OVERVIEW

Who We Are

We are a smart cockpit solution provider in China with software development capabilities and product coverage from terminal to cloud. According to Frost & Sullivan, we qualify as a typical Tier-1 smart cockpit solution provider, with a business model and revenue composition that demonstrate the defining characteristics of directly serving OEM customers. Leveraging our full-stack self-developed software platform and in-vehicle hybrid architecture with multi-modal AI Agent, we offer smart cockpit software solution, integrated software and hardware solution and one-stop, end-to-end technical services, focused on providing user-centric products with personalized and forward-thinking interactive experience. Our integrated cockpit and parking solution service volume ranked first nationwide in terms of installed volume of vehicles equipped with integrated cockpit and parking solution. In 2025, we ranked fifth in both smart cockpit solution providers and cockpit infotainment system providers based on domestic SoCs in China by shipment volume. According to Frost & Sullivan, around 20% of the approximately 250 automobile OEMs in China utilized our smart cockpit solution as of the Latest Practicable Date. We possess the ability to respond to changes in our smart cockpit solution across luxury, mid-range and budget vehicles, as well as two-wheelers, by launching relevant products expeditiously, but also to stimulate customer demand and strengthen our position in the smart cockpit solution industry. We have implemented a dual-track strategy of enhancing localization efforts on our existing customer base while simultaneously expanding our presence in additional markets. We are dedicated to achieving breakthroughs in product functionality and performance as we allocate substantial resources towards R&D to enhance and solidify our competitive advantages in smart cockpit solution. Our R&D expenditures for the years ended December 31, 2023, 2024 and 2025 amounted to RMB103.4 million, RMB209.6 million and RMB268.1 million, respectively.

Our Industry Opportunity

By facilitating HMI and context-specific offerings, the smart cockpit delivers a broader range of user-centric services and fosters a vibrant smart cockpit system. OEMs are already leveraging large-scale Al models to deliver highly personalized driving experiences, dynamically processing real-time data from in-vehicle sensors, vehicle status, and driver preferences. This capability enables them to enhance smart cockpit products and services and facilitates the exploration of different business models. For further information on these trends, see "Industry Overview — Overview of Global and China's Smart Cockpit Solution Industry — Definition and Classification of Smart Cockpit Solution."

OUR COMPETITIVE STRENGTHS

A smart cockpit solution provider in China with software development capabilities and product coverage from terminal to cloud

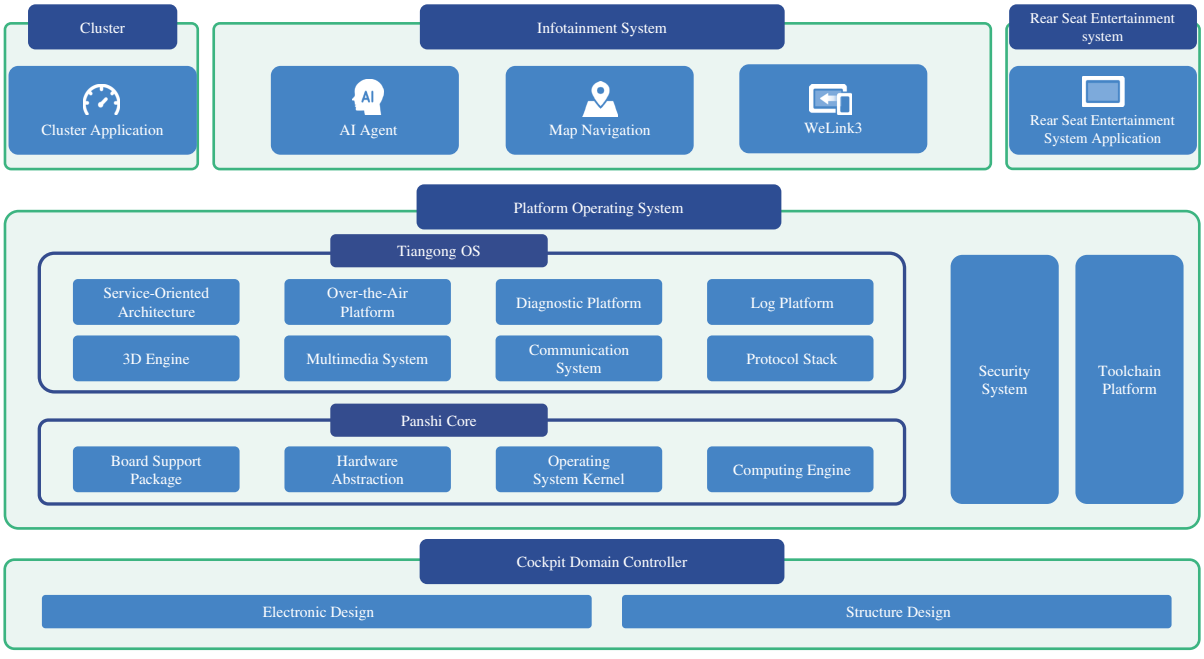
We are a smart cockpit solution provider in China, driven by our full-stack self-developed software platform. Our sharp understanding of industry trends and product coverage from terminal to cloud provides us with a competitive edge. Our strengths in software development and collaboration have enabled us to achieve gross profit margins that are higher than the average industry level. From our Company's inception up to the Latest Practicable Date, we have delivered more than 18.87 million units of smart cockpit software solution and more than 1.96 million units of integrated software and hardware solution to our customers. Our smart cockpit solution span across luxury, mid-range and budget vehicles, as well as two-wheelers, and they are favored by automobile OEMs. According to Frost & Sullivan, in 2023, 2024 and 2025, we serviced vehicle models from 12 of the top 15 best-selling passenger vehicle brands in China with our smart cockpit software solution and integrated software and hardware solution. We have a strong market foothold as these brands all belong to the

China's top 10 automobile OEMs in terms of sales volume in 2025. Serving leading OEMs not only validates our product quality and reliability but also ensures close alignment of our rapid responsiveness with evolving market demands.

In 2025, according to Frost & Sullivan, our integrated cockpit and parking solution service volume ranked first nationwide in terms of sales volume of vehicles equipped with integrated cockpit and parking solution. Our integrated cockpit and parking solution leverages the redundant computing capacity of the smart cockpit system-on-chip to power 360-degree surround view and automatic parking functions, effectively dissolving the traditional separation between cockpit and driving domains, while representing a critical milestone in automotive domain fusion and centralized computing.

Full-stack self-developed software platform to create cost-effective customized products for automobile OEMs and drive market trends

Our full-stack, self-developed software platform not only provides our smart cockpit solution with technical capabilities but also enables us to deliver cost-effective, tailored products to our customers. Our software platform establishes a logical link between the hardware foundation and support via the cockpit domain controller, manages computing power through the computing platform, integrates functions via the platform operating system and facilitates user interaction and experience output through the infotainment system. This link not only addresses the current functional implementation requirements but also allows for future technological adaptations, such as chip upgrades and application expansions, through a layered decoupling architecture. Our full-stack self-developed competence from chip adaptation and system development to smart cockpit service delivery positions us as preferred Tier-1 partner for OEMs. The following diagram illustrates the structure and composition of our full-stack self-developed software platform:



- *Infotainment System.* As an accessible and engaging interface, the infotainment system of our software platform encompasses three functional components, namely, the cluster, the infotainment system, and the rear-seat entertainment system.

  - The cluster application facilitates the display of vehicle data, such as speed and fuel level, to provide drivers with core vehicle condition information.

- Through multi-terminal connections, our infotainment system integrates our various smart cockpit software applications, AI Agent, map navigation product and WeLink3, to fulfil entertainment, travel and interaction requirements within the smart cockpit.

- The rear seat entertainment system is driven by the rear seat entertainment system application, which offer rear passengers audio, video, and entertainment features to enrich the overall vehicle cabin experience.

- *Tiangong OS.* Serving as the functional hub that connects the Infotainment System with the Panshi Core, our Tiangong OS is tasked with service integration, scenario support, and the provision of fundamental capabilities. The core components of our Tiangong OS include (i) a service-oriented architecture which ensures effective collaboration of multi-module services, (ii) an Over-the-Air platform which supports software application or system remote upgrade, (iii) a diagnostic platform which is responsible for cockpit system health monitoring, (iv) a log platform for data collection and data backtracking, (v) a 3D engine for visual scene rendering, (vi) a multimedia system for audio and video processing, (vii) a communication system for data transfer interaction between modules and (viii) a protocol stack for protocol adaptation and communication, such as CAN, Bluetooth and Wi-Fi.

  Our Tiangong OS is an advanced smart cockpit operating system which employs a layered decoupling architecture that is highly platform-oriented, compatible with multiple chip platforms and adaptable to various systems, such as Android, QNX and Linux. Its core features include:

  - *Ultimate interactive experience.* It facilitates a 3D smart cockpit interface and enables interaction with 3D vehicles models, supports surrounding reality parking and offers multi-mode interaction, all while achieving interactive effects on platforms with low computing power.

  - *System stability.* Through its end-to-end performance optimization, key indicators such as system initiation speed, application initiation speed and voice response are benchmarked against industry standards.

  - *Cockpit and driving systems integration.* Our Tiangong OS has achieved integration of cockpit and parking functionalities on medium computing power platforms. It aims to realize integration of cockpit and driving on high computing power platforms in the future, which presents high technical barriers.

  - *AI empowerment.* Utilizing our Panshi Core, through multi-modal perception and semantic comprehension, the integration of voice, vision, touch and vehicle status is achieved to faciliate natural interaction, proactive service and situational awareness. This advancement transforms our Tiangong OS from a mere functional scheduling system to an intelligent hub that can be understood, reasoned and evolved.

  - *Efficient onboarding.* By utilizing a modular architecture, distinguishing between business logic and UI, along with a service-oriented architecture, it helps facilitate swift iterations of smart cockpit functionalities.

- *Panshi Core.* The Panshi Core serves as the computing core and hardware abstraction layer of the smart cockpit, it facilitates the scheduling of hardware resources, provides fundamental system support and enhances research and development efficiency. The core components of the Panshi Core include (i) board support package for lowering threshold for hardware adaptation development, (ii) hardware abstraction which conceals the fundamental hardware variations and standardizes the calling interface, (iii) operating system kernel which provides basic operating environment and (iv) computing engine which centralizes scheduling of computing resources.

  The hardware complexity is concealed from the platform operating system and the infotainment system through the Panshi Core, which ensure the stable functioning of each software modules across different hardware. Panshi Core streamlines the process of adapting new functions and hardware, thereby enabling swift verification and iteration in research and development. Simultaneously, the Panshi Core allocates computing power dynamically to optimize the operational efficiency of multiple tasks within the smart cockpit, such as navigation, entertainment, and vehicle condition monitoring, serving as a power base for the execution of smart cockpit functionalities.

- *Cockpit Domain Controller.* As the hardware execution layer, the cockpit domain controller undertakes the responsibilities of hardware materialization and ensures stable operation through electronic design and structural design.

  - *Electronic design.* Electronic design emphasizes the integration of circuit logic and hardware modules to ensure that the computing power requirements and functional logic of both the platform operating system and the computing platform can be implemented through tangible hardware components, including chips, sensors, and communication modules.

  - *Structural design.* The structural design ensures the reliability of hardware from a physical perspective, which encompasses solutions for heat dissipation ensuring hardware stability and spatial layout adapting to the architecture of the smart cockpit. The structural design establishes a consistent and stable operating environment for upper-layer software and functional modules, acting as the hardware foundation and assurance for the smart cockpit functionality, transitioning from software to application.

We have persistently refined and debugged both the software components and the hardware components of the smart cockpit system. We customize the chip scheduling and memory allocation strategies by combining the unique characteristics of different chip architectures. Through these measures, even when utilizing medium-to-low-power chips as a platform, we can achieve performance levels comparable to those of a high-power chip thus unlocking the full potential of the system platform.

By integrating APA function, we have optimized configurations of our integrated cockpit and parking solution powered by medium to high computing power chips such as SA8155P, which are currently featured in one of the most affordable mass-produced automobile models available in China. Our enhanced integrated cockpit and parking solution are offered without compromising on vehicle prices. We have integrated the APA function with other standard features such as map navigation and infotainment among others, which creates a cost-effective, high-quality integrated cockpit and parking solution.

Leveraging key technologies such as our self-developed AI Agent to develop user-centric smart cockpit solution offering ultimate personalized and forward-thinking interactive experience

Smart cockpit software solution

AI Agent

Our AI Agent transcends the limitations of conventional cockpit systems. It thoroughly integrates core modules such as information retrieval, emotional companionship, vehicle control and media entertainment to build an integrated and personalized smart cockpit experience across various scenarios. It emphasizes personal preferences to create an exclusive AI application matrix, such as interactive podcasts. Our AI Agent is designed to perform complex semantic analysis in real-time allowing for intelligent responses and voice interaction customization. A temporal analysis engine tracks the evolution of user behavior, which enables the anticipation of intentions in diverse situations, offers context-specific content recommendation and contributes to the continuous evolution of our AI Agent. For further information, see "— Our Offerings — Smart Cockpit Software Solution — AI Agent" in this section.

WeLink3

Our WeLink3 introduces wired and wireless mobile phone screen mirroring functions into the in-vehicle system and incorporates public screen projection protocols such as DLNA that are supported by mobile devices, which can be integrated and switched with existing smart cockpit functional modules. Our WeLink3 offers reverse control functions compatible with all mobile phone platforms and pioneers a floating window interaction design that allows users to easily modify the position and size of windows. This feature enables users to control their mobile phones through the mirrored screen in the smart cockpit, supporting systems such as Android, Apple iOS, and Harmony OS. Furthermore, it extends the mobile application system into the in-vehicle environment, successfully overcoming significant technical challenges faced by the industry. For further information, see "— Our Offering — Smart Cockpit Software Solution — WeLink3" in this section.

Map navigation

Our map navigation products utilize map navigation SDK provided in some instances by SeeWay.ai and in other instances by a different major map service provider in China. Our map navigation products cater to a variety of scenarios such as ADAS views and wide-lane panoramic perspectives, ensuring a user experience with seamless mode transitions.

Integrated Software and Hardware Solution

Each of our integrated software and hardware solution consist of a high-performance, modularized and centralized domain controller integrating multi-layered software and algorithmic functional operating systems and cloud platform connectivity, conducive to maximizing adaptability and expandability. The modular design of our standard domain controller and premium domain controller, embedded within a distinctive interface, boosts compatibility of our integrated software and hardware solution across a wide range of vehicle architecture.

Standard Domain Controllers

Our Standard Domain Controllers encompasses display audio and in-vehicle infotainment systems and can incorporate standard networking features such as online navigation, audio streaming, and voice services, all connected to the Internet through a T-Box, while also enabling mobile phone connectivity through platforms such as CarPlay and Android Auto. Furthermore, with its integrated 360-degree algorithm, it facilitates the enhancement of the APA function.

Premium Domain Controllers

Our Premium Domain Controllers encompasses a range of products, including the cockpit domain controller and integrated cockpit and parking domain controller, as well as our integrated cockpit and autonomous driving domain controller, which is currently under development. Beyond its extensive networking capabilities, it facilitates multi-modal interaction by connecting to DMS, OMS, and multi-zone microphones, thereby integrating technologies such as voice recognition, facial recognition, eye tracking, and gesture recognition to enhance the user experience. With support for multiple camera input interfaces, the system can further expand its APA function and intelligent driving features by incorporating advanced driving algorithms.

Our technical expertise allows us to sustain a substantial customer base and foster enduring partnerships with automobile OEMs

Automobile OEMs have strict entry requirements for smart cockpit solution providers, and the validation process is lengthy and complex. We have established long-term and stable relationships with automobile OEMs, helping them to realize mass production across multiple vehicle models and accompanying them in the transformation of their products to intelligence. We obtain valuable market feedback and customer demand information, which helps us to optimize and improve our product design to better meet the market demand and enhance the market competitiveness of our products.

Supported by investors and strategic partner from the automotive and technology fields

Since completion of the Series B Financing in 2024, our shareholders, in addition to SeeWay.ai Group, include MTK, Tencent Mobility and Nio Capital Fund. For further information, see "History, Reorganization and Corporate Structure — Corporate Development of Our Group." These investors offer us substantial expertise and understanding in the automotive, technology and automotive-grade chips domains, thereby enhancing synergies within our business model. Furthermore, we have established strategic partnerships with SeeWay.ai and Didi Technology, respectively, in technology development, customer integration and other strategic cooperation. For details, see "— Our Strategic Partnerships" in this section.

Highly experienced senior management and R&D team

Our core management team possesses many years of experience and is profoundly involved in the smart cockpit solution industry and has the ability to cover the complete functions of R&D and design, manufacturing, marketing and sales. Mr. Cheng Peng, chairman of our Board and a non-executive Director of our Company, is responsible for the overall strategic planning of the Group and major business decisions. Since inception of our Company, Mr. Cheng has provided direction and leadership to our Company in creating a robust technological framework and foundation to address key challenges in the industry, while also attracting multiple strategically important investors of our Company.

OUR STRATEGIES

Continuous development to capture industry and market opportunities

We gradually introduce high-computing power products leveraging our R&D capabilities, aimed at increasing our market share. We have enhanced and optimized integrated cockpit and parking solution based on the SA8155P chip by integrating APA function based on our proprietary computing resources optimization technology. We intend to enhance the smart cockpit experience by leveraging advanced computing power of various chips, such as MT8676, MT8678, MT8668, and SA8775P, focusing on integration of driving functions to create competitive cockpit and parking solution.

We are currently engaging in the research and development of an enhanced AI Agent architecture enabling co-evolution between terminal and cloud, progressing toward an era of artificial general intelligence (AGI), which completion is expected at the end of 2026. By fundamentally redesigning its core logic and a terminal to cloud collaborative foundation built on a "perception–memory–brain" framework, enabling our AI Agent to evolve from simple command-based responses to sophisticated task execution. This architecture is designed to combine the millisecond-level responsiveness of terminal processing with the vast computational power of the cloud through a tiered collaboration approach, creating an intelligent hub that is highly compatible, reliable, and strongly focused on privacy protection.

Building on the existing multi-modal perception layer and an evolving long-term cognitive memory system, we are introducing a ReAct (Reasoning & Acting) mechanism to form a brain-like "thinking–execution" engine. This enables human-like reasoning, complex task breakdown and the ability to turn vague user intentions, such as "buy a birthday gift for my child and wash my car", into multi-step plans while adapting actions in real time based on feedback (e.g. car wash queue length). As a result, the system gains stronger generalization, deeper intent understanding and higher success rates in complex scenarios.

We aim to promote our smart cockpit solution toward "de-appification" by reducing reliance on standalone applications, unbundling features to simplify access, improve interoperability and minimize the need for multiple downloads. Our AI Agent acts as an intelligent gateway that removes barriers between traditional smart cockpit software. Users can simply express their needs in natural language and our AI Agent automatically interprets their intent, coordinates and integrates multiple smart cockpit software and hardware functions in the background. On the interface side, our AI-driven generative HMI engine replaces fixed layouts with dynamic ones that adapt in real time to the user's context, delivers outputs directly based on user's stated requests, streamlines user interactions and creates a strong, differentiated user experience.

We have commenced on a full-scenario terminal to cloud collaboration project with autonomous reasoning and continuous application evolution which includes the following features:

- *AI-powered call assistant 2.0*. Expand from a one-off task commands to full-scenario calling services, including notifications and chats. Our enhanced AI Agent can mimic user's communication style to interact naturally and provide accurate call summaries afterward. While maintaining driving safety, the cockpit serves as an efficient mobile hub for work and daily life.

- *AI-powered podcast 2.0*. The podcast experience has been upgraded with defined roles, each with unique backgrounds and expertise. Users can choose different perspectives, such as sociologists or students, instead of only expert analysis, enabling engaging interpretations. This expands listening options and makes the content more interesting.

- *AI-powered mission expert*. Enable users to create personalized cockpit scenarios using natural-language commands. Our AI Agent can understand complex intents, breaks down tasks and automatically coordinates vehicle software and hardware APIs. With built-in safety checks before execution, it ensures secure, cross-application operations and delivers a smarter driving experience.

Building on our AI Agent, we are independently developing a next-generation integrated software and hardware solution based on the strong heterogeneous computing power of the SA8775P chip platform. It maximizes on-device AI computing power, where we establish our AI Agent as the "meta-brain" of cockpit-module integration, providing a stable, low-latency foundation for processing multi-modal data, supporting local deployment of large models and enabling efficient operation of the "perception-memory-brain" architecture. Moreover, for cockpit-driving integration, we plan to use advanced resource pooling and hardware-based security isolation mechanism to enable multiple operating systems to run on the same chip platform, allowing computing resources to be dynamically shared between cockpit and driving functions. Completion is expected at the end of 2027.

We have also commenced the research and development of our WeLink3 technology to be adapted to the RTOS platform, for simplifying the smart cockpit system architecture, enabling efficient operation on lightweight hardware, removes technical barriers and allows core internet features such as navigation to be deployed across more product lines such as two-wheelers. Completion is expected at the end of 2026.

Enhance operational efficiency with own AI-based production facility

All of our smart cockpit software solution products are self-developed, while the hardware products are developed by us and manufactured by our contract manufacturers. We intend to use a significant portion of the **[REDACTED]** of the **[REDACTED]** to construct our production facility, potentially a fully automated manufacturing facility that operates with minimal or no human intervention which relies on AI and robotics, thus promoting our autonomy and efficiency of production. Construction of an AI-based production facility is expected to facilitate greater synergies and integration among R&D, production and sales.

