in Hong Kong Stock Exchange shall be a trust company registered under the Trustee Ordinance of Hong Kong.

Subject to the relevant laws and Listing Rules, our Company may forfeit any dividend unclaimed, provided that such power of forfeiture shall not be exercised before the expiration of its applicable limitation period.

Our Company also has the power to terminate the delivery of a dividend warrant by post to a holder of offshore listed shares; provided that our Company may exercise such power of termination only if the cash on such dividend warrant is not withdrawn consecutively two times or more. However, our Company may also exercise this power if the dividend warrant has been returned undelivered to the recipient on the first attempt.

Our Company has the right to issue warrants to bearer holders. No new warrant shall be issued to replace a lost warrant unless it is reasonably assured that the original warrant has been lost. Our Company shall have the power to sell the shares of offshore listed Shareholders who have been unable to contact in such a manner as the Board may think appropriate, provided, however, that:

- (1) dividends are distributed onto such shares at least three times within twelve years, but such dividends are unclaimed in such period; and
- (2) upon expiration of the twelve-year period, our Company shall publish a public announcement on one or more newspapers in Hong Kong, specifying the intention to sell such shares, and shall notify the Hong Kong Stock Exchange.

ENGAGEMENT OF ACCOUNTING FIRM

Our Company shall engage an independent accounting firm in compliance with relevant state regulations, to conduct accounting statement auditing, net asset verification and other related consulting services. The engagement period is one year and can be renewed.

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The accounting firm engaged by our Company is entitled to the following rights:

- (1) to access the books of accounts, records, or vouchers of our Company at any time, and require the Directors, general manager, or other senior management of our Company to provide related information and explanations;
- (2) to require our Company to take all reasonable measures to obtain from its subsidiaries all information and notes required for said accounting firm to perform its duties; and
- (3) to attend Shareholders' meeting, receive the notice of meeting accessible to any Shareholder, or other information related to the meeting, and make a speech at any Shareholders' meeting in respect of any matter involving its role as the accounting firm of our Company.

If any position of the accounting firm is vacant, the Board may appoint an accounting firm to fill up such a vacancy before the convening of the Shareholders' meeting. Any other accounting firm which has been engaged by our Company may continue to act during the period when such a vacancy exists.

The Shareholders' meeting may, by means of an ordinary resolution, dismiss any accounting firm prior to the expiration of its term of office, notwithstanding the terms in the contract between the accounting firm and our Company, but without prejudice to such accounting firm's right, if any, to claim damages from our Company in respect of such dismissal.

The engagement, removal or dismissal of an accounting firm and the remuneration of the accounting firm shall be decided by an ordinary resolution of the Shareholders' meeting. The Board shall not engage an accounting firm prior to the decision by the Shareholders' meeting.

Our Company shall send fifteen-day prior notice to the accounting firm, in order to dismiss or not to reappoint the accounting firm, and the said accounting firm is entitled to give opinions when the Shareholders' meeting votes on the dismissal of the same. The accounting firm, in order to resign, shall make representations regarding whether our Company has any improper affairs to the Shareholders' meeting.

MERGER AND DIVISION OF OUR COMPANY

The merger of our Company may take two forms: merger by absorption or merger by new establishment.

If our Company merges with a company in which it holds more than ninety percent of the shares, the merger does not require a resolution of the shareholders' meeting of the merged company, but other shareholders must be notified and have the right to request our Company to purchase their shares at a reasonable price.

If the consideration for the merger does not exceed ten percent of our Company's net assets, a resolution of the Shareholders' meeting is not required, unless otherwise provided by the Articles of Association, securities regulatory provisions of the stock exchange listing venue and securities regulatory authorities.

Mergers conducted in accordance with the preceding two paragraphs without a resolution of the Shareholders' meeting must be approved by a resolution of the Board.

In a merger of our Company, all parties to the merger shall sign the merger agreement and shall prepare their respective balance sheets and inventory lists of assets. Our Company shall notify its creditors within ten days from the date of passing the merger resolution and make a public announcement in newspaper or on the National Enterprise Credit Information Publicity System and

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the website of the Hong Kong Stock Exchange within thirty days from the date of passing the merger resolution. Upon the merger, the creditors’ rights and the indebtedness of each merging party shall be assumed by the surviving entity or the newly established company resulting from the merger.

Where our Company is to be divided, its assets shall be divided accordingly. In the event of the division of our Company, the parties to such division shall prepare a balance sheet and a list of assets. Our Company shall notify its creditors within ten days from the date of the resolution on such division and shall make a public announcement in newspaper or on the National Enterprise Credit Information Publicity System and the website of the Hong Kong Stock Exchange within thirty days from the date of the resolution on such division. The post-division company shall be jointly and severally liable for the pre-division debts of our Company, unless provided otherwise in a written agreement pertaining to the payment of debts between our Company and its creditors prior to the division.

Where our Company undergoes a merger or division, changes in the particulars of our Company shall be registered with our Company registration authorities in accordance with the laws. Where our Company is dissolved, cancellation of its registration shall be conducted in accordance with the laws. Where a new company is established, it shall be registered in accordance with the laws.

DISSOLUTION AND LIQUIDATION OF OUR COMPANY

Our Company shall be dissolved upon the occurrence of any of the following events:

- (1) expiry of the valid term of the business or the occurrence of other events of dissolution as stated in the Articles of Association;
- (2) a resolution for dissolution is passed by a Shareholders’ meeting;
- (3) dissolution is necessary due to a merger or division of our Company;
- (4) our Company is revoked of business license, ordered to close or canceled according to law; or
- (5) serious difficulties arise in the operation and management of our Company and its continued existence would cause material loss to the interests of the Shareholders and such difficulties cannot be resolved through other means, in which case Shareholders holding at least 10% of all Shareholders’ voting rights may petition a people’s court to dissolve our Company.

Where our Company is dissolved in accordance with the provisions of items (1), (2), (4) and (5) above, it shall be liquidated. The Directors shall be the obligors of our Company’s liquidation and shall form a liquidation committee to carry out the liquidation within fifteen days from the date on which the cause of dissolution arises. The members of the liquidation committee shall be Directors or other persons appointed by a Shareholders’ meeting. If a liquidation committee is not established within the time period or a liquidation is not carried out after the establishment of the liquidation committee, the interested parties may apply to the people’s court to designate relevant personnel to establish a liquidation committee to proceed with the liquidation.

