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Application Proof of

拿森科技

NASN Intelligent Tech (Zhejiang) Co., Ltd.

拿森智能科技（浙江）股份有限公司

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

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拿森科技

NASN Intelligent Tech (Zhejiang) Co., Ltd.
拿森智能科技（浙江）股份有限公司

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

[REDACTED]

Number of [REDACTED] under the [REDACTED]	**:**	**[REDACTED] H Shares (subject to the [REDACTED])**
Number of Hong Kong [REDACTED]	**:**	**[REDACTED] H Shares (subject to [REDACTED])**
Number of International [REDACTED]	**:**	**[REDACTED] H Shares (subject to [REDACTED] and the [REDACTED])**
Maximum [REDACTED]	**:**	**HK$[REDACTED] per H Share, plus brokerage of [1.0]%, SFC transaction levy of [0.0027]%, Hong Kong Stock Exchange trading fee of [0.00565]% and AFRC transaction levy of [0.00015]% (payable in full on [REDACTED] in Hong Kong dollars and subject to refund)**
Nominal value	**:**	**RMB[0.0625] per H Share**
[REDACTED]	**:**	**[REDACTED]**

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[REDACTED]

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CONTENTS

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Page

Expected Timetable . . . . . [i]

Contents . . . . . [iv]

Summary 1

Definitions 20

Glossary of Technical Terms 30

Forward-Looking Statements 34

Risk Factors 35

Waivers from Strict Compliance with the Listing Rules 56

Information about this Document and the [REDACTED] 60

Directors, Supervisors and Parties Involved in the [REDACTED] 65

CONTENTS

Page

Corporate Information 70

Industry Overview 72

Regulatory Overview 87

History, Development and Corporate Structure 97

Business 117

Directors, Supervisors and Senior Management 175

Relationship with Our Single Largest Group of Shareholders 189

Connected Transactions 193

Substantial Shareholders 197

Share Capital 199

Financial Information 205

Future Plans and Use of [REDACTED] 236

[REDACTED] 238

Structure of the [REDACTED] 250

How to Apply for Hong Kong [REDACTED] 258

Appendix I — Accountants' Report of the Group I-1

Appendix II — Unaudited [REDACTED] Financial Information II-1

Appendix III — Taxation and Foreign Exchange III-1

Appendix IV — Summary of Principal PRC Legal and Regulatory Provisions IV-1

Appendix V — Summary of the Articles of Association V-1

Appendix VI — Statutory and General Information VI-1

Appendix VII — Documents Delivered to the Registrar of Companies in Hong Kong and Available on Display VII-1

SUMMARY

This summary aims to give you an overview of the information contained in this document. As it is a summary, it does not contain all the information that may be important to you. You should read the whole document before you decide to invest in the **[REDACTED]**. *We have incurred operating loss since our inception, and we may incur adjusted net loss (Non-IFRS measure) and operating loss for the foreseeable future. We had negative net cash flow generated from operating activities during the Track Record Period. We did not declare or pay any dividends during the Track Record Period and may not pay any dividends in the foreseeable future. Your* **[REDACTED]** *decision should be made in light of these considerations. There are risks associated with any* **[REDACTED]**. *Some of the particular risks in investing in the* **[REDACTED]** *are set out in the section headed "Risk Factors" in this document. You should read that section carefully in full before you decide to invest in the* **[REDACTED]**.

OVERVIEW

Who We Are

We are a leading Chinese innovator in intelligent driving motion control, specializing in X-by-wire technology. Our focus is on delivering mission-critical X-by-wire solutions for intelligent driving, an area with most stringent safety requirements and highest technological barriers, integrating proprietary full-stack control algorithms, software and hardware. X-by-wire solutions refer to advanced vehicle systems that replace traditional mechanical or hydraulic controls with electronic systems, including, but not limited to, brake-by-wire, steer-by-wire and drive-by-wire solutions. Perception, decision-making, and execution are the three pillars of automotive intelligence, with X-by-wire technology serving as the "cerebellum" that ensures safe and advanced motion control execution, much like the role cerebellum plays in coordinating voluntary movements, maintaining posture and balance and enabling motor learning for human. Our solutions enable precise and rapid vehicle motion control based on commands from the vehicle's intelligent driving "brain," namely, the intelligent driving system responsible for perception and planning, significantly enhancing safety, maneuverability and comfort.

We are involved in the localization of X-by-wire systems, aligning with China's national strategy to enhance the independence of the intelligent driving supply chain. As industry contributors, we drive ecosystem transformation with our full-stack solutions, advancing the X-by-wire sector from inception to excellence. According to CIC, we are:

— the first Chinese company to commercialize electronic brake booster solution (NBS solution) for L4 autonomous vehicles;

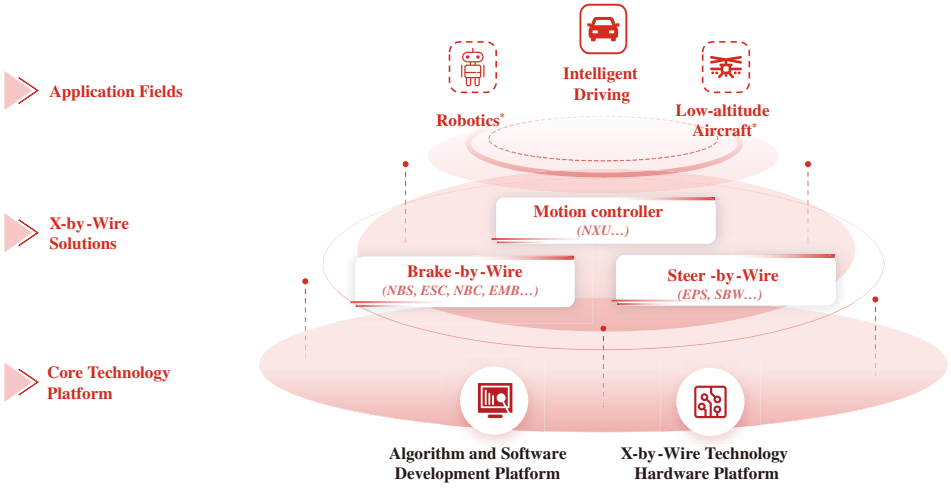
— the first Chinese company to supply proprietary electronic brake booster solution (NBS solution) to leading Chinese EV OEMs;

— among the top three domestic brake-by-wire solution providers in terms of brake-by-wire solution sales volume in China in 2024;

— the second-largest domestic independent third-party brake-by-wire solution provider in terms of brake-by-wire solution sales volume in China in 2024; and

— the fastest-growing among the top five domestic brake-by-wire solution providers in terms of year-on-year growth rate for brake-by-wire solution sales volume in China in 2024.

Leveraging our proven R&D and mass-production expertise in automotive X-by-wire technology, as well as core competencies in control algorithms, software and hardware, we are well-positioned to expand into humanoid robotics and low-altitude aircrafts motion control. Our deep technical foundation and commercialization capabilities provide a solid foundation in these emerging fields. We have established robust capabilities to serve leading customers, fostering long-standing relationship with our customers. Several top-tier OEMs are already venturing into humanoid robotics and low-altitude aircrafts, creating natural synergies with our business expansion. While achieving rapid growth in the automotive sector, we have the capacity for cross-industry technology deployment and are cultivating a high-potential second growth curve in adjacent markets.



* Robotics and low-altitude aircraft are future application field.

Vast Market Potential and Strategic Opportunities

The global automotive industry is accelerating its transition from assisted driving to full-scenario autonomous driving. As the world's largest automotive market and a leader in intelligent EVs, China is poised to nurture globally leading industry players. X-by-wire solutions, as the critical execution layer for advanced intelligent driving, are growing, with market scale expanding in tandem with industry advancements. According to CIC, the global X-by-wire market grew from RMB108.8 billion in 2020 to RMB263.9 billion in 2024, achieving a CAGR of 24.8%, and is projected to reach RMB621.7 billion by 2030 with a CAGR of 15.4%. In China, the market expanded from RMB22.4 billion in 2020 to RMB75.2 billion in 2024, with a CAGR of 35.4%, and is expected to grow to RMB222.8 billion by 2030 at a CAGR of 19.8%. Within China's intelligent driving supply chain, X-by-wire, particularly brake-by-wire, remains the segment with the lowest localization rate. Chinese domestic OEMs are accelerating the development of secure and controllable localized supply chain to ensure delivery stability and cost competitiveness. According to CIC, in 2024, the sales volume of domestic brake-by-wire solutions in China's market reached 5.4 million units with a localization rate of only 18.8%, and the localization rate is expected to increase to 60.0% in 2030, indicating significant market opportunities. Leveraging our core technical expertise, we capitalize on this opportunity by overcoming technological barriers, delivering world-class solutions tailored to local needs and expanding our customer base to capture market share and drive localization. Beyond providing cost-effective and

high-quality solutions to OEMs, our rapid-response and iterative development capabilities position us as a key contributor to the advancement of intelligent driving industry, playing an indispensable role in China's strategy for automotive self-reliance. Moreover, the versatility of X-by-wire technologies enables expansion into robotics and low-altitude aircrafts, delivering stable, high-end intelligent motion control and broadening our future market potential.

OUR COMPETITIVE STRENGTHS

We believe that our competitive strengths are as follows:

— China's Leading Intelligent Driving Motion Control Expert Focusing on X-By-wire Technology;

— Premium Customer Base with High Retention Supported by High-Value Services;

— Continuous Innovation Underpinned by Robust R&D Capabilities and Technical Expertise;

— Superior R&D Efficiency Powered by Modularized Technology Platform;

— High Production Efficiency Supported by Intelligent Manufacturing and Stable Supply Chain Management; and

— Visionary Management Team Backed by Strong Industrial and Institutional Shareholders.

See "Business — Our Competitive Strengths."

OUR STRATEGIES

We plan to further strengthen our leading position by implementing the following business strategies:

— Continuously Advance Technological Innovation and Enrich Our Solutions Portfolio;

— Actively Foster Customer-Centric Innovation Ecosystem;

— Systematically Expand into Global Markets;

— Comprehensively Strengthen Smart Manufacturing Capabilities; and

— Continuously Attract Top Talent to Drive Technological Innovation.

See "Business — Our Strategies."

OUR BUSINESS MODEL

We are committed to developing advanced X-by-wire technologies and providing integrated X-by-wire solutions that are mission-critical for intelligent driving. As one of the few Chinese companies with full-stack in-house chassis technologies covering control algorithms, software and hardware architecture, we have successfully commercialized multiple brake-by-wire solutions while continuously advancing next-generation X-by-wire innovations to strengthen our technical leadership and market competitiveness. Through our proprietary integration of key chassis technologies, our solutions enable seamless and rapid execution of intelligent driving commands through precise chassis actuation, significantly enhancing driving safety while delivering smoother, more responsive, and more intuitive driving experiences.

OUR SOLUTIONS

Our core X-by-wire solutions are centered on brake-by-wire technology. It integrates proprietary hardware architecture with advanced control algorithms and software to deliver precise motion execution, intelligent system coordination and robust safety redundancy. By supporting seamless integration with various autonomous driving platforms, our solution empowers OEMs to achieve high-performance vehicle dynamics and scalable system adaptability across diverse driving scenarios.

NBS Solution

Our NBS solution, NBooster, entered mass production in 2018, being China's first mass-produced electronic brake booster system. As a typical brake-by-wire solution, our NBS solution, a key module within an EHB system, is designed to replace traditional braking systems, enabling more precise, responsive and intelligent braking and parking braking functionalities that integrate seamlessly with mainstream intelligent driving platforms.

Our NBS solution has achieved a number of technical advantages as follows:

- Independent series energy regeneration;
- Improved driving experiences and comfort;
- Energy efficiency and range extension; and
- Superior braking performance.

As of December 31, 2023, 2024, and 2025, our NBS solutions have achieved 25, 26 and 26 design wins from ten, ten and ten Chinese OEMs, respectively. As of December 31, 2023, 2024, and 2025, the number of vehicle models using our NBS solutions that had commenced mass production reached 19, 21 and 21.

ESC Solution

Our ESC solution, which entered mass production in 2020, is designed to ensure optimal driving stability, precise dynamic response, and enhanced active safety across a wide range of road conditions, preventing skidding and enhancing vehicle stability. It also supports parking braking functionalities. By automatically applying brakes to individual wheels to counteract oversteer or understeer, our ESC

solution enables drivers maintain control especially in critical maneuvers such as turning corners or emergency braking. In early 2024, we achieved mass production of our upgraded ESC solution, being the industry's first ESC solution capable of supporting the removal of electric parking pawl for the entire vehicle, reducing weight and improving system integration for OEMs, according to CIC. Our proprietary electromagnetic valves are fully self-developed and manufactured in-house, with cumulative sales volume exceeding five million units.

Our ESC solutions offer a comprehensive set of features and functionalities designed to meet the evolving demands of OEMs and intelligent driving platforms:

- Strong braking performance;
- Superior NVH performance;
- Advance integration to intelligent driving; and
- Cost-effective innovation.

As of December 31, 2023, 2024, and 2025, our ESC solutions have achieved 22, 33, 51 design wins from eight, eight and nine Chinese OEMs, respectively. For the years ended December 31, 2023, 2024, and 2025, the number of vehicle models using our ESC solutions and had commenced mass production reached 14, 17 and 25.

NBC Solutions

In 2023, our NBC solutions were initially launched and entered into mass production in 2024, marking a milestone in its commercialization and accelerating its adoption as a standard configuration for OEMs. Our NBC solutions support core functions including service braking, parking braking and vehicle stability control, while also incorporating value-added features such as coordinated regenerative braking and smooth braking.

Our NBC solution has achieved a number of technical advantages as follows:

- High braking and transmission efficiency;
- Superior NVH performance;
- Lightweight and compact design; and
- Cost-effective integration.

As of December 31, 2023, 2024, and 2025, our NBC solutions have achieved four, 14 and 40 design wins from three, five and seven Chinese OEMs, respectively. For the years ended December 31, 2023, 2024, and 2025, the number of vehicle models using our NBC solutions and had commenced mass production reached one, eight and 19.

See "Business — Our Solutions."

Our Pipeline Solution

RBC Solution

Our RBC solution is designed to operate in tandem with NBC, forming a dual-path braking architecture for L3 and above intelligent driving solutions. It provides independent redundancy for critical braking functions, ensuring effective braking capability in the event of single-system failure and significantly enhancing vehicle safety. Our RBC solution features a distributed control design compatible with next-generation domain controllers and various vehicle platforms. Our RBC solution is expected to have mass production capabilities by the end of 2026.

EMB Solution

Our EMB solution represents a new direction in the evolution of brake-by-wire architectures, aiming to achieve full electronic and highly integrated brake control. It adopts a distributed control architecture that enables faster response, higher precision and scalable integration with vehicle domain controllers, laying the foundation for centralized and software-defined vehicle platforms. Our first fully dry EMB solution is expected to have mass production capabilities by 2026.

EPS Solution

The EPS solution, specifically the DP-EPS version, is a steer-by-wire solution designed to meet the functional safety and performance requirements from L1 to L4 autonomous driving platforms. It delivers a maximum rack force of 14.5 kN, supporting a broad range of passenger vehicles including SUVs, MPVs and pickup trucks. Mass production is expected to begin in 2027 following engineering validation, with initial deployment anticipated in forthcoming intelligent vehicle models.

SBW Solution

Our SBW solution, a steer-by-wire solution, serves as an advanced steering system that eliminates the traditional mechanical connection between the upper and lower steering columns, instead transmitting steering commands electronically and replacing the intermediate shaft with a fully redundant electronic architecture. Our SBW solution is expected to have mass production capabilities by 2027.

NXU Motion Controller

Our NXU motion controller is a centralized control unit developed in response to the growing demand for intelligent and software-defined vehicles. It integrates steering, braking and suspension control into a unified architecture, enabling coordinated 6DoF control across lateral, longitudinal and vertical dynamics to support advanced intelligent driving. Our NXU motion controller is expected to have mass production capabilities by the end of 2027.

The table below sets forth our revenue breakdown by offerings in absolute amounts and as percentages of our total revenue for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except percentage)					
NBS solution	186,709	68.6	160,846	41.2	119,446	19.4
ESC solution	79,826	29.3	180,161	46.1	177,749	28.9
NBC solution	108	0.0	39,632	10.1	301,495	49.1
Others[(1)]	5,574	2.1	10,098	2.6	15,816	2.6
Total	**272,217**	**100.0**	**390,737**	**100.0**	**614,506**	**100.0**

Note:

(1) Primarily include revenue generated from provision of R&D services and sales of raw materials.

Key Operating Data

The table below sets forth key metrics of our operating data during the Track Record Period:

	Year ended December 31,		
	2023	2024	2025
Total number of customers	15	15	18
Customer retention rate[(1)] (%)	58.8	53.3	66.7
Key customer retention rate[(2)] (%)	100.0	100.0	100.0
Customer net dollar retention rate[(3)] (%)	94.2	99.1	98.8
Key customer net dollar retention rate[(4)] (%)	120.3	139.3	116.0
Total number of design wins	51	73	117

Notes:

(1) Refers to the percentage of customers in the previous year that made repeat purchases during the current year.

(2) Key customer represents to a customer with revenue contribution more than 5% in the corresponding year. Retention rate refers to the percentage of key customers in the previous year that made repeat purchases during the current year.

(3) Refers to the percentage of recurring revenue generated from customers in the previous year that is retained from those same customers in the current year.

(4) Refers to the percentage of recurring revenue generated from key customers in the previous year that is retained from those same customers in the current year.

OUR TECHNOLOGIES

We possess full-stack in-house X-by-wire technologies covering control algorithms, software and hardware. Our technologies possess the following core advantages that allow us to achieve commercialization efficiently. These advantages are realized through our in-house R&D capabilities, which span across our X-by-wire solutions.

Control Algorithms

The most critical parts of the software are the key control algorithms, which define the key functions and performance of our brake-by-wire solutions. As the controller of service brake, the system must accurately interpret the driver's braking intent and integrate it with external braking requests from the ADAS and/or APA controllers. It then arbitrates the combined brake request based on current road surface conditions and available braking capability, ultimately determining the optimized brake demand. Furthermore, as the coordinator of regenerative braking, we have developed an advanced dynamic closed-loop control algorithm to blend hydraulic and regenerative braking torque. This algorithm also accounts for dynamic wheel slip conditions and the real-time regenerative braking capability to ensure smooth and efficient braking transitions. Vehicle stability, which affects not only braking performance but also all fundamental and value-added driving functions, serves as a foundational requirement for safe operation. To address this, we developed a stability estimation and control algorithm that manages both longitudinal and lateral stability, taking into consideration varying road surfaces, driving conditions, and driver maneuvers. Finally, individual wheel brake-force demand arbitration and estimation modules are incorporated to achieve closed-loop control at each wheel, thereby maintaining optimal vehicle stability and safety.

Software Development Platform

Our software development platform is built on an AutoSAR-compliant architecture, featuring a modular structure with unified scheduling and strong compatibility for integrating independent software module, such as third-party and customer-developed software.

MCUs, complex drive control circuits and their abstraction layer software form the backbone of our electronic control systems, responsible for executing control algorithms, managing actuator outputs and ensuring reliable operation across diverse applications. We have developed a hardware-in-the-loop simulation environment capable of emulating various ECU inputs and outputs, allowing software verification in laboratory settings without relying solely on in-vehicle testing. We have established a dedicated vehicle validation team responsible for conducting corner-case verification and extreme-condition testing. Our selection of MCUs and drive components is tailored to the specific requirements and operating scenarios of each solution.

X-by-wire Technology Hardware Platform

- Our X-by-wire technology hardware platform integrates high-safety travel sensors, motor position sensors, pressure sensors, dedicated brushless motors, solenoid valves, as well as redundant vehicle control modules and complex drive circuits, all within a modular and platform-based structural design.