Strengthening and broadening our clientele

The success of our smart cockpit software and our integrated smart cockpit software and hardware solution has contributed to our extensive customer acclaim and robust partnerships with both clients and strategic allies. To enhance collaboration with OEMs, we participate in industry trade shows, expos and seminars as these provide opportunities for us to engage directly with OEM representatives, understand their requirements and establish initial connections. Visiting industrial parks enables us to negotiate directly with OEMs, assess their product quality and reputation, and potentially secure reliable partnership, enhance our professional network and explore additional partnership possibilities. We have provided top global automobile enterprises with smart cockpit solution that meet the standards, requirements and certifications of international markets. Our solution possesses multi-language compatibility, compatible with international third-party software applications and adaptable to local driving customs and norms.

Enhance management and workforce talent pool

We continue to improve our talent pool and strengthen the cultivation and recruitment of talents in AI algorithms and other aspects. To attract domestic and international sales and marketing and product quality control professionals with rich experience, we intend to adopt various initiatives including:

- Develop an industry-competitive salary, offering a base salary higher than the industry average, and a tiered commission structure for employees exceeding performance targets;
- Provide annual training on professional knowledge and offer complete financing for obtaining certification of technical authority, such as ISO 9001/ITS 16949, and various other international certification assessments, as well as the establishment of collaborative laboratories with other organizations;
- Align strategic objectives by organizing team building activities, establish a cross-regional improvement team tasked with gathering feedback from employees regarding collaboration between offices and swiftly implementing these enhancements; and
- Develop training modules focused on cross-regional understanding, addressing communication etiquette, conflict resolution strategies and cultural taboos to minimize friction during collaborative efforts.

OUR OFFERINGS

We offer smart cockpit software solution and integrated software and hardware solution for our customers, focusing on delivering user-centric products that enhance user experience before, during and after driving. For instance, before entering the vehicle, our smart cockpit solution are capable of remotely configuring vehicle settings via mobile application, it allows drivers to effortlessly manage different cockpit functions while driving and following the journey, our smart cockpit solution can establish connection and adjust smart home devices prior to arrival. The following diagram provides an overview of our principal product offerings:

During the Track Record Period, we generated revenue primarily from sales of (i) smart cockpit software solution and (ii) integrated software and hardware solution. We recognize two types of revenue with respect to our smart cockpit software solution:

- *Software development revenue*. We develop customized smart cockpit software solution tailored to our customers' unique specifications. We recognize revenue as software development fees when customers receive and confirm acceptance of the smart cockpit software solution.

- *Software licensing revenue*. Revenue is recognized as software licensing fees when our proprietary software solution is serviced in vehicles manufactured by our customers with the settlement confirmed by the customer.

For our integrated software and hardware solution, we recognize revenue from our integrated software and hardware solution at the point in time when our solution is delivered and acknowledged by customers. The following table sets forth a breakdown of our revenue by product category for the years ended December 31, 2023, 2024 and 2025. For further details, see — "Financial Information — Description of Major Components of Our Results of Operations — Revenue" of breakdown of our revenue by product category for the years ended December 31, 2023, 2024 and 2025.

The tables below present our key operating data which we consider valuable for comprehending our business performance, operational scale and growth trends during the Track Record Period.

	For the years ended December 31,		
	2023	2024	2025
Smart cockpit software solution			
Costs of sales (RMB in thousands)	60,444	130,983	263,987
Gross profit margin (%)	63.2	46.2	35.2
Sales volume (in thousand units)	2,248	5,466	7,360
Average price range (RMB)[(1)]	17–228	17–488	17–326
Integrated software and hardware solution[(2)]			
Costs of sales (RMB in thousands)	276,045	207,377	266,285
Gross profit margin (%)	11.6	11.6	9.8
Sales volume (in thousand units)	266	210	353
Average price range (RMB)[(3)]	272–2,021	251–2,017	251–3,127

Notes:

(1) The average price range of our smart cockpit software solution is determined on a project-by-project basis. The pricing structure for each project can consist of either (i) software development fees, (ii) software licensing fees, or (iii) a combination of both.

(2) Consist of domain controllers and accessories sold to our customers.

(3) The average price range of our integrated software and hardware solution is determined on a project-by-project basis. The pricing structure for each project can consist of either (i) software development fees, (ii) costs of mass production on hardware components and integration carried out by our third-party contract manufacturers, or (iii) a combination of both.

	For the years ended December 31,		
	2023	2024	2025
Smart cockpit software solution			
Number of OEM customers	21	19	14
Customer retention rate (%)	91	67	58
Number of projects	50	36	41
Number of new customers	1	4	3
Number of returning customers	—	1	—
Number of ongoing customers	20	14	11
Integrated software and hardware solution[(1)]			
Number of OEM customers	11	12	16
Customer retention rate (%)	73	82	92
Number of projects	19	24	35
Number of new customers	—	3	3
Number of returning customers	—	—	2
Number of ongoing customers	11	9	11

Notes:

(1) Consist of domain controllers and accessories sold to our customers.

(2) The number of OEM customers represents the total number of customers from whom we generated revenue during the relevant year includes (i) OEMs customers and (ii) OEM customers who purchased our products through other Tier-1 suppliers. The percentage of OEM customers who overlaps between the smart cockpit software solution and the integrated software and hardware solution during the Track Record Period falls within the range of 4% and 10%.

(3) The customer retention rate refers to the ratio of customers who generated revenue in the prior year and are still generating revenue in the current year. It is calculated as the number of existing customers who generated revenue in both the current and previous years divided by the total number of customers who generated revenue in the previous year.

(4) The number of projects represents the total number of projects from which we generated revenue during the relevant year.

(5) The number of new customers represents the number of customers who have not previously engaged with us.

(6) The number of returning customers represents customers who have previously engaged with us and engage us again with new projects or contracts in the following years.

(7) The number of ongoing customers represents customers with projects executed in the previous year where (i) we continued with their execution in the current year or (ii) initiated new projects with us in the current year.

During the Track Record Period, the overall customer retention rate for smart cockpit software solution has declined, while the customer retention rate for integrated software and hardware solution has shown an upward trend. This upward trend was mainly due to (i) the nature of integrated software and hardware solution projects, which aligned with OEM customers' vehicle sales cycles, typically last 3 to 5 years. As a result, customers are retained over the entire project duration; and (ii) our gradual strategy to expand our integrated software and hardware solution, which largely comprises customers who generate greater revenue. The fluctuation in customer retention rate reflects our long-term strategic decision to focus on customers who generate greater revenue. Prioritizing these customers can support our long-term sustainable growth and stronger relationships. Nevertheless, this strategic emphasis does not imply that our attention and services to customers who generate lower revenue are undermined as a lower retention rate amongst customers who generate lower revenue may also be attributable to various factors, among others, shorter contracts and more variability in those customers' budget which can lead them to pause services.

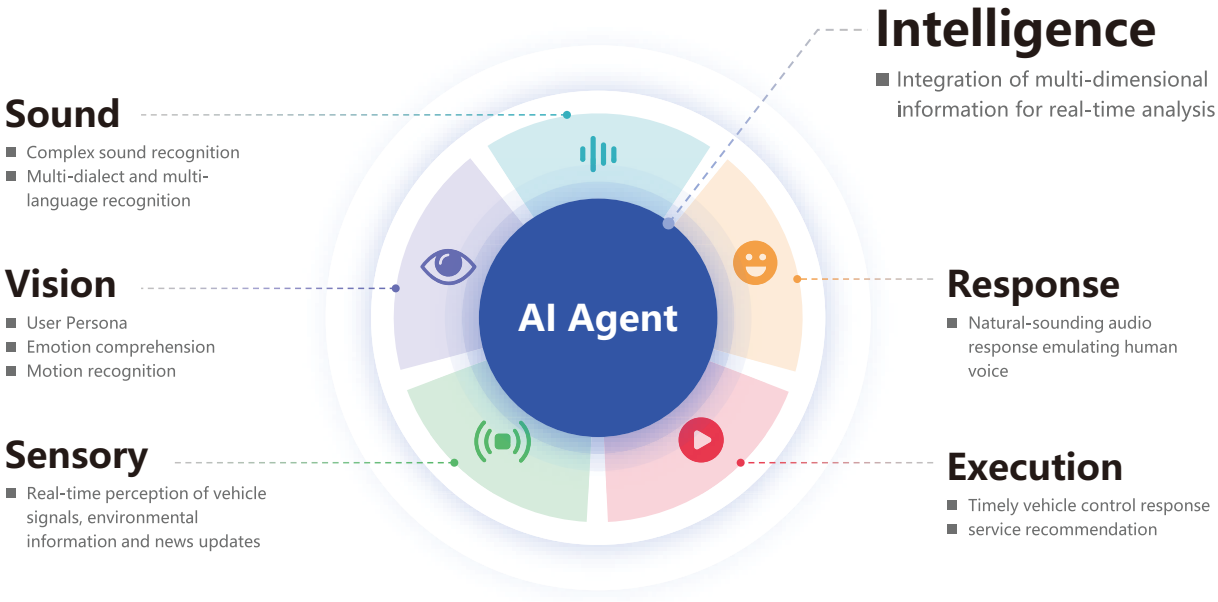
Smart Cockpit Software Solution

We provide smart cockpit software solution, which comprise smart cockpit system, 360-degree images, map navigation, AI Agent and audio-video entertainment. Customers are afforded the flexibility to select various software functionalities that can be customized to align with their vehicle's design and application software. These options are also available for our customers to select separately for

incorporation into our solution upon request. Moreover, we offer customization of our proprietary software, as well as secondary modifications to customers' software based on specific requirements, along with software upgrades for our existing products.

AI Agent

Our AI Agent relies on multi-modal large-modal technology to understand user intentions and provide proactive service recommendations, while our intelligent scenario engine facilitates the dynamic integration and accurate execution of vehicle functions through modular orchestration and the fusion of data from multiple sources. Together, they create a closed-loop system, where the AI Agent gathers user profiles through frequent interactions, which in turn drives the ongoing development of the intelligent scenario engine. The following diagram provides an overview of the features of our AI Agent:



Our AI Agent is capable of facilitating intricate semantic analysis, dynamic development of user profiles, and generation of strategies tailored to specific scenarios, personalized interaction experiences, and solution for linking devices across different systems.

The core capabilities of our AI Agent include:

- *Multi-agent collaboration.* Our AI Agent relies on a multi-agent architecture that utilizes a task processing model to create a smart collaboration framework. This framework adheres to a logical arrangement of task topology, facilitating a precise division of labor and efficient connections among agents. This architecture enables agile orchestration and dynamic scheduling of task processes through a structured workflow, resulting in smart routing and accurate instruction flow between agents.

- *Voice interaction*. Our AI Agent implements a seamless wake-word free and multi-turn dialogue framework which accommodates ongoing complex command inputs and recognizes cross-command logic through advanced contextual semantic correlation algorithms. It features multi-zone directional voice pickup technology, which allows for zone independent control, ensuring that personalized commands only influence devices within the speaker's vicinity. The system encompasses over 20 scenarios, including commuting, leisure and work.

- *Service recommendation*. A multi-dimensional intelligent decision-making engine is developed through the real-time integration of environmental perception data, user behavior patterns, and historical habits. It dynamically produces tailored suggestions by analyzing multi-modal data and performs real-time multi-dimensional assessments encompassing safety compliance, alignment with user preferences and scenario appropriateness on the proposed recommendations.

- *Multimodal perception integration*. This integration facilitates a detailed understanding of user status and the in-cabin and external environment. The system utilizes spatiotemporal alignment and feature-level fusion algorithms to process multi-source heterogeneous data, enabling accurate interpretation of driver biometrics, passenger distribution, cabin object recognition, and real-time driving conditions.

The main technical features of our AI Agent include:

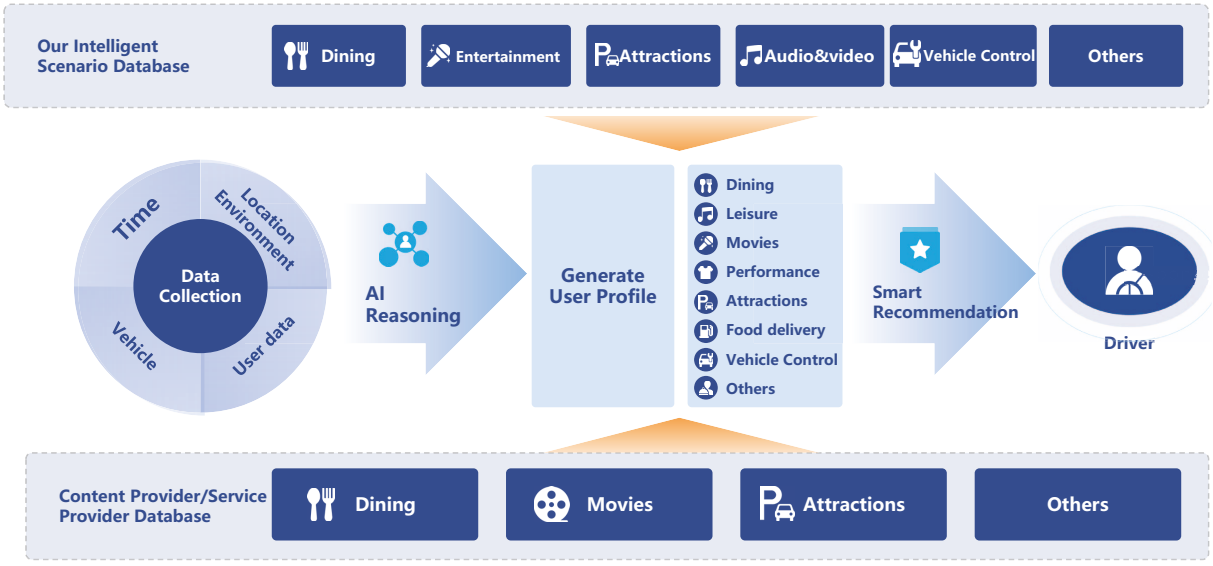
- *Hybrid model architecture*. Adopts a multi-modal large model technical framework to build a terminal to cloud collaborative hybrid reasoning system. The bottom layer achieves precise vehicle data collection and command execution through vehicle bus protocols. The middle layer completes spatiotemporal alignment and feature fusion of multi-modal data. The upper layer relies on cloud-based large models for complex scenario reasoning and long-term memory storage. Terminal models optimize local response latency to within one second while ensuring the system becomes more intelligent through continuous interactions.

- *Multi-dimensional user profile*. Employs integration of multi-dimensional data incorporating driver biometrics, for instance, emotional state and fatigue levels, behavioral patterns and environmental factors such as geolocation to create tailored profiles. A temporal analysis engine monitors the progression of user behavior, facilitating the prediction of intentions across various scenarios. This allows for automatic suggestions such as route optimization during commutes or intelligent recommendations for trip planning.

- *Humanized decision engine*. Understanding of contextual scenarios with the prioritization of user intent to generate interaction strategies that resemble human behavior. The decision engine is intricately linked with vehicle control systems.

Intelligent scenario engine

Our intelligent scenario engine utilizes vehicle control protocols to facilitate accurate data exchange and effective command execution, merging vehicle bus data with service information to create an interconnected digital infrastructure. Its advanced visual scenario orchestration system enables users to define combinations of over 200 control nodes, which support both manual customization of tailored scenarios and adaptive solution generated by large language models based on user history and real-time contexts. The following diagram illustrates the functionality of our intelligent scenario engine:



Our intelligent scenario engine has the following key features:

- *Modular orchestration*. The architecture features a highly modular design characterized by standardized interfaces for various independent functional modules. Through the visual orchestration system, drivers or passengers can integrate these modules akin to assembling building blocks, facilitating the swift configuration of both fundamental functions as well as intricate driving assistance synergies.

- *Universal connectivity*. Comprehensive integration among vehicle systems, mobile applications and IoT devices facilitate interoperability across multiple platforms. The vehicle's infotainment system acts as the central interface, ensuring real-time data synchronization with mobile applications for remote functionalities. Successful integration with the IoT allows for automatic interaction with smart home devices.

- *AI collaboration*. Utilizing the advanced capabilities of large language models, our intelligent scenario engine is intricately connected with artificial intelligence. For instance, if a user expresses fatigue by saying "I'm tired" while driving, the AI can manage vehicle control systems to modify seat positions, play soothing music, and devise comfortable driving routes, thereby providing seamless experiences.

Our AI Agent is utilized in different scenarios. For example:

- *Intelligent driving butler*

  Our intelligent driving butler monitors driver status in real time to detect fatigue or abnormal risks. When a risk is identified, it proactively responds and suggests rest stops, plays music or adjusts interior lightings to help mitigate danger. This moves from simple risks alerts to active safety support, improving driving safety and comfort.

- *Natural-language vehicle control*

  Our AI Agent utilizes natural semantic analysis and cross-function coordination capabilities to accurately capture user's needs such as improving in-vehicle air quality, automatically trigger coordinated operation of hardware facilities such as air conditioning and purification. This leaps from single command execution to multi-task scenario-based active management improves convenience and safety of driving.

- *AI-powered call assistant*

  Our AI call assistant interacts with users through natural voice conversations to help users complete tasks such as restaurant reservations, activity bookings, and schedule management. By intelligently understanding user needs and adapting to changes, it enables a more efficient and hassle-free everyday experience.

Map navigation

Our map navigation products utilize map navigation SDK provided in some instances by SeeWay.ai and in other instances by a different major map service provider in China. Our map navigation products cater to a variety of scenarios such as ADAS views and wide-lane panoramic perspectives. Our solution synchronizes display of traffic lights through the map navigation SDK, either by map navigation SDK providers' collaboration with local government traffic management agencies or by their utilization of their own proprietary big data model. It also accommodates the expansion of third-party services, such as allowing for access to information on electrical vehicle charging stations, reservations for restaurants and parking lots, among others. The voice navigation feature is enhanced with natural language processing technology, enabling real-time bilingual interaction, and includes safety enhancement features such as blind spot detection alerts and reminders for fatigue driving, which collectively enhance driving safety. Beyond the fundamental features offered by our SDK, we can integrate Cooperative Positioning data to enhance data sources and deliver a variety of value-added services. We offer our customers not only development guidelines and API documentation regarding functions, timing, migration and vehicle communication, among others. Our SDK includes an Android library file or a Linux library file that serves as the interface for the customer's business output capabilities. The integration process between the SDK and HMI can be complex andtime-consuming.

WeLink3

In November 2024, we completed development of WeLink3 that pioneers on expanding the functionality of wired or wireless mobile phone screen mirroring, and incorporates public screen projection protocols such as DLNA that are supported by mobile devices which can be integrated and switched with existing smart cockpit functional modules, achieving a breakthrough in reverse control of the mobile phone via the smart cockpit screen across all platforms including Android, Apple iOS and Harmony OS, completing the full mirroring interaction logic, and extending the mobile application systems seamlessly into the vehicle system. It also features a pioneering floating window interaction design, which allows for flexible dragging and scaling, enabling users to modify its position and

dimensions while blending with the original vehicle design. Characterized by a lightweight interaction style, WeLink3 efficiently completes the docking process with the cockpit system in a short time among various regulated and mass-produced vehicle models and it deeply supports UI customization services, integrating with the cockpit system to deliver excellent user experience comparable to that of a smartphone.

We have strictly adhered to widely used industry protocol standards when developing our WeLink3. For example, for screen projection, we adhere to standard protocols of mobile phone system manufacturers, such as Media Projection on Android or ReplayKit2 on Apple iOS, and for reverse control, we have adopted HID protocols managed by USB-IF and Bluetooth SIG. The development process strictly follows the official development specifications and requirements of mobile phone systems, using officially designated interfaces and development tools, resolutely preventing any illegal or non-compliant development practices.

WeLink3 incorporates the following key technical features:

- *Cutting-edge wireless reverse control technology*. WeLink3 enables reverse control of the mobile phone via the smart cockpit screen and is compatible with all mobile phone platforms. Through ongoing research, development, and debugging, our WeLink3 has successfully created a reverse control solution that is applicable across the entire mobile phone usage environment, thereby effectively addressing significant challenges in the industry's advancement.

- *Outstanding low-latency screen synchronization solution*. Fully leveraging hardware acceleration potential at both ends of the mobile and vehicle systems, WeLink3 smoothly completes the entire process of real-time image capture, encoding, transmission, decoding, and playback. It also monitors data fluctuations in each stage in real-time and dynamically optimizes encoding and decoding strategies to ensure that screen casting latency is minimized.

- *Application of driving regulations based on image recognition*. WeLink3 algorithm simulates the human visual perception system to deeply analyze video content, accurately identifying various application scenarios at 30 frames per second (FPS) and precisely capturing key parts of video playback. This enables the algorithm to efficiently and quickly identify unsafe factors such as videos and games during the driving process, promptly block related images, and issue safe driving alerts to the driver.

WeLink3 is designed solely to receive and display the mobile phone screen on the vehicle's system, with all computing and rendering tasks handled by the mobile device. This architectural approach allows for seamless operation of mobile applications while significantly minimizing the use of in-vehicle resources. By employing local model algorithms to detect hazardous actions, a response time in the millisecond range can be attained, all without the need for network connectivity. The end-side processing method guarantees data privacy and security without imposing any extra computational demands on the vehicle's system. The following diagram illustrates the key features of WeLink3:

Integrated Software and Hardware Solution for Smart Cockpit

Our integrated software and hardware solution integrate our domain controllers, smart cockpit software which may also be purchased separately by our customers, and various hardware components, such as display screens and microphones, which we source from our suppliers. Our integrated software and hardware solution premises on integration between hardware systems and versatile software setup. Each of our integrated software and hardware solution consist of a high-performance, modularized and centralized domain controller integrating multi-layered software and algorithmic functional operating systems and cloud platform connectivity, conducive to maximizing adaptability and expandability. The modular design of our centralized domain controller, embedded within a distinctive interface, boosts compatibility of our solution across a wide range of vehicle architecture.