The liquidation committee shall exercise the following functions and powers during the period of liquidation:

- (1) to dispose of the property of our Company, and to prepare a balance sheet and a list of properties;

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- (2) to inform creditors by notice and public announcement;
- (3) to dispose of unfinished business of our Company relating to the liquidation;
- (4) to pay up all outstanding taxes and tax arising during the liquidation process;
- (5) to clear up claims and debts;
- (6) to distribute the residual properties of our Company after the full settlement of debts;
and
- (7) to represent our Company in civil litigation.

The liquidation committee shall notify the creditors within ten days after its establishment and publish announcements in the newspaper or on the National Enterprise Credit Information Publicity System within sixty days. Creditors shall, within thirty days from the date of receiving the notice; or for creditors who do not receive the notice, within forty-five days from the date of the public announcement, declare their claims to the liquidation committee.

The creditor shall provide a description and supporting evidence of matters relating to their claims. The liquidation committee shall register the creditors' claims.

The liquidation committee shall not make any debt settlement during the period of declaration of claims.

A liquidation plan shall be formulated by the liquidation committee after the stocktaking of our Company's assets has been carried out and the balance sheet and a detailed inventory of assets have been formulated and shall be submitted to the Shareholders' meeting or people's court for confirmation.

The assets of our Company shall be applied for liquidation in the following order: payment of liquidation expenses, staff wages, social insurance expenses and statutory compensation, payment of outstanding taxes, and payment of our Company's debts. The residual assets of our Company after settlement of all liabilities in accordance with the provisions of the preceding sentence shall be distributed to the Shareholders of our Company in proportion to their shareholdings.

During the liquidation period, our Company shall continue to exist but shall not carry out business activities unrelated to the liquidation. Before our Company's debts have been fully repaid in accordance with the provisions of the preceding paragraph, no assets of our Company shall be distributed to its Shareholders.

Where the liquidation committee, having examined our Company's assets and having prepared a balance sheet and an inventory of assets, discovers that our Company's assets are insufficient to pay its debts in full, it shall immediately apply to the people's court for a declaration of bankruptcy. Once the people's court has declared our Company bankrupt, the liquidation committee shall turn over any matters regarding the liquidation to the people's court.

Following the completion of liquidation, the liquidation committee shall formulate a report on liquidation, which shall be submitted to the Shareholders' meeting or the people's court for confirmation. The liquidation committee shall also submit the aforesaid documents to our Company registration authority and apply for cancellation of registration of our Company and terminate our Company.

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Where our Company has incurred no debts during its existence or has paid off all its debts, it may, upon the joint undertaking of all shareholders, apply for deregistration under the simplified procedure in accordance with applicable regulations. When applying for deregistration under the simplified procedure, our Company shall publish a notice on the National Enterprise Credit Information Publicity System for a period of no less than twenty days. If no objection is raised upon expiry of the notice period, our Company may file an application for deregistration with our Company registration authority within twenty days. If any Shareholder’s undertaking as set forth in the Articles of Association is untrue, the shareholders shall be jointly and severally liable for our Company’s debts existing prior to the deregistration.

AMENDMENT TO THE ARTICLES OF ASSOCIATION

Under one of the following circumstances, our Company shall amend the Articles of Association:

- (1) when the Articles of Association contradict the newly implemented amendments of PRC Company Law, the Listing Rules and any other applicable laws, administrative regulations, departmental rules, normative documents and securities regulatory provisions of the stock exchange listing venue;
- (2) due to any change, when the information of our Company is inconsistent with the matters set forth in the Articles of Association; or
- (3) when the Shareholders’ meeting has made a resolution to amend the Articles of Association.

In the event that the amendment to the Articles of Association adopted by the Shareholders’ meeting needs to be approved by the competent authority, our Company shall seek approval from relevant authority and if it involves company registration matters, change registration shall be handled in accordance with the law. The Board shall follow such resolutions by the Shareholders’ meeting and the approval opinions of relevant authority when amending the Articles of Association.

In the event that an amendment to the Articles of Association qualifies as required disclosure under applicable laws, administrative regulations, departmental rules, normative documents and securities regulatory provisions of the stock exchange listing venue, such amendment should be publicly announced.

ANNEX: ARRANGEMENT FOR PARTIAL VOTING-RIGHT WAIVER BY SHANGHAI SAIWEI

With effect from the date on which the Articles of Association becomes effective:

1. Shanghai Saiwei undertakes that, to the extent SAIC Motor Corp. Ltd. and its affiliates (individually or collectively, “SAIC”) are entitled, under the Fourth Amended and Restated Shareholders’ Agreement of Shanghai Saiyun Investment Company Limited and the Amended and Restated Articles of Association of Shanghai Saiyun Investment Company Limited. (both executed on 27 December 2024 by AGH, SAIC, and other relevant parties), to determine the exercise of any shareholder rights relating to matters submitted to our Company’s shareholders’ meeting that are otherwise exercisable by Shanghai Saiwei (including, without limitation, by acting through persons appointed by SAIC), SAIC undertakes to procure that Shanghai Saiwei shall unconditionally and irrevocably waive (and shall not separately or collectively delegate to any third party the exercise of) the voting rights attaching to that portion of the shares it lawfully holds corresponding to AGH’s indirect shareholding percentage (as defined below). The number of shares subject to such waiver on the date our Company’s initial overseas [REDACTED] of H shares is filed with and accepted by the CSRC and [REDACTED]

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on the Main Board of Hong Kong Stock Exchange is 243,485,087 shares. This figure may be adjusted by mutual agreement of AGH (as defined below) and SAIC. The shares subject to the waiver shall not be counted in the total number of shares carrying voting rights (the “Partial Voting-Right Waiver”).

2. If, subsequently, the percentage of our Company’s total shares indirectly held by Alibaba China through Shanghai Saiwei and through Shanghai Saiyun Management (and, in turn, indirectly through Shanghai Saiwei) changes (the “AGH Indirect Shareholding Percentage”), the number of Company shares that Shanghai Saiwei waives under the Partial Voting-Right Waiver shall be adjusted so that the proportion of our Company’s shares subject to waiver remains identical to the AGH Indirect Shareholding Percentage.
3. For the avoidance of doubt, the specific rights waived by Shanghai Saiwei under the Partial Voting-Right Waiver include, without limitation:
 - a) The right to request, convene, call, preside over, attend, or appoint a proxy to attend our Company’s shareholders’ meetings in accordance with the law;
 - b) The right to make shareholder proposals, including, without limitation, proposals for nominating, recommending, electing, or removing directors (including director candidates), and to submit any motions, proposals, or resolutions, or to make any statements of intent;
 - c) The right to vote at shareholders’ meetings on all matters required by applicable laws, administrative regulations, departmental rules, normative documents, the listing rules of the stock exchange on which our Company’s shares are listed, the Articles of Association, the Shareholders’ Agreement and other relevant corporate governance documents to be discussed and resolved by our Company’s shareholders, and to sign any relevant documents (if required).

