This summary aims to give you an overview of the information contained in this document. Since it is a summary, it does not contain all the information that may be important to you. You should read this document in its entirety before you decide to **[REDACTED]** *in the* **[REDACTED]**. *In addition, we have incurred net losses since our inception, and we may incur net losses for the foreseeable future. We had negative net cash flow from operating activities during the Track Record Period. We did not declare or pay any dividends during the Track Record Period and may not pay any dividends in the foreseeable future. Your* **[REDACTED]** *decision should be made in light of these considerations.*

There are risks associated with any **[REDACTED]**. *Some of the particular risks in* **[REDACTED]** *in the* **[REDACTED]** *are set out in the section headed "Risk Factors." You should read that section carefully before you decide to* **[REDACTED]** *in the* **[REDACTED]**.

OVERVIEW

We are a leading supplier of millimeter-wave radar, a core component for smart driving that is rapidly emerging in the changing automotive industry in China, according to CIC. In 2024, we were the largest domestic supplier of China's automotive front millimeter-wave radar market in terms of shipment volume, and the third largest supplier of China's automotive millimeter-wave radar market in terms of shipment volume, according to CIC, with market shares of 9.3% and 4.5%, respectively. Additionally, we ranked the second in terms of revenue in 2024, with a market share of 4.8%, among all suppliers in China's automotive front millimeter-wave radars; and the first in terms of revenue in 2024, with a market share of 9.0%, among the Chinese suppliers in China's automotive front millimeter-wave radars according to CIC.

OUR BUSINESS

Our Business Model

We develop, manufacture, and sell radar products, with standardized hardware and customized software tailored to meet the specific integration, performance, and compatibility requirements of OEMs. Our software and algorithm capabilities are embedded into our radar hardware to enhance adaptability across different vehicle platforms, while also streamlining the R&D, testing, and mass production processes for OEMs. We operate production bases in Shenzhen and Suzhou to manufacture radar products based on customers' needs, product positioning, and delivery arrangements, allowing us to reduce supply chain risks, ensure consistency in product quality, and enhance operational efficiency.

We do not enter into traditional design-win contracts, and do not indicate coverage of the entire life cycle of a vehicle model in the purchase agreements with customers. According to CIC, traditional design-win contracts are typically used for highly customized components bound to a specific vehicle model. For hardware standardized millimeter-wave radars with broad adaptability across multiple models and smart driving platforms, it is common industry practice not to have contractual commitments covering the entire life-cycle of a vehicle model, according to CIC. We have passed our major customer's verification process and, more specifically, been selected as Customer A's designated supplier for its smart driving platforms for Categories A, B and C vehicle models and vehicle models sold overseas exclusively. Instead of traditional design-win contracts, we receive designated supplier confirmations from Customer A. A qualified supplier like us, once selected as its designated supplier, has a reasonable anticipation of purchase orders from Customer A. Our R&D capabilities allow us to conduct and complete product iteration rapidly at a pace compatible with our customers' products. Our customers may iterate their vehicle models from time to time, and raise iteration requirements on our products accordingly. For example, Customer A requires us to iterate our software within one month to be compatible with new functions developed by it, which we are able to meet. During the Track Record Period, we remained the millimeter-wave radar supplier of Customer A's vehicle models, except for such vehicle models that were reclassified to other categories, renamed, or discontinued to produce. See "Business – Our Relationship with Customer A – Background of Our Cooperation with Customer A."

See "Business – Our Business Model."

Our Products

According to CIC, sensing systems are becoming a critical part of the intelligent world. Sensing systems encompass a broad spectrum of technologies designed to emulate human perceptual abilities across vision, hearing, spatial awareness, and motion tracking. Visual perception is primarily achieved through cameras, which capture high-resolution imagery to enable object detection, classification, and semantic understanding. Auditory perception utilizes microphones and acoustic sensors to detect environmental sounds and speech cues for auxiliary awareness. Spatial perception, focused on distance, velocity, and environmental structure, is usually enabled by LiDAR, millimeter-wave radar, and ultrasonic sensors, each offering distinct advantages in range, resolution, and robustness. Smart driving systems increasingly adopt a multi-modal perception architecture, where these sensing technologies are applied in parallel rather than as substitutes. Motion tracking is supported by inertial sensors such as IMUs and accelerometers, and in more advanced systems, may also involve visual or fused sensor inputs to enable continuous estimation of orientation and displacement. These modalities are increasingly deployed in multi-sensor fusion systems to complement each other's limitations and enhance overall perception accuracy, robustness, and redundancy. Within this context, millimeter-wave radar serves as an essential component of modern sensing systems. See "Industry Overview – Sensing Systems are Becoming a Critical Part of the Intelligent World."