Domain Controllers

The modern E/E architecture is typically divided into five functional domains, (i.e., cockpit, powertrain, vehicle body, chassis and autonomous driving), each of which is controlled by a separate domain controller. We develop and produce smart cockpit domain controllers which interact with other domains, by sending instructions to or obtaining information from domain controllers of other domains and displaying relevant information on the displays in the cockpit. Our OEM customers specify the overall in-vehicle E/E architecture, which determines how information is transmitted between the smart cockpit domain controller and other domains. This enables the smart cockpit domain controller to control functions such as air conditioning system and seat adjustments. Similarly, the smart cockpit domain controller interacts with the autonomous driving domain when the driver engages ADAS for APA, automatic emergency braking and lane departure warning. The domain controller of the smart cockpit receives information from the autonomous driving domain and displays real-time autonomous driving data, including vehicle positions and safety warnings, on the screens.

For hardware structure, the cockpit domain controller consists of a main SoC and peripheral circuits. The peripheral circuits include communication chips (such as Ethernet switch chips), memory chips, audio and video transmission chips, power management chips and other chips. We also purchase modules to assemble our domain controllers, primarily including SoC modules to enhance processing and performance capabilities; network communication modules, to provide network connectivity; GNSS modules, to offer positioning capabilities; and DAB modules for receiving digital audio broadcasts and Bluetooth & Wi-Fi modules.

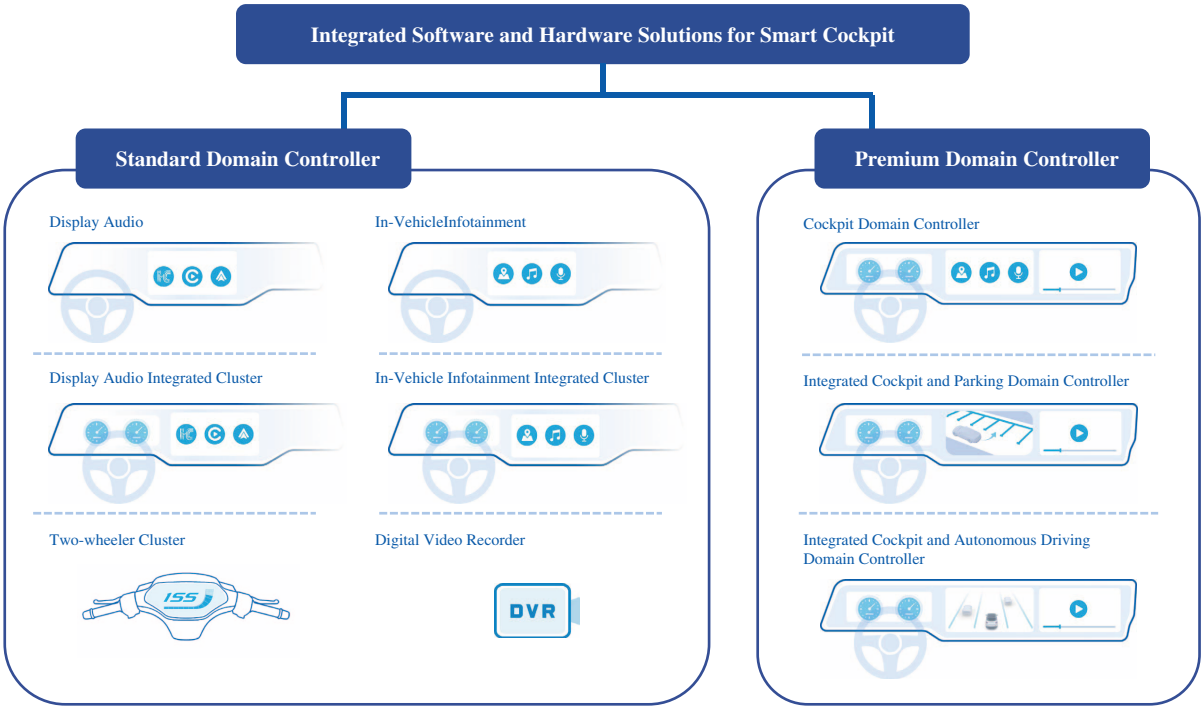
Domain Controllers by different types of SoCs

The computing power of the main SoC deployed in a domain controller determines the data processing capacity, processing speed, and image rendering capability of the smart cockpit domain controller. This, in turn, affects the number of display screens, operational smoothness, and visual richness within the cockpit, ultimately shaping the overall experience of the cockpit space. The domain controller of our integrated software and hardware solution incorporates an advanced 4G/5G mobile communication module enabling connection between vehicles and multi-modal virtual platforms, among others, GNSS and Bluetooth access. The centralized domain controller serves as a bridge connecting vehicle and cockpit systems to TSP service platforms and the Internet, allowing real-time exchange of information and providing car owners with remote control services.

We develop and program the pre-configured chips sourced from our suppliers with our full-stack software development capability to form the SoC hardware foundation of our integrated software and hardware solution. We are able to increase the level of modularity and scalability of interconnected building blocks on chips without compromising on interoperability, systems integration and cost-efficiency. Depending on the specific needs of our customers, we will choose either the One-Box dual SoC for its multi-functional capabilities, which consists of two separate chips, or a single SoC that consolidates various functions into a centralized algorithmic computer.

Our multi-layered safety infrastructure strictly abides by all applicable data privacy protection laws and regulations and we implement data encryption and anti-tamper solution in delivering security audits and authentication such as telematics and entertainment. We apply two-way authentication to secure data during local transmission, ensuring that downlink data sent to terminals and vehicles originates from trusted TSP background programs, and uplink data from terminals and vehicles is directed to a reliable TSP background program. This process guarantees data consistency and integrity and prevents unauthorized modifications. Additionally, we ensure that decrypted data is only accessible to designated recipients and that role-based ACL manage operating authorizations effectively.

The following diagram provides an overview of our integrated software and hardware solution:



All of our integrated software and hardware solution include the following features for passenger vehicles and two-wheelers:

- *Around view monitoring functionality*. Our 360-degree AVM system offers real-time images of surroundings peripheral to the vehicle which enhances safety through minimizing blind spots and improves parking safety and convenience. Utilizing a 360-degree algorithm, the system displays various camera views including a bird's-eye view of the vehicle which allows the driver to quickly understand the vehicle and parking space orientation and supports one-click automatic integration of various functions.

- *Intelligent vehicle control*. Our intelligent vehicle control system enables alternative operation of the secondary functions, such as car windows, car doors and air-conditioning.

- *Intelligent voice function.* We utilize natural language understanding and processing to enable conversational and intuitive voice control without the need of voice wake-up for vehicle interactions. With advanced speech recognition functionality, drivers enjoy a hands-free and intuitive driving experience.

We provide integrated software and hardware solution that meet the needs of our customers in various price ranges. The following table sets forth certain characteristics of our domain controllers based on the type of SoCs integrated into them:

	Standard Domain Controllers	Premium Domain Controllers
Representative SoC	AC8015, AC8257, MT8666, QCM6125, AC8025	SA8155P, SA8255P, SA8775P, MT8676, MT8678
Computer power	13.8K～62.5K DMIPS	105K～230K DMIPS
Main Feature		
Audio	• 5 channels of audio output, including for AVAS • External A2B digital audio amplifier and microphone input	• 7 channels of audio output, including for AVAS • External A2B digital audio amplifier and microphone input
Connectivity	• 1000Mbps Ethernet • 4G network connection • Connectivity with smartphones, such as CarPlay and Android Auto	• 1000Mbps Ethernet • 5G network connection • Connectivity with smartphones, such as CarPlay and Android Auto
Driver assistance	• DVR and DMS	• DVR, DMS and OMS
Others	• Built-in 360-degree surround view • APA	• Built-in 540-degree surround view • Integrated APA • LLM integration

Our Standard Domain Controllers

Our Standard Domain Controllers encompasses display audio (DA+) and in-vehicle infotainment (IVI) systems, featuring a central processing unit processing capability ranging from 13.8K to 62.5K DMIPS. It can incorporate standard networking features such as online navigation, audio streaming, and voice services, all connected to the Internet through a T-Box, while also enabling mobile phone connectivity. With its integrated 360-degree algorithm, it facilitates the enhancement of parking safety.

Our Premium Domain Controllers

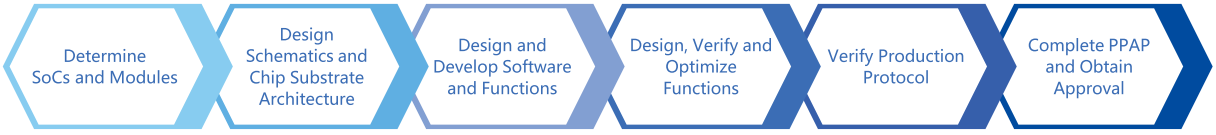
Since the end of 2024, we commenced commercialization of our integrated cockpit and parking solution of our Premium Domain Controllers. Our Premium Domain Controllers encompasses a range of products, including the cockpit domain controller and integrated cockpit and parking domain controller, as well as our integrated cockpit and autonomous driving domain controller, which is currently under development. It boasts a CPU computing capability ranging from 105K to 230K DMIPS. It facilitates multi-modal interaction by connecting to DMS, OMS, and multi-zone microphones, thereby integrating technologies such as voice recognition, facial recognition, eye tracking, and gesture recognition to enhance the user experience.

Leveraging the powerful computing performance and peripheral sensor capabilities of the SA8255P chip, we integrate smart cockpit systems with automated parking to deliver an AI-powered, integrated cockpit and parking solution. By deeply optimizing computing resources, and consolidating audio, vision, and APA algorithms, the system reduces costs and improves efficiency while significantly enhancing overall performance and user experience. Beyond core cockpit and automated parking features, it adopts a large-model driven AIOS architecture, enables a multi-agent collaborative service framework, and supports robust peripheral expansion.

Our integrated cockpit and parking solution can provide all-scenario intelligent travel services. The cockpit level is equipped with the AI Agent, coupled with 3D immersive lane-level navigation, multi-screen linkage and 3D virtual and real linkage HMI; while on the parking level is equipped with assisted parking APA, panoramic image AVM function, relying on multi-modal perception and reasoning technology to achieve convenient parking operations.

Pre-production processes of Domain Controllers

We purchase chips, modules and adapters, among others, from external suppliers and integrate with our proprietary designs of printed circuit boards (PCB) to assemble domain controllers in our contract manufacturers' production facilities. The following diagram illustrates our design and development process:



- *Determine SoCs and modules*. Proactive communications with OEMs to determine chips and modules that best meet their requirements and application scenarios.
- *Design schematics and chip substrate architecture*. We design schematics and chip substrate architecture tailored to OEM specifications. We conduct rigorous tests, focusing on thermal management, EMC and highway signal quality, ensuring optimal performance in real-world conditions.
- *Design and develop software and functions*. Based on SoCs, we develop software across multiple layers, including (i) underlying software (including BSP, hypervisors and hardware drivers), (ii) operating system, and (iii) smart cockpit application software, pursuant to OEMs' specific requirements. Occasionally, we utilize open-source software in our development process.
- *Design, verify and optimize functions*. We conduct a series of design verification tests, including performance evaluations, EMC testing, and real-world road tests, to ensure the performance and reliability of our domain controllers.
- *Verify production protocol*. We carry out extensive production verification tests to ensure the protocol is ready for large-scale production.

- *Complete PPAP and obtain approval*. After completing all development, improvement and verification efforts, we seek formal approval on the PPAP from customers for the mass production of our domain controllers by our contract manufacturers.

OUR CORE TECHNOLOGIES

Smart Cockpit Software Solution

Our smart cockpit's overall software relies on our Panshi Core and Tiangong OS technology to achieve software and hardware decoupling and integrates a layered design concept, establishing a platform-independent communication encapsulation layer that balances both universality and flexibility. It encapsulates all the data interfaces required for interaction between the upper-layer software and the cockpit system, while introducing a modular design approach, allowing each application module to be flexibly adjusted and freely combined according to actual business needs, enabling convenient access and use. Through our Tiangong OS, integrating various hardware systems specified by OEMs requires only minimal modifications to the middle layer, leaving the functional modules of other software untouched. This capability arises from the software's underlying adaptation layer allowing it to swiftly recognize and adjust to the differences in various vehicle operating system interfaces. Consequently, our Tiangong OS demonstrates considerable potential for reuse and transitioned to other cockpit systems, thereby enhancing the development process and substantially lowering the technical costs associated with future projects. Following a detailed classification of diverse usage scenarios, the foundation software architecture encompasses a total of over 20 functional modules which complemets each other, including vehicle status data, audio management, SOTA application updates, secure digital signatures, general UI, mobile phone interaction and public privacy security.

AI Agent

Our AI Agent acts as the primary terminal to cloud interactive hub of our smart cockpit software solution and provides forward-thinking, personalized intelligent services. Utilizing a highly modular design, we have created a flexible and scalable interaction framework that not only facilitates seamless coordination and precise execution across system devices but also achieves integration with a wide range of services. This architectural design guarantees swift adaptation to various vehicle platforms and hardware environments. By creating a closed-loop system from dynamic user profiling to ongoing scenario strategy optimization, our AI Agent technology evolves in tandem with user engagement, continuously enhancing the convenience and safety of intelligent mobility experiences.

Smart cockpit cloud platform

Our smart cockpit cloud platform relies on microservices architecture, paired with a high-performance distributed storage engine and containerized cluster dynamic scaling technology. The design of the multi-access gateway significantly broadens the platform's compatibility boundaries, enabling it to handle complex and variable business scenarios. By using intelligent gateways, the platform can connect to various agents and multiple large models, delivering integrated AI capabilities. The platform supports one-click automated deployment, simplifying the cumbersome operation and maintenance processes, and significantly reducing the potential risk of human error. Our smart cockpit cloud platform offers the following technical advantages:

- *Stability*. Our smart cockpit cloud platform adopts a distributed redundancy design, with data backed up across multiple nodes. In the event of hardware failures or network attacks, it can automatically switch to backup nodes, ensuring data integrity and service continuity. During remote vehicle diagnostics, the link can be rerouted if interrupted.

- *Flexibility*. The platform has strong integration capabilities and broad compatibility, enabling connections with multiple brands of smart cockpits, in-vehicle, and IoT devices. It allows the collaboration of fuel vehicles, NEVs, wearables, and smart home devices. For electric vehicles, it can continuously track energy levels, including battery condition and charging status, while also suggesting nearby charging stations, providing user with greater convenience.

- *Security.* Emphasizing data security, SSL/TLS encryption protocols are used for transmission, and AES encryption algorithms are used for storage to prevent data theft and tampering, safeguarding various user data such as vehicles, passengers, and entertainment.

Our smart cockpit cloud platform provides a rich and diverse cloud service system for in-vehicle devices. This includes unified account services, intelligent voice services, online entertainment services, OTA services, intelligent recommendation services, smart home services, among others. The platform has also established a backend management system, which allows for the configuration of operational strategies, application updates, theme settings, and data statistics through a page-based approach.

Hardware System

Our hardware system is equipped with a wide range of audio and video, camera, and data input-output interfaces, providing a computing platform for functions such as immersive sound in smart cockpits and vehicle linkage. Our hardware system adopts a modular design concept, dividing the smart cockpit functions into modules, with each module available in our Domain Controllers specifications. Standardized module components can be flexibly combined according to the cockpit needs of vehicles at different price levels for different projects. The modular design strategy endows the hardware with high scalability and flexibility, compatible with SoC platforms from different manufacturers such as Qualcomm, MediaTek, and AutoChips. Our hardware system facilitates the R&D reserves of the latest generation of SoC solution through the following:

- *Standardized interfaces improve R&D efficiency.* By standardizing the hardware interface specifications for each smart cockpit functional module, the costs associated with hardware reconstruction during the adaptation phase of the next-generation SoC can be reduced, the performance validation and scenario testing in the preliminary research phase can be expedited, and the duration of the technology verification process can be shortened.

- *Cross-platform adaptation and technical foundation.* Our hardware system is capable of accommodating SoCs from various suppliers, which has led us to develop a universal adaptation methodology, encompassing driver layer packaging, computing power scheduling and security certification. This cross-platform adaptation provides a reusable smart cockpit solution based on an architectural design that separates the upper layer application software from the core algorithms, effectively managing the hardware technical disparities, thereby minimizing R&D trial-and-error expenses.

- *Flexible expansion capabilities support parallel R&D.* The hardware reserves scalable resource interfaces, including high-speed data channels and power management modules, which are capable of fulfilling the testing needs of next generation of SoCs in scenarios requiring high bandwidth and substantial computing power. This capability facilitates the concurrent progress of chip development alongside the verification of the actual hardware environment, thereby offering data support for technological reserves.

- *Module-level iteration to achieve collaborative reserve.* The autonomous upgrade capability of an individual functional module facilitates the pre-completion optimization of associated modules tailored to the specific functional needs of the next generation SoC. This enables

swift integration during large scale production of the chip, thereby minimizing the risk associated with generational transitions and ensure the continuity and stability of technological reserves.

Basic Software

Our Panshi Core uniformly manages underlying hardware, middleware software, and user applications but also serves as a robust foundational support for the software and hardware architecture of smart vehicles. The Panshi Core adopts an advanced modular design concept, allowing it to flexibly divide the platform into multiple functional units based on different SoC solution. With its excellent interface abstraction and unification capabilities, it successfully achieves decoupling from hardware interfaces and middleware software, thereby greatly enhancing the scalability and flexibility of the design framework at all levels. This advantage of modular design and interface abstraction capability enables us to efficiently combine and integrate standardized components and quickly adapt to diverse hardware configurations and platform requirements, which significantly shortens the development iteration cycle and enhances the level of customized services.

In terms of safety design, our basic software adopts multiple security protection mechanisms, including but not limited to data encryption technology, ensuring absolute confidentiality of all sensitive information during transmission and storage, and ensuring the safety and privacy of user data. At the same time, by implementing strict access control strategies, unauthorized access and operations are effectively prevented, ensuring the legitimate use of system resources. In addition, the platform integrates an advanced anomaly detection and response system, capable of real-time monitoring and quickly responding to any potential security threats.

Full-stack self-developed and optimized software platform

The primary role of our smart cockpit software platform is to coordinate and oversee various hardware resources. The software platform offers a versatile and expandable operating system framework and facilitates precise fault identification and prevention. The integration of the 3D engine with the multimedia system, while the communication system and protocol stack ensure a stable and dependable channel for information exchange in the cockpit. The software platform integrates and optimizes high-performance hardware computing resources, memory and devices, among others, and ensures the parallel and orderly execution of tasks such as vehicle status monitoring. The computing engine supports heterogeneous computing and flexibly deploys other computing cores to work together according to task characteristics, and meeting the emerging complex computing needs of the smart cockpit. The security system of the software platform safeguards the user's privacy, ensures driving safety, and maintains the overall operational safety of the vehicle by employing data encryption, access control measures, and the detection and remediation of security vulnerabilities.

Core Functions

In addition to basic vehicle information, our smart cockpit software solution provide highly interactive functionalities such as voice commands and gesture control, offering interactive and immersive in-vehicle experience including:

- *Simple and intuitive UI Design*. Our smart cockpit features a simple, intuitive design centered on a HD central touchscreen with fast response for efficient driving operations. Multiple in-vehicle HD displays enable seamless multi-screen interaction and cross-screen control of infotainment, navigation and vehicle settings. A generative HMI converts long text into visual HTML cards that can be pinned to the desktop, with automatic online updates to improve information access across scenarios.

- *Immersive entertainment experience*. Our smart cockpit system is equipped with a rich array of audio-visual entertainment resources provided by third-party content providers for passengers including movies, TV shows, live streaming and interactive gaming experience. It features an AI interactive podcast that creates voice-customized programs from trending topics and user interaction. Advanced regional audio, noise reduction and echo cancellation create personalized sound zones, while intelligent lighting syncs with music and games for full immersion.
- *AI scenario-based intelligent service.* Parking memory automatically activates in unfamiliar parking lots, using camera and GPS data to locate the vehicle. Multi-modal recommendation systems assess user's state, environment and driving context via voice-enabled navigation, entertainment and vehicle data, while proactively detecting fatigue or distraction to provide intelligent assistance.
- *Wake-free continuous conversation and multi-turn dialogue*. Our smart cockpit system possesses natural language processing capabilities and enables wake-free continuous voice interaction. The system has the ability to maintain context across multiple dialogue turns. Each exchange builds upon the previous one to achieve a goal or complete a task.

We typically source infotainment content and services from a variety of third-party providers and integrate them into our solution. The associated costs are generally incurred when these suppliers charge us (i) a one-time licensing fee; or (ii) non-recurring expenses and fees based on the number of vehicles utilizing the relevant content or services. We generally charge OEMs service fees for such content and services on a cost-plus basis, determined by the quantity and variety of infotainment content and services requested by customers and with reference to publicly available industry pricing. We do not impose additional charges on OEMs for real-time traffic data, as it is already incorporated within the map navigation SDK that we procure from our mapping service providers.

OUR R&D CAPABILITIES AND INITIATIVES

As of the Latest Practicable Date, our R&D team comprised 335 employees, representing 86.1% of our total employees. Over 84.8% of our R&D professionals graduated with bachelor's degree or above from top-tier domestic and overseas universities with majors in, among others, computer science and technology, electronic information engineering and software engineering, with an average work experience of over 8 years in the automotive and Internet-related industries. As of the Latest Practicable Date, we had four R&D centers strategically located in Nanjing, Beijing, Shenzhen and Dalian. Each of the R&D centers engages in real-time data interaction and collaborative development via a cloud-based platform, encompasses fundamental research and industrial application.