For the avoidance of doubt, after our Company’s initial overseas [REDACTED] of H shares has been filed with and accepted by the CSRC and [REDACTED] on the Main Board of Hong Kong Stock Exchange, if AGH and SAIC wish to adjust the arrangement under this Annex concerning the “Partial Voting-Right Waiver by Shanghai Saiwei” and such adjustment would not adversely affect the shareholder rights of any other shareholder of our Company under the Articles of Association, our Company need not update this Annex under the Articles of Association; the relevant arrangement shall be governed by any separate agreement and documents executed by AGH and SAIC at that time.

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FURTHER INFORMATION ABOUT OUR COMPANY

Establishment of our Company

Our Company is a limited liability company established under the laws of the PRC on November 22, 2015 which was converted into a joint stock company with limited liability on March 3, 2025. As of the Latest Practicable Date, the registered share capital of our Company is RMB3,344,873,403.

Our Company has established a place of business in Hong Kong at Room 1912, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong and has been registered as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance on August 28, 2025. Ms. Ng Wai Kam, one of our joint company secretaries, has been appointed as the Authorized Representative of our Company in Hong Kong. The address for service of process on our Company in Hong Kong is the same as our principal place of business in Hong Kong as set out above.

As we are established in the PRC, our corporate structure and Articles of Association are subject to the relevant laws and regulations of the PRC. A summary of the relevant provisions of our Articles of Association is set out in “Appendix III—Summary of Articles of Association”.

Changes in Share Capital of Our Company

Save as disclosed in the section headed “History, Development and Corporate Structure—Corporate Development and Major Shareholding Changes” and “History, Development and Corporate Structure—Pre-[REDACTED] Investments”, there has been no other alteration in the share capital of our Company during the two years immediately preceding the date of this Document.

Changes in Share Capital of Our Subsidiaries

A summary of the corporate information and the particulars of our subsidiaries are set out in Note 43 to the Accountants’ Report in Appendix I to this Document.

There had been no other alterations of share capital of our subsidiaries within the two years preceding the date of this Document.

Resolutions of our Shareholders

Pursuant to the Shareholders’ resolutions dated August 18, 2025, the following resolutions, among other things, were (subject to the relevant regulatory approval, filing and registration) duly passed:

- (a) the number of H Shares to be issued shall not be more than [REDACTED]% of the total issued share capital of our Company as enlarged by the [REDACTED], and the grant to the [REDACTED] (or their representatives) of the [REDACTED] of not more than [REDACTED]% of the number of H Shares issued pursuant to the [REDACTED];
- (b) upon completion of the [REDACTED], [REDACTED] Unlisted Shares in aggregate will be converted into H Shares on a one-for-one basis;
- (c) authorization of the Board and its authorized persons to handle matters relating to, among other things, the [REDACTED], the issue and [REDACTED] of the H Shares; and
- (d) subject to the completion of the [REDACTED], the granting of a general mandate to the Board to repurchase H Shares issued on the Stock Exchange with an aggregate number of not exceeding 10% of the number of the total issued H Shares (excluding any treasury shares) as at the date of the resolution granting the general mandate;

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- (e) subject to the completion of the [REDACTED], the granting of a general mandate to the Board to allot, issue Shares, or sell and/or transfer Shares out of treasury that are held as treasury shares at any time within a period up to the date of the conclusion of the next annual general meeting of the Shareholders or the date on which the Shareholders pass a special resolution to revoke or change such mandate, whichever is earlier, upon such terms and conditions and for such purposes and to such persons as the Board in their absolute discretion deem fit, and to make necessary amendments to the Articles of Association, provided that, the number of Shares to be issued shall not exceed 20% of the number of the Shares in issue (excluding any treasury shares) as at the date of the resolution granting the general mandate; and
- (f) subject to the completion of the [REDACTED], the conditional adoption of the Articles of Association, which shall become effective on the [REDACTED] and the authorization of the Board to amend the Articles of Association in accordance with relevant laws and regulations and upon the request from the Stock Exchange and relevant PRC regulatory authorities.

Explanatory Statement on Repurchase of Our Own Securities

The following paragraphs include, among others, certain information required by the Stock Exchange to be included in this Document concerning the repurchase of our own securities.

(a) Reasons for repurchase

The Board considered that the repurchase of the Shares would be beneficial to and in the best interests of the Company and its Shareholders as a whole. It can strengthen the investors' confidence in the Company and promote a positive effect on maintaining the Company's reputation in the capital market. Such repurchases will only be made when the Board believes that such repurchases will benefit the Company and its Shareholder as a whole.

Following a repurchase of Shares, the Company may cancel any repurchased Shares and/or hold them as treasury shares subject to, among others, market conditions and its capital management needs at the relevant time of the repurchases, which may change due to evolving circumstances.

(b) Exercise of the general mandate to repurchase Shares

Subject to the passing of the special resolution approving the grant of the general mandate to repurchase H Shares at annual general meetings, the Board will be granted general mandate to repurchase H Shares until the end of the relevant period. The general mandate to repurchase Shares would expire on the earlier of:

- (i) the conclusion of the next annual general meeting of the Company of which time it shall lapse unless, by special resolutions passed at that meeting, the authority is renewed, either conditionally or subject to conditions; or
- (ii) the revocation or variation of the mandate under the resolution by a special resolution at any general meeting of the Company.

Furthermore, we need to complete registration and approval procedures with relevant government authorities for the actual grant of the repurchase mandate to the Board, as applicable. The exercise in full of the general mandate to repurchase H Shares (on the basis of [REDACTED] H Shares in issue as of the [REDACTED] and no H Shares will be allotted and issued or repurchased by the Company on or prior to the date of the next annual general meeting to be held after the [REDACTED]) would result in a maximum of [REDACTED] H Shares being repurchased by the Company during the relevant period, being the maximum of 10% of the H Shares in issue (excluding any treasury shares) as of the [REDACTED].