At the beginning of our establishment, we engaged in the R&D and manufacturing of CTLRR-100, a 77GHz millimeter-wave front radar, as our first R&D product, based on our industry insight. After over nearly a decade of efforts, we have created a millimeter-wave radar product matrix, including 5th generation 4D radar, 5.5th generation 4D high resolution radar, centralized computing radar, among others that encompasses front radars, corner radars, and other types of product. Millimeter-wave radar is a type of radar that uses extremely high frequency electromagnetic waves (30-300 GHz). Among our millimeter-wave radar products, in particular, the 5th generation 4D radar and 5.5th generation 4D high-resolution radar products have become one of the most competitive millimeter-wave radars in the industry, according to CIC. Our mass-produced millimeter-wave radar products cover smart driving needs from L0 to L2+.

Autonomous driving levels range from L0, no automation, to L5, full self-driving, with L2+, enhanced partial automation supporting lane changes or highway navigation but requiring driver intervention, serving as the dominant transitional strategy for OEMs. L0 typically uses two corner millimeter-wave radars, L1 typically uses one front millimeter-wave radar or one front millimeter-wave radar and two corner millimeter-wave radars, ultrasonic sensors, and cameras, while L2+ requires 3 or 5 millimeter-wave radars, ultrasonics, cameras, and optionally LiDAR. Millimeter-wave radar is distinguished from other sensors by its all-weather reliability, direct velocity measurement, and cost-effectiveness versus LiDAR's high-resolution 3D mapping but poor fog performance, cameras' semantic understanding limitations in darkness or glare, and ultrasonics' short range. The industry value chain comprises upstream components, including MMIC chips and DSP/FPGA processors, midstream radar system manufacturing, and downstream applications, including automotive, robotics and low-altitude economy. See "Industry Overview."

We have developed a multi-generational millimeter-wave radar product matrix to meet diverse smart driving needs from L0 to L2+ levels, which are widely applied in smart driving for both passenger vehicles and commercial vehicles. As of the Latest Practicable Date, we had launched seven major radar models, which are primarily categorized into (i) front radar and (ii) rear- and side-facing radar (also referred to as corner radar).

Our Technology

We have full-stack, self-developed capabilities and proprietary software and hardware technologies for millimeter-wave radar systems. Our industry-leading technological foundation is based on: (i) RF antenna design and (ii) radar signal processing algorithms.

See "Business – Our Technology."

Research and Development

Innovation is core to our corporate culture. We have invested significant resources into the R&D of our millimeter-wave radar technologies. We have established three R&D centers in the PRC, located in Shenzhen, Suzhou, and Wuhan. We strategically place our R&D teams in locations that are close to OEMs and hubs for smart driving technologies. The R&D team also collaborates with our operations and supply chain teams in order to continually optimize and improve manufacturing processes and assist with supply chain planning.

See "Business – Research and Development."

OUR COMPETITIVE STRENGTHS

- Our Efficient Innovation-to-Commercialization Pipeline Driven by Scalable Radar Technologies
- We have established stable relationships with leading OEMs in China, supporting sustained growth
- Our strong manufacturing and delivery capabilities enable efficient mass production
- Our Forward-looking and Experienced Management Team

See "Business – Our Competitive Strengths."

OUR DEVELOPMENT STRATEGIES

- Continue to Strengthen Core R&D Capabilities and Enrich Product Portfolio
- Deepen Relationships with Leading OEMs in China and Expand into New Application Scenarios
- Strengthen Organizational Efficiency and Attract Top Talent
- Upgrade Supply Chain and Manufacturing Capabilities
- Drive Expansion through Strategic Mergers and Acquisitions

See "Business – Our Development Strategies."

COMPETITIVE LANDSCAPE

Driven by the rapid development of the smart driving industry, the automotive millimeter-wave radar sector has entered a period of accelerated growth. The market size analysis includes front and corner radars, and excludes in-cabin radars as they differ significantly from front and corner millimeter-wave radars in terms of application scenarios, technical specifications, industry dynamics, and supplier competitive landscape. The market size of global automotive millimeter-wave radar increased from RMB15.6 billion in 2020 to RMB24.8 billion in 2024, and is expected to reach RMB50.1 billion by 2029. The market size of China's automotive millimeter-wave radar increased from RMB4.4 billion in 2020 to RMB8.2 billion in 2024, and is projected to reach RMB21.6 billion by 2029.

We believe that we are strategically well-positioned in our market and compete favorably with others based on our advanced millimeter-wave radar technology that delivers superior performance and quality, our broad range of products, and our strong R&D capabilities.

See "Industry Overview."

CUSTOMERS AND SUPPLIERS

Our customers are primarily OEMs that integrate our millimeter-wave radar products into their vehicles to enable target detection and, in combination with other sensors, support the implementation of various smart driving functions. Customer A has been our largest customer during the Track Record Period. Our revenue from Customer A was RMB142.9 million, RMB325.8 million and RMB1,082.2 million, accounted for approximately 91.3%, 93.6% and 96.4% of our total revenue in 2023, 2024 and 2025, respectively. Revenue generated from our five largest customers in each of 2023, 2024 and 2025 accounted for 96.4%, 98.3% and 99.4% of our total revenue in the same years, respectively.