- Our mechanical structure and hydraulic system design encompass independently developed core technologies, covering key components such as pedal feel simulators, hydraulic architectures, power transmission units and solenoid valves.

See "Business — Our Technologies."

RESEARCH AND DEVELOPMENT

Our R&D capabilities are central to our strategy of maintaining technological leadership and market competitiveness in the X-by-wire industry. We are committed to continuous innovation and independent development of core technologies.

We incurred R&D expenses of RMB96.5 million, RMB87.6 million and RMB83.0 million in 2023, 2024 and 2025, respectively, constituting 68.2%, 69.8%, and 52.0% of our total operating expenses for the respective periods.

As of December 31, 2025, our R&D department comprised 150 employees, 12.7% of which held a master's degree or above. Our R&D team represented 41.2% of total employees as of the same date. Our R&D team consists of dedicated talent with profound industry expertise, focusing on developing and commercializing our solutions which help maintain our technological advantages and market competitiveness. Each of our core R&D team members has more than 10 years of experience in automotive research and development or chassis engineering, with domestic or overseas working experience in reputable technology companies.

See "Business — Research and Development."

INTELLECTUAL PROPERTY

We consider intellectual property essential for our continuous success, particularly in terms of research and development capabilities in preserving our leadership in the X-by-wire industry. We rely on a combination of patent, trademark, copyright and other intellectual property protections laws in the jurisdictions in which we operate, as well as fair trade practices, contractual arrangements and confidentiality procedures to establish and protect our proprietary technologies, know-how and other intellectual property rights.

As of the Latest Practicable Date, we had 192 registered patents, including 97 invention patents, 90 utility model patents, and 5 design patents in the PRC. We also held 54 software copyrights and 54 registered trademarks in the PRC. Our material intellectual property rights cover technical areas such as vehicle braking and steering control systems, sensor signal validation, electronic parking brake, and assistive braking technologies.

See "Business — Intellectual Property."

OUR CUSTOMERS

Our customers primarily consist of OEMs, 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.

For the years ended December 31, 2023, 2024 and 2025, the revenue from our five largest customers for the respective years in aggregate accounted for 97.9%, 96.5% and 94.4% of our total revenue, respectively, and our largest customer for the respective years contributed 59.2%, 67.2% and 47.2% of our total revenue, respectively. According to CIC, it is common for domestic providers in the X-by-wire solutions industry to have high customer concentration, resulting from the high concentration of major downstream OEMs, as well as the long validation cycles required by OEMs.

See "Business — Our Customers."

OUR SUPPLIERS

Our suppliers primarily consist of manufacturers and vendors of key automotive components, including standard parts, assemblies such as motors and electronic control units, chips, machined parts, and non-metallic components such as rubber and injection-moulded parts. We engage both domestic suppliers, with a growing emphasis on local sourcing to enhance cost control and supply chain resilience.

For the years ended December 31, 2023, 2024 and 2025, our five largest suppliers for the respective years in aggregate accounted for 36.2%, 31.5% and 35.8% of our total purchase amount, respectively, and our largest supplier for the respective years contributed 14.2%, 8.1% and 10.6% of our total purchase amount, respectively.

See "Business — Our Suppliers."

RISK FACTORS

- The X-by-wire industry is highly competitive. If we fail to improve our existing solutions or introduce new ones in a timely and cost-effective manner to meet evolving customer demands or keep pace with industry innovation, our competitive position may be adversely affected, and our business, operating results, and financial condition could suffer materially.

- If we are unable to develop advanced technologies and launch new solutions that adapt to evolving market demand, customer requirements, and regulatory standards in a cost-effective and timely manner, our future business, results of operations, financial condition and competitive position would be materially and adversely affected.

- We cannot guarantee that the market will fully adopt X-by-wire solutions in the future to support our growth, nor can we assure that industry development and market acceptance of X-by-wire solutions will evolve in a direction favourable to us. If the X-by-wire solution markets stagnate or fail to grow as rapidly or positively as expected, our business, operating results, and financial condition may be adversely affected.

- We invest significant resources to pursue OEM design wins, but cannot ensure such efforts will result in mass production of specific vehicle models or sustained business relationships, and revenue realization may be subject to substantial delays.

- Even after securing design wins, the realization of revenue remains highly uncertain due to non-binding OEM commitments, long validation cycles, potential implementation delays, and fluctuating production volumes, all of which may materially and adversely affect our business operations, financial condition, and operating results.

See "Risk Factors."

OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

As of the Latest Practicable Date, Mr. Tao and Ms. Liu beneficially owned 15.61% and 0.29% of the total issued share capital of our Company, respectively. In addition, Mr. Tao ultimately controlled 6.68% voting rights attached to the share capital held by NASN LP., by virtue of being the general partner of NASN LP. See "History, Development and Corporate Structure — Corporate Structure" in this document for details. Therefore, as of the Latest Practicable Date, Mr. Tao, Ms. Liu and NASN LP collectively controlled 22.58% voting rights of our Company and constituted Single Largest Group of Shareholders.

Immediately following the completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised), Mr. Tao, Ms. Liu and NASN LP will continue to control **[REDACTED]**% of voting rights of our Company, and will remain as our Single Largest Group of Shareholders upon **[REDACTED]**, and our Company will not have any controlling shareholder upon completion of the **[REDACTED]**.

[REDACTED] INVESTMENT

From November 2016 to September 2025, our Company has conducted several rounds of **[REDACTED]** Investments. See "History, Development and Corporate Structure — **[REDACTED]** Investments" of this Document for details of the **[REDACTED]** Investments.

CONTINUING CONNECTED TRANSACTIONS

Our Company has entered into certain transactions which would constitute non-exempt continuing connected transactions under Chapter 14A of the Listing Rules after the **[REDACTED]**. Further particulars about such transactions together with the application for a waiver from strict compliance with the relevant requirements under Chapter 14A of the Listing Rules are set out in "Connected Transactions" of this Document.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

Selected Items from the Consolidated Statements of Profit or Loss

The following table sets forth a summary of our results of operations for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except percentages)					
Revenue	**272,217**	**100.0**	**390,737**	**100.0**	**614,506**	**100.0**
Cost of sales	(269,104)	(98.9)	(348,807)	(89.2)	(530,891)	(86.4)
Gross profit	**3,113**	**1.1**	**41,930**	**10.7**	**83,615**	**13.6**
Other income and gains	26,958	9.9	20,946	5.4	26,441	4.3
Selling and marketing expenses	(4,824)	(1.8)	(5,326)	(1.4)	(14,248)	(2.3)
Administrative expenses	(40,270)	(14.8)	(32,571)	(8.3)	(62,379)	(10.2)
Research and development expenses	(96,547)	(35.5)	(87,580)	(22.4)	(82,959)	(13.5)
Fair value gains on financial assets at fair value through profit or loss	485	0.2	673	0.2	717	0.1
Impairment losses on financial assets, net	1,305	0.5	(7,003)	(1.8)	1,580	0.3
Other expenses	(803)	(0.3)	(701)	(0.2)	(11,231)	(1.8)
Finance costs	(902)	(0.3)	(652)	(0.2)	(502)	(0.1)
Financial costs associated with redemption liabilities	(89,338)	(32.8)	(99,237)	(25.4)	(130,558)	(21.2)
Loss before tax	**(200,823)**	**(73.8)**	**(169,521)**	**(43.4)**	**(189,524)**	**(30.8)**
Income tax expense	—	—	—	—	—	—
Loss and total comprehensive income for the year	**(200,823)**	**(73.8)**	**(169,521)**	**(43.4)**	**(189,524)**	**(30.8)**

Non-IFRS Measures

To supplement our consolidated financial statements, which are presented in accordance with IFRS, we also use adjusted net loss (non-IFRS measure) as an additional financial measure, which is not required by, or presented in accordance with IFRS. We believe this non-IFRS measure facilitates comparisons of operating performance from year to year by eliminating potential impacts of items.

We believe that this measure provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as it helps our management. However, our presentation of adjusted net loss (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of this non-IFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for an analysis of, our results of operations or financial condition as reported under IFRS. In addition, the non-IFRS measure may be defined differently from similar terms used by other companies.

We define adjusted net loss (non-IFRS measure) as loss for the year adjusted by adding back (i) share-based payment expenses, (ii) financial costs associated with redemption liabilities and (iii) **[REDACTED]**, which relate to the **[REDACTED]**. The adjustments were consistently made during the Track Record Period. The following table presents our non-IFRS measures for the years indicated.

	Year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Reconciliation of loss for the year to adjusted loss for the year (non-IFRS measure):			
Loss for the year	(200,823)	(169,521)	(189,524)
Add:			
— Share-based payment expenses[(1)]	6,068	9,524	12,225
— Financial costs associated with redemption liabilities	89,338	99,237	130,558
— **[REDACTED]**	—	—	**[REDACTED]**
Adjusted net loss (non-IFRS measure)	(105,417)	(60,760)	(29,286)

Note:

(1) Share-based payment expenses mainly represent the non-cash employee benefit expenses incurred in connection with our award to management and key employees. Such expenses in any specific period are not expected to result in future cash payments.

Our net loss decreased from approximately RMB200.8 million in 2023 to approximately RMB169.5 million in 2024, primarily due to revenue growth and improved gross margin, while research and development expenses and financial costs remained substantial as we continued to advance key projects. Our net loss increased from RMB169.5 million in 2024 to RMB189.5 million in 2025, mainly due to increases in (i) financial costs associated with redemption liabilities, (ii) selling and marketing expenses and (iii) administrative expenses, partially offset by higher revenue primarily driven by NBC solutions and increased gross profit resulting from improved profitability of ESC and NBC solutions.

Selected Items from the Consolidated Statements of Financial Position

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Total current assets	605,762	902,420	948,750
Total non-current assets	149,281	175,837	269,995
Total assets	**755,043**	**1,078,257**	**1,218,745**
Total current liabilities	1,476,530	1,963,521	2,231,629
Total non-current liabilities	27,873	21,626	50,667
Net current liabilities	**(870,768)**	**(1,061,101)**	**(1,282,879)**
Net liabilities	**(749,360)**	**(906,890)**	**(1,063,551)**

Our net current liabilities increased from RMB1,282.9 million as of December 31, 2025 to RMB1,348.2 million as of February 28, 2026, primarily due to (i) an increase in redemption liabilities as a result of accretion toward the contractual redemption amount, and (ii) a decrease in financial investments at fair value through profit or loss, primarily due to the redemption of certain structured deposits to fund capital expenditures and operational needs, partially offset by a decrease in trade and bills payables as certain payables were settled in the ordinary course of business. Our net current liabilities increased from RMB1,061.1 million as of December 31, 2024 to RMB1,282.9 million as of December 31, 2025, primarily due to (i) an increase in redemption liabilities as a result of accretion toward the contractual redemption amount and additional financing activities, and (ii) an increase in trade and bills payables due to higher raw material procurement, partially offset by an increase in trade and bills receivables in line with sales growth. Our net current liabilities increased from RMB870.8 million as of December 31, 2023 to RMB1,061.1 million as of December 31, 2024, primarily due to (i) an increase in redemption liabilities due to accretion toward the contractual redemption amount, and (ii) an increase in trade and bills payables due to higher procurement of raw materials, partially offset by an increase in trade and bills receivables in line with the growth in sales, and an increase in financial assets at fair value through profit or loss resulting from purchase of additional structured deposits.

We had net liabilities of RMB749.4 million, RMB906.9 million and RMB1,063.6 million as of December 31, 2023, 2024 and 2025, respectively. Our net liabilities were equal to our total deficiency in assets as of the same dates. We had net liabilities of RMB749.4 million as of December 31, 2023, primarily due to loss and other comprehensive income for the year of RMB200.8 million. Our net liabilities increased from RMB749.4 million as of December 31, 2023 to RMB906.9 million as of December 31, 2024, primarily due to (i) loss and other comprehensive income for the year of RMB169.5 million and (ii) the grant of redemption rights to the equity holders of RMB280.0 million, partially offset by shareholders' capital injection of RMB282.5 million. Our net liabilities further increased from RMB906.9 million as of December 31, 2024 to RMB1,063.6 million as of December 31, 2025, primarily due to (i) loss and other comprehensive income for the year of RMB189.5 million and (ii) the grant of redemption rights to the shareholders of RMB81.9 million, partially offset by capital paid in/shares issued of RMB102.6 million.

Upon **[REDACTED]**, the redemption liabilities will be reclassified from liabilities to equity following the termination of the Company's redemption obligation, and as a result, our net liabilities position will turn into a net assets position.

See "Financial Information — Discussion of Key Items of Consolidated Statements of Financial Position."

Selected Items from the Consolidated Statements of Cash Flows

The following table sets forth our cash flows for the periods indicated:

	Year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Net cash flows (used in)/from operating activities	(88,875)	25,338	(164,614)
Net cash flows from/(used in) investing activities	5,776	(254,590)	52,127
Net cash flows (used in)/from financing activities	(9,037)	279,055	96,044
Net (decrease)/increase in cash and cash equivalents	(92,136)	49,803	(16,443)
Cash and cash equivalents at the beginning of the year	207,101	115,463	165,596
Effect of foreign exchange rate changes, net	498	330	(552)
Cash and cash equivalents at the end of the year	**115,463**	**165,596**	**148,601**

We recorded net operating cash outflows of RMB88.9 million in 2023, RMB164.6 million in 2025, primarily due to losses before tax during these periods and changes in working capital. In 2023, the outflow was primarily due to our loss before tax of RMB200.8 million, a decrease in trade and bills payables, and an increase in trade and bills receivables, partially offset by a decrease in pledged deposits. We recorded net operating cash inflows of RMB25.3 million in 2024, attributable to an increase in trade and bills payables and a decrease in inventories, due to higher product demand and quicker inventory turnover, partially offset by an increase in trade and bills receivables in line with sales growth. In 2025, the outflow was primarily due to our loss before tax of RMB189.5 million and increases in trade and bills receivables and inventories, partially offset by an increase in trade and bills payables. See "Financial Information — Liquidity and Capital Resources — Cash Flow — Net Cash from/(Used in) Operating Activities."

Our net operating cash flows changed from an inflow of RMB25.3 million to an outflow of RMB164.6 million in 2025, primarily due to (i) an increase in trade and bills receivables, driven by strong revenue growth, changes in customer mix and the timing of collections under our prevailing settlement terms, which primarily involve bank acceptance bills, and (ii) an increase in inventories, driven by higher raw materials inventory levels maintained to support production in line with revenue growth, as well as higher finished goods and work in progress balances maintained based on order demand and production planning, alongside the ramp-up of certain product lines, including NBC solutions.

We have implemented a series of initiatives to improve our operating cash flow and overall liquidity. To improve the efficiency and predictability of cash collections, we strengthened our receivables management by closer monitoring of aging, improved internal billing and milestone management, and better coordination among our sales, operations and finance teams to address documentation alignment and other administrative matters promptly. We also refined our procurement planning and inventory control processes to better align our purchasing activities with actual demand,

thereby supporting more efficient inventory turnover. In addition, we adopted a diversified funding strategy and engaged with financial institutions to negotiate and expand comprehensive credit facilities, aiming to increase our available financing resources and strengthen our overall liquidity.

SELECTED FINANCIAL RATIOS

	For the year ended/As of December 31,		
	2023	2024	2025
Revenue growth	25.1	43.5	57.3
Current ratio[(1)]	0.4	0.5	0.4
Quick ratio[(2)]	0.4	0.4	0.4

Notes:

(1) Current ratio equals current assets divided by current liabilities as of the end of the period.

(2) Quick ratio equals current assets less inventories and divided by current liabilities as of the end of the period.

PATH TO PROFITABILITY

Despite our rapid revenue growth, we remained loss-making during the Track Record Period. In 2023, 2024 and 2025, we incurred net losses of RMB200.8 million, RMB169.5 million and RMB189.5 million, respectively. Our revenue increased significantly during the Track Record Period and amounted to RMB272.2 million, RMB390.7 million and RMB614.5 million in 2023, 2024 and 2025, respectively, representing year-over-year revenue growth rates of 25.1% in 2023, 43.5% in 2024 and 57.3% in 2025, respectively.

Our losses during the Track Record Period were primarily due to:

- Substantial R&D investments as a technology-driven company;
- Production capacity in ramp-up phase with economies of scale yet to be fully realized; and
- Higher raw material procurement costs due to limited bargaining power;

In the foreseeable future, we plan to enhance our profitability by expanding our revenue scale, reducing our operating costs and improving gross profit margin.

See "Business — Path to Profitability."

LEGAL PROCEEDINGS AND COMPLIANCE

Occasionally, we may be subject to legal proceedings and claims arising in the ordinary course of our business. In March 2025, a Germany-headquartered technology and services supplier initiated five patent infringement proceedings in Suzhou Intermediate People's Court of Jiangsu Province against our Company, alleging that our ESC solution constitutes infringement of Plaintiff's five patents which were alleged to involve five components used in our ESC solution. For details, see "Business — Legal Proceedings and Compliance — Patent Litigation."

Our Directors confirm that, during the Track Record Period and up to the Latest Practicable Date, we had not involved in any litigation, arbitration or administrative proceeding against us or any of our Directors that could have a material and adverse effect on our business, financial conditions or results of operations. Furthermore, to the knowledge of our Directors, there is no pending or foreseeable litigation, arbitration or administrative proceeding against us or any of our Directors that could cause a material and adverse effect on our business, financial conditions or results of operations.

[REDACTED] STATISTICS

The statistics in the following table are based on the assumption that (i) the **[REDACTED]** has been completed and **[REDACTED]** H Shares are **[REDACTED]** pursuant to the **[REDACTED]**; (ii) the **[REDACTED]** is not exercised; and (iii) **[REDACTED]** Shares are **[REDACTED]** and outstanding immediately following the completion of the **[REDACTED]**.

	Based on [REDACTED] of HK$[REDACTED] per Share	Based on [REDACTED] of HK$[REDACTED] H Share
Market capitalization of our H Shares[(1)]	HK$**[REDACTED]** million	HK$**[REDACTED]** million
Unaudited **[REDACTED]** adjusted consolidated net tangible assets attributable to owners of the Company per Share as of [December 31, 2025][(2)]	HK$**[REDACTED]**	HK$**[REDACTED]**

Notes:

(1) The calculation of market capitalization of our H shares is based on **[REDACTED]** H Shares expected to be **[REDACTED]** immediately following the completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised).

(2) The unaudited **[REDACTED]** adjusted consolidated net tangible assets attributable to owners of the Company per Share is arrived at after the adjustments referred to in Appendix II.

DIVIDENDS AND DIVIDEND POLICY

No dividend was paid or declared by our Company since its date of incorporation and up to the end of the Track Record Period. We have not set any pre-determined dividend payout ratio. The determination of whether to pay a dividend and in which amount is based on factors the Board may deem relevant. Any dividend distribution will also be subject to the approval of the Shareholders in a Shareholders' meeting. Under PRC law and the Articles of Association, the general reserve requires annual appropriations of 10% of after-tax profits at each year-end until the balance reaches 50% of the relevant PRC entity's registered capital. In view of our accumulated losses, as advised by our PRC Legal Advisors, according to the relevant PRC laws and regulations and the Articles of Association, we shall not declare or pay dividend until the accumulated losses are covered by our after-tax profits and sufficient statutory common reserve are drawn in accordance with the relevant laws and regulations.

[REDACTED]

[REDACTED] represent professional fees, **[REDACTED]** and other fees incurred in connection with the **[REDACTED]**. We estimate that our **[REDACTED]** will be approximately HK$**[REDACTED]** million (assuming the **[REDACTED]** is not exercised and based on the **[REDACTED]** of HK$**[REDACTED]**), which accounts for approximately **[REDACTED]**% of the gross **[REDACTED]** from the **[REDACTED]**. We estimate the **[REDACTED]** to consist of

approximately HK$**[REDACTED]** million in **[REDACTED]** and HK$**[REDACTED]** million in **[REDACTED]** (which consist of fees and expenses of legal advisors and our Reporting Accountant of approximately HK$**[REDACTED]** million and other fees and expenses of approximately HK$**[REDACTED]** million). Among the total **[REDACTED]**, approximately HK$**[REDACTED]** million will be directly attributable to the **[REDACTED]** of our Shares, which will be deducted from equity upon the completion of the **[REDACTED]**, and the remaining approximately HK$**[REDACTED]** million will be expensed upon the **[REDACTED]**.