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(c) Source of funds

In repurchasing its Shares, the Company intends to apply funds from the Company’s internal resources (which may include surplus funds and retained profits) legally available for such purpose in accordance with the Articles of Association and the applicable laws, rules and regulations of the PRC.

The Company is empowered by its Articles of Association to repurchase its Shares. Any shares to be repurchased will be cancelled or kept as treasury shares if allowed by the Articles of Association and applicable laws and regulations. The Company may not purchase securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

(d) Suspension of repurchase

A listed company shall not repurchase its shares on the Stock Exchange at any time after inside information has come to its knowledge until the information is made publicly available. In particular, during the period of 30 days immediately preceding the earlier of: (i) the date of the board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the company’s results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and (ii) the deadline for the issuer to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), until the date of the results announcement, the company may not repurchase its shares on the Stock Exchange unless there are exceptional circumstances.

(e) Close associates and core connected persons

None of our Directors or, to the best of their knowledge having made all reasonable inquiries, any of their close associates have a present intention, in the event the general mandate to repurchase Shares is approved, to sell any Shares to our Company.

No core connected person of our Company has notified our Company that they have a present intention to sell Shares to our Company, or have undertaken to do so, if the general mandate to repurchase Shares is approved.

A listed company shall not knowingly purchase its shares on the Stock Exchange from a core connected person (namely a director, supervisor, chief executive or substantial shareholder of the company or any of its subsidiaries, or a close associate of any of them), and a core connected person shall not knowingly sell their interest in shares of the company to it.

(f) Status of repurchased Shares

Subject to the Articles of Association, the Listing Rules and any other applicable laws and regulations, the Shares repurchased by the Company will be cancelled or kept as treasury shares.

(g) Takeover implications

If, as a result of any repurchase of Shares, a Shareholder’s proportionate interest in the voting rights of our Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of our Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

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Save as aforesaid, our Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the general mandate to repurchase Shares.

(h) *Interim measures*

For any treasury shares of the Company deposited with CCASS pending resale on the Stock Exchange, the Company shall, upon approval by the Board, implement the below interim measures which include (without limitation):

- (i) procuring its broker not to give any instructions to HKSCC to vote at general meetings for the treasury shares deposited with CCASS;
- (ii) in the case of dividends or distributions (if any and where applicable), withdrawing the treasury shares from CCASS, and either re-register them in its own name as treasury shares or cancel them, in each case before the relevant record date for the dividend or distributions; or
- (iii) taking any other measures to ensure that it will not exercise any Shareholders’ rights or receive any entitlements which would otherwise be suspended under the applicable laws if those Shares were registered in its own name as treasury shares.

(i) *General*

The Company did not hold any treasury shares as of the Latest Practicable Date and will not hold any treasury shares upon [REDACTED].

If the general mandate to repurchase Shares were to be carried out in full at any time, there may be a material and adverse impact on our working capital or gearing position (as compared with the position disclosed in our most recent published audited accounts). However, our Directors do not propose to exercise the general mandate to repurchase Shares to such an extent as would have a material and adverse effect on our working capital or gearing position.

Our Directors have undertaken to the Stock Exchange that they will exercise the general mandate to repurchase Shares in accordance with the Listing Rules and the applicable laws in the PRC. Neither the Explanatory Statement on Repurchase of Our Own Securities nor the proposed share repurchase has any unusual feature.

FURTHER INFORMATION ABOUT OUR BUSINESS

Summary of Material Contracts

We have entered into the following contracts (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the date of this Document that is or may be material:

- (a) [●]; and
- (b) the [REDACTED].

Intellectual Property Rights

As of the Latest Practicable Date, our Group has registered the following intellectual property rights which we consider to be material to our Group’s business.

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Trademarks

As of the Latest Practicable Date, we had registered the following trademarks which we consider to be or may be material to our business:

No.	Trademark Registered	Owner	Registration Number	Place of Registration
1. . .	斑马元神	the Company	81024147	PRC
2. . .	斑马元神	the Company	81021401	PRC
3. . .	斑马元神	the Company	81018398	PRC
4. . .		the Company	22245295	PRC
5. . .		the Company	22244915	PRC
6. . .		the Company	22244816	PRC
7 . . .	斑马智行	Banma Information Technology Co., Ltd. (斑马信息科技有限公司) (“ Banma Information ”)	19884997	PRC
8 . . .	斑马智行	Banma Information	19884996	PRC

Patents

As of the Latest Practicable Date, we had registered the following patents which we consider to be material to our business:

No.	Patent Description	Registered Owner	Patent Number	Place of Registration
1. . .	A multi-zone voice interaction method and electronic device for a vehicle (一種車輛用多音區語音互動方法及電子設備)	the Company	202010630094.6	PRC
2. . .	Map acquisition method, system, cloud processor, and vehicle (地圖獲取方法、系統、雲處理器及車輛)	the Company	201810213040.2	PRC

APPENDIX IV STATUTORY AND GENERAL INFORMATION

No.	Patent Description	Registered Owner	Patent Number	Place of Registration
3. . .	Method, apparatus, and device for switching driving modes (駕駛模式的切換方法、裝置及設備)	the Company	201610415931.7	PRC
4. . .	A vehicle data processing method, apparatus, and terminal device (一種交通工具數據處理方法、裝置和終端設備)	the Company	201610290856.6	PRC
5. . .	Service display method, apparatus, device, and system (服務顯示方法、裝置、設備和系統)	the Company	201610266311.1	PRC
6. . .	Image processing method, apparatus, device, and user interface system (圖像的處理方法、裝置、設備及用戶介面系統)	the Company	201610251255.4	PRC
7. . .	Road condition warning method, device, server, control device, and operating system (路況預警方法、設備、服務器、控制設備及操作系統)	the Company	201610254735.6	PRC
8. . .	Voice interaction processing method, apparatus, device, and operating system (語音交互處理方法、裝置、設備及操作系統)	the Company	201610250092.8	PRC
9. . .	Voice wake-up method, apparatus, and device (語音喚起方法、裝置和設備)	the Company	201610246576.5	PRC
10. .	Vehicle service system and its service method (車輛服務系統及其服務方法)	Banma Information	201710050573.9	PRC

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Copyrights

As of the Latest Practicable Date, we have the following copyrights which we consider to be or may be material to our business:

No.	Copyright Name	Registered Owner	Registration Number	Place of Registration
1. . .	Banma Hypervisor Virtual Machine System V1.0 (Banma Hypervisor虛擬機系統V1.0)	the Company	2023SR1377545	PRC
2. . .	Intelligent Driving Software Task Analysis and Orchestration System V1.0 (智駕軟件任務分析與編排系統V1.0)	the Company	2023SR0650089	PRC
3. . .	Banma Zhixing Software V3.0 (斑馬智行軟件體V3.0)	the Company	2020SR0100177	PRC
4. . .	Banma Zhixing Software V2.0 (斑馬智行軟件V2.0)	the Company	2019SR0292888	PRC
5. . .	Banma Zhixing Software V1.0 (斑馬智行軟件V1.0)	the Company	2017SR212345	PRC
6. . .	Banma Internet Vehicle Software V1.0 (斑馬互聯網汽車軟件V1.0)	Banma Information	2017SR209446	PRC

Domain Names

As of the Latest Practicable Date, we have the following registered internet domain names which we consider to be or may be material to our business:

No.	Domain Name	Registered Owner	Expiry Date
1. . . .	zebred.com	the Company	December 8, 2027
2. . . .	ebanma.com	Banma Information	October 23, 2026

Save as the above, as of the Latest Practicable Date, there were no other intellectual property rights which were material to our business.

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FURTHER INFORMATION ABOUT OUR DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND SUBSTANTIAL SHAREHOLDERS

Interests and short positions of our Directors, Supervisors and chief executive of our Company in the Shares, underlying Shares and debentures of our Company and our associated corporations

Immediately following the completion of the [REDACTED] (assuming that the [REDACTED] is not exercised), so far as our Directors are aware, save as disclosed under “History, Development and Corporate Structure—Capitalization” and “—Details of interests granted under the 2025 Employee Incentive Plan” in this section, none of our Directors, Supervisors and chief executives has any interests and short positions in our Shares, underlying Shares or debentures of our Company or any of our associated corporations (within the meaning of Part XV of the SFO) (i) which will have to be notified to us and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO), or (ii) which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or (iii) which will be required to be notified to us and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules.

Interests of the substantial shareholders in the Shares

Save as disclosed in “Substantial Shareholders”, immediately following the completion of the [REDACTED] and without taking into account any H Shares which may be issued pursuant to the exercise of the [REDACTED], our Directors are not aware of any other person (not being a Director, Supervisor or chief executive of our Company) who will have an interest or short position in our Shares or the underlying Shares which would fall to be disclosed to us and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 10% or more of the issued voting shares of our Company.

Interests of the substantial shareholders in other members of our Group

As of the Latest Practicable Date, our Directors are not aware of any persons who would, immediately following the completion of the [REDACTED], be directly or indirectly interested in 10% or more of the issued voting shares of the other members of our Group (other than our Company).

Particulars of Directors’ Service Contracts and Appointment Letters

We [have entered into] a service contract or a letter of appointment with each of our Directors in respect of, among other things, compliance with the relevant laws and regulations, the Articles of Association and applicable provisions on arbitration.

Save as disclosed above, we have not entered, and do not propose to enter, into any service contracts with any of our Directors in their respective capacities as Directors (other than contracts expiring or determinable by the employer within one year without any payment of compensation (other than statutory compensation)).

Remuneration of Directors and Supervisors

Save as disclosed in “Directors, Supervisors and Senior Management” and Note 14 to the Accountants’ Report set out in Appendix I to this Document, none of our Directors or Supervisors received other remunerations of benefits in kind from us for the financial years ended December 31, 2023, 2024 and 2025.

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Under the arrangement currently in force, we estimate that the aggregate remuneration payable to, any benefits in kind receivable by, our Directors and Supervisors (excluding share-based payments) by any member of our Group in respect of the year ending December 31, 2026 is approximately RMB5.7 million.

Save as disclosed above, there is no arrangement under which any Director or Supervisor has waived or agreed to waive any remuneration or benefits in kind during the Track Record Period.

Disclaimers

- (a) None of our Directors or Supervisors has any direct or indirect interest in the promotion of our Company, or in any assets which have within the two years immediately preceding the date of this Document been acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group; and
- (b) None of our Directors or Supervisors is materially interested in any contract or arrangement subsisting at the date of this Document which is significant in relation to the business of our Group taken as a whole.

PRE-[REDACTED] EQUITY INCENTIVE PLANS

The following is a summary of the principal terms of the Pre-[REDACTED] Equity Incentive Plans. The terms of the Pre-[REDACTED] Equity Incentive Plans are not subject to the provisions of Chapter 17 of the Listing Rules as each of the Pre-[REDACTED] Equity Incentive Plans does not involve the grant of new awards by our Company after the [REDACTED]. The Pre-[REDACTED] Equity Incentive Plans will not cause any dilution of the shareholding of our Shareholders after the [REDACTED] given all underlying Shares of the awards granted under the Pre-[REDACTED] Equity Incentive Plans have been issued to the Equity Incentive Platforms and/or the participants under the 2025 Management Incentive Plan.

(1) 2018 Employee Incentive Plan

1. Purpose

To attract, motivate, and retain key personnel who play a vital role in the Company’s development, enhance their engagement, sense of responsibility, and commitment to the Company’s mission, and to further strengthen the Company’s corporate governance framework, the Company has adopted the 2018 Employee Incentive Plan.

2. Participants

The incentive participants shall be employees of the Group who meet specific eligibility criteria, including members of the Company’s core management team and key personnel, excluding independent directors and supervisors.

3. Total Number of the Underlying Shares

Participants shall be interested in a total of 11,868,069 Shares (the “**Incentive Awards I**”) through holding limited partnership interests in the limited partnerships, which are limited partners of Shanghai Saili, representing 0.35% of the share capital of our Company in issue immediately prior to the [REDACTED].

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4. Subscription Price

Under the 2018 Employee Incentive Plan, participants who were granted Incentive Awards I on or before September 2018 exercised their rights at a price of RMB1.00 per Share. For participants granted with Incentive Awards I after September 2018, the subscription price was set at RMB5.85 per Share.

5. Form of the 2018 Employee Incentive Plan

The Company establishes limited partnership entities as equity incentive holding platforms to directly or indirectly hold the Company’s Shares. Upon exercising their incentive rights, the participants indirectly hold the Company’s Shares by holding limited partnership interests in these holding platforms.

6. Vesting Period and Transfer Restrictions

The participants under the 2018 Employee Incentive Plan shall comply with the vesting period and transfer restrictions set forth in the grant agreement.

As of the date of this Document, all Incentive Awards I have been granted and vested.