Our major suppliers are suppliers of raw materials, especially hardware components for our radar production. Purchases from our largest supplier for each of the years ended December 31, 2023, 2024 and 2025 accounted for 26.7%, 48.2% and 44.9%, respectively, of our total purchases during those years. Purchases from our five largest suppliers during each year for the years ended December 31, 2023, 2024 and 2025 accounted for 74.8%, 78.0% and 76.5%, respectively, of our total purchases during those years. We believe that our operation is not dependent on any particular supplier.

See "Business – Customers" and "Business – Suppliers."

INTELLECTUAL PROPERTY

We own a portfolio of intellectual property, including patents, registered trademarks, confidential technical information and expertise in the development of millimeter-wave radar technologies in the PRC. As of the Latest Practicable Date, our R&D efforts had accumulated 88 patents, including 35 invention patents, 29 utility patents and 24 design patents. As of the same date, we also had 18 trademarks, nine computer software copyrights, and two domain names.

See "Business – Intellectual Property."

RISK FACTORS

There are certain risks and uncertainties involved in our operations and the **[REDACTED]** in our **[REDACTED]**, some of which are beyond our control. We believe the most significant risks we face include but are not limited to the following:

- We derive a significant portion of our revenue from Customer A. Any deterioration in our business relationship with Customer A could materially and adversely affect our business, financial condition, results of operations and prospects.
- If we fail to retain existing customers, attract new customers or adapt our products to evolving market needs, our business and results of operations may be materially and adversely affected.
- We may not be able to continue to sustain our current rate of growth in revenue and profitability.
- We experienced losses during the Track Record Period, which makes it difficult to evaluate our current business and predict our future performance.
- If we are unable to manufacture and deliver high-quality products on time and at scale, our business and results of operations could be materially and adversely affected.
- We may experience supply shortages, long lead times and increased costs of raw materials and key components, any of which could disrupt our supply chain, increase our production costs, adversely affect our profitability and delay deliveries of our products to customers.
- Despite the actions we are taking to defend and protect our intellectual property, we may not be able to adequately protect or enforce our intellectual property rights or prevent unauthorized parties from copying or reverse engineering our products and solutions and such efforts to defend and protect our intellectual property may be costly.

See "Risk Factors."

OUR CONTROLLING SHAREHOLDERS

Immediately upon completion of the **[REDACTED]** (without taking into account any Shares which may be issued pursuant to the exercise of the **[REDACTED]**), Mr. Chen, Mr. Zhou, Chengtech VC, Huacheng VC and Chengyan VC will be directly interested in an aggregate of **[REDACTED]**% of the total share capital of our Company and will be our Controlling Shareholders under the Listing Rules. See "Relationship with Controlling Shareholders" for details.

PRE-[REDACTED] INVESTMENTS

Since our establishment, we have received substantial investments and support from our Pre-**[REDACTED]** Investors which are renowned private equity and strategic investors, and have raised funds of over RMB350 million as of the Latest Practicable Date. See "History, Development and Corporate Structure – Pre-**[REDACTED]** Investments."

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables set forth summary financial data from our consolidated financial information for the Track Record Period, extracted from the Accountants' Report set out in Appendix I. You should read this summary in conjunction with our consolidated financial information included in the Accountants' Report in Appendix I, including the accompanying notes, and the information set forth in "Financial Information."

Description of Selected Items from Consolidated Statements of Profit or Loss

The following table sets forth selected consolidated statements of profit or loss and other comprehensive income items for the years indicated:

	Year ended December 31,		
	2023	2024	2025
		(RMB'000)	
Revenue	**156,524**	**348,094**	**1,122,495**
Cost of sales	(108,036)	(229,623)	(952,800)
Gross profit	**48,488**	**118,471**	**169,695**
Other net income	1,493	785	708
Reversal/(provision) of loss allowance on trade receivables and other receivables	138	(295)	(5,535)
Selling expenses	(14,339)	(13,681)	(16,931)
General and administrative expenses	(43,443)	(28,323)	(74,927)
Research and development expenses	(64,360)	(61,885)	(60,842)
(Loss)/profit from operations	**(72,023)**	**15,072**	**12,168**
Changes in carrying amounts of redemption liabilities	(23,237)	(35,721)	(11,945)
Finance costs	(1,468)	(1,150)	(6,152)
Finance income	130	31	107
Net finance costs	(1,338)	(1,119)	(6,045)
Loss before taxation	**(96,598)**	**(21,768)**	**(5,822)**
Income tax	–	–	–
Loss and total comprehensive income for the year	**(96,598)**	**(21,768)**	**(5,822)**

During the Track Record Period, we generated revenue primarily from our millimeter-wave radar products to OEMs; and, to a lesser extent, other products and services, including the sales of other radar products, modules and provision of research and development services and consultancy services in relation to radar products. During the Track Record Period, our revenue was principally affected by the total sales volume of our millimeter-wave radar products, which was influenced primarily by our customers' demand, driven by evolving trends in new energy vehicles (NEVs) and smart driving. We generated all of our revenue from the PRC during the Track Record Period.