FUTURE PLANS AND USE OF [REDACTED]

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

- Approximately **[REDACTED]**% of the net **[REDACTED]**, or HK$**[REDACTED]** million, will be used over the next five years to strengthen our research and development capabilities and further expand our product portfolio.

- Approximately **[REDACTED]**% of the net **[REDACTED]**, or HK$**[REDACTED]** million, will be used over the next three years to expand and upgrade our production and manufacturing capabilities, thereby enhancing our delivery capabilities.

- Approximately **[REDACTED]**% of the net **[REDACTED]**, or HK$**[REDACTED]** million, will be used over the next five years to enhance our services and raise our brand recognition internationally.

- Approximately **[REDACTED]**% of the net **[REDACTED]**, or HK$**[REDACTED]** million, will be used for working capital and other general corporate purposes.

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

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Our Directors have confirmed that up to the date of this document, there has been no material adverse change in our financial or trading position or prospects since December 31, 2025, being the end date of the periods reported in the Accountant's Report in Appendix I to this document, and there is no event since December 31, 2025 that would materially affect the information as set out in the Accountants' Report in Appendix I to this document.

Our business footprint continued to expand subsequent to the Track Record Period. After the Track Record Period and up to March 31, 2026, we achieved seven new design-wins for our ESC and NBC solutions.

We expect our revenue to continue increasing. However, as our manufacturing operations remain in the capacity ramp-up phase to meet growing customer demand and we continue to make necessary investments in research and development to support product advancement and future profitability, we anticipate recording a loss for the year ending December 31, 2026.

[REDACTED] FOR [REDACTED] ON THE STOCK EXCHANGE

Our Company has applied to the Listing Committee for the granting of the **[REDACTED]** of, and permission to deal in, the Shares in **[REDACTED]** and to be **[REDACTED]** pursuant to (i) the **[REDACTED]**, and (ii) the exercise of the **[REDACTED]**. Our **[REDACTED]** is made on the basis that, **[REDACTED]**

DEFINITIONS

In this document, unless the context otherwise requires, the following terms and expressions have the meanings set forth below.

"affiliate"	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
"AFRC"	the Accounting and Financial Reporting Council of Hong Kong
"Articles of Association" or "Articles"	the articles of association of our Company adopted on September 30, 2025 as amended, which shall become effective on the **[REDACTED]**, a summary of which is set out in Appendix V in this Document
"ASP"	average selling price
"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Audit Committee"	the audit committee of the Board
"Board" or "Board of Directors"	the Board of Directors of our Company
"Business Day" or "business day"	a day on which banks in Hong Kong are generally open for normal business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong
	[REDACTED]
"cash conversion cycle"	cash conversion cycle equals inventory turnover days, plus trade and bills receivables turnover days, minus trade and bills payables turnover days
	[REDACTED]
"China" or "PRC"	the People's Republic of China, excluding, for the purpose of this document only, Hong Kong, Macau Special Administrative Region of the PRC, and Taiwan
"close associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

"Companies (Winding Up and Miscellaneous Provisions) Ordinance"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Company," "our Company" or "the Company"	NASN Intelligent Tech (Zhejiang) Co., Ltd. (拿森智能科技(浙江)股份有限公司) (formerly known as Shanghai NASN Automotive Electronics Co., Ltd. (上海拿森汽車電子股份有限公司)), incorporated under the PRC laws on March 29, 2016 under the name of NASN Automotive Electronics Co., Ltd. (上海拿森汽車電子有限公司) as a limited liability company and converted into a joint stock company under the PRC laws on July 30, 2025
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"connected transaction(s)"	has the meaning ascribed thereto under the Listing Rules
"Conversion"	the conversion of the Company into a joint stock company, details of which are set out in the section headed "History, Development and Corporate Structure — Corporate Development — Joint Stock Conversion" in this Document
"Conversion of **[REDACTED]** Shares into H Shares"	the conversion of **[REDACTED]** Shares into H Shares, details of which are set out in the section headed "Share Capital — Conversion of **[REDACTED]** Shares into H Shares" in this Document
"Corporate Governance Code"	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
"CSDCC"	China Securities Depository and Clearing Corporation Limited (中國證券登記結算有限責任公司)
"CSRC"	the China Securities Regulatory Commission (中國證券監督管理委員會)
"Director(s)" or "our Director(s)"	the director(s) of our Company
"E.U."	the European Union
"EIT"	enterprise income tax
"EIT Law"	Enterprise Income Tax Law of the PRC (中華人民共和國企業所得税法) adopted by the Tenth National People's Congress on March 16, 2007, and effective on January 1, 2008
"Employee Incentive Platform(s)"	NASN LP and/or Shanghai Nasheng, as the context may require

"Exchange Participant(s)"	a person (a) who, in accordance with the Listing Rules of the Hong Kong Stock Exchange, may trade on or through the Hong Kong Stock Exchange; and (b) whose name is entered in a list, register or roll kept by the Hong Kong Stock Exchange as a person who may trade on or through the Hong Kong Stock Exchange
"Extreme Conditions"	extreme conditions caused by a super typhoon as announced by the government of Hong Kong
"Founders"	the founders of the Company, namely Mr. Tao Zhe and Ms. Liu Qian

[REDACTED]

"Group," "our Group," "we" or "us"	our Company and its subsidiary (as the context may require)
"Guide for New Listing Applicants" or "Guide"	Guide for New Listing Applicants issued by the Hong Kong Stock Exchange, as amended or otherwise modified from time to time
"H Share(s)"	Ordinary share(s) in the share capital of our Company with a nominal value of RMB0.0625 each, which is/are to be **[REDACTED]** in HK dollars and **[REDACTED]** on the Hong Kong Stock Exchange

[REDACTED]

"HK$," "Hong Kong dollars" or "HK dollars"	Hong Kong dollars, the lawful currency of Hong Kong

[REDACTED]

[REDACTED]

"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC

[REDACTED]

"Hong Kong Stock Exchange" or "Stock Exchange"	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited

[REDACTED]

"IAS"	International Accounting Standards

"IFRSs"	the International Financial Reporting Standards, which include standards, amendments and interpretations promulgated by IASB and the International Accounting Standards (IAS) and interpretations issued by the International Accounting Standards Committee (IASC)
"Independent Third Party(ies)"	individual(s) or company(ies) who or which, to the best of our Directors' knowledge having made all due and careful enquiries, is/are independent from and not connected with (within the meaning of the Listing Rules) any Director, chief executive or substantial shareholder (within the meaning of the Listing Rules) of our Company, its subsidiaries or any of their respective associates
"International **[REDACTED]**"	the **[REDACTED]** H Shares initially **[REDACTED]** by our Company pursuant to the **[REDACTED]** (subject to adjustment as described in the section headed "Structure of the **[REDACTED]**" in this document) together with any additional H Shares which may be allotted and **[REDACTED]** by our Company pursuant to the exercise of the **[REDACTED]**

[REDACTED]

"Joint Sponsors"	the joint sponsors as named in the "Directors, Supervisors and Parties Involved in the **[REDACTED]**" section in this Document
"Latest Practicable Date"	April 21, 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this document prior to its publication

[REDACTED]

"Listing Rules" or "Hong Kong Listing Rules"	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, as amended from time to time
"Main Board"	the stock market (excluding the option market) operated by the Hong Kong Stock Exchange which is independent from and operated in parallel with the Growth Enterprise Market of the Hong Kong Stock Exchange
"MIIT"	Ministry of Industry and Information Technology, the Chinese government body responsible for regulating and promoting industrial development, including automotive and high-tech sectors
"Ministry of Finance" or "MOF"	the Ministry of Finance of the PRC (中華人民共和國財政部)
"MOFCOM"	the Ministry of Commerce of the PRC (中華人民共和國商務部)
"Mr. Tao"	Mr. Tao Zhe (陶喆), Founder, executive Director, chairperson of the Board and chief executive officer of our Company and a member of our Single Largest Group of Shareholders
"Ms. Liu"	Ms. Liu Qian (劉倩), Founder, executive Director and chief operating officer of our Company and a member of our Single Largest Group of Shareholders
"NASN LP"	Shanghai NASN Enterprise Management Partnership (Limited Partnership) (上海拿森企業管理合夥企業(有限合夥)), a limited partnership incorporated in the PRC, which an Employee Incentive Platform is controlled and managed by Mr. Tao and a member of our Single Largest Group of Shareholders

"Nomination Committee"	the nomination committee of our Board
"NDRC"	the National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)

[REDACTED]

"Overseas Listing Trial Measures"	the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies and seven supporting guidelines (《境內企業境外發行證券和上市管理試行辦法》及七項配套指引)
"PRC Company Law"	the Company Law of the People's Republic of China (中華人民共和國公司法), as amended, supplemented or otherwise modified from time to time
"PRC GAAP"	generally accepted accounting principles in the PRC
"PRC Government" or "State"	the central government of the PRC, including all governmental subdivisions (including principal, municipal and other regional or local government entities) and instrumentalities
"PRC Legal Advisor"	Brightstone Lawyers, our legal advisor as to PRC laws

"PRC Securities Law"	the Securities Law of the People's Republic of China (中華人民共和國證券法)
"**[REDACTED]** Investment(s)"	the investment(s) in our Company undertaken by the **[REDACTED]** Investors pursuant to the respective equity transfer agreement(s) and capital increase agreement(s), details of which are set out in the section headed "History, Development and Corporate Structure" in this Document
"**[REDACTED]** Investor(s)"	the investor(s) who has invested in our Company under the **[REDACTED]** Investment, details of which are set out in the section headed "History, Development and Corporate Structure" in this Document

[REDACTED]

"Province"	each being a province or, where the context requires, a provincial-level autonomous region or municipality under the direct supervision of the central government of the PRC
"Regulation S"	Regulation S under the U.S. Securities Act
"Remuneration Committee"	the remuneration committee of our Board
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"SAFE"	the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
"SAT"	the State Administration of Taxation of the PRC (國家税務總局)
"Securities and Futures Ordinance" or "SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"SFC"	the Securities and Futures Commission of Hong Kong

"Shanghai Nasheng"	Shanghai Nasheng Business Consulting Partnership (Limited Partnership) (上海拿晟商務諮詢合夥企業(有限合夥)), a limited partnership incorporated in the PRC and an Employee Incentive Platform
"Share(s)"	ordinary shares in the capital of our Company with a nominal value of RMB1.00 each before the Share Subdivision and a nominal value of RMB0.0625 each after the Share Subdivision, referring to **[REDACTED]** Shares before the **[REDACTED]** and H Shares following the **[REDACTED]**
"Share Incentive Scheme"	the share incentive scheme of our Company as adopted in November 2018 and amended in January 2022, a summary of the principal terms of which is set out in "Statutory and General Information — Share Incentive Scheme" in Appendix VI to this document
"Share Subdivision"	the subdivision of the Company's each Shares with nominal value of RMB1.00 each into [16] Shares with nominal value of RMB0.0625 each immediately prior to the **[REDACTED]**
"Shareholder(s)"	holder(s) of the Share(s)
"Single Largest Group of Shareholders"	refers to Mr. Tao, Ms. Liu and NASN LP
	[REDACTED]
"State Council"	the State Council of the PRC (中華人民共和國國務院)
"subsidiary(ies)"	has the meaning ascribed thereto under the Listing Rules
"substantial shareholder(s)"	has the meaning ascribed thereto under the Listing Rules
"Supervisor(s)"	member(s) of the supervisors committee of our Company
"Supervisory Committee"	the supervisory committee of our Company
"Takeovers Code"	the Codes on Takeovers and Mergers and Share Buy-back issued by the SFC, as amended, supplemented or otherwise modified from time to time
"Track Record Period"	the three years ended December 31, 2023, 2024 and 2025
"U.S." or "United States"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"U.S. Securities Act"	the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder
	[REDACTED]

[REDACTED]

"**[REDACTED]** Shares"	ordinary Shares in the share capital of our Company with a nominal value of RMB1.00 each, which are not currently **[REDACTED]** on any stock exchange
"US$," "USD" or "U.S. dollars"	United States dollars, the lawful currency of the United States
"%"	percent

Certain amounts and percentage figures included in this Document have been subject to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them. Any discrepancies in any table or chart between the total shown and the sum of the amounts listed are due to rounding.

For ease of reference, the names of the PRC established companies or entities, laws or regulations have been included in this Document in both the Chinese and English languages and in the event of any inconsistency, the Chinese versions shall prevail.

GLOSSARY OF TECHNICAL TERMS

This glossary of technical terms contains explanations of certain technical terms used in this Document. As such, these terms and their meanings may not correspond to standard industry meanings or usage of these terms.

"6DoF control"	six degrees of freedom control, the coordinated control of a vehicle's movement in three translational axes (lateral, longitudinal, vertical) and three rotational axes (pitch, yaw, roll), enabling advanced chassis dynamics and stability.
"ABS"	Anti-lock Braking System, a safety system that prevents the wheels of a vehicle from locking up during braking.
"ADAS"	advanced driver assistance systems, technologies that support or automate driving tasks to enhance safety and convenience normally featuring Level 1 and Level 2 driving automation.
"AEB"	Autonomous Emergency Braking, an advanced safety technology that uses sensors to detect potential front-end collisions and automatically applies the brakes to avoid or reduce the severity of a crash.
"ASIC"	application-specific integrated circuit, a custom-designed chip optimized for a particular application, such as ESC or NBC platforms.
"ASIL-D"	Automotive Safety Integrity Level D, the highest level of safety integrity defined by the ISO 26262 standard for functional safety in road vehicles.
"AutoSAR"	automotive open system architecture, a global standard for automotive software architecture, enabling modularity, scalability, and interoperability.
"brake-by-wire"	an X-by-wire system where braking is primarily controlled electronically, reducing or eliminating the need for conventional mechanical or hydraulic linkages, thereby enabling advanced safety features, redundancy, and integration with autonomous driving systems.
"C2C"	cell-to-chassis, an automotive design architecture where battery cells are structurally integrated into the vehicle chassis, improving structural efficiency and energy density.
"CAGR"	compound annual growth rate; a measure used to express the mean annual growth rate of an investment, market, or metric over a specified multi-year period, assuming the profits are reinvested at the end of each period.

GLOSSARY OF TECHNICAL TERMS

"cleanroom"	a controlled manufacturing environment with a maximum of 100,000 particles (≥0.5 microns) per cubic foot of air, used to prevent contamination of sensitive components.
"cross-scenario transferability"	the ability of technologies, components, or algorithms to be adapted and applied across different products, industries, or operational environments.
"design win"	a formal selection by an OEM or customer of a supplier's product or solution in a specific vehicle model or platform, often leading to mass production orders.
"domain controller"	a high-performance electronic control unit that centrally handles the coordination computing for multiple subsystems (e.g., braking, steering, suspension) within a specific domain of the vehicle, supporting advanced coordination and integration.
"DP-EPS"	dual-pinion type electric power steering system, featuring redundant architecture for safety-critical steering.
"dual-MCU architecture"	a system design that uses two microcontroller units to provide redundancy and enhance reliability, particularly in safety-critical automotive applications.
"dual-path braking architecture"	a safety design in which two independent braking control paths operate in parallel, ensuring continued braking capability if one path fails, critical for Level 3 and above autonomous vehicles.
"ECU"	Electronic Control Unit, an embedded system within automotive electronics that controls one or more of the electrical systems or subsystems in a vehicle.
"EHB"	Electro-Hydraulic Braking, a brake-by-wire system that replaces traditional mechanical linkages with electronic control and hydraulic actuation.
"E-Mark certification"	a European Union certification mark indicating that automotive products comply with EU safety, environmental, and performance standards, required for vehicles and components sold in the European Economic Area.
"EMC"	Electromagnetic Compatibility, the ability of a vehicle and its electronic systems or components to function satisfactorily in their electromagnetic environment without introducing intolerable electromagnetic disturbances to anything in that environment.

GLOSSARY OF TECHNICAL TERMS

"electromagnetic valve"	a valve operated by an electric current through a solenoid, used for precise control of fluid or gas flow in automotive systems, especially in braking and stability control among others.
"electronic brake booster"	an advanced braking system that uses electronic controls to amplify braking force, improving response time and integration with intelligent driving systems.
"EMB"	electromechanical brake, a brake system actuated by electric motors, enabling precise and rapid braking response, eliminating the need for permanent hydraulic components.
"end-of-line testing"	final comprehensive testing performed on each product at the end of the production line to ensure it meets all functional and quality standards before shipment.
"EPB"	electric parking brake, an electronically controlled parking brake system ensuring safe and reliable parking brake engagement if the primary system suffers a partial failure.
"EPS"	electric power steering, a steering system that uses electric motors to assist the driver, eliminating the need for permanent hydraulic systems and enabling integration with steer-by-wire technology.
"ESC"	electronic stability control, a system that improves vehicle stability by detecting and reducing loss of traction, automatically applying brakes to individual wheels as needed.
"EV(s)"	electric vehicle(s), vehicles that are powered entirely or partially by power sources, comprising battery electric vehicles, plug-in hybrid electric vehicles, and fuel cell vehicles, among others.
"FOC"	field-oriented control, an advanced algorithm for controlling brushless motors, enabling precise, efficient, and smooth motor operation.
"MCU"	microcontroller unit, a compact integrated circuit designed to govern specific operations in embedded systems, such as automotive control modules.
"NBC"	networked brake control, a subsystem within X-by-wire architectures that manages and coordinates electronic braking functions.
"NCAP tests"	new car assessment programme tests, a series of safety evaluations conducted by independent organizations to assess vehicle safety features and crashworthiness.

"NBS"	networked brake system, an advanced brake-by-wire solution that coordinates braking functions electronically across the vehicle for improved safety and performance.
"NVH performance"	noise, vibration, and harshness performance; a measure of the quietness, smoothness, and ride comfort perceived by occupants, especially important for electric and premium vehicles.
"OEM(s)"	automotive original equipment manufacturer(s)
"OTS"	off-tool sample, a pre-production prototype produced using the actual production tooling and processes, used to validate manufacturing readiness and product quality before mass production.
"Parking pawl"	a mechanical or electronic locking mechanism that secures a vehicle's transmission in the 'Park' position, preventing unintended movement when stationary.
"PCBA"	printed circuit board assembly, the process of soldering and mounting electronic components onto a printed circuit board to create a functional electronic module.
"pedal feel simulation"	a technology that replicates the tactile feedback of traditional brake pedals in electronic braking systems, enhancing driver comfort and control.
"RBC"	redundant brake control, a safety feature in X-by-wire systems providing backup braking capability in the event of primary system failure.
"SBW"	steer-by-wire, a system that removes the permanent mechanical steering linkages with electronic controls, allowing for advanced steering functions and integration with autonomous driving systems.
"X-by-wire"	a technology that replaces traditional mechanical or hydraulic vehicle control systems (such as steering, braking or acceleration) with electronic controls, enabling precise, rapid and programmable motion execution.