- *Nanjing headquarters R&D and strategy decision center*. Our Nanjing headquarters center, serves as the central decision-making hub, coordinating the four R&D centers to develop and strategize our future direction in R&D and to provide technical services to our strategic partners in the Yangtze River Delta region.
- *Beijing R&D center*. Our Beijing R&D center is responsible for coordinating technical strategies and developing core smart cockpit software solution systems. It spearheads design of the operating system architecture and create an intelligent ecological software platform.
- *Shenzhen software & hardware R&D center*. Our Shenzhen R&D center focuses on advancing the underlying technology of hardware by developing comprehensive R&D capabilities that encompass hardware architecture design, automotive-grade chip adaptation, creation of vehicle control algorithms, among others.
- *Dalian collaborative R&D center*. Our Dalian R&D center specializes in optimizing operating system adaptations and collaboratively developing smart cockpit software solution. It establishes a modular development framework that offers tailored functional enhancements and regional adaptation solution for our smart cockpit software solution system.

Research & development processes

We have established a R&D process consisting of various stages as follows:

Innovative R&D

- We primarily focus on solution research, such as developing proof-of-concept prototypes and exploring the feasibility of new concepts beyond our existing solution. Once we identify a potential market opportunity, we set a clear R&D direction to effectively allocate our R&D resources. Our R&D team conducts internal pre-research and engages in preliminary research and feasibility studies for potential solution. We also evaluate such concept from various perspectives, including technical capabilities and estimated costs.

Project-based R&D

- Our R&D team works with our sales and marketing team to understand customers' needs and prepare R&D plans pursuant to their specifications, ensuring that our solution are able to meet our customers' requirements. Following customer confirmation and validation, we formally establish the development project. This stage is characterized by customized R&D activities, tailored based on the requirements and feedback of our customers. In addition, we conduct verification and validation work to test our work. We conduct quality control measures on our solution under mass production. In addition, our R&D team regularly collects feedback from our customers and the market to optimize our solution in a timely manner. We continue to track the performance of our solution and closely work with our customers to resolve any issues that arise during the use of our solution.

We have implemented the following measures during the R&D process:

We develop customized algorithms and functional modules based on the specific vehicle model requirements, technical specifications, installation requirements and deployment conditions of specific vehicle models. We customize our product's network architecture, communication protocols and signal quantities based on the vehicle model's network architecture, network topology and communication matrix. We tailor the various protocol modules of our solution in line with the vehicle model's offline calibration scheme, after-sales calibration plan and OTA upgrade schemes or standards. We ensure that all indicators of the product are tailored to meet the customer's standard requirements in accordance with the customer's standards or referenced national/international and regulatory standards of specific sales regions.

R&D Services

Our customers engage us to conduct stand-alone R&D services to develop smart cockpit software and hardware customized for their vehicles, as well as mass production of such products by our contract manufacturers. Our R&D services cover software or hardware design and development, either individually or in combination. For domain controllers, we offer system design, structural design, circuit design, prototype production and testing. Based on OEM customers' requirements, we design the related circuits, hardware architecture and provide basic functions and functional interface support for upper-layer software. For software R&D, based on the requirements provided by OEM customers, we offer customized upper-layer application software and middleware development including development and design of HMI, map navigation software, online and offline multimedia software, smart cockpit operating system, coding and testing, among others.

We charge development fees on a project basis, taking account into (i) our labor costs for all personnel involved in a specific project, typically including engineers of hardware development, software development, testing, and quality management; (ii) our non-labor related expenses, typically including costs for prototype development, mold expenses, and third-party testing for certification; and (iii) costs associated with the use of our intellectual properties. We recognize all the revenue from R&D services when the project was completed and deliverables are accepted by customers. If the smart cockpit software solution developed by us in these projects enter the mass production stage, we generate revenue from the smart cockpit software solution based on final delivery quantity, which is separate from the R&D service fees we charged.

We offer product-oriented R&D services that encompass domain controller R&D and software R&D of our smart cockpit solution. The fees that we charge to our customers for these R&D services range from approximately hundreds of thousands to tens of millions RMB, which are determined based on a combined assessment of the specificity and complexity of customer research inquiries, as well as an estimation of the necessary labour hours for research evaluation, development, testing, and validation.

OUR STRATEGIC PARTNERSHIPS

Didi Technology

We have entered into a strategic cooperation framework agreement with Didi Technology, our second largest shareholder. The framework agreement sets out both parties' intention to collaborate on: (i) Jushi equipment (桔視設備), a driving recorder that is developed and customized by Didi Technology for vehicles used in its online car-hailing service platform; (ii) supporting the marketing of such platform through incorporating Didi Technology's automotive service platform, which comprises a series of services in optimizing travel industry supply chain and offering solution to car owners and drivers, into development of our smart cockpit software solution; and (iii) utilizing our vast expertise in the development of full-stack smart cockpit software and hardware, and in collaboration with Didi Technology, aspire to create next-generation smart cockpit software solution through exploring advancements in smart cockpit technology.

SeeWay.ai

We have entered into a strategic cooperation framework agreement with SeeWay.ai, utilizing our combined resources in smart cockpit software solution and our strengths in R&D. As both we and SeeWay.ai are clients of each other, we believe the strategic cooperation will drive exploration of new business opportunities. The framework agreement sets out both parties' intention to collaborate on (i) SeeWay.ai leveraging on its high-precision mapping capabilities to deliver comprehensive map data support and enhance navigation engine technology for our smart cockpit navigation applications. We shall prioritize on incorporating SeeWay.ai's map data, lane-level navigation and additional features into our customer projects, aiming to enhance both the safety and user experience; (ii) SeeWay.ai, along with its subsidiary, has established a range of mature products while also developing domestic smart cockpit SoC and other chip sectors. Both parties shall jointly develop smart cockpit systems utilizing AC8015 and AC8025 chips, aiming to enhance functional optimization of these chips to deliver affordable smart cockpit software solution for customers; (iii) collaboration on creating an advanced smart cockpit and autonomous driving solution. This initiative aims to facilitate the dynamic allocation of smart cockpit and autonomous driving computing resources, ensuring functionality that is both expandable and cost-effective; (iv) in alignment with the principles of fair competition and upon us having established our own production capacity, SeeWay.ai is positioned to prioritize us as manufacturing partner under equivalent conditions as its industry counterparts. This prioritization enables us to ensure the efficient production and timely delivery of SeeWay.ai's associated orders and projects, fostering a collaborative effort to minimize costs significantly; and (v) collaboration on

securing orders and enhance both parties' market presence by leveraging both parties' individual strengths. In the growth of its intelligent driving and cloud computing sectors, SeeWay.ai shall advocate for our smart cockpit software solution to automotive manufacturers. As we engage in smart cockpit initiatives, we shall partner with SeeWay.ai to integrate mapping, data compliance services and smart driving solution, aiming to establish a market liaison and coordination mechanism and collectively capture a strategic advantage in the automotive intelligence sector.

OUR CONTRACT MANUFACTURING PROCESS

Manufacturing of the hardware component of our integrated software and hardware solution and manufacturing of our products delivered in the form of hardware took place at the facilities of our contract manufacturers. As of the Latest Practicable Date, none of our contract manufacturers had any past or present relationships with our Company or its subsidiaries, their respective directors, shareholders or senior management members, or any of their respective associates. Our contract manufacturers have not been involved in building the algorithms of our products as of the Latest Practicable Date.

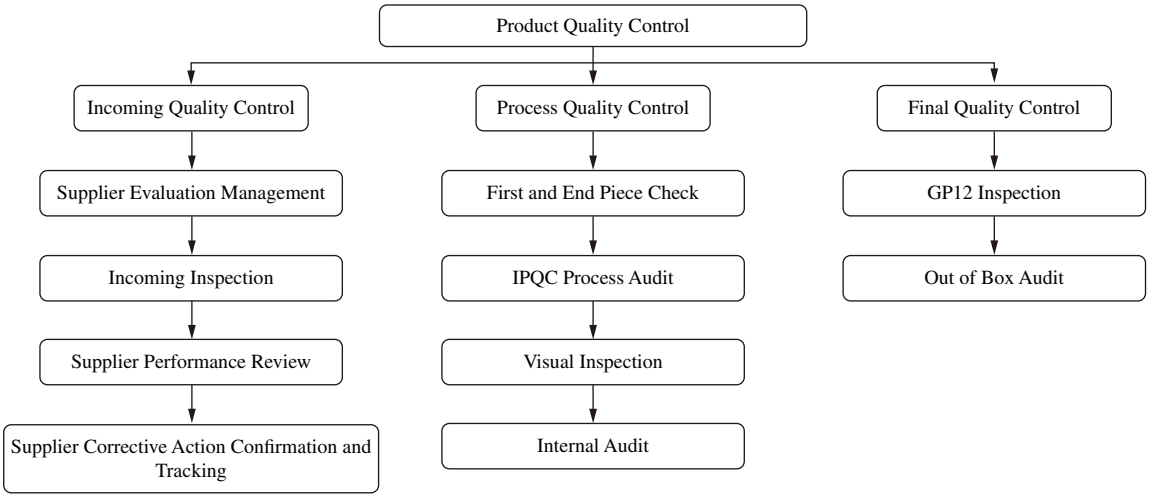
We have established a set of management and auditing protocols across our contract manufacturers' production processes to enhance efficiency. We conduct thorough and regular evaluations of their production, introducing automated and customized production equipment such as ATE to accelerate the raw material delivery cycle. Our contract manufacturing processes have met the standards and are in line with automotive quality management systems, including ISO9001 and IATF16949. We conduct design compliance audits on equipment and instructions, among others, to ensure the products produced meet the SOR. After the production is completed, we adhere to a full range of review and testing to ensure that every detail meet the needs and expectations of customers. To uphold the standards of quality and to ensure adherence to our stringent requirements, we have implemented rigorous quality control and inspection processes and standards for our contract manufacturing. See "— Quality Control". Our execution engineers are responsible for conducting daily reviews of the production process to ensure that all production techniques meet our standards.

We usually enter into framework agreements with our contract manufacturers, which set out the general terms and conditions of cooperation. We then issue separate purchase orders. The salient terms of our agreements with our contract manufacturers include (i) we generally place production orders to contract manufacturers based on customers' requests and generally settle payments within 30-60 days after receipt of products; (ii) we have our dedicated inspection personnel onsite at contract manufacturers' production sites to inspect products and confirm whether there are any deviations from our specifications prior to delivery; (iii) the contract manufacturers warrant that our solution will adhere to our specifications, quality and manufacturing requirements in all material respects. Such warranty shall remain in effect for 36 months from date of acceptance, and the contract manufacturers are required to provide maintenance of the products within the warranty period; and (iv) all confidential information provided by either party shall be used solely for the purposes of cooperation pursuant to the agreements and shall not be disclosed to any third party without prior consent. The duration of the agreements is generally 2 to 3 years.

QUALITY CONTROL

Through the deployment of sophisticated Manufacturing Execution Systems (MES) by our contract manufacturers, we are able to monitor abnormal events in the production process in real time and track key production performance indicators. We provide training on product quality supervision, quality management and safe operation procedures to all relevant employees overseeing the production and contract manufacturing processes. As of the Latest Practicable Date, we had a dedicated quality

control team of 13 employees with expertise in manufacturing and development quality control who are responsible for partners' production process. The following diagram illustrates the key aspects of our quality control processes applied to our production and contract manufacturing processes:



- *Incoming quality control*
  - o *Supplier evaluation.* All of our suppliers are evaluated according to standardized and transparent criteria, which mitigates potential quality risks.
  - o *Incoming inspection.* We implement stratified random sampling by categorizing all incoming raw materials into different functional parts, based on product characteristics, and randomly choose samples to prevent quality deviation. Special inspection is performed on all incoming parts to ensure key defects are strictly intercepted in accordance with the GB2828 standard, a national raw materials sampling inspection standard.
  - o *Supplier performance review.* We perform continuous monitoring of supplier quality performance, problem tracing, and optimization. We also engage in monthly, quarterly and annual assessments of our suppliers. Based on the outcomes of the relevant assessments, we classify our suppliers into different grades, and those that do not achieve the necessary rating will be removed.
  - o *Supplier corrective action confirmation and tracking.* For raw material defects of varying severity, suppliers are required to submit reports to us that adhere to quality standards within 2 to 30 days from date of their receipt of our notification. We perform additional steps audits to confirm that improvement measures have been standardized and successfully implemented.
- *Process quality control*
  - o *First and end piece check.* We confirm whether the wear and tear of equipment and variations in material batches during the production process surpass permissible limits prior to the conclusion of the day's production to establish a foundation for production on the following day or the subsequent shift.
  - o *IPQC process audit.* A quality control standard in accordance with IATF16949, conducts random inspections by selecting 3 to 5 units from these processes every 2 hours. We ascertain if each component adheres to the defined standards, including IATF 16949, and product-specific criteria, while also recognizing potential risks of the system.

- *Final quality control*
  - o *GP12 Inspection.* GP12 is an advanced control system during the initial phases of mass production for new vehicle models and following significant modifications. Fundamental items undergo comprehensive evaluations, while specialized and rigorous inspections are performed daily by our engineers.
  - o *Out of Box Audit.* The Out of Box Audit inspection reinstates the complete unpacking procedure, focuses on perceived pain points experienced by users, and identifies risks at the conclusion of the supply chain.

LOGISTICS AND INVENTORY MANAGEMENT

Our smart cockpit software delivery process management system precisely benchmarks against the renowned and authoritative Toyota management system, strictly adhering to ASPICE. From project documentation and code modules to test reports, each deliverable possesses a clear and complete bidirectional traceability path. Accordingly, when issues or challenges arise, whether they are functional defects, performance bottlenecks, or compatibility concerns, this traceability system allows for the rapid and precise rectification and adjustment operations. Our inventory primarily consists of finished products, whereas our contract manufacturers' inventory consists of work in progress and raw materials. To monitor our inventory levels and minimize obsolete inventory, we have established a strict inventory management system and manage our inventory through our ERP system. We generally use pallet packaging and vans for delivery of our products. We adopt a point-to-point and nearby delivery to economize logistics costs and we engage qualified third-party logistics service providers for storage and delivery. Goods that require special treatment must be stored in moisture-proof and anti-static warehouses for maintaining temperature and humidity. We evaluate our third-party logistics service providers periodically on their compliance of standards stipulated in the contracts and performance to ensure smooth delivery of our products. To the best of our knowledge, all of our logistics service providers are Independent Third Parties. During the Track Record Period and up to the Latest Practicable Date, there were no complaints or reports filed against our logistics and transportation processes or our third-party logistics service providers.

OUR CUSTOMERS

Our customers primarily consist of OEMs and Tier-1 suppliers, the majority of which are located in the PRC. Our strong industry reputation and recognition enables us to maintain long-term business relationships with our customers. Our aggregate sales to our five largest customers in 2023, 2024 and 2025 were approximately RMB458.6 million, RMB441.5 million and RMB560.6 million, accounted for 96.2%, 92.2% and 79.3% of our total revenue for the respective periods. Our aggregate sales to our largest customer in 2023, 2024 and 2025 were approximately RMB221.9 million, RMB228.8 million and RMB315.2 million, accounting for 46.5%, 47.8% and 44.6% of the total revenue for the respective periods. As of December 31, 2025, we had maintained business relationships with our five largest customers for 1 to 6 years. We have concentration of credit risk as 53%, 52% and 39%, of the gross carrying amount of trade receivables was due from our largest customer as of December 3l, 2023, 2024 and 2025, respectively, while 93%, 92% and 74% of the gross carrying amount of trade receivables were due from our five largest customers as of December 31, 2023, 2024 and 2025, respectively. For details, please see — "Risk Factors — We currently have a concentrated customer base with a limited number of key customers for a significant portion of our revenue. If we were to lose any of these major customers, our business, results of operations and financial condition could be materially and adversely affected."

The tables below set forth information about our five largest customers during the Track Record Period:

Year ended December 31, 2023

Customers	Background	Products provided	Credit terms	Payment method	Revenue	Percentage of total revenue	Year of commencement of business relationship
					RMB'000		
SeeWay.ai[Note]	A limited company established in 2002 and headquartered in Beijing, the PRC, a new type Tier-1 full-stack automotive intelligence solution provider integrating software and hardware, whose shares are listed on the Shenzhen Stock Exchange	Smart cockpit software development, integrated software and hardware solution	60–90 days after receipt of invoice	Bills and bank transfer	221,882	46.5%	2018
Customer A	A joint venture company established in 1998 and headquartered in Guangxi Province, the PRC, primarily focusing on manufacturing passenger and commercial vehicles and provision of automobile-related products and services	Integrated software and hardware solution	60 days after receipt of invoice	Bills and bank transfer	141,575	29.7%	2022
Customer B	A company established in 1990 and headquartered in Hebei Province, the PRC, primarily focusing on the manufacturing of automotive vehicles, whose shares are listed on the Shanghai Stock Exchange and the Hong Kong Stock Exchange	Integrated software and hardware solution	90 days after receipt of invoice	Bills and bank transfer	50,000.0	10.5%	2022
Customer C	A joint venture company established in 1993 and headquartered in Jiangxi Province, the PRC, primarily focusing on manufacturing passenger and commercial vehicles and electric passenger and commercial vehicles and autonomous driving products, whose shares are listed on the New York Stock Exchange and the Hong Kong Stock Exchange automobile-related products and services	Integrated software and hardware solution	90 days after receipt of invoice	Bills and bank transfer	32,852	6.9%	2021
Customer D	A limited company established in 2019 and headquartered in Guangdong Province, the PRC, primarily focusing on import and export of automobile-related products and services	Digital video recorders and smart cockpit software development	N/A	Bills and bank transfer	12,253	2.6%	2023
Total					458,562	96.2%	

Note: The total revenue amount of SeeWay.ai includes of approximately RMB89,138,000 attributable to Beijing Telemap and approximately RMB132,744,000 attributable to SeeWay.ai and its other subsidiaries.

Year ended December 31, 2024

Customers	Background	Products provided	Credit terms	Payment method	Revenue	Percentage of total revenue	Year of commencement of business relationship
					RMB'000		
SeeWay.ai[Note (1)]	A limited company established in 2002 and headquartered in Beijing, the PRC, a new type Tier-1 full-stack automotive intelligence solution provider integrating software and hardware, whose shares are listed on the Shenzhen Stock Exchange	Smart cockpit software development, integrated software and hardware solution	60–90 days after receipt of invoice	Bills and bank transfer	228,831	47.8%	2018
Customer A	A joint venture company established in 1998 and headquartered in Guangxi Province, the PRC, primarily focusing on manufacturing passenger and commercial vehicles and provision of automobile-related products and services	Integrated software and hardware solution	60 days after receipt of invoice	Bills and bank transfer	142,765	29.8%	2022
Customer E[Note (2)]	A company established in 2014 and headquartered in Guangzhou, the PRC, primarily focusing on manufacturing electric passenger and commercial vehicles and autonomous driving products, whose shares are listed on the New York Stock Exchange and the Hong Kong Stock Exchange	Smart cockpit software solution	90 days after receipt of invoice	Bills and bank transfer	40,045	8.4%	2024
Customer C	A joint venture company established in 1993 and headquartered in Jiangxi Province, the PRC, primarily focusing on manufacturing passenger and commercial vehicles and electric passenger and commercial vehicles and autonomous driving products, whose shares are listed on the New York Stock Exchange and the Hong Kong Stock Exchange	Integrated software and hardware solution	90 days after receipt of invoice	Bills and bank transfer	17,930	3.7%	2021
Customer F	A company established in 2002 and headquartered in Hebei Province, the PRC, primarily focusing on manufacturing passenger and commercial and electric vehicles	Integrated software and hardware solution	90 days after receipt of invoice	Bills and bank transfer	11,885	2.5%	2022
Total					441,456	92.2%	

Notes:

(1) The total revenue amount of SeeWay.ai includes approximately of RMB109,804,000 attributable to Beijing Telemap and approximately RMB119,027,000 attributable to SeeWay.ai and its other subsidiaries.

(2) The total revenue amount of Customer E includes of approximately RMB23,284,000 attributable to another automobile OEM in China, together with Customer E, they are both subsidiaries of a major automobile OEM listed on the New York Stock Exchange and the Hong Kong Stock Exchange.

Year ended December 31, 2025

Customers	Background	Products provided	Credit terms	Payment method	Revenue	Percentage of total revenue	Year commencement of business relationship
					(RMB'000)		
SeeWay.ai *Note (1)*	A limited company established in 2002 and headquartered in Beijing, the PRC, a new type Tier-1 full-stack automotive intelligence solution provider integrating software and hardware, whose shares are listed on the Shenzhen Stock Exchange	Smart cockpit software development, integrated software and hardware solution	60–90 days after receipt of invoice	Bills and bank transfer	315,240	44.6%	2018
Customer G	A limited liability company established in 2014 and headquartered in Shenzhen, the PRC, primarily focusing on provision of intelligent driving and cockpit solution	Smart cockpit software solution	60 days after receipt of invoice	Bills and bank transfer	95,000	13.4%	2025
Customer A	A joint venture company established in 1998 and headquartered in Guangxi Province, the PRC, primarily focusing on manufacturing passenger and commercial vehicles and provision of automobile-related products and services	Integrated software and hardware solution	60 days after receipt of invoice	Bills and bank transfer	60,946	8.6%	2022
Customer F*Note (2)*	A company established in 2002 and headquartered in Hebei Province, the PRC, primarily focusing on manufacturing passenger and commercial and electric vehicles	Integrated software and hardware solution	90 days after receipt of invoice	Bills and bank transfer	50,112	7.1%	2022
Customer E*Note (3)*	A company established in 2014 and headquartered in Guangzhou, the PRC, primarily focusing on manufacturing electric passenger and commercial vehicles and autonomous driving products, whose shares are listed on the New York Stock Exchange and the Hong Kong Stock Exchange	Smart cockpit software solution	90 days after receipt of invoice	Bills and bank transfer	39,321	5.6%	2024
Total					560,619	79.3%	

Notes:

(1) The total revenue amount of SeeWay.ai includes approximately of RMB83,705,000 attributable to Beijing Telemap and approximately RMB231,535,000 attributable to SeeWay.ai and its other subsidiaries.