The following table sets forth our revenue by business line for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*% of revenue*	*RMB'000*	*% of revenue*	*RMB'000*	*% of revenue*
Sales of millimeter-wave radar products						
Front millimeter-wave radars	104,213	66.6	222,530	63.9	251,044	22.3
Corner millimeter-wave radars	49,926	31.9	123,040	35.3	870,688	77.6
Subtotal	154,139	98.5	345,570	99.3	1,121,732	99.9
Other products and services	2,385	1.5	2,524	0.7	763	0.1
Total	**156,524**	**100.0**	**348,094**	**100.0**	**1,122,495**	**100.0**

During the Track Record Period, our revenue from sales of our millimeter-wave radar products experienced robust growth and amounted to RMB154.1 million, RMB345.6 million and RMB1,121.7 million, respectively, accounting for 98.5%, 99.3% and 99.9% of our total revenue for the respective years. In addition, revenue from sales of other products and provision of services amounted to RMB2.4 million, RMB2.5 million and RMB0.8 million, respectively, accounting for 1.5%, 0.7% and 0.1% of our total revenue in the respective years.

The following table sets forth a breakdown of our cost of sales by nature for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*% of total*	*RMB'000*	*% of total*	*RMB'000*	*% of total*
Raw materials and components	92,553	85.7	211,320	92.0	874,584	91.8
– *SOCs*	41,550	38.5	106,619	46.4	463,828	48.7
– *ICs*	14,680	13.6	26,943	11.7	92,013	9.7
– *Electronic Components*	14,608	13.5	30,868	13.4	131,529	13.8
– *PCBs*	11,879	11.0	25,639	11.2	104,604	11.0
– *Structural Components*	9,375	8.7	20,141	8.8	76,697	8.0
– *Packaging Components*	461	0.4	1,109	0.5	5,913	0.6
Direct Labour Costs	4,329	4.0	5,988	2.6	24,984	2.6
Depreciation and amortization	5,429	5.0	6,397	2.8	22,018	2.3
Processing fees	3,775	3.5	2,920	1.3	4,415	0.5
Others	1,950	1.8	2,998	1.3	26,799	2.8
Total	**108,036**	**100.0**	**229,623**	**100.0**	**952,800**	**100.0**

Our cost of sales increased significantly from RMB108.0 million in 2023 to RMB229.6 million in 2024, and further increased to RMB952.8 million in 2025, which was generally in line with the increase in sales of our millimeter-wave radar products.

The following table sets forth our gross profit, gross profit margin and ASP of our millimeter-wave radar products for the years indicated:

	Year ended December 31,								
	2023			2024			2025		
	Gross Profit	Gross Profit Margin	ASP	Gross Profit	Gross Profit Margin	ASP	Gross Profit	Gross Profit Margin	ASP
	RMB'000	*%*	*RMB/ Unit*	*RMB'000*	*%*	*RMB/ Unit*	*RMB'000*	*%*	*RMB/ Unit*
Front millimeter-wave radars	41,989	40.3	248	95,824	43.1	223	30,277	12.1	118
Corner millimeter-wave radars	5,926	11.9	150	21,587	17.5	141	139,202	16.0	108
Total/Overall	**47,915**	**31.1**	**204**	**117,411**	**34.0**	**184**	**169,479**	**15.1**	**111**

The gross profit margin from sales of millimeter-wave radars increased from 31.1% in 2023 to 34.0% in 2024, as the decrease in the unit cost of our millimeter-wave radars outpaced the decrease in ASP. The gross profit margin from sales of millimeter-wave radars decreased from 34.0% in 2024 to 15.1% in 2025, primarily due to a shift in product mix from front millimeter-wave radar products to corner millimeter-wave radar products, which carry different pricing and margin profiles, as well as strategic pricing adjustments implemented to facilitate the installation of our full millimeter-wave radar products in smart driving vehicles, particularly mid- to lower-end models. Under this strategy, the decline in ASP temporarily exceeded the pace of cost reductions. In addition, gross profit margin in the first quarter of 2025 was affected by transitional factors, including inventory build-up, depreciation following capitalization of fixed assets, and production ramp-up. Driven by optimized capacity utilization and the successful execution of cost-management initiatives, our gross profit margins followed an upward trend in 2025. The ASP of our millimeter-wave radars declined from RMB204 per unit in 2023 to RMB184 per unit in 2024 and further decreased to RMB111 per unit in 2025, reflecting our strategic push to penetrate the market supported by the achievement of economies of scale, along with our strategical price adjustment in 2025, and adjustments in our pricing policies aimed at securing greater market share in the rapidly growing market, as well as our strategic plan to penetrate into mid- to low-end vehicle model markets. Such decrease was in line with the drop of the prevailing market price, according to CIC. The market price of our major raw materials, such as ICs, PCBs, automotive MCUs, has been on a decreasing trend from 2023 to 2025. Mature automotive radars generally experience gradual price decline, reflecting scale effects and improvements in design and manufacturing processes, while next-generation models often enjoy a temporary premium at launch. See "Business – Path to Profitability – Analysis on Historical Financial Performance" for details. In response to our customers' strategies in 2025, we accelerated the penetration of millimeter-wave radar products for smart driving vehicles into mid- to low-end models. This required us to adopt a more competitive pricing strategy to ensure that the overall procurement cost remained within the acceptable range for OEMs in such vehicle segments. Accordingly, we strategically adjusted our product pricing to drive sales volume and capture additional market share under competitive market conditions. For a detailed discussion, see "Financial Information – Consolidated Statements of Profit or Loss and Other Comprehensive Income" and "Financial Information – Period to Period Comparison of Results of Operations".