FORWARD-LOOKING STATEMENTS

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

This document contains certain forward-looking statements relating to our Company, our subsidiaries and consolidated affiliated entities that are based on the beliefs of our management as well as assumptions made by and information currently available to our management. When used in this document, the words "aim", "anticipate", "believe", "could", "expect", "going forward", "intend", "may", "ought to", "plan", "project", "seek", "should", "will", "would" and the negative of these words and other similar expressions, as they relate to our Group or our management, are intended to identify forward-looking statements. Such statements reflect the current views of our management with respect to future events, operations, liquidity and capital resources, some of which may not materialize or may change. These statements are subject to certain risks, uncertainties and assumptions, including the other risk factors as described in this document. You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The risks, uncertainties and other factors facing our Group which could affect the accuracy of forward-looking statements include, but are not limited to, the following:

- changes in the macro environment, regional and global economy, as well as industry trends related to our operations;
- our ability to successfully implement our business plans, strategies, objectives and goals;
- our ability to obtain adequate capital resources to fund future development plans;
- our ability to control costs, as well as to achieve and maintain operational efficiency;
- changes in our customers' demands and expectations;
- changes in the competitive landscape of the industries where we operate;
- our ability to protect our reputation and brand image, as well as trademarks, technologies, knowhow, patents and other intellectual property rights;
- changes in local economic and political conditions and changes in compliance with international laws and regulations in the countries and regions where we operate; and
- developments in technology and our ability to successfully keep up with technological advancement.

An **[REDACTED]** *in our Shares involves various risks. You should carefully consider all the information in this Document and in particular the risks and uncertainties described below before making an* **[REDACTED]** *in our H Shares. The following is a description of what we consider to be our material risks. The occurrence of any of the following risks could materially and adversely affect our business financial condition and results of operations. If any of these events occurs the* **[REDACTED]** *price of our Shares could decline and you may lose all or part of your* **[REDACTED]**.

These factors are contingencies that may or may not occur and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given is as of the Latest Practicable Date unless otherwise stated will not be updated after the date hereof and is subject to the cautionary statements in "Forward-looking Statements."

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

The X-by-wire industry is highly competitive. If we fail to improve our existing solutions or introduce new ones in a timely and cost-effective manner to meet evolving customer demands or keep pace with industry innovation, our competitive position may be adversely affected, and our business, operating results, and financial condition could suffer materially.

We primarily compete in China's X-by-wire solutions market, which is known for its high technical barriers, lack of fully unified standards, and rapidly shifting competitive landscape. This sector involves deep integration of multiple technologies, including software, algorithms, control systems, safety mechanisms, and mechanical components, and is classified as a "safety-critical" domain in the automotive industry, requiring extremely high technical standards. Although the barriers to entry are significant, the nature of competition remains uncertain due to the continuous emergence of new entrants. We also face intense competition from other technologically advanced X-by-wire solution providers and well-known OEMs. While some OEMs choose to develop X-by-wire technologies in-house and do not sell them externally, their technological advancements may still reshape the competitive landscape.

As the core execution layer of intelligent driving systems, X-by-wire solutions' market size continues to expand alongside industry upgrades. The market opportunities we pursue may remain in the early stages of development, making it difficult to accurately predict customer demand or penetration rates. The development and mass production of X-by-wire technologies require substantial capital investment and long lead times, and may not achieve large-scale commercial success in the short term. Although our R&D efforts have led to some market recognition, future growth will depend on the broader adoption of X-by-wire technologies within the intelligent vehicle industry.

Our business is subject to rapid changes and disruptive technological trends. Competitors may introduce innovative solutions or adopt breakthrough technologies, further intensifying competition. We must develop expertise across multiple industries and continuously anticipate the emergence of new technologies and assess their market acceptance. We need to accurately forecast customer demand for X-by-wire solutions and design and develop core technologies that meet those needs. Our control algorithms must be continuously updated to maintain competitiveness and deliver effective solutions to our customers. We must rapidly and cost-effectively develop and deliver next-generation solutions to respond to competitors' technological shifts or product launches, and to adapt to evolving market conditions and regulatory standards. We must continue to invest heavily in R&D, which may take years

to yield results, while also enhancing our capabilities in intellectual property, licensing, and customer service. We cannot assure you that our strategic direction will result in innovative solutions that deliver value to our customers. If we fail to effectively develop our core technologies, launch new solutions, or keep pace with rapid technological and industry changes, our competitive position may be compromised, and our business, operating results, and financial condition may be materially and adversely affected.

If we are unable to develop advanced technologies and launch new solutions that adapt to evolving market demand, customer requirements, and regulatory standards in a cost-effective and timely manner, our future business, results of operations, financial condition and competitive position would be materially and adversely affected.

Our future business, results of operations, financial condition, and competitive position depend on our ability to cost-effectively and timely develop high-performance solutions that meet evolving market demands, customer requirements, and regulatory standards. Developing advanced X-by-wire technologies and providing X-by-wire solutions involve deep integration of control algorithms, software and hardware architecture. During these processes, we may encounter significant and unexpected technical challenges or delays. To remain competitive, we must continue to: (i) design innovative, high-performance, and high-precision functions that differentiate our X-by-wire technologies from competitors' offerings; (ii) collaborate effectively with OEMs, suppliers, and strategic partners on new solution design and development; (iii) respond swiftly to technological changes in the industry and new solutions launched by competitors; and (iv) adapt to shifting customer preferences, market conditions, and regulatory standards in a timely and cost-effective manner. Failure to adapt to the rapidly evolving technology environment could damage our relationships with customers and lead them to seek alternative sources of supply.

We may encounter significant unexpected technical and production challenges or delays in completing the development of new and enhanced solutions in a cost-effective manner. As such, we need to invest significant resources in R&D, design innovative, accurate and safety- and comfort-enhancing functions that differentiate our solutions from those of our competitors, cooperate effectively on new designs and development with our customers, suppliers and business partners. If we experience delays in, or fail to devlop advanced technologies or launch new solutions as expected, we may be unable to meet existing customer requirements or expand sales to new markets. As a result, our business, results of operations, financial condition, and competitive position could be materially and adversely affected.

We cannot guarantee that the market will fully adopt X-by-wire solutions in the future to support our growth, nor can we assure that industry development and market acceptance of X-by-wire solutions will evolve in a direction favourable to us. If the X-by-wire solution markets stagnate or fail to grow as rapidly or positively as expected, our business, operating results, and financial condition may be adversely affected.

Currently, as safety-critical components, X-by-wire technologies are gradually gaining attention from OEMs. OEMs' willingness to adopt X-by-wire solutions is closely tied to their vehicle architecture upgrades. However, the scale and pace of growth in this market remain highly uncertain. Our growth is highly reliant on global OEMs' adoption of X-by-wire solutions and their ability to drive vehicle architecture upgrades and enhance market acceptance. Interest in our industry is also influenced by overall economic development, particularly in advanced industrial economies.

In the automotive industry, our long-term growth opportunities will stem from increasing emphasis on X-by-wire technologies, which require innovation across software, algorithms, control systems, and mechanical components. We cannot assure you that X-by-wire solutions will achieve full commercialization, or that our industry or technologies will transition from limited applications to widespread adoption as projected. Various functions and capabilities are at different stages of development, and their reliability must continue to improve to meet the higher standards required of safety-critical components. We are also subject to industry trends, such as OEMs' demand for and acceptance of X-by-wire technologies. Market acceptance of X-by-wire technologies may be negatively impacted by safety incidents involving such technologies. If the markets in which we operate do not grow as expected, our revenue may decline or fail to grow.

We have also observed increasing demand for our technologies and growth in our business, which is related to OEMs' awareness and acceptance of the safety performance of X-by-wire solutions. This acceptance and recognition are primarily driven by regulatory authorities and safety organizations, which provide mandatory requirements and incentives for OEMs to incorporate active safety technologies into their vehicle models. However, if demand for active safety technologies slows, our growth may be constrained. Conversely, if regulatory requirements in the intelligent vehicle industry tighten and create a chilling effect on the sector, resulting in reduced demand for our solutions, we may be negatively impacted. External economic and industry trends may also affect our outlook by reducing demand for our industry and solutions, thereby adversely impacting our business operations, operating results, and financial condition.

We invest significant resources to pursue OEM design wins, but cannot ensure such efforts will result in mass production of specific vehicle models or sustained business relationships, and revenue realization may be subject to substantial delays.

From initial engagement with OEMs to their final selection of our solutions for integration into specific vehicle models, we invest substantial human, material, and financial resources. This selection process, known as a design win, involves considerable upfront investment and carries significant uncertainty. Once a design win is secured, alternative solutions or technologies typically cannot replace the selected solution during the lifecycle of the model, unless the OEM initiates a new round of bidding. Due to industry practices and established relationships, winning suppliers often gain advantages in subsequent model development, which intensifies competitive barriers. If we fail to retain existing OEMs or cannot continue to secure design wins in the future, we may expend significant resources without achieving expected returns. In addition, our solutions are technically complex and incorporate multiple innovations, often requiring extensive safety testing. OEMs typically invest significant resources to test and validate our solutions prior to integration. Depending on the OEM and the complexity of the solution, the average industry development cycle following a design win ranges from one to three years. We must continue to invest throughout this period, and there is no assurance that we will recover the full amount of our investment. OEMs may also cancel or postpone vehicle production, which would directly impact our revenue realization. Our solutions must be highly integrated with systems developed by OEMs and other suppliers. If the required level of interoperability is not achieved, even after securing a design win, we may be unable to deliver mass production. OEMs typically provide initial estimates of expected production volumes at the design win stage, but these estimates may be revised multiple times and may not reflect actual output. If OEMs reduce their production forecasts, we must adjust our internal budgets and expectations accordingly. Extended development cycles, model cancellations, or delays may adversely affect our business, financial condition, and operating results.

Even after securing design wins, the realization of revenue remains highly uncertain due to non-binding OEM commitments, long validation cycles, potential implementation delays, and fluctuating production volumes, all of which may materially and adversely affect our business operations, financial condition, and operating results.

After securing a nomination from an OEM, we typically receive project confirmation from the OEM. However, such confirmation is not legally binding, and the production volume forecasts contained therein may not be accurate. A nomination only indicates that our solution has been selected for development for a specific vehicle model and does not guarantee revenue realization. Product pricing is generally determined based on market conditions at the time of the OEM's request for quotation. If market conditions or customer demand subsequently change, we may be required to sell our solutions at prices lower than initially expected or face a reduction in order volume. In addition, organizational restructuring, cost control initiatives, or intensified industry competition on the part of OEM customers may exert downward pressure on pricing. If we are unable to offset price reductions through improved operational efficiency or by launching higher value-added solutions, our business, financial condition, and operating results may be adversely affected. OEMs may also choose to internally develop key components such as X-by-wire systems or collaborate with other technology suppliers, which could impact the pricing, revenue, and profitability of our solutions. To mitigate supply chain volatility, some OEMs may place large advance orders. However, if actual vehicle production falls short of expectations, OEMs may prioritize consuming existing inventory before placing new orders, which could significantly affect our revenue forecasts.

Our solutions play an indispensable role in the design and mass production processes of OEMs. Our X-by-wire solutions have been integrated into our OEM customers vehicle portfolios. As of December 31, 2025, there have been 117 design-win projects from 16 Chinese OEMs and our solutions have been deployed in 61 vehicle models. Once nominated and selected for mass production, OEMs typically build the full module based on our reference design and integrate it into new vehicle models. If we fail to meet OEM requirements in a timely manner during the design and production process, any failure may negatively impact their mass production workflow and reduce their confidence and satisfaction with our solutions, which could adversely affect our commercial engagement and business relationships.

The implementation and validation of our solutions may be subject to contract cancellations, delays, supply chain shortages, or implementation failures. Potential OEM customers typically invest significant capital and resources to test and validate our solutions, a process that generally takes one to two years. Prior to generating any revenue, we must invest substantial resources, which poses risks to our ability to forecast operating performance and manage business operations. Additionally, OEM customers may cancel or postpone the implementation of our solutions due to internal strategic adjustments, changes in product planning, or other factors beyond our control. Supply chain shortages may also delay OEM manufacturing and operations, thereby postponing the implementation of our solutions and negatively impacting our business. Even if we collect upfront design or licensing fees, the complexity of our technologies may result in implementation challenges within OEM vehicle models, requiring higher costs and additional financial and human resources. Furthermore, if vehicle models incorporating our solutions experience poor sales performance, demand for our solutions may decline. Any of the foregoing factors could materially and adversely affect our business operations, operating results, and financial condition.

We may not be able to adequately establish, maintain, protect and enforce our intellectual property and proprietary rights or prevent others from unauthorized use of our technology and intellectual property rights, which could harm our business and competitive position and also make us subject to litigations brought by third parties.

Our success depends significantly on our ability to protect our proprietary technologies through intellectual property rights, particularly patents. As of the Latest Practicable Date, we had 192 registered patents, including 97 invention patents, 90 utility model patents, and 5 design patents in the PRC. We also held 54 software copyrights and 54 registered trademarks in the PRC. See "Business — Intellectual Property." However, we may not be able to adequately establish, maintain, protect and enforce our intellectual property and proprietary rights or prevent others from unauthorised use of our technology and intellectual property rights.

Patent protection standards and enforcement strength vary across jurisdictions, and future changes in patent laws or their interpretation in China or other countries may affect our ability to obtain, maintain, enforce, and defend our intellectual property rights. We cannot predict whether our current or future patent applications will be granted, or whether the claims of any granted patents will be sufficiently broad to prevent competitors from developing similar or competing technologies. Patent claims may be narrowed during prosecution or reinterpreted after grant, and competitors may attempt to circumvent our patents through alternative designs or legal challenges. As a result, our ability to rely on patent protection to safeguard our core technologies and maintain our competitive position may be materially and adversely affected. Although we have taken various measures to protect our core technologies, such as patent applications, trademark registrations, confidentiality agreements and non-compete agreements, we cannot completely eliminate the risk of unauthorised use, disclosure or misappropriation of our technologies by third parties. If any risks above materialize, we may incur significant litigation costs, lose our technological advantages, or even have our normal business operations affected.

In addition, patents have a limited term of protection. For example, in the PRC, invention patents are valid for 20 years, utility model patents for 10 years, and design patents for 15 years from the date of application. Thus, we may face competition from competitors once the relevant patents expire. If we fail to adequately establish, maintain or enforce our intellectual property rights, or fail to respond to intellectual property disputes in a timely manner, our business, results of operations, financial condition and competitive position may be materially and adversely affected.

We may become involved in lawsuits to protect and enforce our intellectual property or to defend ourselves against intellectual property claims, which could be expensive, time-consuming and unsuccessful.

We rely on our proprietary technologies to maintain our competitive advantage and have actively protected our intellectual property through patents, trade secrets, and internal controls. If our patents or other intellectual property rights are disputed in court or before relevant authorities, they may be deemed invalid or narrowed in scope, which could materially and adversely affect our ability to protect our solutions and technologies. In addition, if third parties claim that we infringe their intellectual property rights, we may face liability and financial losses and may be required to redesign or discontinue the sale of relevant solutions. Some of our competitors possess extensive intellectual property portfolios and may allege that our solutions infringe their rights and use intellectual property litigation as a competitive strategy. Even though we make efforts to identify and avoid infringement of third-party rights, we may still face litigation due to patents, trademarks, or other rights that are not

publicly disclosed or not identified in our searches. If we are found to have infringed third-party intellectual property, we may be liable for damages, required to pay licensing fees, prohibited from using relevant technologies, or forced to develop alternative solutions. To protect our rights or respond to unauthorized use, we may need to initiate legal proceedings, which could result in significant costs and divert management and technical resources. We may also face counterclaims. Competitors, including those with greater resources, may adopt aggressive enforcement strategies or challenge our patents. Prevail or not, the financial and operational burden of litigation may outweigh any potential benefits. For example, as of the Latest Practicable Date, we were involved in five patent infringement proceedings, as a defendant, concerning our ESC solutions. See "Business — Legal Proceedings and Compliance" for the background of the intellectual property disputes.

If any of our major customers terminate cooperation, our customer concentration may expose us to revenue volatility and potential financial instability.

Our revenue is largely dependent on a limited number of major customers, resulting in a high degree of customer concentration. For the years ended December 31, 2023, 2024, and 2025, revenue from our top five customers amounted to approximately RMB266.5 million, RMB377.1 million and RMB580.2 million, respectively, representing approximately 97.9%, 96.5% and 94.4% of our total revenue for the respective periods. During the same periods, revenue from our largest customer amounted to approximately RMB161.0 million, RMB262.6 million and RMB290.3 million, accounting for approximately 59.2%, 67.2% and 47.2% of our total revenue, respectively. See "Business — Our Customers — Major Customers."

Although we have actively expanded our customer base, our operating results in the foreseeable future will continue to depend, to a significant extent, on the procurement arrangements of a limited number of leading OEMs and their ability to sell vehicle models equipped with our solutions. If any major customer adjusts its business model, reduces procurement volume, or terminates cooperation, or if we fail to secure replacement customers within a reasonable timeframe, our revenue, business operations and financial condition could be materially and adversely affected. In addition, several of our OEM customers with strong bargaining power and internal R&D capabilities may possess proprietary technologies that compete with ours. These companies also have substantial development resources and may choose to independently develop or collaborate with other technology providers to obtain competitive X-by-wire solutions. Meeting the technical requirements of such customers and being selected as a supplier typically requires significant time and resource investment. If these companies choose alternative suppliers or develop competing technologies, our business, financial condition and operating results may be adversely affected.

While we have entered into framework procurement agreements with many customers, such agreements generally do not specify binding purchase volumes. As a result, we remain exposed to the risk of reduced sales from existing customers. In the future, these customers may decide to purchase fewer solutions, delay purchases, change their procurement patterns, or source solutions from competitors, particularly if: (i) customers may cancel, modify or delay procurement commitments without prior notice or penalty; (ii) OEM customers' procurement volumes are influenced by the market performance of their vehicle models, which is largely beyond their control; (iii) certain customers may choose to develop such technologies in-house; (iv) if our supply chain or delivery experiences delays or shortages, customers may turn to alternative suppliers; (v) our partners may cease sales in relevant markets or lose market share; (vi) industry consolidation may reduce the number of OEM customers; and (vii) any of the foregoing factors could materially and adversely affect our business, operating results and financial condition.

Furthermore, if any major customer experiences operational or financial difficulties, or fails to make timely payments, our business may also be negatively impacted. We have made provisions for doubtful accounts in respect of certain customers' receivables and may in the future be required to record additional provisions, write-offs and/or deferred revenue for certain transactions, which could adversely affect our financial performance. Any loss of business or volatility from such customers could materially and adversely affect our operating results and financial condition.

We have been and intend to continue investing significantly in R&D, which may adversely affect our profitability and operating cash flow and may not generate the results we expect to achieve.

We continue to allocate substantial resources to R&D to maintain our leading position in the highly competitive and rapidly evolving X-by-wire industry. We incurred R&D expenses of RMB96.5 million, RMB87.6 million and RMB83.0 million in 2023, 2024 and 2025, respectively, constituting 68.2%, 69.8% and 52.0% of our total operating expenses for the respective periods. We expect to continue incurring significant R&D expenses in the future to support new solution development, technology upgrades, and platform iteration. However, we may face technical challenges, resource constraints, including difficulties in recruiting and retaining qualified R&D personnel, and practical obstacles in bringing our development results to market. Even if our R&D efforts result in technological breakthroughs, they may exert pressure on our short-term cash flow and liquidity. In addition, emerging technologies may render our existing or developing technologies, infrastructure, or solutions obsolete or less attractive, limiting our ability to recover related development costs and potentially leading to declines in revenue, profitability, and market share. Regulatory authorities may also impose new rules or restrictions in response to our innovations, increasing our compliance costs or hindering commercialization. Our R&D efforts may not contribute to our operating results for several years, if at all, and such contributions may fall short of expectations or fail to cover the associated costs, which could materially and adversely affect our business, results of operations, financial condition, and competitive position.

Failure to maintain high-quality customer support and service may harm our customer relationships and adversely affect our business operations and financial performance.

Our solutions are widely applied in advanced intelligent driving scenarios, which place stringent demands on the responsiveness, technical support capabilities, and fault-handling efficiency of our after-sales services. We have established a certain level of after-sales service infrastructure, including warranty policies see "Business — Quality Control — After-sales Services, product returns and recalls", and we have made estimates for warranty-related costs in our financial statements see "Financial Information". However, as our business expands rapidly, we may face challenges in scaling our after-sales service capacity, such as difficulties in expanding our service team, long training cycles for technical personnel, and incomplete coverage of our regional service network.