(2) The total revenue amount of Customer F includes revenue of approximately RMB12,770,000 attributable to the parent company of Customer F.

(3) The total revenue amount of Customer E includes of approximately RMB28,943,000 attributable to a limited company in the PRC engaged in sales of NEV, together with Customer E, they are both subsidiaries of a major automobile OEM listed on the New York Stock Exchange and the Hong Kong Stock Exchange.

To the best of our knowledge, save for SeeWay.ai, Didi Technology, our non-executive Director and chairman of the Board of our Company, Mr. Cheng Peng, our non-executive Directors, Mr. Jiang Sheng and Mr. Huang Weiguo, our executive Director, Mr. Wang Jianqin, none of our Directors, their respective close associates or any Shareholder who owned more than 5% of our issued share capital as of the Latest Practicable Date, had any interest in any of our five largest customers during the Track Record Period.

Salient Terms of Agreements with Customers

The common salient terms of our major customer agreements during the Track Record Period include: (i) the framework agreements generally have a term of one to three years. Agreements shall be renewed upon negotiation with our customers. Either party has the right to terminate such agreements by providing the other party a written notice, or if there is a breach of agreements; (ii) the framework agreements with our customers do not specify the sales volume and there is no minimum purchase volume requirement, because our customers do not place orders all at once. Instead, they place purchase orders periodically, and the sales volume of each purchase order is determined according to the sales volume of the relevant vehicle model and the customer's mass production plan in the upcoming months; (iii) our customers typically set forth specific details for products ordered in the agreements or specific purchase orders, such as solution name, model, configurations and features; (iv) our customers present the requirements for solution development and we develop solution in accordance with their specifications. Once our customers confirm on our proposed solution, a price quotation is prepared based on the solution and pricing of our solution is finalized upon our customers approves the quotation; (v) in cases where the sales agreements specify that payment is due upon delivery of our products, these customers generally settle the payment within 7 to 14 days after receiving our invoice. For customers who have a credit period, they generally settle their payments within 60 to 90 days following the receipt of our invoices, and delivery of our products are dispatched in accordance with customers requests as stipulated in the sales agreements; and (vi) the risks transfer to customers after they confirm receipt of our products. We typically offer a standard warranty to customers of our products. See "— After-Sales and Warranty." All confidential information provided by either party shall not be disclosed to any third party, unless it is otherwise required by applicable laws and regulations or prior written consent has been obtained.

Product Returns and Replacement

We have developed a standard product return procedure. Upon being notified of an issue discovered by our customer in our software products after delivery, our designated project team will intervene immediately to determine the source of the problem. After consultation with the customer, a patch version of the software and OTA software upgrade will be provided to the customer. In cases where hardware products are involved, we will perform repair or provide replacements. As of the Latest Practicable Date and during the Track Record Period, there were no material complaints or reports filed against our product returns and replacements processes.

After-Sales and Warranty

Our after-sales team is responsible for providing after-sales services such as repair, replacement and returns based on the specific circumstances of the product in accordance with the applicable laws and regulations. Upon receiving customer complaints, we conduct a preliminary analysis within 24 hours. For significant customer complaints that involve production halts, claims or recalls, quality engineers are required to compile relevant information in writing and report to the quality manager to expedite resolution. When a warranty issue can be resolved through a software update or upgrade, we typically offer after-sales services to our clients via online guidance or remote operations. When on-site warranty service is required, our after-sales personnel will bring the necessary repair equipment to provide service on-site. We offer product warranty for our customers that generally covers a duration of 3 years or 100,000 miles. During the warranty period, for any quality issue with either our software or hardware which is caused by our fault, we will make repair free of charge within the product warranty period. For any damage caused by the customer's own improper operation occurring during or after the product warranty period, we will offer repair services to the OEM for rectifying defects for their customers on a cost-plus basis. We may be obligated to assume the product liability in the event of any quality defects in our solution that result in personal or property damage. If such claims arise from solution defects in the raw materials or components we procure from our suppliers, we may have the

right to request them to assume the corresponding product liability. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material complaints, litigation or other incidents regarding the quality and safety of our solution.

As advised by our PRC Legal Advisor, according to the PRC Civil Code (《中華人民共和國民法典》), if a product has defects that cause damage to others, the manufacturer shall bear the liability for infringement, and the infringed party may request compensation from the manufacturer or seller of the product. Where a defect is caused by the manufacturer, the seller who has paid compensation has the right to indemnification against the manufacturer. And according to the PRC Product Quality Law (《中華人民共和國產品質量法》), if a product has defects that cause personal injury or property damage (other than the damage to the defective product itself), the manufacturer shall be liable for compensation. Therefore, if it is proved that a traffic accident occurred due to a defect of our solution, causing personal and other property damage, we need to bear compensation responsibilities. Moreover, according to the Implementing Measures for the Administrative Regulations on the Recall of Defective Auto Products (Revised in 2020) (《缺陷汽車產品召回管理條例實施辦法(2020年修訂)》), the manufacturers of automobiles and automobile trailers shall be responsible for recalling defective automobiles, and we, as the auto part manufacturer, shall report information concerning defective automobiles to the SAMR, and notify the Automobile Manufacturers. The State Administration for Market Regulation and entrusted market regulatory departments shall have the power to conduct on-the-spot investigations on the premises of auto part manufacturers, and auto part manufacturers shall render assistance during a defective automobile investigation and furnish relevant information as required in the investigation. Furthermore, according to the related contract between our Company and relevant customers, our Company shall be liable for any losses caused to customers due to the quality of the products provided by our Company. Meanwhile, if a customer finds any quality problems in the products provided by our Company in such links as the receipt, inspection, use and after-sales, the customer may require our Company to replace or return the goods, repair the product, refuse to pay the purchase price or claim compensation or other similar treatment according to actual situations. See "Regulatory Overview — Regulations on Product Quality."

SALES AND MARKETING

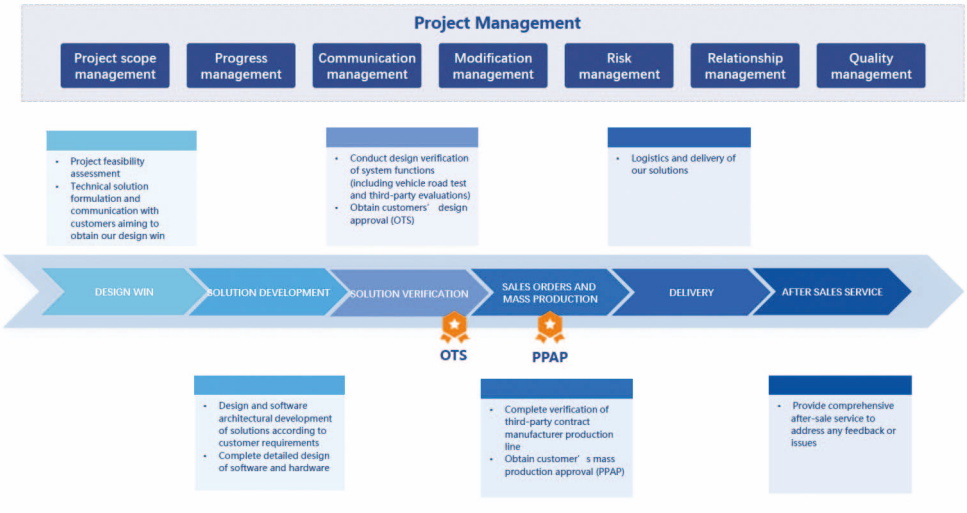
We generally sell our smart cockpit software solution and integrated software and hardware solution through direct sales. During the Track Record Period and up to the Latest Practicable Date, we did not sell our solution to any distributor. Our sales teams in Shenzhen and Beijing are responsible for sales of our hardware products and smart cockpit software solution, respectively. Our sales personnel possess on average of over five years of experience in the field, equipping them with a profound understanding of market trends and customer demands. Our salespeople evaluate the feasibility of products and solution with our customers, handle contract execution and collection of payments. We conduct quarterly sales training sessions focused on new products or enhancements to existing offerings, and make the internal knowledge base accessible for reference at any time during their employment.

Collaboration with our customers

We maintain collaborative relationships with our customers throughout the product lifecycle, from R&D to after-sales service, while we in-house develop solution for our customers' self-developed projects. We deploy a comprehensive project management system with customers, which comprises (i) establish and manage the scope and goals of the project to guarantee the completion of all essential tasks while excluding any unnecessary activities; (ii) create, oversee, and modify project timelines to guarantee the timely completion of each phase as well as the entire project; (iii) develop and execute strategies for information dissemination to guarantee that customers obtain precise information promptly, thereby fostering collaboration and ensuring consistency; (iv) conduct a thorough assessment, authorization, and execution of project modifications to efficiently adapt to shifts in demand or

environmental conditions; (v) recognize and assess possible risks and opportunities and implement measures to reduce adverse effects while leveraging favorable prospects; (vi) recognize the requirements of customers and formulate strategies to align their expectations with the objectives of the project by means of effective communication and collaboration; and (vii) ensure that project outputs align with established quality standards and customer expectations by implementing planning, assurance, and control measures.

The following diagram illustrates the key aspects of our collaboration with customer processes:



Design Win

Upon receiving a tender request from a potential customer, we provide technical solution tailored to their specific needs. Our technical sales team engages in requirement discussions with the customer, addressing feedback and refining our proposals. Customers conduct technical reviews to evaluate our solution. While we are required not to infringe intellectual property rights of others in the course of R&D and production, we are allowed to use the data provided by the customer. Upon successful design win, we typically sign design win letters, technical development agreements or R&D fee agreements. These agreements outline the rights and obligations of both parties. Customers have the right to oversee the development process of our solution, provide modification suggestions and sign supplemental technology development or commercial agreements upon approval. For more details on our customer relationships and sales process, please see "— Our Customers" and "— Sales and Marketing" sections.

Product Development

We undertake solution development within the agreed timeframe on a project-by-project basis and conduct regular technical reviews. Our customers may provide feedback and we are obligated to maintain close communication with customers to ensure the project progresses as planned. We are obligated to conduct solution testing in accordance with regulatory, industry and customer standards, which may include vehicle-level testing with our customers and third-party evaluations. Customer's approval on off-tooling samples (OTS) will be obtained prior to mass production. We generally enter into framework agreements with our customers, who place specific orders under such framework agreements for our solution. Customer's approval on PPAP will be obtained prior to commencement of mass production by our contract manufacturers. Our obligations include ensuring our contract manufacturers production line optimization and completing production tasks on time. Customers have the right to supervise our contract manufacturers' production process and conduct quality audits to

ensure product quality meets their requirements. We are obligated to arrange logistics and delivery. See "— Logistics and Inventory Management." Customers have the right to inspect delivered solution and provide feedback on the delivery. Our customers are generally responsible for the integration of our solution into their vehicles via their production lines. We provide after-sales service to address any feedback or issues that may arise. See "— Our Customers — After-sales and Warranty." Our after-sales commitments are encapsulated in the technical development agreements or R&D fee agreements we enter into with our customers upon successful design win. We are obligated to provide timely and effective after-sales service based on customer demand. Customers have the right to evaluate after-sales service quality and propose improvements.

Our solution are designed to be integral components of the vehicles they are developed for, Our Directors are of the view that our solution are not easily replaceable by other solution available in the market, given that (i) the R&D and production process of smart cockpit software solution require close interaction with OEMs and Tier-1 suppliers regarding integration of network topology and signal quantities, makes it challenging for OEMs and Tier-1 suppliers to replace our solution without significant time and resource investment; (ii) we have a proven track record of long-term and stable collaborations with top-tier domestic and international OEMs; (iii) our continuous innovation often results in the introduction of superior and more cost-efficient solution before competitors can complete their R&D cycles; and (iv) the R&D of integrated software and hardware solution requires comprehensive capabilities in software development and hardware design and production.

Pricing Policy

We generally enter into either long-term or annual sales agreements with our customers and our pricing policies are consistent with industry practices. We set our baseline prices to safeguard the financial integrity of our operations based on our assessment of our cost structure and commitment to upholding quality standards. Our cost structure is generally determined by, among other things, R&D expenses, raw material costs, third-party software procurement costs, costs of production conducted by third-party contract manufacturers, certification, licensing, packaging and logistics and management costs. The complexity of our solution or level of customization directly influences our cost structure. Subject to our baseline prices, our sales and marketing team generally aligns our pricing with the competitive market landscape and based on uniqueness of product specifications. We also adjust our pricing dynamically once per year based on the market position of the solution, the customer profile and expected order volume. Generally, we engage in discussions with customers concerning fluctuations in the prices of raw materials, logistics costs and exchange rates, as these factors directly impact the cost of providing solution and services.

OUR SUPPLIERS

Our suppliers primarily consist of raw materials and components suppliers, including suppliers for, among others, electronic components and camera modules, as well as third-party content providers/service providers. The majority of our suppliers are located in the PRC. We maintain stable relationships with our suppliers to ensure the stability of material supply and delivery. Our aggregate purchases from our five largest suppliers in 2023, 2024 and 2025 were approximately RMB161.0 million, RMB226.4 million and RMB256.4 million, accounting for 37.7%, 50.0% and 41.0% of our total costs of sales for the respective periods. Our aggregate purchases from our largest supplier in 2023, 2024 and 2025 were approximately RMB64.0 million, RMB109.6 million and RMB125.1 million, accounted for 15.0%, 24.2% and 19.2% of our total costs of sales for the respective periods. As of December 31, 2025, we had maintained business relationships with our five largest suppliers for 3 to 6 years.

The following table sets forth details of our five largest suppliers during the Track Record Period:

Year ended December 31, 2023

Suppliers	Background	Products Purchased	Purchase amount	Credit terms	Payment method	Percentage of total purchases	Year of commencement of business relationship
			RMB'000				
Supplier A	A limited company established in 2014 and headquartered in Shenzhen, the PRC, primarily focusing on vehicle network and hardware solution	Smart cockpit software, hardware and modules	64,039	N/A	Bills and bank transfer	15.0%	2020
SeeWay.ai *Note (1)*	A limited company established in 2002 and headquartered in Beijing, the PRC, a new type Tier-1 full-stack automotive intelligence solution provider integrating software and hardware, whose shares are listed on the Shenzhen Stock Exchange	Smart cockpit software development and hardware components	33,549	60–90 days after receipt of invoice	Bills and bank transfer	7.9%	2018
Supplier B	A limited company established in 2004 and headquartered in Nanjing, the PRC, primarily focusing on provision of electronic products, whose shares are listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange	Contract manufacturer	23,170	60 days after receipt of invoice	Bills and bank transfer	5.4%	2021
Supplier C	A limited company established in 1997 and headquartered in Shanghai, the PRC, primarily focusing on provision of electronic components distribution	Chips and resistance and capacitance sensors	22,145	N/A	Bills and bank transfer	5.2%	2022
Supplier D	A limited company established in 2003 and headquartered in Shenzhen, the PRC, primarily focusing on provision of electronic components and information	Chips	18,115	30 days after receipt of invoice	Bills and bank transfer	4.2%	2019
Total			161,018			37.7%	

Notes:

(1) The total purchase amount of SeeWay.ai includes purchase amounts of products we procured from SeeWay.ai's subsidiaries.

(2) All purchase amounts are inclusive of tax.

Year ended December 31, 2024

Suppliers	Background	Products Purchased	Purchase amount	Credit terms	Payment method	Percentage of total purchases	Year of commencement of business relationship
			RMB'000				
SeeWay.ai *Note (1)*	A limited company established in 2002 and headquartered in Beijing, the PRC, a new type Tier-1 full-stack automotive intelligence solution provider integrating software and hardware, whose shares are listed on the Shenzhen Stock Exchange	Smart cockpit software development and hardware components	109,607	60–90 days after receipt of invoice	Bills and bank transfer	24.2%	2018
Supplier A	A limited company established in 2014 and headquartered in Shenzhen, the PRC, primarily focusing on vehicle network and hardware solution	Smart cockpit software, hardware and modules	44,349	N/A	Bills and bank transfer	9.8%	2020
Supplier E *Note (2)*	A limited company established in 2018 and headquartered in Zhuhai, the PRC, primarily focusing on vehicle network and hardware solution	Smart cockpit software development	35,067	N/A	Bills and bank transfer	7.8%	2019
Supplier B	A limited company established in 2004 and headquartered in Nanjing, the PRC, primarily focusing on provision of electronic products, whose shares are listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange	Contract manufacturer	20,429	60 days after receipt of invoice	Bills and bank transfer	4.5%	2021
Supplier C	A limited company established in 1997 and headquartered in Shanghai, the PRC, primarily focusing on provision of electronic components distribution	Chips and resistance and capacitance sensors	16,905	90 days after receipt of invoice	Bills and bank transfer	3.7%	2022
Total			226,357			50.0%	

Notes:

(1) The total purchase amount of SeeWay.ai includes purchase amounts of products we procured from SeeWay.ai's subsidiaries.

(2) 15.12% of equity interests in Supplier E is held by NavInfo (Hongkong) Co., Limited, a member of the SeeWay.ai Group.

(3) All purchase amounts are inclusive of tax.

For the year ended December 31, 2025

Suppliers	Background	Products purchased	Purchase amount	Credit terms	Payment method	Percentage of total purchases	Year commencement of business relationship
			(RMB'000)				
SeeWay.ai *Note (1)*	A limited company established in 2002 and headquartered in Beijing, the PRC, a new type Tier-1 full-stack automotive intelligence solution provider integrating software and hardware, whose shares are listed on the Shenzhen Stock Exchange	Chips, smart cockpit software development and hardware components	125,134	60–90 days after receipt of invoice	Bills and bank transfer	19.2%	2018
Supplier E *Note (2)*	A limited company established in 2018 and headquartered in Zhuhai, the PRC, primarily focusing on vehicle network and hardware solution	Smart cockpit software and modules	52,948	N/A	Bills and bank transfer	8.8%	2019
Supplier F	A limited company established in 2000 and headquartered in Shenzhen, the PRC, primarily focusing on the provision of consumer electronics, IoT and industrial automobiles. It is a wholly-owned subsidiary of a company listed on the Shenzhen Stock Exchange	Smart cockpit software development	39,254	30 days after receipt of invoice	Bills and bank transfer	6.5%	2025
Supplier G	A limited company established in 2000 and headquartered in Wuhu, the PRC, primarily focusing on research and development of key basic materials and devices in flat panel display devices, whose shares are listed on the Shenzhen Stock Exchange	Hardware components	21,523	60 days after receipt of invoice	Bills and bank transfer	3.6%	2019
Supplier B	A limited company established in 2004 and headquartered in Nanjing, the PRC, primarily focusing on provision of electronic products, whose shares are listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange	Contract manufacturer	17,539	60 days after receipt of invoice	Bills and bank transfer	2.9%	2021
Total			256,398			41.0%	

Notes:

(1) The total purchase amount of SeeWay.ai includes purchase amounts of products we procured from SeeWay.ai's subsidiaries.

(2) 15.12% of equity interests in Supplier E is held by NavInfo (Hongkong) Co., Limited, a member of the SeeWay.ai Group.

(3) All purchase amounts are inclusive of tax.

To the best of our knowledge, save for SeeWay.ai, our non-executive Director and chairman of the Board of our Company, Mr. Cheng Peng, our non-executive Directors, Mr. Jiang Sheng and Mr. Huang Weiguo, our executive Director, Mr. Wang Jianqin, none of our Directors, their respective close associates or any Shareholder who owned more than 5% of our issued share capital as of the Latest Practicable Date, had any interest in any of our five largest suppliers during the Track Record Period.

Supply of Raw Materials and Components

The key raw materials and components we used for our contract manufacturing process include, among others, automotive-grade chips, electronic components and PCBs. The majority of our raw material and component suppliers are located in the PRC. We procure raw materials from our suppliers on a rolling basis, taking into account production cycle of the products and demand forecasts provided by our customers. Our suppliers generally bear the transportation expenses incurred for the delivery of raw materials and components. Our operation is not dependent on any particular supplier or contract manufacturer, since: (i) during the Track Record Period, we maintained multiple suppliers to avoid over-reliance on any of suppliers; (ii) there were no significant difficulties to find suitable substitutes of our suppliers with pricing and other terms that are similar to those of our existing suppliers; and (iii) we have access to a diverse supplier base for the chip types we procure, allowing us the flexibility in identifying and engaging alternative suppliers who can offer commercially reasonable pricing and terms to meet our procurement requirements. Although we have access to alternative suppliers for all of our raw materials and components that can provide us with substitutes of comparable quality and prices, a few raw materials may occasionally be subject to industry-wide shortage, significant pricing fluctuations and long supply cycles. We routinely engage in price discussions with our suppliers on an annual basis. The prices of raw materials and components are primarily determined based on commercial negotiation between our suppliers and us. As noted above, chips are one of our key categories of supplies. We have not experienced any material shortage of chips during the Track Record Period and through the Latest Practicable Date.

Selection and Engagement of Suppliers

When selecting suppliers, we take into account diverse factors, among other things, suppliers' background, technical capability, solution quality, cost, production capability and delivery efficiency. During our preliminary supplier evaluation, we scrutinize potential suppliers' capabilities and relevant official certificates. We may have on-site visits to production sites of potential suppliers. Potential suppliers are also required to provide samples for our testing and assessment. We typically enter into long-term cooperative agreements with our suppliers. We carry out performance assessments to ensure the product quality and service of our suppliers on a quarterly basis and inform the suppliers of our assessment result and rectification requirements. The supplier is obliged to perform an analysis of the returned solution, identify the causes for non-compliance and propose rectification measures. During the Track Record Period and up to the Latest Practicable Date, we did not experience quality and delivery issues with our raw materials and components that materially affected our operations.