As at December 31, 2023, 2024 and 2025, our accumulated losses were RMB301.0 million, RMB322.8 million and RMB130.1 million, respectively, primarily due to the incurring of research and development expenses attributable to the start-up phase of our R&D activities. We recorded net losses of RMB96.6 million, RMB21.8 million and RMB5.8 million in 2023, 2024 and 2025, primarily due to the significant amount of changes in carrying amounts of redemption liabilities arising from the redemption rights granted to our investors in certain rounds of financing in previous years and our operating expenses, including our R&D expenses, general and administrative expenses and selling expenses, incurred during the Track Record Period. We recorded increasing changes in carrying amounts of redemption liabilities throughout the Track Record Period, primarily due to the issuance of new shares with redemption rights and amortization of the redemption liabilities. In April 2025, the redemption rights granted to our investors were terminated and all the redemption liabilities were converted from liabilities into equity upon such termination.

Non-IFRS Measures

To supplement our consolidated statements of profit or loss and other comprehensive income presented in accordance with IFRS Accounting Standards, we also use adjusted net (loss)/profit (non-IFRS measure) as additional financial measure, which is not required by, or presented in accordance with IFRS Accounting Standards. We believe that the presentation of such non-IFRS measure facilitates comparisons of the operating performance from period to period and company to company by eliminating potential impacts of certain items detailed below. We believe that the presentation of such non-IFRS measure when shown in conjunction with the corresponding IFRS measures provides useful information to potential **[REDACTED]** and management in facilitating a comparison of our operating performance from period to period by eliminating potential impacts of certain items.

However, the use of non-IFRS measure has limitations as an analytical tool, and you should not consider them in isolation from, or as a substitute for analysis of, our results of operations or financial conditions as reported under IFRS Accounting Standards. In addition, the non-IFRS financial measure may be defined differently from similar terms used by other companies.

We define adjusted net (loss)/profit (non-IFRS measure), as loss for the year adjusted by adding back (i) share-based payments which is non-cash expense arising from the indirect acquisition of equity interest in our Company by certain management team members. The amount of the share-based payment represented the difference between the fair value of acquired equity interests and the consideration paid. See Note 24 to the Accountants' Report in Appendix I for details; (ii) the changes in carrying amounts of redemption liabilities, reflecting non-cash expenses arising from the redemption rights granted to our pre-**[REDACTED]** investors; and (iii) **[REDACTED]** expenses, which are expenses relating to the **[REDACTED]**. In April 2025, the special rights, including the redemption rights, granted to our investors were terminated pursuant to the supplemental agreements entered into between us and our investors. Accordingly, the redemption liabilities had been converted into equity. The following tables reconcile our adjusted net (loss)/profit (non-IFRS measure) for the periods indicated:

	Year ended December 31,		
	2023	**2024**	**2025**
		(RMB'000)	
Loss for the year	(96,598)	(21,768)	(5,822)
Add back:			
Share-based payments	10,403	–	9,808
Changes in carrying amounts of redemption liabilities	23,237	35,721	11,945
[REDACTED] expenses	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Adjusted net (loss)/profit (a non-IFRS measure)	(62,958)	13,953	31,133

Description of Certain Items of Consolidated Statements of Financial Position

The following table sets forth summary data from our consolidated statements of financial position as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Total non-current assets	60,747	93,937	194,625
Total current assets	110,818	202,147	528,961
Total current liabilities	405,103	620,017	517,012
Net current (liabilities)/assets	(294,285)	(417,870)	11,949
Total assets less current liabilities	(233,538)	(323,933)	206,574
Total non-current liabilities	4,976	2,043	12,946
Net (liabilities)/assets	(238,514)	(325,976)	193,628

As of December 31, 2023 and 2024, we had net current liabilities amounting to RMB294.3 million and RMB417.9 million, respectively; and net liabilities amounting to RMB238.5 million and RMB326.0 million, respectively. As of December 31, 2025, we had net current assets amounting to RMB11.9 million; and net assets amounting to RMB193.6 million.