If we fail to recruit or retain sufficient qualified personnel with experience supporting our solutions, or fail to establish a robust support system, we may be unable to respond promptly to short-term surges in customer demand for technical assistance or maintenance. If we fail to consistently deliver and improve high-quality, timely and effective after-sales support, or fail to establish and maintain a comprehensive, responsive and technically competent service network, we may face customer dissatisfaction, negative reviews and a decline in brand loyalty. Dissatisfied customers may switch to competitors, resulting in potential loss of market share and revenue. Unresolved service issues may escalate into solution complaints, warranty claims or even legal disputes, further straining our resources and damaging our reputation. In addition, our solutions are often customized and require deep

technical collaboration with OEMs. Our after-sales services must therefore be equipped with strong technical understanding and rapid response capabilities. If we fail to respond promptly to OEMs' technical upgrades or model iteration needs, it may undermine their confidence in our technical support and affect future cooperation opportunities. As support demand increases, we may also face rising operational costs. If we are unable to effectively manage these expenses, our financial performance may be negatively impacted.

If our key R&D personnel terminate their relationships with us, join competitors, or fail to deliver expected research outcomes, our ability to conduct R&D and the progress of our R&D programs could be adversely affected.

As of December 31, 2025, our R&D efforts rely on a multi-tiered team of approximately 150 employees across eight departments, including system integration, software development (function layer, basic software, software testing and integration), bench testing and trial production, hardware development and mechanical development. See "Business — Research and Development — R&D Team." While we do not overly depend on a few individuals, the departure of key R&D personnel or their engagement with competitors could disrupt our technical continuity, delay solution iteration, and impair our innovation capabilities. In addition, we may face difficulty in attracting and retaining high-end R&D personnel, and the intense competition for skilled personnel may adversely impact our R&D progress and overall operational effectiveness. External factors such as labor market conditions, rising compensation expectations, and evolving employment regulations may further increase the cost and complexity of maintaining a stable and capable R&D workforce. Moreover, any breach of confidentiality by our employees or collaborators could result in the leakage of proprietary technologies, damaging our intellectual property portfolio and competitive position. If our key R&D personnel fail to deliver expected research outcomes due to technical limitations or unforeseen challenges, our solution development may be delayed or unsuccessful. These risks could materially and adversely affect our business, results of operations, financial condition, and competitive position.

Any unexpected disruption at our production facilities could affect our business, financial condition and results of operations.

During the Track Record Period, we manufactured and assembled our solutions primarily at our production facilities in Xiaoshan and Haiyan, which benefit from proximity to our headquarters. See "Business — Our Production." Our ability to meet the demand of our customers and grow our business thus relies on the efficient, proper and uninterrupted operation of our production facilities and a constant and sufficient supply of utilities. In the event of earthquake, fire, drought, flood or other natural disaster, political instability, riot or civil unrest, extended outage of critical utilities or transportation systems, terrorist attack or other events that limit or disrupt our ability to operate our production facilities, we may experience substantial losses, including loss of revenue from disrupted production. We may also need to incur substantial additional expenses, exceeding our insurance coverage to repair or replace any damaged equipment or facility. In addition, our ability to manufacture and supply solutions and our ability to meet our delivery obligations to our customers would be significantly disrupted and our relationships with our customers could be damaged, which could have a material and adverse effect on our business, financial condition and results of operations.

Our solutions may have undetected defects or contain serious errors, which could create safety issues, reduce market adoption, damage our brand image, subject us to product recalls or expose us to product liability and other claims that could materially and adversely affect our business.

Our solutions are technically complex and require adherence to extremely high manufacturing standards. Despite our rigorous quality control procedures across design, testing, and mass production stages, we cannot guarantee that undetected defects, errors, or reliability issues will not arise in the future. In addition, we may rely on a limited number of key suppliers for certain critical components. If these suppliers fail to meet our quality standards or experience disruptions, our ability to deliver reliable solutions could be adversely affected. If we fail to identify and resolve solution issues in a timely manner or fail to deliver new solutions that meet customer expectations, customer satisfaction may decline, which could negatively impact purchasing decisions. This risk is particularly pronounced during the launch of new solutions or updated versions, where undetected issues may pose safety risks to end users and harm our commercial reputation.

In addition, certain errors or failures may result from negligence or integration issues on the part of OEMs during vehicle-level deployment, which are beyond our control and may be difficult to attribute accurately. Some latent defects may only be discovered after customers conduct large-scale testing or commercial deployment. If significant solution issues arise, we may incur substantial additional costs related to development, recalls, repairs, or replacements, and may face claims from customers or third parties, including class action lawsuits. Such incidents could damage our brand image, reduce customer retention, and hinder our ability to attract new customers, thereby materially and adversely affecting our business, operating results, and financial condition.

We have incurred net losses during the Track Record Period and may not be able to achieve or subsequently maintain profitability in the near future.

Since our inception, we have incurred net losses. In 2023, 2024 and 2025, we recorded net losses of RMB200.8 million, RMB169.5 million and RMB189.5 million, respectively. We may continue to incur net losses in the short term, as we are in the stage of expanding our business and operations and are continually investing in R&D. We may not be able to achieve or subsequently maintain profitability in the near future. We believe that our future revenue growth will depend on, among other factors, our ability to develop new technologies, enhance customer experience, establish effective commercialization strategies, compete effectively and successfully, develop new solutions and successfully maintain and secure additional customers. Accordingly, you should not rely on the revenues of any prior periods as an indication of our future performance. We also expect our costs and expenses to increase in future periods as we continue to expand our business and operation and invest in R&D. In addition, we expect to incur substantial costs and expenses as a result of being a public company. If we are unable to generate adequate revenues and manage our expenses, we may continue to incur significant losses and may not be able to achieve or subsequently maintain profitability.

We recorded net current liabilities and net liabilities during the Track Record Period, which we may continue to experience in the future.

We recorded net liabilities of RMB749.4 million, RMB906.9 million and RMB1,063.6 million, and we recorded net current liabilities of RMB870.8 million, RMB1,061.1 million and RMB1,282.9 million, as of December 31, 2023, 2024, and 2025, respectively. Our net current liability position was primarily attributable to our redemption liabilities. Having net current liabilities could constrain our operational flexibility and could adversely affect our ability to expand our business. If we do not

generate sufficient cash inflow from our operations to meet our present and future financial needs, we may need to continue to use and rely on external financial resources. If adequate external financial resources are not available in a timely manner on commercially acceptable terms or at all, we may encounter liquidity issues and our business, financial condition and results of operations may be adversely affected.

We face risks associated with shortages and cost increases of key raw materials and components, any of which could materially and adversely affect our business, financial condition, results of operations and prospects.

Our production relies on a stable supply of key raw materials and components, including standard parts, assemblies such as motors and electronic control units, chips, machined parts, and non-metallic components such as rubber and injection-moulded parts. For the years ended December 31, 2023, 2024, and 2025, our total purchase amounts were RMB336.7 million, RMB324.3 million and RMB634.1 million, respectively. In particular, we are vulnerable to fluctuations in the cost of chips, which are essential components in our solutions. The global semiconductor industry has experienced periodic shortages and price volatility, driven by the rapid growth in smart electric vehicles and supply-side constraints, such as slow capacity expansion for automotive-grade chips and disruptions from geopolitical tensions or pandemics. These factors can significantly increase our cost of goods sold, directly compressing our gross profit margins. If chip prices rise unexpectedly and we cannot negotiate favorable terms with suppliers or adjust our pricing strategies accordingly, our ability to maintain competitive pricing while preserving profitability may be impaired.

Although we have implemented supplier diversification strategies and signed price protection agreements with certain vendors, we remain exposed to fluctuations in material availability and pricing. If our suppliers experience disruptions, shortages or price increases, we may not be able to secure alternative sources in a timely or cost-effective manner. This could lead to increased production costs, delays in fulfilling customer orders, or even temporary suspension of solution delivery. In addition, any supplier loss may result in design changes, production delays, or missed opportunities to access critical technologies, which could negatively impact solution quality, delivery timelines, and our brand reputation. If we are unable to effectively manage procurement costs or pass them on to customers due to competitive pressures, our profitability and operational efficiency may be adversely affected.

If we fail to maintain an adequate inventory level or effectively manage our inventory, we may lose sales opportunities or face inventory overstock, which could adversely affect our financial condition and business operations.

Our inventory primarily consists of raw materials, finished goods and work in progress. Given that our solutions are widely applied in intelligent driving scenarios and must meet stringent requirements from OEMs regarding safety, reliability, and delivery timelines, we are required to stock inventory in advance to ensure stable supply. In particular, we may need to purchase and hold significant inventory to meet large orders from OEMs, which can result in higher inventory levels at certain times. However, if we fail to accurately forecast customer demand or market changes, our inventory levels may become imbalanced. OEMs' demand for X-by-wire solutions remains uncertain, particularly in terms of model nomination schedules, project mass production timelines, and strategic adjustments. If we fail to adjust our procurement and production plans in a timely manner, we may experience inventory overstock or shortages, which could affect customer delivery, damage customer relationships, and even result in lost sales.

To ensure supply chain stability, we typically place orders with suppliers in advance and stock key components. However, if customer demand does not materialize as expected, or if rapid technological iterations in the industry lead to changes in solution development paths, we may face inventory impairment, discounted sales, or scrapping, which could put pressure on our gross margin and operating cash flow. Furthermore, as our solution portfolio continues to expand into new areas such as steer-by-wire systems and motion controllers, failure to effectively coordinate inventory management across product lines may increase the complexity of inventory control. If we fail to establish a flexible and accurate inventory forecasting and management mechanism, our business operations, financial condition, and operating results may be materially and adversely affected.

Our production expansion plan may face delays, disruptions, or cost overruns, and may not deliver the expected benefits, which could materially and adversely affect our business and financial condition.

To accelerate commercialization and improve delivery efficiency, we plan to further expand our production capacity. For details, please refer to "*Business — Our Production*." However, this expansion may encounter various challenges, including construction delays, equipment installation or commissioning failures, shortage of skilled personnel, supply chain disruptions, and capital expenditures exceeding budget. If we fail to complete the expansion on schedule or within budget, our ability to deliver solutions on time may be compromised, which could negatively impact customer satisfaction and order fulfilment. Furthermore, even if the expansion is completed as planned, failure to achieve the expected utilization rate or cost efficiency may prevent us from realizing the anticipated commercial benefits. As such, our plan to expand internal production capacity involves significant risks, and any delays, technical obstacles, or misallocation of resources could materially and adversely affect our business development.

Seasonal fluctuations in the automotive industry may cause variations in our revenue and operating results.

Our revenue, cash flow and results of operations are affected by seasonal fluctuations in demand for our X-by-wire solutions, which are primarily driven by the seasonal nature of the automotive industry and its influence on customer procurement patterns. For example, our OEM customers typically deliver more vehicle models toward the end of the year, which can lead to increased demand for our solutions in the fourth quarter. As a result, the delivery of our relevant solutions is generally concentrated in the second half of each year. See "Business — Seasonality." We expect this pattern to continue in the foreseeable future, and therefore, quarterly comparisons of our operating results may not be meaningful. Our results of operations in any particular period may not be indicative of future performance. If our growth rate slows or seasonal fluctuations become more pronounced, such seasonality could have a material adverse effect on our revenue, cash flow and results of operations for any given period.

Failure to comply with the PRC Social Insurance Law and the Regulation on the Administration of Housing Provident Funds may subject us to fines and other legal or administrative sanctions.

Companies operating in China are required to participate in various employee benefit plans, including social insurance, housing provident funds and other welfare-oriented payment obligations. The amounts of contributions should be equal to prescribed percentages of salaries, including bonuses and allowances, of our employees up to a maximum amount specified by the local governments from time to time, at the locations where we operate our businesses. The requirement of employee benefit

plans has not been implemented consistently by the local governments in China given the different levels of economic development in different locations. The relevant government authorities may examine whether an employer has made adequate payments of the requisite employee benefit payments, and employers who fail to make adequate payments may be subject to late payment fees, fines and/or other penalties.

During the Track Record Period, we were not in strict compliance with the contribution requirements in relation to our employees because we did not make social insurance contributions and housing provident funds in full amount for certain of our employees. During the Track Record Period, the accumulated shortfall of social insurance and housing provident fund contributions amounted to approximately RMB9.2 million, RMB10.5 million and RMB11.8 million as of December 31, 2023, 2024 and 2025, respectively. If any competent government authority is of the view that the social insurance payments we made for our employees do not satisfy the requirements under relevant PRC laws and regulations, we might be ordered to pay the unpaid amount within a certain period and a late fee that equals to 0.05% of the total unpaid amount per day, accruing from when the social insurance contribution was due. If we fail to pay the unpaid amount or the late fee, we may be subject to a fine. Given we have obtained relevant confirmation during our interview with the relevant competent authorities, our PRC Legal Advisor is of the view, with respect to the certain PRC subsidiaries with certain number of employees, that the risk of the competent authorities requiring us to pay shortfalls with respect to the social insurance and housing funds and/or take the initiative to impose penalties on us is remote.

Changes in ESG compliance requirements may adversely affect our business, operating results, and financial condition.

As awareness of ESG issues, including waste management, packaging waste, greenhouse gas emissions, and environmental protection, continues to grow, our business operations may be impacted by increasingly stringent laws and regulations. Consequently, we may need to devote more effort and resources to ensure compliance with such laws and regulations. We have already implemented a series of measures aimed at ensuring our compliance with ESG-related laws and regulations applicable to us. See "Business — Environmental, Social, and Governance." However, we cannot assure you that these measures will effectively enable us to navigate the complex and evolving regulatory environment. Changes to existing ESG-related laws and regulations or the introduction of new ones may increase our compliance costs, which could adversely affect our business, operating results, and financial performance.

Any malfunctions of the operational systems, security systems, information technology infrastructure and integrated software in our solutions and any material failure, weakness, interruption, cyber event, incident or breach of security could prevent us from effectively operating our business and materially affect our customers' trust in our solutions.

Our solutions and technologies may enable us to access sensitive and/or confidential data or information, making us an attractive target for malicious actors seeking to launch cyberattacks against us or our suppliers or service providers. We have implemented internal rules and procedures related to our IT systems, data security, and privacy policies to ensure our operations comply with security requirements. However, we cannot guarantee that our IT systems or those of our third-party service providers are fully protected against third-party intrusions, viruses, hacking, ransomware attacks, and other cyber threats, data breaches, or similar risks. Any incident above could damage our IT systems, cause significant disruption or theft in our business, and result in the inaccessibility, improper

disclosure, or misuse of our or our customers' business data, trade secrets, sensitive information, and other confidential or proprietary data. Even if we restore operations using backup data, any such event may lead to legal and financial risks, loss of business and customers, loss or unauthorized disclosure of trade secrets, proprietary information, or personal data, and litigation, including class actions and claims brought by our customers under customer agreements and other commercial arrangements, regulatory actions and fines, consumer protection proceedings, other related costs, including those associated with investigations and remediation efforts, and significant reputational damage. This could impair our ability to retain existing customers and business partners and attract new ones. If we experience a cyberattack or security incident, we may not be able to successfully implement remediation plans to address the risks and prevent future harm. Any such actual or perceived disruption, unauthorized access, breach, uncertainty, or incident could materially and adversely affect our business operations, operating results, and financial condition.

Our insurance coverage may be insufficient to cover all customer losses or potential claims, which could adversely affect our business, operating results, and financial condition.

Our business is exposed to various risks that may not be adequately covered, or covered at all, by insurance. We cannot assure you that no product liability claims or other litigation will be brought against us, nor can we guarantee that we will be able to obtain product liability insurance or other relevant insurance on acceptable terms. Our current insurance coverage may be insufficient to prevent us from incurring losses, and we cannot be certain that we will be able to successfully claim compensation for our losses in a timely or full manner under our existing policies. If we are held liable for uninsured losses or claims that exceed our insurance limits, our business, financial condition, and operating results may be materially and adversely affected. As of the Latest Practicable Date, we have obtained and maintained insurance policies that we believe are customary and in line with standard commercial practices in China, given the scale and nature of our business. As of the Latest Practicable Date, we have not purchased product liability insurance, business interruption insurance, or litigation insurance. See "Business — Insurance." We cannot assure you that we will do so in the future.

Our business may be materially and adversely affected by force majeure events, natural disasters, or outbreaks of infectious diseases.

Any future occurrence of force majeure events, natural disasters, or epidemics and outbreaks of infectious diseases could materially and adversely impact our business, financial condition, and operating results. The outbreak of epidemics or infectious diseases may lead to widespread health crises and restrict business activities in affected regions, which could significantly disrupt our operations. In addition, natural disasters such as snowstorms, earthquakes, fires, and floods may cause substantial damage to our production facilities, equipment, and inventory, resulting in production delays, inventory shortages, and obsolescence, thereby increasing our impairment losses and repair or replacement costs. These events may also lead to power outages, communication disruptions, and transportation interruptions, further hindering our business operations.

Sales performance of our solutions may be adversely affected by third-party deployment effectiveness and overall user experience, which are beyond our control.

The commercial success of our X-by-wire solutions partially depend on whether OEMs can effectively deploy and operate our solutions within their vehicle platforms. For example, our brake-by-wire solutions must be seamlessly integrated with the OEM's vehicle control architecture, software platforms, and other onboard systems to ensure expected performance, safety, and driving

experience. Although we have not encountered any material issues or complaints regarding interoperability with OEM vehicle platforms during the Track Record Period, we cannot guarantee that our solutions will consistently achieve the required level of integration in future vehicle models. Technical challenges or integration failures during deployment may result in suboptimal solution performance, which could negatively impact market reception. Moreover, the sales performance of the end vehicle is influenced by the overall user experience, including human-machine interaction, functionality, design, and operability — factors largely beyond our control. Even if our solutions meet performance standards, poor user experience due to other vehicle components may reduce market acceptance and materially and adversely affect the sales performance of our solutions.

Any failure by third parties with whom we conduct business to comply with regulatory standards and requirements may disrupt our operations, damage our reputation, and adversely affect our financial condition and results of operations.

Third parties with whom we conduct business, such as suppliers and other business partners, may be subject to regulatory penalties or sanctions for non-compliance with applicable laws and regulations, or may infringe upon the legal rights of other parties, which could directly or indirectly disrupt our operations. Prior to entering into contractual relationships with third parties, we review legal documentation and certifications and implement measures to mitigate risks arising from potential breaches of contract by such third parties. However, we cannot guarantee that these third parties will not violate any regulatory requirements or infringe upon the legal rights of other parties. We also may not identify non-compliant or improper conduct in the business practices of third parties with whom we engage, or that such conduct will be promptly and appropriately rectified. Any legal liabilities or regulatory actions involving third parties relevant to our business may affect our operations and reputation, and in turn, may have a material adverse impact on our business, reputation, financial condition and results of operations.

We had recorded net operating cash outflows historically and there can be no assurance that we will not have net cash outflow from operating activities in the future.

We recorded net cash flow used in operating activities of RMB88.9 million in 2023. We recorded net cash flow used in operating activities of RMB164.6 million in 2025. See "Financial Information — Liquidity and Capital Resources — Cash Flows." We cannot assure you that we will be able to generate positive cash flows from operating activities in the future. If we continue to record net operating cash outflows in the future, our working capital may be constrained, which may adversely affect our financial condition. Our future liquidity primarily depends on our ability to maintain adequate cash inflows from our operating activities and adequate external financing such as offering and issuing securities, and/or other sources such as external debt, which may not be available on terms favorable or commercially reasonable to us, or at all. If we fail to obtain sufficient funding in a timely manner and on reasonable terms, or at all, we will be in default of our payment obligations and may not be able to expand our business. Thus, our business, financial condition and results of operations may be adversely affected.

We are subject to credit risk related to payment and defaults of customers, which may adversely affect our liquidity and financial condition.