Salient Terms of Agreements with Suppliers

We typically enter into framework supply agreements with our major suppliers, the salient terms include (i) the framework agreements with our suppliers generally have an indefinite term. Such agreements shall automatically renew for a term of one year if either party has no objections prior to expiration of agreements and we have the right to terminate such agreements by providing our suppliers a written notice; (ii) the prices for the raw materials or components we procure from our suppliers are negotiated and mutually agreed upon by both parties. There is no minimum purchase quantity requirement; (iii) for suppliers that do not provide us with a credit period, as stipulated in the sales agreements, delivery occurs once these suppliers have issued an invoice to us and received our payment. Alternatively, when products are first delivered to us by suppliers, we generally settle payment within 7-14 days after receiving their invoices. For suppliers that do extend a credit period, we generally settle payment within 20-90 days after receiving their invoices. Delivery of raw materials and/or components are delivered to our designated location specified in each purchase order; (iv) we specify the raw materials and/or components, specification, price, quantity, delivery timeline and other detailed items in each purchase order; (v) we provide our suppliers with raw materials and/or components specifications in advance and we inspect the products upon receipt to determine any

deviations from their samples and specifications. We have the right to reject and return any products that do not meet our specifications, at the expense of suppliers, or to request replacement or maintenance; and (vi) all confidential information provided by us shall be used solely for the purposes of cooperation pursuant to the agreements and shall not be disclosed to any third party without our prior consent.

OVERLAPPING OF MAJOR CUSTOMER AND SUPPLIER

During the Track Record Period, to the best knowledge of our Directors, one of our top five customers was also one of our top five suppliers. SeeWay.ai, being our largest customer during the Track Record Period, was also our largest supplier for the year ended December 31, 2024 and 2025 and our second largest supplier for the year ended December 31, 2023. We mainly provided smart cockpit software development and integrated software and hardware solution to SeeWay.ai, and SeeWay.ai mainly provided smart cockpit software development, hardware components and chips to us. For the years ended December 31, 2023, 2024 and 2025, our sales to SeeWay.ai amounted to approximately RMB221.9 million, RMB228.8 million and RMB315.2 million, accounting for approximately 46.5%, 47.8% and 44.6% of our total revenue, respectively, and our purchases from SeeWay.ai amounted to approximately RMB33.5 million, RMB109.6 million and RMB125.1 million, respectively, accounting for approximately 7.9%, 24.2% and 19.2% of our total purchases, respectively.

According to Frost & Sullivan, it is common for enterprises in the automotive intelligence industry to operate across multiple segments across the entire value chain, and it is a norm in the automotive intelligence industry that upstream and downstream enterprises along the value chain transact with each other as suppliers and customers. In accordance with customer requests and varying technical specifications of each project, both we and SeeWay.ai may function as either the customer or the supplier:

- We function as a Tier-1 supplier while SeeWay.ai serves as a Tier-2 supplier, for instance, we purchase the map navigation SDK from SeeWay.ai for subsequent processing and integration into our map navigation application, which is then sold to end-customers.
- SeeWay.ai serves as a Tier-1 supplier while we function as a Tier-2 supplier. For example, SeeWay.ai purchases integrated software and hardware solution from the Group and subsequently sells them to its end-customers. Alternatively, there are instances where SeeWay.ai may separately procure software (such as basic software) or hardware (for instance, standard domain controllers) from us.
- We and SeeWay.ai both serve as Tier-1 suppliers to the end customer. For example, SeeWay.ai supplies intelligent driving domain controllers to end-customers and we supply smart cockpit domain controllers to end-customers. We and SeeWay.ai each enters into a direct sales agreement with the end-customer, which includes a clause stipulating that the products supplied by both SeeWay.ai and us must be compatible regarding technical specifications.

Negotiations of the terms of our sales to and purchases from the overlapping customer and supplier were conducted on a project-by-project basis and purchases were neither interconnected nor inter-conditional with each other. Our Directors confirmed that all of our sales to and purchases from the overlapping customer and supplier were 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. As of the Latest Practicable Date, none of our Directors, their close associates or any shareholders who owned more than 5% of the issued share capital of our Company (other than SeeWay.ai), had any interest in any of our overlapping customers and suppliers during the Track Record Period.

BUSINESS SUSTAINABILITY

During the Track Record Period, we were subject to revenue volatility, primarily attributable to fluctuations and market uncertainties in OEM customers' demand driven by evolving industry dynamics and declining demand for certain vehicle models. Concurrently, we undertook substantial research and development expenditures, with strategic emphasis on the advancement of our software baselines and chips platforms. These investments were aligned with our disciplined approach to product portfolio management and marketing execution, aimed at sustaining a comparatively high gross profit margin compared to industry peers. The development process requires a diverse team of R&D professionals, costly equipment and considerable computational resources.

For the years ended December 31, 2023, 2024 and 2025, our revenue amounted to RMB477.2 million, RMB478.8 million and RMB706.4 million, respectively, we had net losses of RMB265.3 million, RMB377.9 million and RMB514.1 million, respectively, and adjusted net losses (Non-HKFRS measure) of RMB59.8 million, RMB132.7 million and RMB188.2 million, respectively. Our losses during the Track Record Period were primarily due to the following:

The R&D expenses incurred by us during the Track Record Period primarily consist of labor costs (the total costs of number of hours devoted by employees from different departments, including but not limited to, R&D employees), human resources outsourcing fees and technology outsourcing fees which relate primarily to product and technology testing and R&D conducted by third parties and experiment and materials costs. Our R&D expenses increased from RMB103.4 million in 2023 to RMB209.6 million in 2024 and to RMB268.1 million in 2025, accounting for 21.7%, 43.8% and 38.0% of our revenue in 2023, 2024 and 2025, respectively. During the Track Record Period, these increases were primarily attributable to an increase in both employee compensation expense and depreciation and amortization expense allocable to research and development as a result of our acquisition of Ruilian Xingchen in August 2024 in connection with Didi Technology's strategic investment in our Company in the Series B Financing. The increase in our R&D expenses was also driven by increases in our employee compensation expense, human resources outsourcing fees and technology outsourcing fees which in turn were driven by (i) our increased investment in domain controller products for functional upgrades and algorithm optimization as well as software expansion to enhance compatibility and cybersecurity to secure key projects, and software system development for entry into the two-wheeler market; and (ii) the development of AI-related smart cockpit software solution. For details, see "Financial Information — Major Factors Affecting Our Results of Operations".

- *Development of chip platforms and software development*. We undertook R&D activities targeted at our customers and market needs to lay the foundation for rolling out smart cockpit solution with a sustained gross profit margin without over-compromising our path to achieve break even and profitability. Throughout the majority of the Track Record Period, our emphasis was primarily on product development and refinement. We explored the possibility of offering premium smart cockpit features utilizing mid-to-low computing power chips, such as AC8015 and AC8025, to enhance our competitive advantage concerning the performance-to-price ratio of our product offerings and to cater to a broader range of new vehicle models. For the years ended December 31, 2023, 2024 and 2025, we invested RMB28.8 million, RMB41.1 million and RMB154.6 million, respectively, in the research and development of chip platforms which include AC8015 and AC8025 chips. Given that AC8015 and AC8025 chips are widely used in the industry and these chips primarily cater for overseas and value conscious customers, concentrating our R&D efforts on these chips could potentially result in long-term growth that aligns with our business goals.

  In a wider context, the software baselines serve as critical foundational components for the effective and efficient development of our smart cockpit functions. These software baselines ensure consistency, reliability, and scalability across the software architecture, enabling

advanced features and seamless system integration. We exerted considerable efforts aimed at developing robust software baselines, where our R&D expenses in relation to software baselines amounted to approximately RMB74.6 million, RMB168.5 million and RMB83.4 million for the years ended December 31, 2023, 2024 and 2025.

For the years ended December 31, 2024 and 2025, approximately 19.6% and 57.6% of the total R&D expenses were attributable to (i) development of the smart cockpit chip platforms; (ii) increased investment in domain controller products for functional upgrades, algorithm optimization and greater software expansion to enhance compatibility and cybersecurity to secure key projects, as well as software development for the two-wheeler market; and (ii) the development of our AI Agent. This reflected on our focused efforts in developing chip platforms and refining our products aiming for long-term growth. The following table illustrates a breakdown of our R&D expenses pertaining to the development of our smart cockpit solution products during the Track Record Period:

	For the year ended December 31,		
	2023	**2024**	**2025**
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Smart cockpit chip platforms	28,768	41,113	154,616
Smart cockpit software development	74,642	168,510	83,441
AI Agent	—	—	30,047
Total	103,410	209,623	268,104

Notes:

1. The smart cockpit chip platforms includes research and development costs on various chips platform, such as AC8015/AC8025.
2. The smart cockpit software development includes research and development costs on software baseline.

- *Diverse collaboration and platform-based R&D capabilities*. We have formed several dedicated R&D teams, which primarily include a hardware R&D team and software design and development teams. Our R&D capabilities are structured both functionally and geographically across different cities including Beijing, Shenzhen, Nanjing and Dalian. This network of departments requires added communication efforts and integration costs when designing and rolling out marketing initiatives and customer strategies during the Track Record Period. Our hardware R&D team is dedicated to developing a comprehensive in-vehicle smart cockpit hardware platform and their efforts encompass electrical design, structural design, and reliability verification, among others, and facilitates the standardization of underlying interfaces and allows for the flexible combination of functional modules, ensuring that our solution can swiftly adapt to the specific requirements of different vehicle models. Building on the hardware platform, our software design and development teams are tasked with overseeing the development and maintenance of the smart cockpit solution operating system, managing power consumption and analyzing customized requirements. The interdepartmental collaboration between these R&D teams is essential to ensure our solution operate safely and efficiently.

- *Investment and development of algorithms*. We continuously develop new algorithms and enhance existing algorithms. For example, our AI Agent employs a multi-turn dialogue framework that accommodates ongoing complex command inputs and recognizes cross-command logic. Our pioneering WeLink3, which expands the functionality of wired or wireless mobile phone screen mirroring, achieving a breakthrough in reverse control of the mobile phone via the smart cockpit screen across all platforms including Android, Apple iOS and Harmony OS. It utilizes local model algorithms to detect hazardous actions, a response time in the millisecond range can be attained, all without the need for network connectivity.

The creation of advanced algorithms depends on the development of foundational neural network models, which requires substantial human resources and financial investment to gather extensive data inputs and computational capabilities.

- *Enhancement of our domain controllers*. The domain controllers of our integrated software and hardware solution exhibit a high level of complexity, and involves collaborative efforts from numerous engineers across different specialized fields. Our engineers have devoted significant time to optimize the platform design to meet customization demands from different customers. The ongoing investment in enhancing our domain controllers is vital for our sustained growth, as their adaptability negates the necessity for complete system overhauls or the creation of entirely new algorithms or middleware for each new product.

- *Procurement costs of raw materials*. Our raw material procurement costs, such as automotive-grade chips, constituted a considerable portion of our cost of sales for the years ended December 31, 2023, 2024 and 2025, which amounted to RMB256.3 million, RMB182.3 million and RMB199.5 million, representing 76.1%, 53.7% and 37.4% of our total cost of sales in the corresponding years, respectively. These costs had a bearing on our financial performance during the Track Record Period.

Despite that we have been loss-making, our revenue from smart cockpit software solution increased by 48.1% from RMB164.4 million in 2023 to RMB243.4 million in 2024, and further increased by 67.4% to RMB407.5 million in 2025, as software development revenue experienced strong growth. We aim to maintain sustainability and achieve profitability in the future through the following:

Favorable Market Trends and Improving Product Offerings

According to Frost & Sullivan, from 2021 to 2025, the global smart cockpit solution industry market size grew from RMB185.8 billion to RMB382.7 billion, with a CAGR of 19.8%. Driven by continuous technological advancements in smart cockpit systems, the penetration of these products is expected to increase further. By 2030, the global smart cockpit solution industry is expected to reach RMB842.4 billion, with a CAGR of approximately 17.1% from 2025 onward. For details, see "Industry Overview — Overview of Global and China's Smart Cockpit Solution Industry — Market Size of Global and China's Smart Cockpit Solution Industry". We believe we are well positioned to fully capture the market potential and achieve sustainable significant growth in the future by adopting the following strategies:

Facilitating Penetration Across Various Product Lines

OEMs frequently use an initial project to validate a supplier's capabilities in technology, production and service. Once validated, the supplier's collaboration with the OEM may extend to other vehicle models. Therefore, our proficiency across different automation levels allows us to penetrate OEMs' multiple product lines. For example, in 2017, we secured a design win for our map navigation product for an automotive model of a major OEM in China. We used this initial project to demonstrate our technical capabilities, especially our ability to meet OEM's customization requirements, and to refine our product functions swiftly and accurately. We saw this project as the first step in establishing a long-term, mutually beneficial partnership with OEMs. Subsequently, we have continuously obtained design wins for our smart cockpit software solution and hardware components in addition to our map navigation product for other automotive models of the OEM and other OEMs since the end of 2021.

To enhance our penetration into OEMs' various product lines, we have proactively launched various initiatives tailored for them. For instance, we performed upgrade on our integrated software and hardware solution, successfully transitioned some of our standard domain controller products to premium domain controller products. As a result, we secured design win for this initiative and officially

positioned ourselves as a core supplier for some of our OEM customers. This initiative marks the evolution of our partnership with OEMs from a single product to a multi-domain collaboration, or from the initial phase of technological collaboration to large-scale implementation, thereby establishing a strong foundation for future extensive cooperation. Moreover, we are utilizing cost-effective products and collaboration with domestic OEMs to penetrate overseas markets. For example, in 2024, our standard domain controller has serviced a NEV model of one of the major OEMs in China for sale to Europe.

The following table illustrates the number of design wins we secured and the corresponding conversion rate of design win to purchase orders and had generated revenue up until December 31, 2025 during the Track Record Period:

	For the year ended December 31,		
	2023	**2024**	**2025**
Number of design wins secured[(1)]	18	28	28
Number of design wins converted into purchase orders[(2)]	16	24	21
Number of design wins that are yet to convert into purchase orders	2	4	7
Conversion Rate *(%)*[(3)]	89	86	75

Note:

(1) The total number of design wins secured in the designated year.

(2) The total number of purchase orders placed and had generated revenue up until December 31, 2025 relative to the total number of design wins secured in that year.

(3) The conversion rate is calculated based on the total number of purchase orders placed and had generated revenue up until December 31, 2025 divided by the total number of design wins in that year.

The following table sets forth the amounts of purchase orders placed and the projected amount of purchase orders to be placed of design win secured for smart cockpit software solution and integrated software and hardware solution during the Track Record Period:

	Total amount of purchase orders placed *Note (1)*	**Total projected amount of purchase orders placed** *Note (2)*
	(RMB in thousands)	*(RMB in thousands)*
Year of design wins secured		
2023	267,224	518,429
2024	256,446	337,370
2025	242,397	1,481,973
Total	**766,066**	**2,337,772**

Notes:

(1) The cumulative revenue generated for the purchase orders that were placed from the year the design wins were secured up until December 31, 2025.

(2) The total projected amount of purchase orders refers to the amount of projected revenue to be recognized after December 31, 2025 consists of (i) projects that have secured design wins and are currently in the mass production (conducted by our third-party contract manufacturers) stage, which will continue to generate revenue; and (ii) projects that have secured design wins and are currently in development, which will generate revenue once these projects are delivered and mass produced.

After securing a design win, we continue in the research and development of the design win until the customer places an order. Once an order is received, we continue to enhance and fine-tune the product according to the customer's specifications. The expected timeline of commencing production and delivery of the backlog of design win is between January 2026 to December 2027.

Customer Retention and Expansion

The decision to adopt our smart cockpit software solution and integrated software and hardware solution into a vehicle model typically involves both OEM customers and Tier-1 suppliers and it is a balance of decision-making power between the two depending on the type of product and the stage of product development cycle. For instance, in line with industry practice, if the OEM customer does not specify a preference, the Tier-1 supplier may independently decide whether to consider using our products. However, if the OEM customer has specific requirements related to brand differentiation, the OEM customer remains the primary decision-maker regarding the adoption of our products. With our proven track record of stable collaborations with top-tier domestic and international OEMs, we expect to deepen our relationships with existing customers and expand our customer base in terms of breadth and depth. We have adopted certain initiatives for our marketing and promotional efforts including:

- *Market development trends.* Actively engage with potential customers through hands-on testing and immersive product experience. For instance, we instigate blind operation test for potential customers to experience the centralized control or other features of our smart cockpit solution which stimulates firsthand intuitive user engagement and offer free tests of the different atmospheric themes of our smart cockpit solution for experiencing personalization. These initiatives help validate our product functionalities, potentially converting early testers into customers. In light of the prevailing trends in the smart cockpit industry, targeted engagement allows us to swiftly recognize potential customers with growing influence within the current market. For instance, we tailor our smart cockpit solution development efforts to meet expectations of tech-savvy young vehicle owners, with an average age of 30–34, incorporating enhanced safety features such as sentry mode, a smart vehicle security system that alerts drivers when it detects possible threats nearby, entertainment and social connectivity, such as WeChat, Xiaohongshu and karaoke application, and personalized user experiences. This market information offers us guidance and direction for the development of new products to satisfy emerging market demands.

- *Data driven research.* Utilizing big data, we classify our market research for product development across more than 20 distinct dimensions, including technology enthusiasts, family-oriented individuals, information management, operational management, and others. These data allows us to create tailored questionnaires that yield insights into customer preferences and unmet needs, directly informs us on both product design and marketing outreach, helping to attract customers with highly relevant product offerings.

- *Industry insights.* To maintain visibility and attract OEM customers and partners, we demonstrate our latest research & development results and engages with potential customers in person at industry forums, expositions and technology conferences. Visiting industrial parks enables us to negotiate directly with OEMs, assess their product quality and reputation, and potentially secure reliable partnerships, enhance our professional network and explore additional partnership possibilities. Collaborating with industry media outlets can keep our brand top-of-mind as we utilize digital platforms, such as enhancing the search engine optimization of our official website, to boost our brand visibility and draw interest from prospective OEM partners. These efforts enhance brand credibility, foster OEM customers acquisition and partnerships.

Driving greater efficiency through efficient chip utilization, development autonomy and high adaptability supported by middleware

- *Greater efficiency through self-developed algorithms and efficient chip utilization*. Our in-house R&D capabilities allow us to have greater control and flexibility in our product development cycle. We continuously enhance efficiency by utilizing our proprietary algorithms to tailor for specific scenarios, optimize computing resources, and maximize the potential of high-performance chips. For instance, we have utilized a single SoC with a computing power of 8 trillion operations per second (TOPS) to develop an integrated software and hardware solution featuring APA function, designed to accommodate a broader range of parking scenarios and enhance parking efficiency, which surpasses industry standards according to Frost & Sullivan.

- *Greater efficiency attributable to development autonomy*. Comparable companies lacking in-house R&D capabilities must incorporate algorithms from external suppliers, particularly for perception, planning and control algorithms related to smart cockpit solution. The reliance on external sources may increase the complexity of development management and potentially impact project timelines. Our comprehensive in-house R&D capabilities enable us to resolve technical problems internally and eliminate the need for coordinating with external suppliers.

- *Greater efficiency attributable to high adaptability to different vehicle models supported by middleware*. The adaptability of our smart cockpit solution to different vehicle models requires the coordination among hardware, software and algorithms. We achieve this by using our in-house developed middleware, which serves as an inherently scalable platform for managing, allocating and scheduling software and hardware resources and makes it easier to implement new application software or update existing application software without having to overhaul the entire system.

Improving Cost Management

Effective cost management is essential for our success and profitability. We are committed to improving our cost management through the following strategic initiatives:

- *Leveraging our full-stack self-developed software platform to optimize cost structure*. Our R&D expenses were RMB103.4 million, RMB209.6 million and RMB268.1 million for the years ended December 31, 2023, 2024 and 2025, representing 21.7%, 43.8% and 38.0% of our total revenue, respectively. Our R&D expenses increased in 2025 as compared to 2024, primarily attributable to our investments in R&D on our domain controller products and our AI Agent. We expect to capitalize on our solid R&D foundation and highly iterative solution development approach, to further improve the efficiency of our R&D activities.

  Our full-stack self-developed software platform provides a robust foundation for modular development of our smart cockpit solution. With the integrative structure of our full-stack self-developed software platform, the effectiveness of redeploying developed software and hardware systems for various projects has been greatly improved. This platform has enabled delivery of smart cockpit solution to our customers through various collaboration modes and product types based on different operating systems, such as Android and Linux. For instance, the developed smart cockpit baseline software and hardware platform and cloud platform are universal for development of our various smart cockpit software functions, thereby reducing the need for customization and optimize each project's development. Automated testing can be conducted across our software platform, contributing to the stability of the software; and

through the practice of pair programming with AI development tools, adoption of toolchains and performance optimization tools can accelerate the resolution of complex issues, thus enhancing efficiency.

We have adopted a highly iterative solution development approach, resulting in solution that are highly reusable and applicable, requiring minimal modifications to accommodate various project specifications and shortening development cycle.