7. Exit Mechanism of Incentive Equity

Prior to the [REDACTED], Incentive Awards I already exercised could be transferred at the actual subscription price by way of internal transactions among participants. Subsequent to the [REDACTED], such Incentive Awards I shall be disposed of on the secondary market in accordance with the applicable lock-up requirements and the Listing Rules.

In the event of a change of control or other material circumstances, the Shareholders’ meeting or the board of Directors duly authorized thereby shall have the authority to determine whether the 2018 Employee Incentive Plan shall continue, be amended, suspended or terminated. In the event of resignation or amicable termination of employment, all unvested Incentive Awards I shall automatically lapse; vested but unexercised Incentive Awards I shall be exercised or forfeited within one month from the effective date of termination; and Incentive Awards I obtained upon exercise shall be subject to repurchase by the Equity Incentive Platform at fair market value to be determined with reference to the most recent external investment price within one year prior thereto.

In the event of death or declaration of missing of the participants, unvested Incentive Awards I shall automatically lapse, vested but unexercised Incentive Awards I shall be settled immediately at the difference between the grant price and the latest fair market value, and exercised Incentive Awards I shall be repurchased by the Equity Incentive Platform on the same basis. For any other circumstances not expressly provided herein, the shareholders’ meeting or the board of Directors as duly authorized shall determine the continuation, amendment, suspension or termination of the 2018 Employee Incentive Plan.

(2) 2020 Employee Incentive Plan

1. Purpose

To attract, motivate, and retain key personnel who play a vital role in the Company’s development, enhance their engagement, sense of responsibility, and commitment to the Company’s mission, and to further strengthen the Company’s corporate governance framework, the Company has adopted the 2020 Employee Incentive Plan.

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2. *Participants*

The incentive participants must be employees currently employed by the Company, its subsidiaries, or affiliated entities, or other eligible individuals as determined by the Board or the relevant committee.

3. *Total Number of the Underlying Shares*

Participants shall be interested in a total of 29,995,451 Shares (the “**Incentive Awards II**”) through holding limited partnership interest in the limited partnerships, which are limited partners of Shanghai Saili, representing 0.90% of the share capital of our Company in issue immediately prior to the [REDACTED].

4. *Subscription Price*

Under the 2020 Employee Incentive Plan, employees exercised their rights at a subscription price of either RMB1.17 or RMB5.85 per Share. For Incentive Awards II which were granted using repurchased shares, the subscription price was RMB2.32 per Share.

5. *Form of the 2020 Employee Incentive Plan*

The Company establishes limited partnership entities as equity incentive holding platforms to directly or indirectly hold the Company’s Shares. Upon exercising their incentive rights, the participants indirectly hold the Company’s Shares by holding limited partnership interests in these holding platforms.

6. *Vesting Period and Transfer Restrictions*

The participants under the 2020 Employee Incentive Plan shall comply with the vesting period and transfer restrictions set forth in their grant agreements.

As of the date of this Document, all Incentive Awards I have been granted and vested.

7. *Transfer and Exit Mechanism*

Prior to the [REDACTED], Incentive Awards II may be repurchased by the Company under terms determined by the board of Directors. Following the [REDACTED], and upon expiry of the applicable lock-up period and subject to regulatory approvals and relevant legal restrictions, the Company may dispose of the corresponding registered capital indirectly held through Shanghai Saili and return to the participants the consideration, net of applicable taxes and expenses, by way of repurchase or capital reduction.

Where a participant ceases employment with the Group, exercised share awards may be repurchased by the Company; if the participant has served as a Director, Supervisor or senior management member, transfer shall be restricted for six months after cessation. Unvested awards shall lapse automatically, vested but unexercised awards must be exercised within six months of termination or they shall lapse, and exercised share awards may be repurchased by the Company within two years.

In the case of loss of capacity, death or legal declaration of death of the participants, all unvested awards shall automatically lapse. In circumstances such as changes in shareholding structure, dissolution or liquidation, or change of control, the board of Directors may determine whether to accelerate vesting or release restrictions, or otherwise arrange alternative exit measures, which participants shall unconditionally accept. For other circumstances not expressly provided, the board of Directors or the Shareholders’ meeting, as applicable, shall determine whether the 2020 Employee Incentive Plan shall continue, be amended, suspended or terminated.

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

Details of interests granted under the 2018 Employee Incentive Plan and 2020 Employee Incentive Plan

As of the date of this Document, all awards in the form of limited partnership interests under the 2018 Employee Incentive Plan and the 2020 Employee Incentive Plan had been fully granted and vested, and no further awards will be granted pursuant to such plans after the [REDACTED]. As of the Latest Practicable Date, 256 participants were granted awards in the form of limited partnership interests corresponding to 41,808,735 Shares, representing approximately 1.25% of the total issued Shares immediately prior to the [REDACTED].

Details of underlying Shares of the grants made under the 2018 Employee Incentive Plan and the 2020 Employee Incentive Plan to Directors, Supervisors, and senior management are as follows: (i) 320,000 Shares indirectly held by Yang Qing, our Supervisor, representing approximately 0.01% of the total issued Shares; (ii) 2,005,400 Shares indirectly held by Hao Fei, our Joint Chief Executive Officer, representing approximately 0.06% of the total issued Shares; and (iii) 1,109,800 Shares indirectly held by Fan Zhengbin, the Head of PMO, representing approximately 0.03% of the total issued Shares.

(3) 2025 Employee Incentive Plan

1. Purpose

To attract, motivate, and retain key personnel who play a vital role in the Company’s development, enhance their engagement, sense of responsibility, and commitment to the Company’s mission, and to further strengthen the Company’s corporate governance framework, the Company has adopted the 2025 Employee Incentive Plan.

2. Participants

Participants under the 2025 Employee Incentive Plan must be employees identified by the Board or its committee as contributing to the Group’s development and maintaining an employment relationship with the Group. Grants are primarily for employees at level P7 and above, based on entry, performance, or promotion. Others may be included if deemed necessary and approved by the Board.

3. Total Number of the Underlying Shares

Participants shall be interested in a total of 67,090,000 Shares (the “**Incentive Awards III**”) through holding the limited partnership interests in Shanghai Saixiang, representing 2.01% of the share capital of our Company in issue immediately prior to the [REDACTED].

4. Subscription Price

The subscription price of each Incentive Award III is RMB0.01.