We had net current assets of RMB11.9 million as of December 31, 2025, consisting of current assets of RMB529.0 million and current liabilities of RMB517.0 million, improving from our net current liabilities of RMB417.9 million as of December 31, 2024, primarily due to the derecognition of redemption liabilities of RMB515.6 million as of April 30, 2025 upon the termination of special rights previously granted to our investors, partially offset by increases in trade and other payables of RMB133.2 million and bank borrowings of RMB267.0 million primarily for the purchase of production equipment to expand our manufacturing capacity, alongside growth in trade and other receivables of RMB247.2 million, inventories of RMB75.8 million, and restricted cash of RMB7.3 million, reflecting higher customer orders and increased production.

We had net current liabilities of RMB417.9 million as of December 31, 2024, consisting of current assets of RMB202.1 million and current liabilities of RMB620.0 million, which represented an increase of RMB123.6 million from our net current liabilities of RMB294.3 million as of December 31, 2023, primarily due to an increase in redemption liabilities of RMB171.4 million arising from the issuance of shares with special rights in 2024, and an increase in trade and other payables of RMB46.2 million, partially offset by growth in trade and other receivables of RMB62.1 million, inventories of RMB20.6 million, cash and cash equivalents of RMB14.8 million, and financial assets measured at FVTPL of RMB2.2 million, reflecting the continued expansion of our operations and higher customer orders during the year.

We had net current liabilities of RMB294.3 million as of December 31, 2023, consisting of current assets of RMB110.8 million and current liabilities of RMB405.1 million, which represented an increase of RMB83.8 million from our net current liabilities of RMB210.5 million as of December 31, 2022, primarily due to an increase in redemption liabilities of RMB23.2 million, mainly attributable to the amortization of such liabilities, an increase in bank loans of RMB8.5 million, a decrease in inventories of RMB4.7 million as we stocked up on raw materials at the end of 2022 to prepare for orders from Customer A, partially offset by decreases in lease liabilities of RMB1.7 million, as well as the derecognition of financial assets measured at FVTPL of RMB82.7 million following the redemption of certain wealth management products, the proceeds of which were partially offset by increased R&D and general and administrative expenses in 2023, resulting in an overall increase in net current liabilities.

The special redemption rights granted to our pre-**[REDACTED]** investors were terminated in April 2025. As such, the redemption liabilities had been re-designated to equity.

Liquidity and Capital Resources

Cash Flows

The following table sets forth a summary of our cash flows during the Track Record Period:

	Year ended December 31,		
	2023	2024	2025
		(RMB'000)	
Net cash used in operating activities	(61,886)	(6,981)	(137,926)
Net cash generated from/(used in) investing activities	70,694	(55,656)	(119,065)
Net cash generated from/(used in) financing activities	(11,974)	77,427	255,718
Net (decrease)/increase in cash and cash equivalents	(3,166)	14,790	(1,273)
Cash and cash equivalents at January 1,	4,241	1,075	15,865
Cash and cash equivalents at December 31,	1,075	15,865	14,592

Our net cash used in operating activities decreased from RMB61.9 million in 2023 to RMB7.0 million in 2024, primarily due to (i) an increase in trade and other payables which was aligned with our increased procurement to support our business expansion, and (ii) a decrease in loss before taxation. It was then increased to RMB137.9 million in 2025, primarily due to (i) bulk purchases of ICs for our new products' inventory; (ii) more investment in procurement and inventory management as our business scale expanded；(iii) a significant increase in trade and other receivables and inventories, resulting from increased sales orders from our customers, in line with the growth of our revenue, which was partially offset by an increase in trade and other payables. Together with the expansion of our operating scale in 2025, which increased our working capital requirements, these factors resulted in net operating cash outflows for the year. We have implemented and will continue to strengthen cost control measures, including leveraging economies of scale to secure favorable terms in raw material procurement and optimizing production and overhead cost management to enhance operational efficiency. See "Business – Path to Profitability – Effective Operational Efficiency Improvement" and "Business – Path to Profitability – Strategic Cost Management." These steps aim to improve cash flow sustainability while supporting strategic inventory needs.

See "Financial Information – Liquidity and Capital Resources – Cash Flows" for details.

APPLICATION FOR THE [REDACTED] ON THE STOCK EXCHANGE

We have applied to the Listing Committee for the granting of the **[REDACTED]** of, and permission to **[REDACTED]** in, the H Shares in issue and to be issued pursuant to the **[REDACTED]** (including any H Shares which may be issued pursuant to the exercise of the **[REDACTED]**) on the Main Board of the Stock Exchange and the conversion of Unlisted Shares into H Shares, on the basis that, among other things, we satisfy the requirements under **[REDACTED]** of the Listing Rules with reference to (i) our revenue for 2025, which is over RMB1.1 billion; and (ii) our expected market **[REDACTED]** at the time of **[REDACTED]**, which, based on the mid-point of the indicative **[REDACTED]** range stated in this document, exceeds HK$**[REDACTED]** billion.