Leveraging our full-stack in-house software platform, an integrated software and hardware solution developed for one project can be readily reused across others. For example, in a core main control hardware scenario, a base project may use a chip module with 16GB RAM, while a new project only requires 12GB. In such cases, we can directly reuse the existing adaptation logic by simply adjusting parameters through our self-developed configuration tools. Similarly, for components such as display hardware and sensing cameras, the platform facilitates the reuse of existing hardware adaptation logic powered by our in-house underlying software modules and interaction templates across projects, so new projects do not need to fully rebuild the corresponding hardware adaptation solution.

The efficiency of redeploying developed software and hardware systems for different projects has been significantly enhanced, resulting in expedited development cycle and delivery time, as well as an approximate reduction in R&D costs of up to 30% and an increase in customer satisfaction. As an illustration, the following table demonstrates the amount of R&D expenses that we have incurred on existing projects in 2024 and the amount of additional R&D expenses in 2025:

R&D categories	For the year ended December 31, 2024	For the year ended December 31, 2025
	(RMB'000)	*(RMB'000)*
Smart cockpit chip platforms	41,113	49,881
Smart cockpit software development	168,510	83,441
Total	**209,623**	**133,322**

Notes:
The R&D categories represent all R&D projects that we began in 2024 and are still currently in progress. The amount of R&D expenses in 2025 refers to the amount of additional R&D expenses allocated to all such projects.

As a result of capitalizing on our full-stack self-developed software platform and leveraging on our highly iterative solution development approach, our total amount of R&D expenses on all existing projects is forecast to decrease by approximately 36.4% in 2025, dropping from approximately RMB209.6 million in 2024 to RMB133.3 million in 2025.

- *Stronger bargaining power as achieving increasing economies of scale*. The raw materials utilized in our integrated software and hardware solution consist of automotive-grade chips and hardware components such as display screens, among others. Our substantial procurement requirements have increased our bargaining power on purchasing terms from suppliers of raw materials and components. For the years 2023, 2024 and 2025, our raw materials procurement costs were RMB256.3 million, RMB182.3 million and RMB199.5 million, respectively. During the Track Record Period, we adopted centralized procurement, aimed at enhancing the supply chain and further minimizing costs. Centralized procurement allows us to consolidate our supply requirements without compromising quality, strengthen our negotiating position with suppliers and achieve economies of scale. Concurrently, we established long-term strategic partnerships with key suppliers to secure raw material prices, thereby ensuring supply stability. As our operations grow, we anticipate additional benefits from economies of scale.

Enhancing Operating Leverage

During the Track Record Period, we incurred significant operating expenses, including R&D expenses, selling expenses and general and administrative expenses. The following table sets forth our R&D expenses, selling expenses and general and administrative expenses, as a percentage of revenue for the years indicated:

	For the year ended December 31,					
	2023		2024		2025	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentages)					
As a percentage of revenue:						
R&D expenses	103,410	21.7	209,623	43.8	268,104	38.0
Selling expenses	9,725	2.0	10,099	2.1	11,122	1.6
Administrative expenses	35,257	7.4	43,435	9.1	62,464	8.8
Total Operating Expenses	148,392	31.1	263,157	55.0	341,690	48.4

Our operating expenses as a percentage of total revenue increased from 31.1% in 2023 to 55.0% in 2024, primarily attributable to our significant investments in R&D in 2024. Our operating expenses as a percentage of total revenue decreased from 55.0% in 2024 to 48.4% in 2025. We expect our operating expenses as a percentage of revenue to decrease as we continue to ramp up our production and achieve revenue growth and improve the efficiency of our R&D, sales and marketing and administrative activities and our spending on such activities. We have implemented the following measures to improve the efficiency of our sales and marketing and administrative activities: (i) our commerce department regularly holds meetings at the leadership level to convey sales and marketing information obtained and collaboratively present potential opportunities; (ii) maintain a centralized repository of, for instance, sales decks, product demonstration videos and case studies, to ensure consistencies in sales and marketing messaging and saves time in sales pitches preparation; (iii) provide regular training and ensure all relevant team members are proficient in digital tools, such as AI-related software, used across the Company to avoid inefficiencies from tool misuse or underused; and (iv) streamline reporting processes through weekly reporting which includes aligning potential business opportunities and execution status of various projects.

We intend to construct our potentially fully-automated manufacturing facility that operates with minimal or no human intervention which relies on AI and robotics, thus promoting autonomy and efficiency of production. By leveraging intelligent facilities and AI technology, we can achieve a leap in efficiency throughout the entire production process.

Intelligent facilities connect devices and systems through the Internet of Things, collecting real-time data on energy consumption, production capacity, etc. Combined with AI algorithm analysis, they can accurately predict equipment failures, carry out maintenance in advance and reducing downtime. The AI-driven production scheduling system can dynamically optimize order priorities and resource allocation, avoid process congestion, and improve equipment utilization. In terms of quality control, AI visual inspection is more efficient than manual inspection and can quickly identify minute defects. In the production process, AI algorithms can continuously optimize process parameters, reducing raw material loss and energy consumption. In addition, the automated production lines of smart factories, combined with AI scheduling, can flexibly handle multi-variety and small-batch orders and shorten the production cycle. We believe our in-house production of smart cockpit solution will help streamline the supply chain and maintain a higher level of cost efficiency, and in turn improve our profitability.

SEASONALITY

Our results of operations are affected by seasonal fluctuations in demand for our solution, as affected by market trends of the automotive industry. Given OEMs in the automotive industry usually deliver more of their vehicle models towards the year end, it can impact the delivery of our solution in the fourth quarter of each year. Our delivery of solution typically increases in the second half of the year, which is generally in line with the trend of sales volume of passenger vehicles in China according to Forst & Sullivan. According to Frost & Sullivan, the operating conditions in the smart cockpit software solution industry are influenced by seasonal fluctuations in the vehicle market, driven by factors including but not limited to (i) vehicle dealers usually hosting large-scale promotional events at the year-end to meet annual sales targets; (ii) increased traveling and consumer spending during major holidays such as the PRC National Day holidays and shopping festivals such as "Double 11", which boost new vehicle sales; and (iii) the peak season for vehicle shows, which typically occurs in the fourth quarter. See "Risk Factors — Risks Relating to Our Business and Industry — Our business is subject to seasonality."

COMPETITION

The Chinese automotive smart cockpit solution industry is rapidly evolving and competitive. We primarily compete with existing manufacturers and new entrants in the automotive smart cockpit solution sector, we may face competition from a range of companies which may possess more resources and skills in design, development, manufacturing and sales. See "Risk Factors — Risks Relating to Our Business and Industry — We operate in the smart cockpit solution industry, which is highly competitive and rapidly evolving. Any failure to compete effectively with our competitors could have a material adverse effect on our business, results of operations, and financial condition."

POTENTIAL IMPACT OF TARIFFS, EXPORT CONTROLS, SANCTIONS, AND SIMILAR REGULATIONS

The Company has not experienced any actual adverse impact of the ongoing geopolitical tension, tariffs, export controls, sanctions or similar regulations between China, Europe and the U.S. on its pricing, supplies and inventories, or otherwise, and based on its current assessment of the trajectory of relations between China on the one hand and Europe and the U.S. on the other hand, the Company does not expect to experience any material adverse impact from reasonably foreseeable future developments in that area.

Tariffs

- *Exports.* The Company does not currently export products or services to the United States or Europe and does not expect to generate a significant portion of its revenue in the short- to medium term from such exports. Accordingly, the Company has not experienced and does not currently expect to experience a material adverse impact from any tariffs that may be imposed by the United States or the European Union on imports from China.

- *Procurement.* During the Track Record Period, the SoCs that we incorporate into our domain controllers were produced both in mainland China and overseas. During the Track Record Period, the percentages (based on number of units sold) of SoCs incorporated into our solution sold that were produced in mainland China were 17.1%, 19.1% and 52.1%, respectively. The primary reason for the relatively low proportion of SoCs produced in mainland China incorporated into our solution in 2023 and 2024 was the relatively large proportion of AC8257 and MT8666 chips incorporated into our solution sold in 2023 and 2024 in connection with contracts with two major OEM customers that required such chips in our solution for them. Such chips are produced outside mainland China. The relevant

vehicles of these customers entered into mass production in 2021 and 2022 respectively. One of these customers' projects ended in 2025, and the volume of production under the other customer's project declined in 2025 as the project approached completion. As a result, our proportion of SoCs produced outside mainland China decreased in 2025, and our proportion of SoCs produced within mainland China increased correspondingly.

When specifications are comparable, the primary distinction between SoCs produced in mainland China and SoCs produced outside mainland China lies in their cost. For both SoCs produced in mainland China and SoCs produced outside mainland China, they serve the same purpose and significance of providing our domain controllers with crucial smart cockpit functions. In general, while we provide guidance and recommendations to customers concerning selection of SoCs aligned with project requirements and our baseline platform, the customer's choice ultimately takes precedence.

These modules with SoCs are critical to the Group's products. To the extent that such SoCs were produced outside mainland China, PRC tariffs have had no material impact on the Group's cost of procurement for such SoCs during the Track Record Period and through the Latest Practicable Date. We procure modules containing SoCs and modules vary in price due to differences in internal structure and functionality. The modules newly acquired by us in 2025 (which were not purchased in 2024) differ in structure and functionality based on customer needs, resulting in higher prices compared to the modules acquired in 2024. However, for modules of the same specification that were procured both in 2025 and 2024, average prices were approximately 13.1% lower in 2025 than in 2024. On this basis, we are of the view that PRC tariffs have not had a material impact on the Group's cost of procurement for SoCs.

- *Downstream Applications.* With respect to downstream applications of the Group's products (e.g., automotives), tariffs imposed by the United States, the European Union on imports of automobiles from China could potentially impact any future plans of the Company to generate revenue from collaboration with Chinese automotive OEMs on development of smart cockpit solutions adapted to the requirements of overseas markets. However, in the short- to medium term, the Company expects that a substantial majority of its revenue and profit will be generated from sales to customers in mainland China, such that its exposure to potential escalation of tariffs imposed by overseas jurisdictions on imports from China is expected to be limited. However, we do not receive data from our customers about how much revenue they generate from selling vehicles that incorporate our products and services outside China. Consequently, we are unable to quantify or estimate the precise impact, if any, that tariffs imposed by other jurisdictions may have had on sales of our products and services.

Sanctions

The Company does not do business in any country or region that is subject to comprehensive sanctions imposed by the United States, the United Kingdom, the European Union, the United Nations or any other governmental authority (such as Cuba, Iran, North Korea or the Crimea, Donetsk and Luhansk regions of Ukraine).

Export controls

The Export Administration Regulation (the "**EAR**") regulates U.S. export control, and the Bureau of Industry and Security (the "**BIS**") of the U.S. Department of Commerce administers the EAR. The U.S. export control regime regulates the export, transfer or disclosure of U.S. products, software, and technology to non-U.S. jurisdictions and non-U.S. persons based on the nature of the product or technology, as well as the destination, transferee, or end-use of a specific export or transfer.

As long as the item is subject to the EAR, any export, re-export, or transfer of such an item will be subject to EAR. Items subject to the EAR can be classified into EAR-99 and items with Export Control Classification Number ("**ECCN**"). For items subject to the EAR, whether a U.S. export license is required depends on (i) the classification (ECCNs or EAR-99) and control reasons, (ii) destination country, and (iii) end-user/end use.

- **EAR-99:** The non-sensitive products and technology are generally designated as EAR-99, which are to be controlled if transferred to sensitive destinations, end-users or end-uses. The EAR-99 can be exported, re-exported, or transferred to most entities without a license, unless to an embargoed or sanctioned country, a sanctioned end user, or a prohibited end-use. controlled if transferred to sensitive destinations, end-users or end-uses.

- **Items with ECCNs:** Typically, the items with ECCNs are intrinsically sensitive or strategic goods or technology, and are to be controlled due to such intrinsic sensitivity for reasons such as anti-terrorism, national security, regional stability and crime control. For example, generally for items with ECCNs controlled for "anti-terrorism" reasons, exporting those items to a non-sanctioned entity in China (which is not an embargo country under the definition of EAR) does not require an export license.

License applications would be subject to review under varying policies (e.g., presumption of approval, presumption of denial, or a case-by-case review) as further described in the EAR. In addition, there are license exceptions available under stated conditions allowing products with ECCNs to be exported, re-exported, or transferred without a license. For example, as stated in §740.17 of the EAR, License Exception ENC authorizes export, re-export, and transfer of encryption items such as 5A002 without a license.

To the extent that the chips procured by the Company are subject to U.S. export controls, the chips are classified under both EAR99 and other non-EAR99 ECCNs based on the confirmations provided by the Company's suppliers. The suppliers also confirmed that no license was required when the Company obtained such chips.

China is not an embargoed country as defined by the EAR or subject to comprehensive controls. The Company is not a sanctioned target, and the end use is not restricted. Therefore, as advised by our U.S. export controls counsel, for the chips procured by the Company subject to the EAR, our procurement of such items would not require a license or would be subject to a license exemption based on the classifications provided by the suppliers of such items.

Thus, as advised by our U.S. export controls counsel, taking the suppliers' confirmations and our understanding of relevant rules, the Company is of the view that there is no license required for our procurement of those chips subject to the EAR.

We do not currently expect U.S. export controls regulations to be amended in such a way that a U.S. export license requirement would be imposed on any purchases by us of items that are subject to the EAR, and we cannot reliably estimate the probability of any such amendments. The impact of any such amendments on our business would depend entirely on the specific details of such amendments,

including for example 1) which specific items not currently subject to a U.S. export license requirement would be subjected to a license requirement by such amendments, 2) whether the relevant licenses required by such amendments would be subject to presumption of approval, presumption of denial, or case-by-case review, and 3) which specific end-users and/or end-uses would be impacted by such amendments. For example, in some of these hypothetical scenarios we may elect to obtain the required license and/or cease sales to any end users affected by the relevant amendments in a manner that would not have a material adverse effect on our business or results of operations. We currently do not have an immediate plan to complete a full evaluation or commence engagement with alternative domestic suppliers, as our existing procurement arrangements with our current suppliers remain stable and uninterrupted. Nevertheless, according to Frost & Sullivan, there are more than 25 alternative domestic suppliers who provide SoCs 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 Frost & Sullivan, alternative domestic suppliers are available that are able to provide similar SoCs with broadly comparable commercial terms, pricing and quality to those that we currently procure which are subject to the EAR. 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 that the U.S. export control restrictions have not had, and are not expected to have, a material adverse impact on the Group.

U.S. Connected Vehicles Rule

On January 16, 2025, the U.S. Department of Commerce's Bureau of Industry and Security ("**BIS**") issued a final rule entitled "Securing the Information and Communications Technology and Services Supply Chain: Connected Vehicles" (the "**Connected Vehicles Rule**"), which took effect on March 17, 2025. In general, the Connected Vehicles Rule prohibits the import or sale of connected vehicles and related hardware/software that have a sufficient nexus to China or Russia, and in particular it applies to vehicles under 10,001 pounds that incorporate specified vehicle connectivity systems or automated driving systems (ADS) software. As of the Latest Practicable Date we did not sell our products to customers in the United States, and we do not intend to actively develop our business in the United States as a market in the future. Moreover, we do not receive from our customers data on how much revenue, if any, they may generate or anticipate generating from sales in the United States of vehicles that incorporate our solution. On this basis, to the best of the Company's knowledge, the Connected Vehicles Rule is not expected to have any material effect on the Group's business activities.

Cumulative impact of tariffs, export controls, sanctions and the Connected Vehicles Rule

As noted above, we do not currently export products or services to the United States or Europe, we do not expect to generate a significant portion of our revenue in the short- to medium term from such exports, and we do not receive from our customers data about how much revenue they generate from selling vehicles that incorporate our products and services outside China (including in the United States). Consequently we are unable to quantify or estimate the precise cumulative impact that tariffs, export controls, sanctions and the Connected Vehicles Rule have had on our downstream customers during the Track Record Period. However, changes in international relations and geopolitical tensions could in the future lead to changes in tariffs, export controls, sanctions and other regulations that would have a material adverse effect on our ability to generate revenue from exports of products or services and/or our ability to generate revenue from sales to customers who in turn sell vehicles incorporating our solution in overseas markets. See "Risk Factors — Changes in international trade policies, geopolitics and trade protection measures, export controls, connected vehicles restrictions, investment restrictions and economic or trade sanctions may materially and adversely affect our business, financial condition and results of operations."

INTELLECTUAL PROPERTY

Our intellectual property rights primarily consist of patents, trademarks and copyrights. As of the Latest Practicable Date, we have obtained 111 patents, including 46 invention patents, 29 utility models patents and 36 design patents, in addition to 184 software registrations. For details, see "Appendix VI — Statutory and General Information — B. Further Information about Our Business — 2. Intellectual Property Rights."

We adopt a strategic and proactive approach to manage and protect our intellectual property portfolio through a series of confidentiality non-disclosure agreements with our key employees, suppliers, outsourcing partners and other business partners. We designate dedicated personnel to handle intellectual property-related issues, including monitoring the application status of intellectual property rights, performing routine checks to prevent and identify any third-party infringement of our intellectual property rights, review licenses and permits and perform underlying due diligence before we enter into any contract arrangements. Despite our precautions, we may be subject to risks associated with alleged infringement of third parties' intellectual property rights or face infringement of our intellectual property rights by third parties. See "Risk Factors — 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, and we may be involved in litigation brought by third parties claiming infringement by us of their intellectual property rights, any of which could be time-consuming, cause us to incur substantial costs, and harm our business and competitive position." During the Track Record Period and up to the Latest Practicable Date, we had been subject to a material allegation of infringement by third parties. For details, see "— Legal Proceedings and Compliance".

DATA PRIVACY AND SECURITY

We develop our smart cockpit software solution and integrated software and hardware solution utilizing our cloud resource platform, tailored to meet customer requirements and offer such products with associated data operation services to vehicle owners. To deliver these products, we will gather vehicle data and personal information directly from vehicle owners. According to the Group's IoV data classification and grading rules and catalogue (《四維智聯車聯網資料分類分級規則及目錄》) (the "**Catalogue**"), the methods and types of personal information collected by us are (i) data provided by vehicle owners, such as smart cockpit system account information, email addresses, mobile phone numbers, service operation and usage records and (ii) data automatically collected by our software, including user location data, application binding data, log information and in-vehicle infotainment data. Operational data primarily serves to observe system operation and performance and enhance user experience, such as usage of in-vehicle applications and content services including downloads, usage frequency and click data, performance data of operational activities and content recommendations and operational metrics for monitoring overall health of the product. There are presently no cross-boarder data transfer which include data leaving China or data returning to China from abroad) within our current business operations. Business-related data is generated directly from user requests or business processes related to specific service delivery for realization of software functions and back-end operational support, such as data related to map navigation services and authentication data required for account login and service authorization.

We have established a comprehensive personal information protection management framework and we process personal information with legal bases such as consent and the requirement of contract fulfilment. Prior to the processing of vehicle data and the personal information of vehicle owners, we will present the privacy policy to the vehicle owners and will require the vehicle owners to read and explicitly consent to the privacy policy before supplying their vehicle data and personal information. As advised by our PRC data privacy counsel, such consent, if given explicitly and voluntarily by vehicle owners, complies with requirements of relevant laws and regulations of the PRC and is valid and binding. The privacy policy stipulates that we will adhere to the principles of legality, legitimacy, and necessity when collecting and processing necessary personal information, and ensure that we have a legitimate basis for collecting and processing personal information. Given that the operational data of our smart cockpit solution is stored in cloud servers and local data centers within China, any data produced by business activities in China will remain inaccessible outside the country. The data storage period of our data storage system is as follows: (i) for data with a minimum storage period specified by law, storage is carried out in accordance with the requirements; and (ii) for data with no storage period specified by law, we determine the storage period in accordance with our business strategy. Our Directors are of the view that the Company is able to comply with the relevant cybersecurity laws and regulations in all material aspects.

We have implemented a series of data security management systems and operational procedures that encompass, among others, personnel management, risk warning and mitigation, as well as prevention and response to data security incidents. These include data security management system (《資料安全管理制度》) and personal information protection management system (《個人信息保護管理制度》), thereby establishing a policy framework for data privacy and security.

Moreover, we have implemented a robust data processing authority allocation system in accordance with national standards and industry best practice. The system covers including (i) allocation of authority adhering to the principle of least privilege, meaning that only the minimum necessary authority should be granted to individuals to fulfil their responsibilities; and established mechanism for rigorous approval process,monitoring and auditing authority to assess use of authority to identify and address any abuse or misuse.

Furthermore, whenever our personnel utilize, process, share, transfer, disclose, or eliminate data, they are required to submit a data processing activity application. This application must explicitly outline the nature of the data processing activity, its purpose, type, level, scale, duration of data usage, as well as the data processing environment and the protective measures in place.

In the opinion of our PRC legal adviser on data privacy law, our data processing as described above falls within the scope of the relevant PRC laws and regulations on cyber security, data privacy, and personal information protection. Our PRC legal adviser on data privacy law is of the view that, during the Track Record Period and up to the Latest Practicable Date, we had complied with all applicable laws and regulations relating to cyber security, data compliance, and personal information protection that are currently in effect in material respects. During the Track Record Period and up to the Latest Practicable Date, the Group did not encounter any significant incidents of personal information leakage. Furthermore, the Group has not been subject to any claims or penalties concerning unauthorized use or transfer of personal information. Given that PRC's legislation and enforcement in the areas of data privacy and security is still evolving, we will closely monitor further developments in regulation and take appropriate measures in a timely manner.