5. Form of the 2025 Employee Incentive Plan

The Company establishes Shanghai Saixiang as an equity incentive holding platform to directly hold the Company’s Shares. Upon exercising their incentive rights, the Participants indirectly hold the Company’s Shares by holding limited partnership interests in Shanghai Saixiang.

6. Vesting Period and Transfer Restrictions

The participants under the 2025 Employee Incentive Plan shall comply with the vesting period and transfer restrictions set forth in their grant agreements.

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STATUTORY AND GENERAL INFORMATION

(4) 2025 Management Incentive Plan

1. *Purpose*

To attract, motivate, and retain key personnel who play a vital role in the Company’s development, enhance their engagement, sense of responsibility, and commitment to the Company’s mission, and to further strengthen the Company’s corporate governance framework, the Company has adopted the 2025 Management Incentive Plan.

2. *Administration*

The shareholders’ meeting, as the Company’s highest authority, is responsible for reviewing and approving the implementation, amendments, and termination of the 2025 Management Incentive Plan. The Board serves as the executive management body of the 2025 Management Incentive Plan and has established a management committee (the “**Committee**”) responsible for the specific implementation and administration of 2025 Management Incentive Plan.

3. *Participants*

Participants under the 2025 Management Incentive Plan are management, core technical staff, or key talents critical to business transformation and innovation, selected based on role, performance, and market scarcity. Others may be included upon Committee approval.

4. *Total Number of the Management Incentive Shares*

Participants shall be interested in a total of 39,174,312 Shares (the “**Management Incentive Shares**”) repurchased by our Company from Hangzhou Haoyue, representing 1.17% of the share capital of our Company in issue immediately prior to the [REDACTED].

5. *Subscription Price of the Management Incentive Shares*

The subscription price of each Management Incentive Share is RMB0.01.

6. *Form of the 2025 Management Incentive Plan*

The Participants will be granted the respective Management Incentive Shares and become our Shareholders with direct shareholding in our Company.

7. *Lock-up, Lapse and Disposal*

The Management Incentive Shares shall vest upon grant subject to a three-year lock-up period starting the grant date. Unvested awards shall automatically lapse upon termination of employment.

The return realized by the participants under the 2025 Management Incentive Shares may be subject to our adjustment in favor of the transferor.

8. *Proxy arrangement*

Each Participant under the 2025 Management Incentive Plan will enter into a proxy agreement to grant proxy of voting rights in the Management Incentive Shares to the chief executive officer of the Company.

APPENDIX IV STATUTORY AND GENERAL INFORMATION

Details of interests granted under the 2025 Employee Incentive Plan

As of the date of this Document, all 2025 Employee Awards under the 2025 Employee Incentive Plan were granted and no 2025 Employee Awards will be further granted after the [REDACTED] pursuant to the 2025 Employee Incentive Plan. We set forth below details of the awards granted to one Director, one Supervisor, three members of the senior management and other 323 participants who are not Directors, Supervisors, senior management or connected persons of our Company:

Name	Position/Connected Relationship	Purchase Price per Share	Number of underlying Shares	Approximate Shareholding Percentage in the Total Number of Shares in Issue Immediately Upon Completion of the [REDACTED] (Assuming No Exercise of the [REDACTED])
		RMB		(%)
Director				
Mr. Dai Wei (戴瑋)	Executive Director and Chief Executive Officer	0.01	6,000,000	[REDACTED]
Supervisor				
Mr. Yang Qing (楊青)	Supervisor	0.01	700,000	[REDACTED]
Senior Management				
Mr. Hao Fei (郝飛)	Joint chief Executive officer	0.01	1,000,000	[REDACTED]
Dr. Huang Youyong (黃佑勇)	Vice president	0.01	500,000	[REDACTED]
Mr. Fan Zhengbin (范正斌)	Head of PMO	0.01	1,500,000	[REDACTED]
Total for the Director, Supervisor, and senior management			9,700,000	[REDACTED]

Classified by number of underlying Shares	Number of Grantees	Purchase price per Share	Number of underlying Shares	Vesting period ^{Note}	Approximate Shareholding Percentage in the Total Number of Shares in Issue Immediately Upon Completion of the [REDACTED] (Assuming No Exercise of the [REDACTED])
		RMB			(%)
Other Grantees					
100,000 or less	216	0.01	13,648,000	Three months to 4 years	[REDACTED]
100,001 to 500,000	91	0.01	16,825,000	Three months to 4 years	[REDACTED]
500,001 above	16	0.01	26,917,000	Three months to 4 years	[REDACTED]

Note: The vesting period of the Employee Awards granted under the 2025 Employee Incentive Plan will be stipulated in the grant agreement with each Grantee, which could be categorized into three types as follows: (i) vesting in four even batches from the first anniversary to the fourth anniversary of the employment date of the Grantee, (ii) vesting in 16 even batches quarterly starting April 1 in each calendar year, and (iii) vesting in 16 even batches quarterly starting the effective date of promotion of the Grantee.

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OTHER INFORMATION

Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to be imposed on our Company or any of our subsidiaries.

Litigation

As of the Latest Practicable Date, no member of our Group was involved in any litigation, arbitration, administrative proceedings or claims of material importance, and, so far as we are aware, no litigation, arbitration, administrative proceedings or claims of material importance are pending or threatened against any member of our Group.

Preliminary Expenses

As of the Latest Practicable Date, our Company has not incurred any material preliminary expenses.

Promoter

All of the promoters of the Company are the then 16 Shareholders as at November 30, 2024 immediately before our conversion into a joint stock limited liability company. Save as disclosed in this Document, within the two years immediately preceding the date of this Document, no cash, securities or benefit has been paid, allotted or given, or is proposed to be paid, allotted or given to the promoters named above in connection with the [REDACTED] or the related transactions described in this Document.

Taxation of Holders of H Shares

The sale, purchase and transfer of H Shares registered with our Hong Kong branch register of members will be subject to Hong Kong stamp duty. The current rate charged on each of the seller and purchaser is HK\$1.00 for every HK\$1,000 (or part thereof) of the consideration or, if higher, the fair value of the H Shares being sold or transferred.

No Material Adverse Change

Our Directors confirm that up to Latest Practicable Date, there has been no material adverse change in our financial, operational or trading positions or prospects since December 31, 2024, being the end of the period reported on as set out in the Accountants’ Report included in Appendix I to this Document.