We are exposed to credit risk related to delays in payment and defaults of our customers. As of December 31, 2023, 2024 and 2025, our trade and bills receivables amounted to RMB224.4 million, RMB284.7 million and RMB384.4 million, respectively. Our trade and bills receivables turnover days

in 2023, 2024 and 2025 were 300 days, 245 days and 205 days, respectively. See "Financial Information — Discussion of Certain Key Items of Consolidated Statements of Financial Position — Trade and Bills Receivables." We may not be able to collect all of our trade receivables due to factors beyond our control, such as adverse operating conditions or financial conditions of our customers, and customers' inability to pay due to delays in payment from their own end users. If our customers delay or default on their payments to us, we may need to make impairment provisions and write off the relevant receivables. This would adversely affect our liquidity and financial condition.

RISKS RELATING TO LAWS AND REGULATIONS

Any lack of requisite approvals, licenses or permits applicable to our business operation in a timely manner may have a material and adverse impact on our business and results of operations.

Our business operations are subject to extensive regulatory requirements, and we are required to obtain, maintain and renew various approvals, licenses and permits from relevant authorities in the jurisdictions where we operate. Although we have obtained all necessary approvals, licenses and permits that are material to our current operations as of the Latest Practicable Date, there can be no assurance that we will be able to obtain, renew or maintain all requisite approvals, licenses or permits in a timely manner, or at all, as our business develops or as regulatory requirements evolve.

The laws and regulations governing our industry are subject to frequent changes and evolving interpretations by competent authorities. If (i) we fail to obtain, maintain or renew the relevant licenses, permits, filings or approvals, (ii) we inadvertently conclude that certain licenses, permits, filings or approvals are not required, while they actually are required, or (iii) we are required to obtain the relevant approval or complete other filing procedures as a result of changes of applicable laws, regulations or interpretations thereof but fail to do so, we may be subject to penalties, including fines, confiscation of income, suspension or revocation of business licenses, or restrictions on our business activities. In addition, any delay or failure in obtaining or renewing the necessary approvals, licenses or permits could disrupt our business operations, result in additional compliance costs and divert management attention and resources. Any such event may have a material and adverse impact on our business operations, financial condition and results of operations.

Changes in the existing regulatory regime of the industry in which we operate may affect our ability to provide solutions, which could materially and adversely affect our business, financial condition, and results of operations.

Our business operations are subject to various laws, rules, and regulations at both the regional and national levels in China relating to the automotive industry and intelligent driving technology sector. New laws, rules, and regulations, as well as amendments to any existing laws, rules, and regulations, may result in additional compliance costs, reduce our revenue, and require us to adjust our operations to ensure compliance or otherwise change our business. As changes to any applicable laws, rules, and regulations may be beyond our control, we may need to devote additional effort and resources to ensure our compliance. In recent years, the Chinese government has repeatedly promoted the regulation and safety standards of the automotive industry. We may not be able to promptly identify instances where we have violated certain policies and regulations. We cannot guarantee that we will be able to adapt to the evolving regulatory environment quickly enough or in a cost-effective manner, which may adversely affect our operations and result in significant compliance costs. At the same time, we may need to make

changes to our facilities, equipment, personnel, or solutions to comply with the latest laws and regulations, which may increase our capital and operating expenditures and thereby adversely affect our business, financial condition, and results of operations.

Certain judgments obtained against us by our Shareholders may be difficult to enforce.

We are a company incorporated under the laws of the PRC, and nearly all of our assets and subsidiaries are located in the PRC. The majority of our Directors, Supervisors and senior management reside within the PRC. Judgments rendered by Hong Kong courts may be recognized and enforced in the PRC if the requirements set forth by the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (《關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》 are met. Nonetheless, it may be difficult for you to effect service of process within Hong Kong upon us or these persons, or to bring an action in Hong Kong against us or against these individuals in the event that you believe that your rights have been infringed under the applicable securities laws or other laws.

In addition, it may be difficult for you to bring an original action against us or our PRC resident officers and Directors in a PRC court based on the liability provisions of non-PRC securities laws. Although we will be subject to the Listing Rules and the Codes on Takeovers and Mergers and Share Repurchases of Hong Kong upon the **[REDACTED]** of our Shares on the Stock Exchange, the holders of the Shares will not be able to bring actions on the basis of violations of the Listing Rules and must rely on the Stock Exchange to enforce its rules. The Listing Rules and the Codes on Takeovers and Mergers and Share Repurchases of Hong Kong do not have the force of law in Hong Kong.

We may be subject to filing procedures and other regulatory requirements in connection with this [REDACTED] and further capital raising activities issued by competent authorities.

On February 17, 2023, the CSRC issued the Trial Measures for the Administration on Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) and five supporting guidelines, which came into effect on March 31, 2023 (the "**Overseas Listing Regulations**"). The Overseas Listing Regulations are applicable to overseas securities offering and listing conducted by issuers who are (i) companies incorporated in the PRC ("**PRC domestic companies**") and (ii) companies incorporated overseas with substantial operations in the PRC. The Overseas Listing Regulations lay out the arrangements for regulatory filings for both direct and indirect overseas offerings and clarify the determination criteria for indirect overseas offerings in overseas markets. The Overseas Listing Regulations stipulate that such issuer shall fulfill the filing procedures within three working days after it makes an application for offering and listing in an overseas stock market. According to the Overseas Listing Regulations, we, as a PRC domestic company seeking to **[REDACTED]** and **[REDACTED]** securities in overseas markets, are required to fulfill the filing procedure with the CSRC within three working days after submitting the application documents to the overseas supervisory authorities and reporting relevant information.

The Overseas Listing Regulations may subject us to additional compliance requirements in the future and we cannot assure you that we will be able to get clearance of our filing procedures under the Overseas Listing Regulations on a timely basis or at all. Any failure on our part to fully comply with the new regulatory requirements may significantly limit or completely hinder our ability to continue to

sell our securities to investors, cause significant disruption to our business operations and severely damage our reputation, which could affect our financial condition and results of operations and cause our securities to decline in value or become worthless.

Policies and regulations regarding foreign currency conversion may impact our foreign exchange transactions, including dividend payments to holders of our Shares and our ability to finance in foreign currencies.

The conversion of RMB into foreign currencies should be in compliance with relevant laws and regulations. We receive substantially all of our revenue in RMB, but may undertake certain transactions denominated in foreign currencies. Under existing PRC foreign exchange regulations, payments of current account items, including profit distributions, interest payments and trade and service-related foreign exchange transactions can be made in foreign currencies without prior approval of the SAFE by complying with certain procedural requirements. However, the laws, regulations and governmental policies regarding currency conversion are generally complex and developing. If we cannot obtain sufficient foreign currencies to satisfy our foreign currency demands via the foreign exchange regulation system, we may not be able to pay dividends in foreign currencies to our Shareholders. Foreign exchange transactions under our capital account are subject to the relevant foreign exchange regulations and policies and may need to be approved by or be registered by the SAFE or its designated bank. These regulations could affect our ability to obtain foreign exchange through equity financing, or to obtain foreign exchange for capital expenditures.

We are a mainland China enterprise and we are subject to mainland China tax on our global income and any gains on the sales of H Shares and dividends on the H Shares may be subject to mainland China income taxes.

Under the PRC EIT Law and its implementation rules, subject to any applicable tax treaty or similar arrangement between mainland China and a non-mainland China investor's jurisdiction of residence that provides for a different income tax arrangement, mainland China withholding tax at the rate of 10% is normally applicable to dividends from mainland China sources payable to investors that are non-mainland China resident enterprises which do not have an establishment or place of business in mainland China, or which have an establishment or place of business in mainland China but the relevant income is not effectively connected with such establishment or place of business. Any gains realized on the transfer of Shares by such investors are subject to a 10% mainland China income tax rate if such gains are regarded as income from sources within mainland China unless a treaty or similar arrangement provides otherwise.

Under the PRC Individual Income Tax Law (《中華人民共和國個人所得税法》) and its implementation rules, dividends from sources within mainland China paid to foreign individual investors who are not mainland China residents are generally subject to a 20% mainland China withholding tax rate, and gains from mainland China sources realized by such investors on the transfer of shares are generally subject to a 20% mainland China income tax rate, in each case, subject to any reduction or exemption under applicable tax treaties and laws in mainland China. Pursuant to the Notice on the Issues Concerning Individual Income Tax Collection and Management after the Repeal of Guo Shui Fa [1993] No. 045 (《關於國税發[1993]045號文件廢止後有關個人所得税徵管問題的通知》) (Guo Shui Han [2011] No. 348) (國税函[2011]348號) dated June 28, 2011, issued by the SAT, dividends paid to non-mainland China resident individual holders of H Shares are generally subject to the individual income tax of mainland China at a withholding tax rate of 10%, depends on whether there are tax arrangements between the jurisdictions where the individual holders reside, as well as the tax

arrangements between mainland China and Hong Kong. Non-mainland China resident individual holders who reside in jurisdictions that have not entered into tax treaties with mainland China are subject to a 20% withholding tax on dividends received from us. If mainland China income tax is imposed on gains realized from the transfer of our H Shares or on dividends paid to our non-mainland China resident investors, the value of your **[REDACTED]** in our H Shares may be affected. Furthermore, our Shareholders whose jurisdictions of residence have tax treaties or arrangements with mainland China may not qualify for benefits under such tax treaties or arrangements.

RISKS RELATING TO THE [REDACTED]

There has been no prior public market for our H Shares and the liquidity and [REDACTED] of our H Shares may be volatile.

Prior to the **[REDACTED]**, there was no public market for our H Shares. We cannot assure you that a public market for our H Shares with adequate liquidity and **[REDACTED]** will develop and be sustained following the completion of the **[REDACTED]**. In addition, the **[REDACTED]** of our H Shares is expected to be fixed by agreement between the **[REDACTED]** (for itself and on behalf of the **[REDACTED]**) and us, and may not be an indication of the **[REDACTED]** of our H Shares following the completion of the **[REDACTED]**. If an active public market for our H Shares does not develop following the completion of the **[REDACTED]**, the **[REDACTED]** and liquidity of our H Shares may be materially and adversely affected.

The actual or perceived sale or availability for sale of substantial amounts of our Shares, especially by our Directors, executive officers and Shareholders, could adversely affect the market price of our Shares.

Future sales of a substantial number of our Shares by our Directors, executive officers or Shareholders, or the perception or anticipation of such sales, could adversely impact the market price of our H Shares in Hong Kong and our ability to raise equity capital in the future at a time and price that we deem appropriate. While we currently are not aware of any intention of Shareholders to dispose of significant amounts of their Shares, we cannot assure you that they will not dispose of any Shares they may own now or in the future.

The liquidity, [REDACTED] and [REDACTED] of our H Shares following the [REDACTED] may be volatile.

The **[REDACTED]** at which our H Shares will **[REDACTED]** after the **[REDACTED]** will be determined by the marketplace, which may be affected by many factors, some of which are beyond our control, including: (i) our financial performance; (ii) changes in securities analysts' estimates, if any, of our financial performance; (iii) the history of, and the prospects for, us and the industry in which we compete; (iv) an assessment of our management, our past and present operations, and the prospects for, and timing of, our future revenue and cost structures that independent research analysts, if any, may publish; (v) the present state of our development; (vi) the valuation of publicly traded companies that are engaged in business activities similar to ours; (vii) changes in laws and regulations in the PRC; (viii) our actual or perceived inability to compete effectively in the market; and (ix) political, economic, financial and social developments in the PRC and globally.

In addition, the Stock Exchange has from time to time experienced significant price and volume volatility that have affected the market prices for the securities of companies listed on the Stock Exchange. As a result, **[REDACTED]** in our H Shares may experience volatility in the **[REDACTED]** of their H Shares and a decrease in the value of their H Shares regardless of our operating performance or prospects.

You will incur immediate and significant dilution and raising additional capital may cause further dilution or restrict our operations.

The **[REDACTED]** of the **[REDACTED]** is higher than the net tangible asset value per H Share immediately prior to the **[REDACTED]**. Therefore, purchasers of the **[REDACTED]** in the **[REDACTED]** will experience an immediate dilution in **[REDACTED]** consolidated net tangible asset value and our existing Shareholders will receive an increase in the pro forma adjusted consolidated net tangible assets per Share of their Shares. If we raise additional capital through the sale of equity or convertible debt securities, your ownership interest will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect your rights as a shareholder. Debt financing and preferred equity financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures, or declaring dividends, or other operating restrictions.

The [REDACTED] and [REDACTED] of our H Shares may decline if securities or industry analysts do not publish research reports about our business, or they adversely change their recommendations regarding our H Shares.

The **[REDACTED]** market for our H Shares may be affected by research reports about us or our business published by industry or securities analysts. The market price of our H Shares would possibly decline if one or more analysts who research us downgrade our H Shares or publish negative opinions about us regardless of the accuracy of the information. We may lose visibility in the financial markets if one or more of these analysts cease coverage of us, or fail to regularly publish reports on us, which could cause the **[REDACTED]** or **[REDACTED]** of our H Shares to decline.

Our Single Largest Group of Shareholders may have substantial influence over our Company and their interests may not be aligned with the interests of other Shareholders.

Our Single Largest Group of Shareholders have substantial influence over our business, including matters relating to our management, policies and decisions regarding mergers, expansion plans, consolidations and sales of all or substantially all of our assets, election of Directors, Supervisors and other significant corporate actions. Immediately following the completion of the **[REDACTED]** and assuming the **[REDACTED]** is not exercised, our Single Largest Group of Shareholders will be entitled to exercise approximately **[REDACTED]**% of the voting rights of our Company. This concentration of ownership may discourage, delay or prevent a change in control of our Company, which could deprive other Shareholders of an opportunity to receive a premium for their Shares as part of a sale of our Company and might reduce the **[REDACTED]** of our H Shares. These events may occur even if they are opposed by our other Shareholders. In addition, the interests of our Single Largest Group of Shareholders may differ from the interests of our other Shareholders. It is possible that our Single Largest Group of Shareholders may exercise their substantial influence over us and cause us to enter into transactions or take, or fail to take, actions or make decisions that conflict with the best interests of our other Shareholders.

We may not be able to distribute dividends to our Shareholders.

We cannot assure you when and in what form dividends will be paid on our H Shares after the **[REDACTED]**. The declaration and distribution of dividends is at the discretion of the Board, and our ability to pay dividends or make other distributions to our Shareholders is subject to various factors, including our business and financial performance, capital and regulatory requirements and general business conditions. We may not be able to have sufficient profits, if any, to enable us to make dividend distributions to our Shareholders in the future, even if our financial statements indicate that our operations have been profitable. We currently intend to retain most, if not all, of our available funds and any future earnings after the **[REDACTED]** to fund our business operations. As a result of the above, we cannot assure you that we will be able to make dividend payments on our Shares in the future. See "Financial Information — Dividend."

There can be no assurance of the accuracy or completeness of certain facts, forecasts and other statistics obtained from various government publications contained in this document.

This document, particularly the section headed "Industry Overview," contains information and statistics relating to the global X-by-wire solutions industry. Such information and statistics have been derived from third-party reports, either commissioned by us or publicly accessible and other publicly available sources. The information from official government sources has not been independently verified by us, Joint Sponsors, **[REDACTED]**, or any other persons or parties involved in the **[REDACTED]**, and no representation is given as to its accuracy.

Forward-Looking statements contained in this document are subject to risks and uncertainties.

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

You should read the entire Document carefully and we strongly caution you not to place any reliance on any information contained in press articles or other media regarding us or the [REDACTED].

There may be, subsequent to the date of this Document but prior to completion of the **[REDACTED]**, press and media coverage regarding us and the **[REDACTED]**, which contains, among other things, certain financial information, projections, valuations and other forward-looking information about us and the **[REDACTED]**. We have not authorized the disclosure of any such

information in the press or other media and do not accept responsibility for the accuracy or completeness of such press articles or other media coverage. We make no representation as to the appropriateness, accuracy, completeness or reliability of any of the projections, valuations or other forward-looking information about us. To the extent such statements are inconsistent with, or conflict with, the information contained in this Document, we disclaim responsibility for them. Accordingly, prospective investors are cautioned to make their **[REDACTED]** decisions on the basis of the information contained in this document only and should not rely on any other information. We do not accept any responsibility for the accuracy or completeness of any information reported by the press or other media, nor the fairness or appropriateness of any forecasts, views or opinions expressed by the press or other media regarding our H Shares, the **[REDACTED]** or us. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such data or publication. By applying to purchase our H Shares in the **[REDACTED]**, you will be deemed to have agreed that you will not rely on any information other than that contained in this Document.

In preparation for the **[REDACTED]**, we have applied to the Stock Exchange for the following waivers from strict compliance with the relevant provisions of the Listing Rules and exemption from compliance with the Companies (Winding up and Miscellaneous Provisions) Ordinance.

MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rules 8.12 and 19A.15 of the Listing Rules, our Company must have sufficient management presence in Hong Kong, which normally means that at least two executive directors must be ordinarily resident in Hong Kong. Given that (i) our core business operations are principally located, managed and conducted in the PRC and will continue to be based in the PRC; (ii) our Company's head office is situated in the PRC, our executive Directors and senior management team principally reside in the PRC and will continue to be based in the PRC after the **[REDACTED]**; and (iii) the management and operation of our Company have mainly been under the supervision of the executive Directors and senior management of our Company, who are principally responsible for the overall management, corporate strategy, planning, business development and control of our Company's business, and all the executive Directors and senior management of our Company principally reside in the PRC and it is important for them to remain in close proximity to our Company's operation located in the PRC, we consider that it would be more practical for our executive Directors and senior management to remain ordinarily resident in the PRC where our Company has substantial operations. For the above reasons, we do not have, and do not contemplate in the foreseeable future that we will have sufficient management presence in Hong Kong for the purpose of satisfying the requirement under Rules 8.12 and 19A.15 of the Listing Rules.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has] granted us, a waiver from strict compliance with Rules 8.12 and 19A.15 of the Listing Rules. We will ensure that there are adequate and efficient arrangements to achieve regular and effective communication between us and the Stock Exchange as well as compliance with the Listing Rules by way of the following arrangements:

(1) **Authorized representatives:** we have appointed Ms. Liu Qian (劉倩) and Ms. Jian Xuegen (簡雪艮) as the authorized representatives ("**Authorized Representatives**") for the purpose of Rule 3.05 of the Listing Rules. The Authorized Representatives will act as our principal channel of communication with the Stock Exchange and would be readily contactable by phone and email to deal promptly with enquiries from the Stock Exchange. Although Ms. Liu resides in the PRC, she possesses valid travel documents and is able to renew such travel documents when they expire in order to visit Hong Kong. Accordingly, the Authorized Representatives will be able to meet with the relevant members of the Stock Exchange to discuss any matters in relation to our Company within a reasonable period of time. See "Directors, Supervisors and Senior Management" for more information about Ms. Liu and Ms. Jian.

(2) **Directors:** to facilitate communication with the Stock Exchange, we have provided the Authorized Representatives and the Stock Exchange with the contact details (such as mobile phone numbers, office phone numbers and/or email addresses) of each of our Directors. In the event that any Director expects to travel or otherwise be out of the office, he or she will provide the phone number, and fax numbers (where applicable) of the place of his/her accommodation to the Authorized Representatives. Accordingly, the Authorized Representatives have means for contacting all Directors promptly at all times as and when the Stock Exchange wishes to contact the Directors on any matters. To the best of our

knowledge and information, each Director who is not ordinarily resident in Hong Kong possesses or can apply for valid travel documents to visit Hong Kong and can meet with the Stock Exchange within a reasonable period after being requested to do so by the Stock Exchange.