EMPLOYEES

As of the Latest Practicable Date, we had 389 full-time employees, all of whom were based in the PRC. The table below sets forth the number of our employees by function as of the Latest Practicable Date:

	As of the Latest Practicable Date	
	Number	*%*
Function		
R&D	335	86.1
Software development and design	315	81.0
Hardware development and design	20	5.1
Management and administration	32	8.2
Sales and marketing	9	2.3
Quality control	13	3.3
Total	389	100.0

We recruited employees primarily through employment websites, on-campus recruitment and internal referrals during the Track Record Period. We enter into standard labor contracts and confidentiality agreements with all our employees. We emphasize the importance of continuous training and development for our employees to enhance their technical skills and overall performance. As part of our retention strategy, we offer competitive remuneration packages to employees, including salary and allowances, performance-based bonuses. We have established bi-annual or annual review system to assess the performance of our employees, which forms the basis of our decisions with respect to salary increases and promotions. Employees are required to prepare their personal performance goals based on the SMART principle — specific, measurable, achievable, relevant and time-based. All assessment processes are performed online through our e-HR system, divided into performance target customization and performance appraisal.

As required by laws and regulations in China, we participate in various employee social security plans that are organized by municipal and provincial governments, including, among other things, pensions and housing fund plans through a benefit contribution plan. We also make contributions to employee benefit plans at specified percentages of the salaries, bonuses and certain allowances of our staff, up to a maximum amount specified by the local government from time to time. During the Track Record Period, we did not experience any significant labor disputes or any difficulty in recruiting staff for our operations.

Social Insurance and Housing Provident Funds

During the Track Record Period, we engaged third-party human resource agencies to pay social insurance and housing provident funds contributions for some of our employees primarily because we do not have company-based social insurance and housing provident funds accounts in certain locations and some of our employees working in different cities across the nation prefer their social insurance and housing provident funds to be paid at their respective resident places for convenience in utilizing such benefits locally. Therefore, we made such arrangements for those employees in cities where we do not have legal entities. As advised by our PRC Legal Advisor, as of the Latest Practicable Date, on the basis that (i) third-party human resource agencies have confirmed that they have paid social insurance and housing provident fund contributions for employees in a timely and sufficient manner; (ii) we have obtained compliance certificates from the relevant competent social insurance department and housing provident funds departments and we are not subject to any major administrative penalties imposed by competent governmental authorities for violations of PRC laws and regulations in the areas of social insurance or housing provident funds; and (iii) we have not received any complaints from our

employees, the likelihood of us facing administrative penalties is relatively minimal. We undertake to make contributions for our employees in a manner as required as soon as practicable if we receive notification from the relevant governmental authorities, if any, to require us to make contribution for any shortfall amounts or to amend our policies or practice in this regard.

Social Insurance

According to the Social Insurance Law, if an employer fails to make social insurance contributions in full, the relevant authorities could order the employer to pay, within a prescribed time limit, the outstanding amount with an additional late payment penalty at the daily rate of 0.05%, and if the employer fails to make the overdue contributions within such time limit, a fine equal to one to three times the outstanding amount may be imposed. All local authorities responsible for the collection of social insurance are strictly forbidden to conduct self-collection of historical unpaid social insurance contributions from enterprises. During the Track Record Period, no material administrative action, fine or penalty had been imposed by the relevant regulatory authorities with respect to our social insurance, nor had we received any order or been informed to settle the under-contributions.

Housing Provident Funds

According to the Housing Provident Fund Management Regulations, if the employer engages third-party human resource agencies to pay the housing provident funds or fails to register and establish an account for housing provident funds, the authority could order the employer to correct it within a prescribed time limit, where failure to do so at the expiration of the time limit shall results in a fine of not less than RMB10,000 nor more than RMB50,000 being imposed. Where an employer is overdue in the payment and deposit of, or underpays, the housing provident funds, the authority could order it to make the payment and deposit within a prescribed time limit, and where the payment and deposit has not been made after the expiration of the time limit, an application may be made to a People's Court of the PRC for compulsory enforcement. Pursuant to the confirmations from competent authorities, no material administrative action, fine or penalty had been imposed by the relevant regulatory authorities with respect to our housing provident fund contributions during the Track Record Period. As advised by our PRC Legal Advisor, on the basis that we have not received any complaints from our employees and our Company and our subsidiaries have obtained written certificates of compliance from the relevant competent housing provident funds departments, such non-compliance would not have a material and adverse effect on our business and results of operations. If we promptly and fully pay the relevant amounts in compliance with the requirements of the competent housing provident fund authorities upon receiving any notice for supplementary contributions, the likelihood of us facing administrative penalties would be minimal.

Internal Control and Remedial Measures

We have implemented the following internal control measures to prevent future occurrences of such non-compliance including (i) enhance our human resources management policies, which explicitly require social insurance and housing provident funds contributions to be made in full in accordance with applicable local requirements; (ii) trengthen the training of our human resources personnel, including training on various compliance-related topics for our employees; (iii) regularly keep abreast of and communicate with our employees on the latest developments in PRC laws and regulations relating to social insurance and housing provident funds; (iv) establish an internal control team to monitor our ongoing compliance with the social insurance and housing provident funds contributions regulations and oversee the implementation of any necessary measures; and (v) consult with our PRC legal counsel on a regular basis for advice on relevant PRC laws and regulations to keep us abreast of relevant regulatory developments. We aim to cease the engagement of third-party human resources agencies and transit to payment through our own accounts for social insurance and housing provident funds by end of 2026.

INSURANCE

In line with general market practice, we do not maintain any business interruption insurance or product liability insurance, which are not mandatory under PRC laws. We do not maintain key man life insurance, insurance policies covering damages to our network or information technology systems or any insurance policies for our properties. See the section headed "Risk Factors — Risks Related to Our Business and Industry — We may not have sufficient insurance coverage to cover our business risks.". During the Track Record Period, we did not make any material insurance claim in relation to our business.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

As part of our Environmental, Social, and Governance ("**ESG**") principles, we have established various ESG initiatives to improve our corporate governance and benefit society.

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.

Our Board will have overall responsibility for overseeing different parties in managing ESG matters and determining our environmental, social, and climate-related risks and opportunities impacting us, establishing and adopting the ESG Policy and our targets, and reviewing our performance annually against the ESG targets and revising the ESG strategies as appropriate if significant variance from the target is identified. The management of our Company is specifically in charge of (i) developing an ESG assessment framework along with an indicator system and oversee the implementation process; (ii) designating a representative who will be in charge of determining the responsibilities and authority of each department head with regard to ESG matters; (iii) approving our environmental objectives and employee training plans; (iv) making sure there are enough resources available to establish, implement, and maintain the our ESG Policy; (v) assessing and mitigating our ESG risks on a regular basis; and (vi) taking action in response to potential environmental risks. We are subject to evolving and increasingly stringent environmental, occupational, health and safety laws and regulations. During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any significant accident or claim for personal or property damage made by our employees. We may be subject to more stringent compliance requirements and may incur additional costs in the future if there is any change to the existing laws or regulations. Please see "Regulatory Overview" and "Risk Factors" in this document for more details.

Potential Impacts of ESG-related Risks

During the Track Record Period, given the nature of our business and we did not have our own production facilities, we did not produce any material generation of emissions and waste and cause severe pollution. Nonetheless, supervised by our Board, we monitor environmental and climate-related risks that may impact on our business, strategy and financial performance as our key agenda.

Strategies for Addressing ESG-related Risks

Our environmental initiatives are focused on energy conservation, resource efficiency, and waste minimization. We are adopting various strategies and measures to identify, assess, manage and mitigate ESG and climate-related risks, including but not limited to (i) establishing an energy-efficient "green office" environment by encouraging paperless workflows and optimizing electricity consumption; (ii) reviewing and evaluating our ESG reports to ensure timely identification of general ESG-related risks;

(iii) discussing with the management from time to time and holding regular meetings to ensure that all material ESG areas are identified and reported; (iv) discussing key ESG principles and practices with key stakeholders to ensure that important aspects are covered; and (v) formulating specific ESG risk early warning system and management approaches, which quantify the performance indicators so as to identify and consider ESG risks and opportunities and separate ESG risks and opportunities from other business risks and opportunities.

We set targets for each material KPI at the beginning of each financial year in accordance with the disclosure requirements of Appendix C2 to the Listing Rules and other relevant rules and regulations upon **[REDACTED]**. The relevant targets on material KPIs will be reviewed by the Board on an annual basis to ensure that they remain appropriate to the needs of our Group. In setting targets for the KPIs, we have taken into account their respective historical levels and have considered our future business expansion thoroughly and prudently with a view of balancing business growth and environmental protection to achieve sustainable development.

Board and Management Diversity

We have adopted a board diversity policy which sets out the approach to achieve diversity of the Board. Our Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at our Board level, including gender diversity, as an essential element in maintaining our Company's competitive advantage and enhancing our ability to attract, retain and motivate employees from the widest possible pool of available talent. With respect to gender diversity, Ms. Han Mei, our non-executive Director, Ms. Wu Aijin, and Ms. Wong Ching Ying Belinda, our independent non-executive Directors, and Ms. Chen Xiaolan, our Chief Financial Officer, having extensive experience in their respective field, contribute to gender diversity of our Board and our senior management. While we recognize that gender diversity of our Company can be improved given that three out of nine of our Directors and one out of three of our senior management members are female upon the **[REDACTED]**, we will continue to take steps to promote gender diversity at the Board of our Company.

After the **[REDACTED]**, we will strive to achieve gender balance of the Board through certain measures to be implemented by our nomination committee in accordance with our board diversity policy. In particular, we will actively identify female individuals suitably qualified to become our Board members. To further ensure gender diversity in a long run, our nomination committee will periodically review our board diversity policy to ensure its implementation and continued effectiveness, and the same will be disclosed in our corporate governance report, including any measurable objectives set for implementing the board diversity policy and the progress on achieving these objectives on an annual basis. When we hire additional personnel in line with our production expansions, we will also take into consideration factors such as gender diversity and gender balance among our workforces.

Employment and Care

We have entered into employment contracts with our employees in accordance with the applicable PRC laws and regulations such as the Labor Law and the Labor Contract Law of the PRC. We hire employees based on their merits, following the principles of lawfulness, fairness, equality, voluntariness, consensus, honesty and credibility. We prohibit any use of child labor in any of our operations. We provide competitive salaries, benefits and care to employees. We will also focus on embracing diversity within our organization and equal and respectful treatment of all of our employees in their hiring, training, wellness and professional and personal development. We implement safety guidelines to set out information about potential safety hazards and work environment hygiene. As we do not operate any production facilities, we are not subject to significant health, work safety, social or environmental risks. New hires undergo structured onboarding programs to familiarize them with our

Company culture, policies, and business operations. We also offer regular training sessions tailored to enhance technical skills and industry knowledge, helping employees stay updated with the latest trends and technologies.

Anti-corruption and Anti-bribery

We have implemented a set of policies to ensure our operations comply with applicable anti-bribery and anti-corruption regulations in the PRC. Improper payments prohibited by the policy include bribes, kickbacks, excessive gifts or facilitation payment, or any other payment made or offered to obtain an undue business advantage. Our compliance department is responsible for investigating the reported incidents and taking appropriate measures as necessary. We conduct background check procedures in accordance with our anti-bribery and anti-corruption policies before hiring any third party.

Supply Chain Management

Our suppliers mainly include raw materials and components suppliers. We utilize a supply chain management framework to manage our overall product development, procurement, and production processes.

We encourage our suppliers to comply with relevant environmental and social regulations. We customize the required quantity of environmentally friendly material packaging boxes for packaging and transportation based on customer specifications to reduce our environmental footprint.

Product Quality and Safety

Our team of quality control personnel works constantly to ensure that our smart cockpit solution are always as secure as possible. OTA updates are carried out in collaboration with OEMs. These updates added new features and functionality, making vehicles equipped with our smart cockpit solution smarter and safer. During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any material claim or penalty in relation to any product safety issues, including accidents, injuries and fatalities involving end users or passengers of vehicles equipped with our smart cockpit solution, false advertising incidents or any material defects or malfunctioning of our smart cockpit solution, and we had been in compliance with the relevant laws and regulations in China in all material aspects.

PROPERTIES

Our corporate headquarters are located in Nanjing, China. As of the Latest Practicable Date, we had leased 6 properties. Our leased properties are primarily used for office work, R&D and warehousing purposes. All of our leased properties were located in China.

Non-compliance Relating to Leased Properties

As of the Latest Practicable Date, we leased 6 properties in China, which were used for office work, R&D and warehousing purposes. We had certain non-compliant incidents involving our leased properties, mainly due to (i) non-registration of lease agreements and (ii) absence of valid title certificates.

Non-registration of Lease Agreements

As of the Latest Practicable Date, the 6 lease agreements had not been registered with relevant authorities. As advised by our PRC Legal Advisor, the non-registration of lease agreements will not affect the validity of the lease agreement and will not lead to any risks of relocation from those leased properties, but the relevant local housing administrative authorities can require us to complete registrations within a specified timeframe and we may be subject to a fine of between RMB1,000 and RMB10,000 for any delay in making registration for each of these lease agreements. During the Track Record Period and up to the Latest Practicable Date, we had not been required by the relevant local housing administrative authorities to complete the registrations, nor been penalized or fined by the relevant authorities. The aggregate amount of maximum fine will be approximately RMB40,000, which our Directors believe will not have any material adverse impact on our business and results of operations.

The reasons behind the failure to register the above lease agreements are beyond our control because, among other things, the lessors' willingness to cooperate in the registration process and provision of relevant documents for registration is necessary. To minimize the potential negative impact of the above lack of registration of lease agreements, we will continue to maintain regular communications with such lessors seeking their cooperation to complete a late registration of the relevant leases. In addition, we will seek the landlord's cooperation to register a lease agreement before signing in order to ensure compliance with applicable PRC laws and regulations in the future. We will actively liaise with the respective lessors to complete the registration of all such lease agreements, if possible.

Absence of Valid Title Certificates

As of the Latest Practicable Date, the lessors of 5 properties had provided their title certificates of the relevant properties, while the lessors of the remaining 1 property had not provided any title certificates.

The reason the lessor failed to provide us with the relevant real estate ownership certificates is that the legal owner of the leased property has not acquired the said certificate. As advised by our PRC Legal Advisor, according to the House Ownership Certificate (《房屋權屬證明》) jointly issued by the Dongbutou Village Economic Cooperative of Wenquan Town, Haidian District, Beijing (北京市海淀區溫泉鎮東埠頭村經濟合作社) ("**Dongbutou Cooperative**") and the People's Government of Wenquan Town, Haidian District, Beijing (北京市海淀區溫泉鎮人民政府) on November 9, 2017, the rights to the leased property are held by the Dongbutou Cooperative. The property is designated for commercial use, is outside the demolition zone and does not constitute an illegal structure. Therefore, in conjunction with the aforementioned House Ownership Certificate, the lessor is entitled to lease the property.

Our Directors believe that the likelihood of our business and results of operations being materially and adversely affected by these title defects is remote, considering that: (i) as advised by our PRC Legal Advisor, the lessors are entitled to lease the properties; (ii) during the Track Record Period and up to the Latest Practicable Date, we had not been required to cease operations due to the lessors' right to lease being challenged by a third-party rights holder; and (iii) we maintain a pool of site candidates, and we believe that we would be able to relocate to a different site without materially and adversely affecting our business and results of operations should we be required to do so.

LICENSES, APPROVALS AND PERMITS

We are required to obtain various licenses, permits, approvals and certificates for our business. As advised by our PRC Legal Advisor, we had obtained all material government licenses, qualifications and approvals necessary for our principal business under the relevant PRC laws during the Track Record Period and as of the Latest Practicable Date. If we can continue to meet the application requirements and continue to comply with conditions stipulated therein for the following qualifications, licenses and approvals, and provided that the applicable PRC laws remain unchanged, there will be no substantial legal impediment to the renewal of the following qualifications, licenses and approvals. The following tables illustrate the licenses and certificates which we considered to be or may be material to our business:

a) Radio Transmitter Equipment Model Approval Certificate (無線電發射設備型號核准證)

Certificate No.	Name of equipment	Date of grant (yyyy/mm/dd)	Expiry Date (yyyy/mm/dd)
2021-9893.	WCDMA/TD-LTE/LTE/FDD/ WLAN Terminal	2021/07/30	5 years
2026-1531	WCDMA/TD-LTE/LTE/FDD/ WLAN Terminal	2026/02/03	2028/12/31

b) Telecommunications Equipment Network Access License (電信設備進網許可證)

License No.	Name of equipment	Date of grant (yyyy/mm/dd)	Expiry Date (yyyy/mm/dd)
17-F917-242978 . . .	Vehicle wireless terminal	2024/09/09	2027/09/09
17-F917-233148 . . .	Vehicle wireless terminal	2023/09/25	2026/09/25
17-F917-230153 . . .	Vehicle wireless terminal	2026/02/02	2029/02/02

LEGAL PROCEEDINGS AND COMPLIANCE

Legal Proceedings

We may from time to time become a party to various litigation, arbitration or administrative proceedings arising in the ordinary course of our business. See "Risk Factors — Risks Relating to Our Business and Industry — "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, and we may be involved in litigation brought by third parties claiming infringement by us of their intellectual property rights, any of which could be time-consuming, cause us to incur substantial costs, and harm our business and competitive position." and "We may be exposed to risks related to litigation and administrative proceedings that could materially and adversely affect our business, results of operations, and financial condition."

AutoAI Beijing, one of our subsidiaries, and SeeWay.ai were involved as defendants in a legal proceeding initiated by Beijing Baidu Netcom Science and Technology Co., Ltd. (北京百度網訊科技有限公司) and Baidu Online Network Technology (Beijing) Co., Ltd. (百度在線網絡技術(北京)有限公司) (the "**Baidu Plaintiffs**") on October 8, 2023 (the "**Baidu Litigation**"). The Baidu Plaintiffs filed a lawsuit in the People's Court of Haidian District, Beijing, alleging among others that AutoAI Beijing and SeeWay.ai of unfair competition, demanding that such unfair acts be ceased immediately, the Baidu

Plaintiff's point of interest ("**POI**") data not be captured and used, the alleged illegally obtained POI data be removed and the Baidu Plaintiff's be compensated for economic losses and reasonable expenses of RMB90 million.

On September 30, 2025, AutoAI Beijing was held liable for unfair competition in relation to the allegedly illegally obtained POI data by the People's Court of Haidian District, Beijing, with a fine for RMB10,000,000 awarded in favor of the Baidu Plaintiffs. We denied liability for unfair competition in relation to the allegedly illegally obtained POI data and have filed an appeal against the first instance judgement, which as of the Latest Practicable Date, is still ongoing. During the Track Record Period and as of the Latest Practicable Date, save for the Baidu Litigation, we and our subsidiaries did not have any outstanding litigation or arbitration matters that could have a material adverse effect on our business, financial condition and results of operations.

Compliance

During the Track Record Period and as of the Latest Practicable Date, pursuant to the written confirmation from the Company and subsequent verification, our PRC Legal Advisor has established that neither the Company nor its subsidiaries faced administrative penalties for breaching any PRC laws in instances where the circumstances were deemed serious or resulted in material adverse effect on the Company's business, financial condition and results of operations.

RISK MANAGEMENT AND INTERNAL CONTROL

We have established a risk management system and internal control policies which we consider suitable for our business operations. Our risk management process consists of the following key processes: gathering initial risk management information, risk assessment, developing risk management strategies, risk response and control and risk monitoring and improvement. The Board is responsible for overall assessing and determining the nature and extent of risks and accountable for establishing and maintaining an appropriate and effective risk management and internal control system. We have established a risk management and internal control team responsible for developing the internal control policy, conducting internal audits to provide internal control advice, and directing any necessary corrective actions.

We have designed and maintained consistent procedures for implementation of accounting policies and our finance department reviews our management accounts based on such procedures. We have implemented a framework for compliance risk management, which encompasses our Board, senior management, legal department and internal control department, as well as various other operational departments. We have further improved our internal control system by (i) encouraging the incorporation of internal control system development alongside information system development across all departments of our Company; (ii) continually monitor changes in regulations and industry standards, assessing their potential impact on our business operations; (iii) streamline processes, enhance the management framework and adherence to compliance matters; (iv) conduct regular internal risk assessments to identify and mitigate potential compliance risks; and (v) oversee our compliance duties by our legal department and internal control & compliance department to ensure compliance with applicable laws and regulations.

AWARDS AND RECOGNITIONS

We have received various awards and recognitions in respect of our technologies and solution. The following table sets out major awards and recognitions we received during the Track Record Period:

Year	Name of award or recognition	Awarding Authority
2026	Top 50 Outstanding AI+ Application Cases in China 2025 (2025中國AI+應用Top50優秀案例)	Cailian Press and the STAR Market Daily, both subsidiaries of the Shanghai Media Group (上海報業集團旗下財聯社、《科創板日報》)
2025	2025 Benchmark Award for Mass-Produced Smart Cockpits (2025量產智慧座艙標桿獎)	Organized by "Follow My Drive" and co-organized by China Automotive Sifang (《跟我視駕》主辦、中汽四方協辦)
2025	Annual Technology Breakthrough Award (年度技術突破獎)	International Automotive Quality Standardization Association (國際汽車質量標準化協會)
2023	Hidden Automotive Unicorns of China (中國汽車隱形獨角獸)	Automotive Evaluation and Research Institute (汽車評價研究院), Beijing Hidden Unicorn Information Technology Institute (北京隱形獨角獸信息科技院), Private Enterprise Development and Research Centre of the Renmin University of China (中國人民大學民營企業發展研究中心), China Automotive Hidden Unicorn Evaluation Committee (中國汽車隱形獨角獸評委會)
2023	KPMG's 6th Automotive Technology Enterprises Top 50 of China (畢馬威中國第六屆汽車科技企業50榜單)	KPMG
2022	"Tongzhou Award" for Suppliers in the Automotive OEM Industry (整車領域供應商"同舟獎"榮譽)	2022 GAC Toyota 16th Supplier Conference (2022年度廣汽豐田第十六屆供應商大會)