Qualifications of Experts

The qualifications of the experts who have given opinions or advice in this Document are as follows:

Name	Qualification
Deutsche Securities Asia Limited	A corporation licensed to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts) and Type 6 (advising on corporate finance) of regulated activities as defined under the SFO

APPENDIX IV STATUTORY AND GENERAL INFORMATION

Name	Qualification
China International Capital Corporation Hong Kong Securities Limited	A corporation licensed to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 6 (advising on corporate finance) of regulated activities as defined under the SFO
Guotai Junan Capital Limited	A corporation licensed to conduct Type 6 (advising on corporate finance) of regulated activities as defined under the SFO
Deloitte Touche Tohmatsu	Certified Public Accountants Registered Public Interest Entity Auditor Registered in accordance with the Accounting and Financial Reporting Council Ordinance
Fangda Partners	Legal adviser to our Company as to PRC laws
Commerce & Finance Law Offices Shanghai Office	Legal adviser to our Company as to PRC data compliance matters
Morgan, Lewis & Bockius LLP	Legal adviser to our Company as to U.S. export control laws
Hogan Lovells	Legal adviser to our Company as to U.S. outbound investment laws
China Insights Industry Consultancy Limited	Independent industry consultant

Save as disclosed in this Document, as of the Latest Practicable Date, none of the experts named above had any shareholding interest in our Company or any of our subsidiaries or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

Consents of Experts

Each of the experts as referred to “—Qualifications of Experts” in this Appendix has given and has not withdrawn its written consent to the issue of this Document with the inclusion of its report and/or letter and/or opinion and/or references to its name included herein the form and context in which it is respectively included.

Joint Sponsors

The Joint Sponsors have made an application on our behalf to the Listing Committee for the [REDACTED] of, and permission to [REDACTED], our H Shares. All necessary arrangements have been made to enable the securities to be admitted into CCASS.

The Joint Sponsors satisfy the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules. Each of the Joint Sponsors will receive a fee of US\$350,000 for acting as a sponsor for the [REDACTED].

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Restriction on Share Repurchase

For details of the restrictions on share repurchases by our Company, see “Appendix III—Summary of Articles of Association.”

Binding Effect

This Document shall have the effect, if an application is made in pursuance of it, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

Bilingual Document

The English and Chinese language versions of this Document are being published separately, in reliance upon the exemption provided under section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

Miscellaneous

Save as otherwise disclosed in this Document:

- (a) within the two years preceding the date of this Document:
 - (i) no share or loan capital of our Company or any of our subsidiaries has been issued or agreed to be issued, or is proposed to be fully or partly paid either for cash or a consideration other than cash;
 - (ii) no share or loan capital of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;
 - (iii) no commissions, discounts, brokerages or other special terms have been granted or agreed to be granted in connection with the issue or sale of any share of our Company or any of our subsidiaries; and
 - (iv) no commission has been paid or is payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription for any share in or debentures of our Company;
- (b) there are no founder, management or deferred shares or any debentures in our Company or any of our subsidiaries;
- (c) there are no contracts for hire or hire purchase of plant to or by us for a period of over one year which are substantial in relation to our business;
- (d) there has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this Document;
- (e) there are no restrictions affecting the remittance of profits or repatriation of capital by us into Hong Kong from outside Hong Kong;
- (f) our Company has no outstanding convertible debt securities or debentures;
- (g) there is no arrangement under which future dividends are waived or agreed to be waived;

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STATUTORY AND GENERAL INFORMATION

- (h) none of our equity and debt securities is listed or dealt with in any other stock exchange nor is any [REDACTED] or permission to deal being or proposed to be sought;
- (i) our Company is a joint stock limited company and is subject to the PRC Company Law; and
- (j) our Company has adopted a code of conduct regarding Directors’ and Supervisors’ securities transactions on terms as required under the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules.

APPENDIX V

**DOCUMENTS DELIVERED TO THE REGISTRAR OF
COMPANIES IN HONG KONG AND AVAILABLE ON DISPLAY**

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to a copy of this Document and delivered to the Registrar of Companies in Hong Kong for registration were:

- (a) a copy of each of the material contracts referred to in “Appendix IV—Statutory and General Information—Further Information about our Business—Summary of Material Contracts”; and
- (b) the written consents referred to in “Appendix IV—Statutory and General Information—Other Information—Consents of Experts”.

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be published on the Stock Exchange’s website at www.hkexnews.hk and the Company’s website at www.ebanma.com during a period of 14 days from the date of this Document:

- (a) the Articles of Association;
- (b) the audited consolidated financial statements of our Group for the financial years ended December 31, 2023, 2024 and 2025;
- (c) the Accountants’ Report from Deloitte Touche Tohmatsu, the text of which is set out in Appendix I to this Document;
- (d) the report from Deloitte Touche Tohmatsu on the unaudited [REDACTED] financial information of our Group, the text of which is set out in Appendix II to this Document;
- (e) the material contracts referred to in “Appendix IV—Statutory and General Information—Further Information about our Business—Summary of Material Contracts”;
- (f) the written consents referred to in “Appendix IV—Statutory and General Information—Other Information—Consents of Experts”;
- (g) the service contracts and letters of appointment referred to in “Appendix IV—Statutory and General Information—Further Information about our Directors, Supervisors, Senior Management and Substantial Shareholders—Particulars of Directors’ Service Contracts”;
- (h) the legal opinions issued by Fangda Partners, our PRC Legal Adviser, in respect of, among other things, the general corporate matters and property interests of our Group under the PRC law;
- (i) the legal memorandum provided by Morgan, Lewis & Bockius LLP in respect of U.S. export control;

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**DOCUMENTS DELIVERED TO THE REGISTRAR OF
COMPANIES IN HONG KONG AND AVAILABLE ON DISPLAY**

- (j) the legal memorandum provided by Hogan Lovells in respect of U.S. outbound investment laws;
- (k) the industry report issued by China Insights Industry Consultancy Limited referred to in “Industry Overview”;
- (l) a copy of the following PRC laws, together with unofficial English translations:
 - (i) the PRC Company Law;
 - (ii) the PRC Securities Law; and
 - (iii) the Overseas Listing Trial Measures; and
- (m) the terms of the 2025 Employee Incentive Plan.

DOCUMENT AVAILABLE FOR INSPECTION

A copy of a full list of all the Grantees under the 2025 Employee Incentive Plan will be made available for public inspection at our Company’s Hong Kong legal advisor’s office in Hong Kong at 10/F, The Hong Kong Club Building, 3A Chater Road, Central, Hong Kong, during normal business hours up to and including the date which is 14 days from the date of this Document.