[REDACTED] STATISTICS

	Based on an [REDACTED] of HK$[REDACTED] per [REDACTED]	Based on an [REDACTED] of HK$[REDACTED] per [REDACTED]
Market **[REDACTED]** of our Shares upon completion of the **[REDACTED]** assuming the **[REDACTED]** is not exercised[(1)]	HK$**[REDACTED]** million	HK$**[REDACTED]** million
[REDACTED] adjusted net tangible assets per **[REDACTED]** as at December 31, 2025[(2)]	HK$**[REDACTED]**	HK$**[REDACTED]**

Notes:

(1) The calculation of market **[REDACTED]** is based on **[REDACTED]** Shares expected to be in issue immediately upon completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised).

(2) No adjustment has been made to reflect any of our trading results or other transactions entered into subsequent to December 31, 2025. See "Appendix II – **[REDACTED]** Financial Information" for further details regarding the assumptions used and the calculation method.

[REDACTED] EXPENSES

Based on the mid-point of the indicative **[REDACTED]** of HK$**[REDACTED]** per Share, the total estimated **[REDACTED]** expenses in relation to the **[REDACTED]** are RMB**[REDACTED]** million (HK$**[REDACTED]** million), assuming the **[REDACTED]** is not exercised, which constitute approximately **[REDACTED]**% of the gross **[REDACTED]**. Our total estimated **[REDACTED]** expenses consist of (i) **[REDACTED]**-related expenses of RMB**[REDACTED]** million (HK$**[REDACTED]** million), and (ii) non-**[REDACTED]**-related expenses of RMB**[REDACTED]** million (HK$**[REDACTED]** million), including (a) fees payable to our legal advisors and Reporting Accountants of RMB**[REDACTED]** million (HK$**[REDACTED]** million) and (b) other fees and expenses, including fees payable to the sponsor and the fees of other professional parties such as financial printers, industry consultant, background search agent and **[REDACTED]**, of RMB**[REDACTED]** million (HK$**[REDACTED]** million). Subsequent to the Track Record Period, we expect RMB**[REDACTED]** million (HK$**[REDACTED]** million) will be recognized as expenses in our consolidated statements of profit or loss, and RMB**[REDACTED]** million (HK$**[REDACTED]** million) is to be accounted for as a deduction from equity upon the **[REDACTED]**. The **[REDACTED]** expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

FUTURE PLANS AND USE OF [REDACTED]

Assuming an **[REDACTED]** of HK$**[REDACTED]**] per Share (being the mid-point of the indicative **[REDACTED]** range stated in this document), and after deducting the **[REDACTED]** commissions and other estimated expenses payable by us in connection with the **[REDACTED]**, and assuming the **[REDACTED]** is not exercised, we estimate that we will receive net **[REDACTED]** of approximately HK$**[REDACTED]** million from the **[REDACTED]**. We intend to use the net **[REDACTED]** from the **[REDACTED]** for the following purposes:

- Approximately **[REDACTED]**% of the net **[REDACTED]** (HK$**[REDACTED]** million) will be used for new technology research and product development in new application areas to maintain our leadership position in the millimeter-wave radar industry.
- Approximately **[REDACTED]**% of the net **[REDACTED]** (HK$**[REDACTED]** million) will be used to supplement testing equipment and upgrade production lines to enhance our product testing and manufacturing capabilities.
- Approximately **[REDACTED]**% of the net **[REDACTED]** (HK$**[REDACTED]** million) will be used for marketing and sales channel development.

- Approximately **[REDACTED]**% of the net **[REDACTED]** (HK$**[REDACTED]** million) will be used for strategic mergers and acquisitions or strategic investments.
- Approximately **[REDACTED]**% of the net **[REDACTED]** (HK$**[REDACTED]** million) will be used to repay bank loans.
- Approximately **[REDACTED]**% of the net **[REDACTED]** (HK$**[REDACTED]** million) will be used to supplement our working capital.

See "Future Plans and Use of **[REDACTED]**."