(3) **Compliance adviser:** we have appointed Rainbow Capital (HK) Limited as our compliance adviser ("**Compliance Adviser**") in compliance with Rule 3A.19 of the Listing Rules. The Compliance Adviser will, among other things and in addition to the Authorized Representatives, provide us with professional advice on continuing obligations under the Listing Rules and act as an additional channel of communication of our Company with the Stock Exchange during the period from the **[REDACTED]** to the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of its financial results for the first full financial year immediately after the **[REDACTED]**. The Compliance Adviser will be available to answer enquiries from the Stock Exchange and will act as the principal channel of communication with the Stock Exchange when the Authorized Representatives are not available.

(4) **Joint company secretaries:** we have appointed Ms. Jian, who is a Hong Kong resident, as one of our joint company secretaries. Ms. Jian will maintain constant contact with our Directors and senior management team members through various means.

JOINT COMPANY SECRETARIES

Rule 8.17 of the Listing Rules provides that our Company must appoint a company secretary who satisfies the requirements under Rule 3.28 of the Listing Rules.

According to Rule 3.28 of the Listing Rules, our Company must appoint an individual, who, by virtue of his academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of company secretary.

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

(1) a member of The Hong Kong Chartered Governance Institute;

(2) a solicitor or a barrister (as defined in the Legal Practitioners Ordinance); and

(3) a certified public accountant (as defined in the Professional Accountants Ordinance).

In addition, pursuant to Note 2 to Rule 3.28 of the Listing Rules, in assessing "relevant experience," the Stock Exchange will consider the individual's:

(1) length of employment with the issuer and other issuers and the roles he/she has undertaken;

(2) familiarity with the Listing Rules and other relevant law and regulations including the Securities and Futures Ordinance, Companies Ordinance, Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code;

(3) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and

(4) professional qualifications in other jurisdictions.

We have appointed Ms. Zhang Yulun (張語倫) as one of the joint company secretaries of our Company. Ms. Zhang has been responsible for the financing and strategic cooperation, maintaining investor relations, and assisting in corporate governance of our Group since February 2022 and, through which Ms. Zhang has gained a thorough understanding of the management and business operation of our Group. Ms. Zhang has been actively involved in the proposed **[REDACTED]** since its inception. As Ms. Zhang has substantial experience in handling financing, investor relations, legal and compliance, and corporate governance relating to our Company, and is familiar with our Company's business operations, the Board believes that the appointment of Ms. Zhang as our company secretary would be beneficial for our Company. See "Directors, Supervisors and Senior Management" for further biographical details of Ms. Zhang.

However, Ms. Zhang personally does not possess any of the qualifications under Rules 3.28 and 8.17 of the Listing Rules, and may not be able to solely fulfill the requirements of the Listing Rules. Therefore, our Company has appointed Ms. Jian, a member of the Hong Kong Institute of Certified Public Accountants and a member of the Chinese Institute of Certified Public Accountants, who fully meets the requirements stipulated under Rules 3.28 and 8.17 of the Listing Rules to act as one of our joint company secretaries and to provide assistance to Ms. Zhang for an initial period of three years from the **[REDACTED]** to enable Ms. Zhang to acquire the "relevant experience" under Note 2 to Rule 3.28 of the Listing Rules so as to fully comply with the requirements set forth under Rules 3.28 and 8.17 of the Listing Rules. See "Directors, Supervisors and Senior Management" for further biographical details of Ms. Jian which satisfy the requirements under Note 1(a) to Rule 3.28 of the Listing Rules.

The following arrangements have been, or will be, put in place to assist Ms. Zhang in acquiring the qualifications and experience as the company secretary of our Company required under Rule 3.28 of the Listing Rules:

(1) Ms. Zhang will endeavor to attend relevant training courses, including briefings on the latest changes to the relevant applicable Hong Kong laws and regulations and the Listing Rules, which will be organized by our Company's Hong Kong legal advisers on an invitation basis and seminars organized by the Stock Exchange for listed issuers from time to time;

(2) Ms. Jian will assist Ms. Zhang to enable her to acquire the relevant experience (as required under Rule 3.28 of the Listing Rules) to discharge the duties and responsibilities as the company secretary of our Company;

(3) Ms. Jian will communicate regularly with Ms. Zhang on matters relating to corporate governance, the Listing Rules and any other laws and regulations which are relevant to our Company and its affairs. Ms. Jian will work closely with, and provide assistance for, Ms. Zhang in the discharge of her duties as a company secretary, including organizing our Company's Board meetings and general meetings; and

(4) Upon expiry of Ms. Zhang's initial term of appointment as the joint company secretary of our Company, we will evaluate her experience in order to determine if she has acquired the qualifications required under Rule 3.28 of the Listing Rules, and whether on-going assistance should be arranged so that Ms. Zhang's appointment as the company secretary of our Company continues to satisfy the requirements under Rules 3.28 and 8.17 of the Listing Rules.

(5) our Company has appointed Rainbow Capital (HK) Limited as its Compliance Advisor pursuant to Rule 3A.19 of the Listing Rules which will act as the additional communication channel with the Stock Exchange and provide professional guidance and advice to our Company and Ms. Zhang as to the compliance with the Listing Rules and all other applicable laws and regulations; and

(6) the waiver can be revoked with immediate effect if there are material breaches of the Rules 3.28 and 8.17 of the Listing Rules by our Company.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted] us, a waiver from strict compliance with Rules 3.28 and 8.17 of the Listing Rules. Such waiver will be revoked immediately if and when Ms. Jian ceases to provide assistance to Ms. Zhang or there are material breaches of the Listing Rules by our Company. Before the expiry of the initial three-year period, the qualification of Ms. Zhang will be re-evaluated to determine whether the requirements as stipulated in Note 2 to Rule 3.28 of the Listing Rules can be satisfied.

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

We have entered into, and expect to continue, certain transactions that will constitute non-exempt continuing connected transactions of our Company under the Listing Rules upon **[REDACTED]** as described in the section headed "Connected Transactions" in this document. Our Directors consider that strict compliance with the applicable requirement under the Listing Rules would be impractical, unduly burdensome and would impose unnecessary administrative costs on our Company. Accordingly, we have applied for[, and the Stock Exchange has granted to us], a waiver from strict compliance with the applicable requirements under Chapter 14A of the Listing Rules upon **[REDACTED]** in respect of such non-exempt continuing connected transactions. For further details, see "Connected Transactions" in this document.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

DIRECTORS

Name	Address	Nationality
Executive Directors		
Mr. Tao Zhe (陶喆)	Room 301, No. 21, Lane 399 Zaozhuang Road, Pudong New Area Shanghai PRC	Chinese
Ms. Liu Qian (劉倩)	Room 301, No. 21, Lane 399 Zaozhuang Road, Pudong New Area Shanghai PRC	Chinese
Dr. Lin Yi (林逸)	No. 508, 3rd Floor Wanliuyangchun Guanghua Home Haidian District Beijing PRC	Chinese
Non-executive Directors		
Ms. Liu Limei (劉麗梅)	First group of the second residents' committee along the river Fuyuan Town, Fuyuan County Heilongjiang PRC	Chinese
Mr. Wang Jianming (王澗鳴)	13C Huangxing Pavilion Huangzhou Garden No. 5004 Binhe Avenue, Futian District Shenzhen Guangdong PRC	Chinese
Mr. Yeh Kuantai	Room 3802, No. 4, Lane 88 Huichuan Road, Changning District Shanghai PRC	American
Independent non-executive Directors		
Mr. Fan Chi Chiu (范智超)	Rm 408 4/F BLK E, Kam Wei House Kam Tai Court, Shatin New Territories Hong Kong	Chinese

Name	Address	Nationality
Mr. Jiang Zhenyu (姜震宇)	Room 5, 2nd Floor, Building 27 Courtyard No. 2, Chengfu Road Gaoliying Town, Shunyi District Beijing PRC	Chinese
Dr. Wang Yao (王耀)	Room 2210, 3rd Building No. 10 East Fourth Ring North Road Chaoyang District Beijing PRC	Chinese

SUPERVISORS

Name	Address	Nationality
Mr. Yu Xin (于鑫)	Room 102, Building 5, Lane 138, Gutang Road, Pudong New Area Shanghai PRC	Chinese
Ms. Wu Ying (吳瑛)	Room 101, No. 9, Shuangyang No. 1 Village Yangpu District Shanghai PRC	Chinese
Ms. Li Qiuxia (李秋霞)	Room 2, No. 549, Rennan Village Kangqiao Town, Pudong New Area Shanghai PRC	Chinese

For more information on our Directors, see "Directors, Supervisors and Senior Management" of this Document.

PARTIES INVOLVED IN THE [REDACTED]

Joint Sponsors

Haitong International Capital Limited
Suites 3001-3006 and 3015–3016
One International Finance Centre
No.1 Harbour View Street
Central
Hong Kong

BOCI Asia Limited
26/F, Bank of China Tower
1 Garden Road
Central
Hong Kong

[REDACTED]

[REDACTED]

Reporting Accountants and Independent Auditor	**Ernst & Young** *Certified Public Accountants* *Registered Public Interest Entity Auditors under the Accounting and Financial Reporting Council Ordinance* 27/F, One Taikoo Place, 979 King's Road, Quarry Bay Hong Kong

Legal Advisors to our Company	*As to Hong Kong and U.S. laws:* **Clifford Chance** 27/F, Jardine House One Connaught Place Central Hong Kong *As to PRC law:* **Brightstone Lawyers** Suite T61, 15/F, Shanghai World Financial Center No.100 Century Avenue Pudong New District Shanghai PRC
Legal Advisors to the Joint Sponsors and the [REDACTED]	*As to Hong Kong and U.S. law:* **Slaughter and May** 47/F, Jardine House One Connaught Place Central Hong Kong *As to PRC law:* **Jingtian & Gongcheng** 34/F, Tower 3 China Central Place 77 Jianguo Road, Beijing PRC
Independent Industry Consultant	**China Insights Industry Consultancy Limited** 10F, Block B, Jing'an International Center 88 Puji Road, Jing'an District Shanghai PRC
Compliance Adviser	**Rainbow Capital (HK) Limited** No. 710, 7/F, Wing On House No. 71 Des Voeux Road Central Central Hong Kong

[REDACTED]

CORPORATE INFORMATION

Registered Office	3/F, Building 1 No. 358 Hongxing Road Economic and Technological Development Zone Xiaoshan District Hangzhou, Zhejiang PRC
Head Office and Principal Place of Business in the PRC	1–2 Floor, Building 9, No. 1888 Xinjinqiao Road China (Shanghai) Pilot Free Trade Zone Shanghai PRC
Principal Place of Business in Hong Kong	40/F, Dah Sing Financial Centre No. 248 Queen's Road East Wan Chai Hong Kong
Company Website	**www.nasn-auto.com** *(Information contained on this website does not form part of this Document)*
Joint Company Secretaries	**Ms. Zhang Yulun (張語倫)** 1–2 Floor, Building 9, No. 1888 Xinjinqiao Road China (Shanghai) Pilot Free Trade Zone Shanghai PRC **Ms. Jian Xuegen (簡雪艮)** 40/F, Dah Sing Financial Centre No. 248 Queen's Road East Wan Chai Hong Kong
Authorized Representatives	**Ms. Liu Qian (劉倩)** Room 301, No. 21, Lane 399 Zaozhuang Road, Pudong New Area Shanghai PRC **Ms. Jian Xuegen (簡雪艮)** 40/F, Dah Sing Financial Centre No. 248 Queen's Road East Wan Chai Hong Kong
Nomination Committee	Dr. Wang Yao (王耀) *(Chairperson)* Mr. Jiang Zhenyu (姜震宇) Ms. Liu Qian (劉倩)

CORPORATE INFORMATION

Audit Committee	Mr. Jiang Zhenyu (姜震宇) *(Chairperson)* Mr. Fan Chi Chiu (范智超) Dr. Wang Yao (王耀)
Remuneration and Appraisal Committee	Dr. Wang Yao (王耀) *(Chairperson)* Mr. Jiang Zhenyu (姜震宇) Mr. Tao Zhe (陶喆)

[REDACTED]

Principal Bank	**Hangzhou Bank (Xiaoshan Branch)** No. 419 Jincheng Road Xiaoshan District Hangzhou PRC

*The information and statistics set out in this section and other sections of this document were extracted from different official government publications, available sources from public market research and other sources from independent suppliers, and from the independent industry report prepared by China Insights Consultancy (the "**CIC Report**"). We engaged CIC to prepare the CIC Report, an independent industry report, in connection with the* **[REDACTED]**. *Information and statistics from official government sources have not been independently verified by us, the Joint Sponsors,* **[REDACTED]**, *any of our or their respective directors, officers or representatives or any other person involved in the* **[REDACTED]** *and no representation is given as to their correctness or accuracy.*

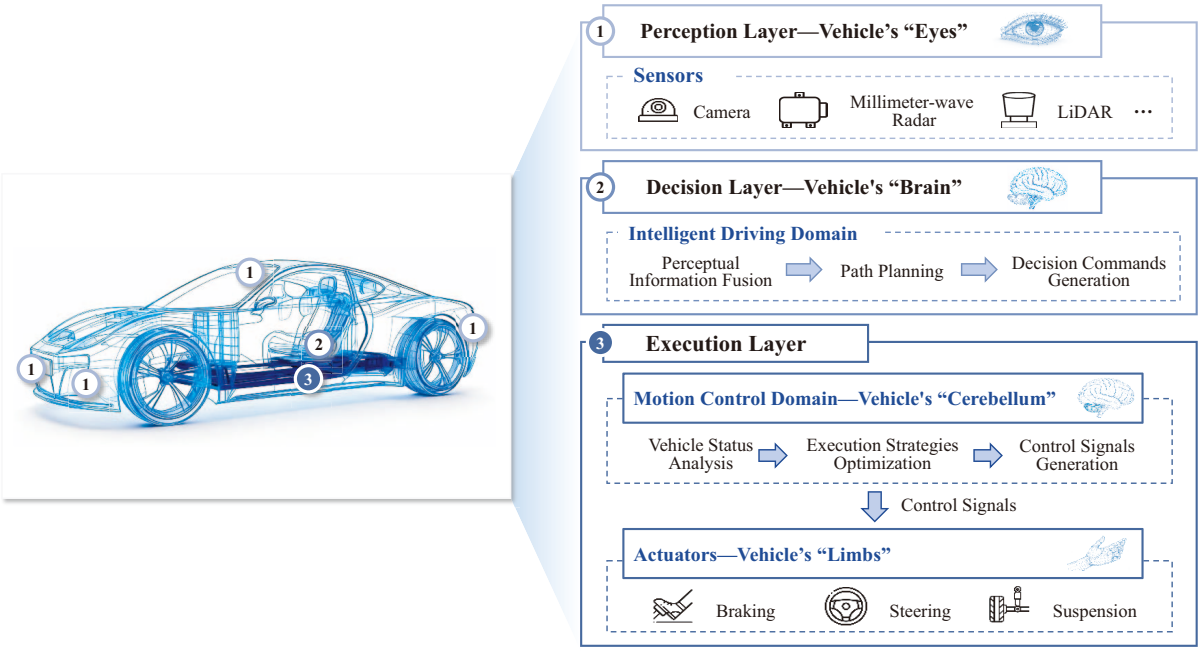
DEVELOPMENT TRENDS OF GLOBAL AND CHINA'S AUTOMOTIVE INDUSTRY

Automotive Intelligence Advances Towards Full-Domain Integration, with X-by-Wire Technologies Reshaping the Intelligent Driving Execution System

As automotive electrical/electronic (E/E) architecture evolves towards centralized computing, automotive intelligence aims for the deep synergy between systems. Vehicles are expected to become intelligent agents with full-domain integration, reconstructing the closed loop of "perception-decision-execution" to achieve human-like environmental perception accuracy and dynamic response coordination. This enables the real-time analysis of complex scenarios and coherent action outputs, and provides consumers with a more intelligent and efficient driving experience.

The integration of intelligent driving domain and motion control domain holds prominent priority and inherent necessity. Intelligent driving domain, acting as vehicle's "brain", generates decision commands by fusing perceptual information from multiple sensors with AI algorithms. Motion control domain, acting as "cerebellum", combines decision commands from the "brain" with real-time vehicle status to optimize execution strategies and transmits control signals to actuators for the precise control. X-by-wire solution reduce latency through electronic signal transmission, perform real-time correction via electronic closed-loop control, and continuously optimize control performance through iterative software algorithms, thereby better addressing the real-time, precise, and personalized requirements of automated driving for vehicle's execution system.

Synergic Control Architecture of the "Brain" and "Cerebellum" in Intelligent Vehicles



Source: CIC

Automated Driving Continues to Develop, with X-by-Wire Technologies Forming a Crucial Support

As vehicles evolve towards automated driving, the core focus is to achieve human-machine decoupling. Vehicle systems must gradually reduce their reliance on driver control and enable real-time dynamic decision-making and command execution in more open and complex scenarios. Vehicles must also feature enhanced safety to handle unexpected failures that may occur during the automated driving process. Consequently, this creates essential requirements for the vehicle's execution system in terms of fully autonomous control, millisecond-level response, and high fault tolerance.

The motion control system is a critical component in coordinating vehicle control and the fundamental guarantee for driving safety. By replacing mechanical and hydraulic linkages with electronic signals, the X-by-wire solution can transfer the complete control of driving commands and vehicle operations to algorithms. Meanwhile, it reduces critical actions response time to millisecond level and achieving control precision down to centimeter level. Furthermore, it ensures system safety through multiple redundancy designs and incorporate advanced software algorithms to support functions such as actuator health status monitoring. Consequently, the X-by-wire solution serves as the key enabler for achieving automated driving.

Market Share of Chinese Domestic Brands Vehicles Steadily Rises, with the Demand for the Localization of X-by-Wire Technologies Accelerating

In recent years, the influence of Chinese domestic brands vehicles has been on the rise. Chinese domestic OEMs have prioritized automotive intelligence as a strategic focus, leveraging their capabilities in customized software development and rapid responsiveness to keep pace with market demands and technological trends. By adopting cost-effective intelligent solutions and continuously

iterating on functional experiences, they have created differentiated advantages, thereby enhancing the market competitiveness of their vehicle models. In 2024, the sales volume of intelligent vehicles from Chinese domestic brands reached 9.8 million units and is projected to grow to 27.0 million units by 2030. The corresponding market share in China's intelligent vehicles industry is also expected to increase from 49.6% in 2024 to 88.2% in 2035, demonstrating that Chinese domestic brands vehicles have become a key force in leading the intelligence transformation of China's overall automotive industry. Furthermore, leading Chinese domestic OEMs are actively pursuing overseas expansion strategies, driving the export sales volume of all Chinese domestic brands vehicles to grow from 0.6 million units in 2020 to 3.9 million units in 2024 with a CAGR of 62.9%. This figure is projected to reach 7.2 million units by 2030, laying a vital foundation for the rapid enhancement of China's position in the global automotive industry.

Meanwhile, Chinese domestic OEMs are accelerating the development of secure and controllable localized supply chain to ensure delivery stability and cost competitiveness. The X-by-wire solution is the core component that guarantees vehicle control and performance experience, however, its localization rate (referring to the collective market share in terms of sales volume held by domestic providers within the industry) was only 26.4% in 2024, which is still at a relatively low level compared to approximately 100.0% for EV batteries and over 85.0% for LiDAR's in driving assistance solutions, creating an urgent demand for domestic substitution. Notably, leading technology giants are now crossing over into the intelligent vehicles sector. Their inherent technological genes and ecosystem-rebuilding capabilities are profoundly changing the traditional automotive industry landscape, fostering a more open industry ecosystem. Compared with overseas solution providers, domestic X-by-wire solution providers have formed natural synergistic advantages with these technology giants via flexible cooperation models and rapid responsiveness. Through deep collaboration, both parties achieve efficient coordination in R&D and system integration, jointly advancing the integrated innovation of X-by-wire solutions with intelligent driving solutions and automotive E/E architectures. This also enhances the competitiveness of domestic providers and accelerate domestic substitution.