DIVIDENDS

We are incorporated under the laws of the PRC. Any dividends we pay will be subject to our Articles of Association and the relevant PRC laws and will depend on our future operations and earnings, capital requirements and surplus, general financial condition, contractual restriction and other factors. Our shareholders in a general meeting may approve any declaration of dividends, which must shall be declared or payable except out of our profits and reserves lawfully available for distribution. Under the applicable PRC laws and regulations, a PRC incorporated company is required to set aside at least 10% of its after-tax profits each year, after making up previous years' accumulated losses, if any, to contribute to certain statutory reserve funds until the aggregate amount contributed to such funds reaches 50% of its registered capital. The company may pay dividends out of after-tax profits after making up for accumulated losses and contributing to statutory reserve funds as mentioned above. As advised by our PRC Legal Advisors, we will, therefore, only be able to declare dividends after: (i) all our historically accumulated losses have been made up for; and (ii) we have allocated sufficient net profit to our statutory common reserve fund as described above.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

We maintained our growth momentum subsequent to the Track Record Period. As of the Latest Practicable Date, we secured over 2.4 million units in total purchase orders for 2026. Notably, over 25.0% of this volume, representing approximately RMB70.0 million, was contributed by customers other than Customer A. For the month ended January 31, 2026, sales to customers other than Customer A accounted for over 24.0% of total sales, representing a significant year-on-year increase compared to January 2025, when sales to such customers accounted for 4.0% of total sales.

Subsequent to the Track Record Period, we have made key progress in the development of our centralized computing radar, which has been delivered on a small-batch basis. This product has secured customer demand for volume deliveries and is expected to commence large-scale mass production and delivery in the second quarter of 2026.

Our Directors have confirmed that up to the date of this document there has been no material adverse change in our financial or trading position or prospects since December 31, 2025 (being the date of our latest audited financial statements) and there has been no event since December 31, 2025 which would materially affect the information shown in the Accountants' Report set out in Appendix I to this document. Although we plan to continue expanding our business by further broadening our customer base, increasing sales volume, diversifying revenue generations, and improving operational efficiency and gross margin, our net results for 2025 were affected by several factors, including: (i) **[REDACTED]** expenses; (ii) a one-off share-based payment; (iii) changes in carrying amounts of redemption liabilities; and (iv) continued pricing pressure from the automotive industry. Although we recorded a net loss in 2025, we do not expect to experience any material adverse change in our business in light of the following observations:

- We recorded increases in both revenue and sales volume of RMB1,122.5 million and 10,156,990 units, respectively, for the year ended December 31, 2025, as compared to RMB348.1 million and 1,875,146 units, respectively, for the year ended December 31, 2024, demonstrating the recognition of our products by downstream customers;
- By adding back share-based payments, changes in carrying amounts of redemption liabilities, and **[REDACTED]** expenses, we recorded an increase in adjusted net profit (a non-IFRS measure) of RMB31.1 million for the year ended December 31, 2025 from RMB14.0 million for the year ended December 31, 2024;
- Customer A has launched its smart driving program, equipping all of its newly launched vehicles with smart driving functions with affordable prices. Following the launch of this program, Customer A's vehicle sales volume increased, driving higher demand for our millimeter-wave radars products and demonstrating the effectiveness of our pricing strategy in capturing greater market share. At the same time, our stable and ongoing cooperation with Customer A provides a solid revenue foundation, while our continuous expansion of new customers further diversifies our customer base and enhances the resilience and sustainability of our business;
- Our continuous efforts and investment in R&D will lead to more popularity of our products; and
- As projected by CIC, downstream demand is still robust and the market is still growing steadily.

According to CIC, the cost reduction of raw materials and products has occurred alongside the scale-up of production and industry maturity. With the adjustments in our pricing policies and increased sales to our largest customer, Customer A, the ASP of our millimeter-wave radars decreased in 2025. Nevertheless, driven by optimized capacity utilization and the successful execution of cost-management initiatives, our gross profit margin improved from the first quarter of 2025 to the fourth quarter of 2025. As the market continues to evolve and along with the expansion of our customer base, the ASPs are expected to gradually stabilize rather than continue declining indefinitely.

COVID-19 PANDEMIC AND EFFECTS ON OUR BUSINESS

The pandemic created significant operational challenges for the global automotive industry, including workforce disruptions, logistics blockages, and the critical global chip shortage. In particular, it disrupted our supply chain, delaying the delivery of a type of critical chips to over six months. Furthermore, logistics constraints led to prolonged delivery time and increased operating and transportation costs. We incurred an additional procurement cost of RMB2.0 million for a type of critical chips to meet the surge in customers' demand of our products. We also incurred an additional operating cost of RMB0.6 million as we arranged local hotel accommodations for our employees to prevent the production shut-down of a key project.

Leveraging the maturity and responsiveness of China's local supply chain, we effectively mitigated these risks by placing advance purchase orders for critical components and rapidly identifying and qualifying domestic alternative suppliers, ensuring continuity in meeting customer demand. Furthermore, the crisis fundamentally transformed industry priorities, elevating supply chain security to a strategic imperative beyond traditional considerations of cost and diversification, thereby highlighting the value of local resilience. While the pandemic inevitably caused intermittent production volatility and incurred incremental supply chain management costs, these adverse effects were substantially contained. Crucially, our ability to rapidly engage qualified local alternative suppliers prevented material revenue loss or significant customer order delays during peak disruption periods. This strategic emphasis on local supply chain resilience proved operationally effective, limiting the pandemic's adverse financial impact to manageable levels within the context of broader industry challenges.