Automotive Electrification Focuses on Efficiency Improvement, with X-by-Wire Technologies Empowering Electrical Architecture Upgrades

Electrification is a key direction for the green transformation of the automotive industry. The global sales volume of EVs increased from 2.9 million units in 2020 to 17.9 million units in 2024 with a CAGR of 58.4%, and is projected to reach 53.2 million units by 2030. As competition intensifies and demand for faster recharging and longer driving ranges grows, the industry has shifted its focus from scale expansion to enhancing technical competitiveness and product performance, such as high-voltage electrical platform to improve vehicle energy efficiency. This drives EVs from traditional low-voltage to high-voltage electrical architectures, and accelerates their transition towards a stage of high-quality development.

The X-by-wire solution is key to enhancing EV performance by supporting automotive electrification through structural innovation. Its high-voltage compatibility allows seamless integration with EV platforms without the need for additional conversion or modification, facilitating a more rapid realization of high-voltage electrification upgrades for EVs. The X-by-wire solution precisely controls the power system through electronic signals, optimizes regenerative braking efficiency, effectively extends driving range, and further strengthens performance and competitiveness.

ANALYSIS OF GLOBAL AND CHINA'S X-BY-WIRE SOLUTIONS INDUSTRY

Definition of X-by-Wire Solutions

X-by-wire solutions are solutions that provide precise execution, intelligent coordination, and safety redundancy for vehicle motion control. They utilize advanced E/E architectures, X-by-wire execution technologies, sensor fusion technologies, and control algorithms to achieve high-precision control of vehicle motion through core systems such as brake-by-wire, steer-by-wire and suspension-by-wire. They also enable multi-system coordinated management through motion controllers.

Core Modules and Technological Evolution of X-by-Wire Solutions

X-by-wire solutions mainly consist of key modules such as brake-by-wire, steer-by-wire, suspension-by-wire, and motion controllers. Among these, brake-by-wire, steer-by-wire, and suspension-by-wire respectively achieve precise control along the X, Y, and Z axes of the vehicle motion. The motion controller is responsible for the centralized management and coordinated control of each module, ensuring the efficient operation and performance optimization of the entire X-by-wire solution.

Core modules for controlling the XYZ directions of vehicles

According to "SAE J670-2022 Vehicle Dynamics Terminology" issued by the Society of Automotive Engineers, and "GB/T 40429-2021 Taxonomy of Driving Automation for Vehicles" jointly issued by the State Administration for Market Regulation and the Standardization Administration of China, the X and Y axes are parallel to the ground plane. The X-axis points from the vehicle's center towards the front (longitudinal direction), the Y-axis points from the vehicle's center towards the left side (lateral direction), and the Z-axis points upwards (vertical direction).

- ***Brake-by-wire solutions.*** Brake-by-wire solutions control the motion along the vehicle's X-axis (longitudinal direction), managing deceleration, parking, and ensuring braking safety and precision for fast response and improved safety. Currently, Electric Hydraulic Brake (EHB) solutions are the mainstream technology, replacing the vacuum booster with an electronic brake booster to control hydraulic actuator for precise adjustments of braking force. EMB solutions, a future development, eliminate hydraulic actuator, relying entirely on electronic signals to connect the pedal and actuator, offering even faster response speeds.

- ***Steer-by-wire solutions.*** Steer-by-wire solutions control motion along the vehicle's Y-axis (lateral direction), managing steering angle and direction for flexible, precise, and stable control. Steer-by-wire solutions evolved from EPS solutions by eliminating the mechanical connection between the steering wheel and the wheels, using electronic signals to control steering. Due to factors such as technological maturity, regulatory standards, and high requirements for system redundancy and safety, steer-by-wire solutions have not yet achieved large-scale mass production, and EPS solutions remain the current mainstream technological path.

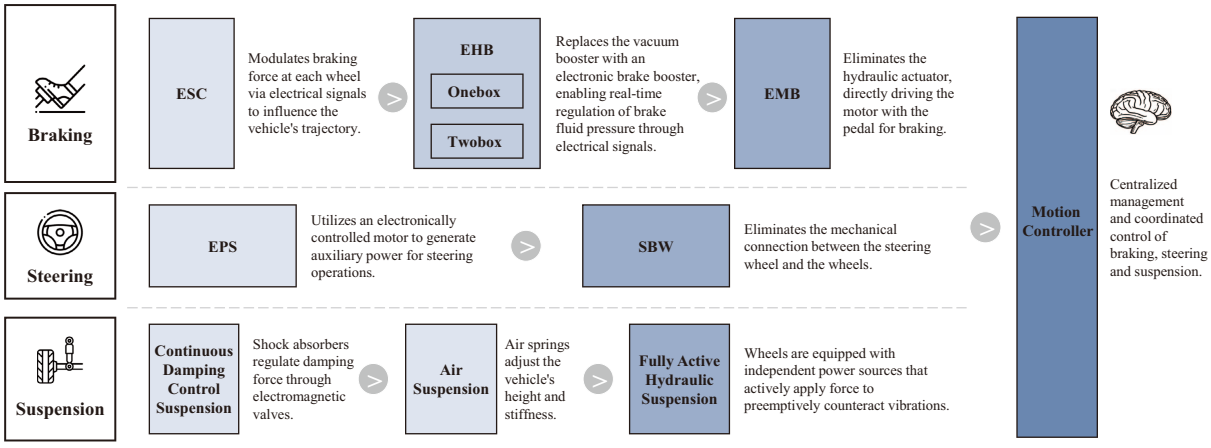
- ***Suspension-by-wire solutions.*** Suspension-by-wire solutions control the motion along the vehicle's Z-axis (vertical direction) motion, managing shock absorption and support to balance driving comfort. They evolved from semi-by-wire suspensions solutions (including

continuous damping control suspension solutions and air suspension solutions) using air springs and electronically controlled shock absorbers to adjust damping, height, and stiffness for improved comfort and stability. Due to high costs and technical complexity, suspension-by-wire solutions are mainly adopted in high-end models, with semi-by-wire suspension solutions being the mainstream in the market.

Motion controllers

Motion controllers are modules that enable the centralized control and hardware-software separation for X-by-wire solutions such as brake-by-wire, steer-by-wire, and suspension-by-wire solutions. They are usually used to ensure the efficient and coordinated cooperation of a vehicle's lateral, longitudinal, and vertical motion control.

Technological Evolution of Core Modules in X-by-Wire Solutions



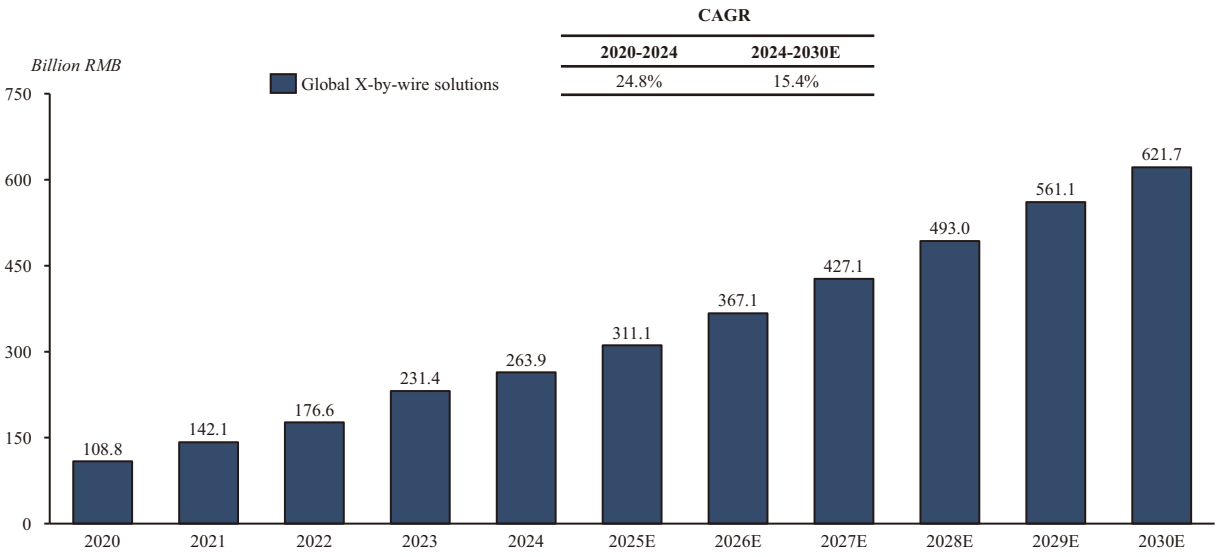
Source: CIC

Market Size of Global and China's X-by-Wire Solutions Industry

Analysis of market size of global and China's X-by-wire solutions industry

As automotive electrification and intelligence deepen, X-by-wire solution, as a key carrier for the vehicle's execution system, is experiencing rapid technological development. The continuous global upgrades in vehicle safety and control standards are prompting OEMs to accelerate the deployment of X-by-wire solutions in new models to better meet consumer demand for intelligent control, safety, and comfort. Therefore, the global X-by-wire solutions industry has achieved rapid growth in recent years. In terms of revenue, the corresponding market size grew from RMB108.8 billion in 2020 to RMB263.9 billion in 2024, with a CAGR of 24.8%, and is projected to reach RMB621.7 billion by 2030 with a CAGR of 15.4% during the period.

Market Size of Global X-by-Wire Solutions Industry[1], in terms of Revenue,2020-2030E



Note:

(1) The market size of X-by-wire solutions refers to the combined market size of brake-by-wire, steer-by-wire, suspension-by-wire, and motion controllers that are installed in intelligent vehicles.

Source: International Organization of Motor Vehicle Manufacturers, CIC

China is the world's largest market for intelligent vehicles, and its steady development has laid a solid foundation for the promotion and application of X-by-wire solutions. In terms of revenue, the market size of China's X-by-wire solutions industry grew from RMB22.4 billion in 2020 to RMB75.2 billion in 2024 with a CAGR of 35.4%. As the level of automotive intelligence advances, the demand is expected to further increase. The market size of China's X-by-wire solutions industry is projected to continue to grow to RMB222.8 billion by 2030 with a CAGR of 19.8% from 2024 to 2030.

- ***Brake-by-wire solutions.*** The market of brake-by-wire solutions has grown rapidly. The penetration rates of Onebox and Twobox solutions are steadily increasing, replacing traditional hydraulic braking solutions to become the mainstream solutions. In terms of revenue, the market size of China's brake-by-wire solutions grew from RMB6.2 billion in 2020 to RMB26.2 billion in 2024 with a CAGR of 43.5%. In the future, brake-by-wire solutions are expected to expand, driven by cost reductions from technological progress, increased localization, and mass production of new-generation, higher-performance solutions such as EMB to meet market demand for automated driving. The market size of China's brake-by-wire solution is projected to grow to RMB61.3 billion by 2030 with a CAGR of 15.2% from 2024 to 2030. Particularly, onebox solutions have rapidly gained prominence with their integrated design that provides a balance of cost and performance advantages. In terms of revenue, the market size of China's onebox solutions grew from RMB1.1 billion in 2020 to RMB16.0 billion in 2024 at a CAGR of 94.3%. Moving forward, coupled with continuously improving cost-effectiveness, and their structural and efficiency advantages

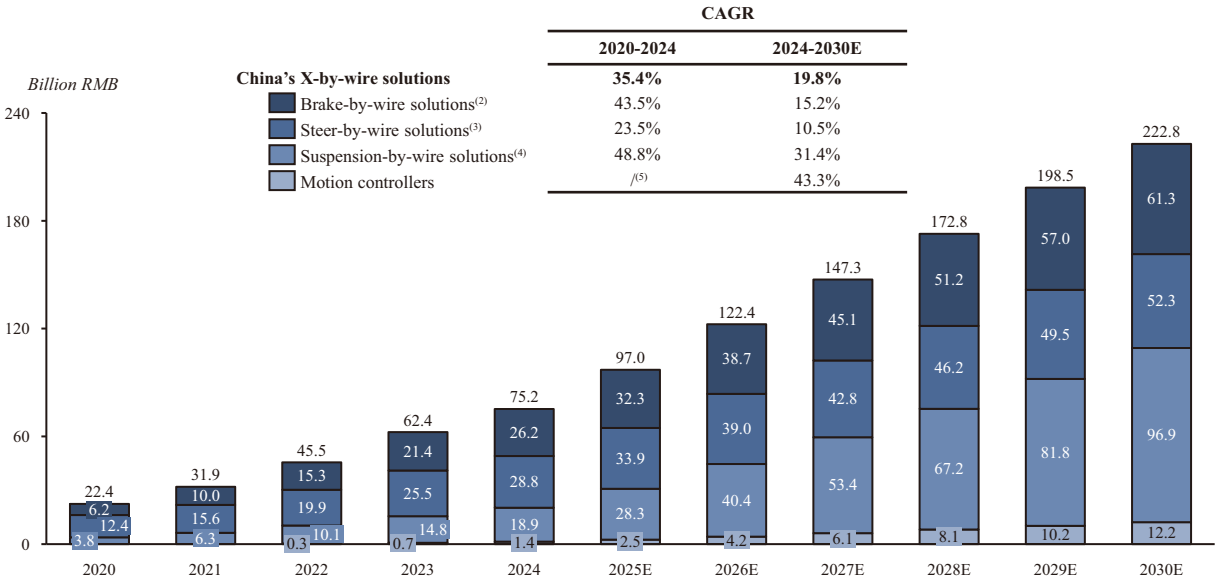
which are better aligned with the requirements of autonomous driving, its corresponding market size is expected to continue to expanded rapidly to RMB46.9 billion by 2030, with a CAGR of 19.6% from 2024 to 2030.

- ***Steer-by-wire solutions.*** EPS solutions are mature in technology and have become the mainstream steer-by-wire solution, driving steady growth in the market. In terms of revenue, the market size of China's steer-by-wire solutions grew from RMB12.4 billion in 2020 to RMB28.8 billion in 2024 with a CAGR of 23.5%. In the future, the large-scale implementation of new-generation solutions such as SBW is expected to improve vehicle steering precision and become a key technology for intelligent vehicles, propelling continuous growth of the market. The market size of China's steer-by-wire solutions is projected to grow to RMB52.3 billion by 2030 with a CAGR of 10.5% from 2024 to 2030.

- ***Suspension-by-wire solutions.*** Increasing consumer demand for comfort is driving suspension-by-wire solutions to become a standard feature in mid-to-high-end vehicle models, with semi-by-wire suspension solutions currently being the mainstream. In terms of revenue, the market size of China's suspension-by-wire solutions grew from RMB3.8 billion in 2020 to RMB18.9 billion in 2024 with a CAGR of 48.8%. As localization increases and costs decrease, suspension-by-wire solutions are expected to penetrate mass-market vehicle models. The mass production of full suspension-by-wire solutions is also expected to drive continued market expansion. The market size of China's suspension-by-wire solutions is projected to grow to RMB96.9 billion by 2030 with a CAGR of 31.4% from 2024 to 2030.

- ***Motion controllers.*** The trend towards integrated automotive E/E architectures, and the evolution of motion control systems towards X-by-wire and coordinated control are driving the development of motion controllers. In terms of revenue, the market size of China's motion controllers reached RMB1.4 billion in 2024. In the future, motion controllers are expected to achieve high-efficiency signal transmission and precise coordinated control among various subsystems, providing stable support and accelerating the transition towards higher automotive intelligence. The market size of China's motion controllers is projected to grow to RMB12.2 billion by 2030 with a CAGR of 43.3% from 2024 to 2030.

Market Size of China's X-by-Wire Solutions Industry[1], by Solution Type, in terms of Revenue, 2020-2030E



	CAGR	
	2020-2024	2024-2030E
China's X-by-wire solutions	35.4%	19.8%
Brake-by-wire solutions[2]	43.5%	15.2%
Steer-by-wire solutions[3]	23.5%	10.5%
Suspension-by-wire solutions[4]	48.8%	31.4%
Motion controllers	/[5]	43.3%

Notes:

(1) The market size of X-by-wire solutions refers to the combined market size of brake-by-wire, steer-by-wire, suspension-by-wire, and motion controllers that are installed in intelligent vehicles.

(2) The market size of brake-by-wire solutions includes the market sizes of hydraulic braking, Onebox, Twobox, and EMB solutions.

(3) The market size of steer-by-wire solutions includes the market sizes of EPS and SBW solutions.

(4) The market size of suspension-by-wire solutions includes the market sizes of continuous damping control suspension, air suspension, and fully active hydraulic suspension solutions.

(5) Motion controllers were first mass-produced in China in 2022, accordingly, the CAGR for the period from 2020 to 2024 is not available.

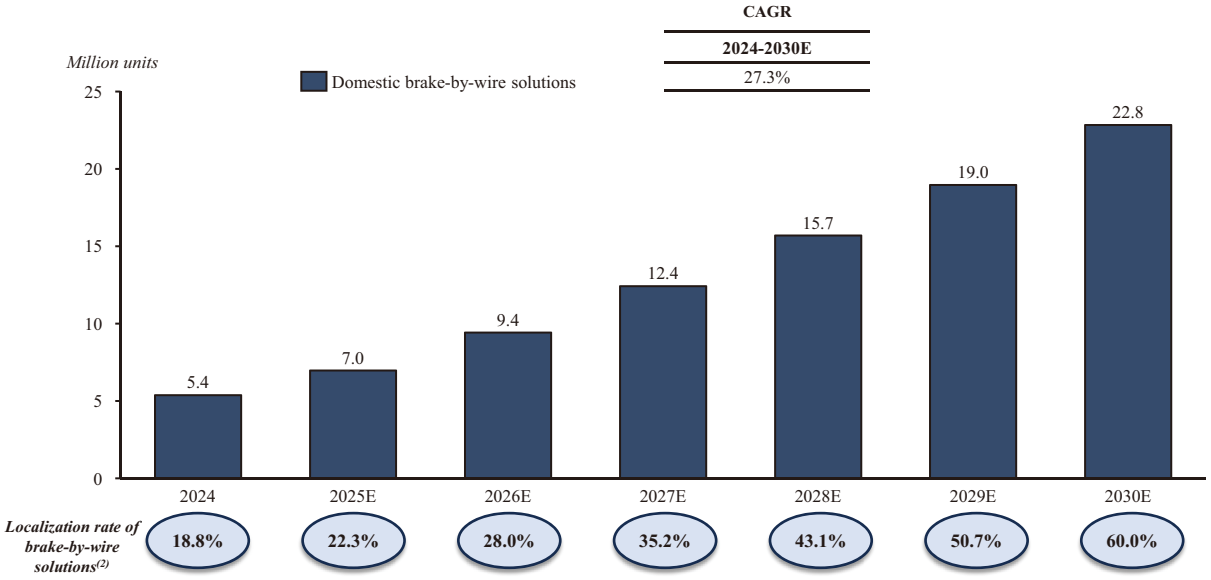
Source: China Passenger Car Association, CIC

Analysis of market size of domestic X-by-wire solutions industry

China's X-by-wire solutions industry exhibits significant differentiation in localization across different modules. Within the X-by-wire solution, brake-by-wire solution possesses the highest technological barriers and development difficulty. Consequently, China's brake-by-wire solutions industry has long been dominated by leading overseas companies, making it the sub-segment with the lowest localization rate in China's X-by-wire solutions industry. In 2024, the sales volume of domestic brake-by-wire solutions in China's market reached 5.4 million units with a localization rate of only 18.8%. The technical complexity of steer-by-wire and suspension-by-wire solutions is relatively lower. Domestic providers have achieved breakthroughs in core technologies through independent R&D, strengthening their capabilities. Accordingly, the localization rates for steer-by-wire and suspension-by-wire solutions in China's market have already exceeded 32.0% and 44.0%, respectively, in 2024, signaling that the independent supply chains for these solutions are maturing.

As domestic brake-by-wire solution providers achieve breakthroughs in core technology R&D, product reliability validation, and cost control, domestic solutions are rapidly transitioning from technological catch-up to market substitution. The sales volume of domestic brake-by-wire solutions in China's market is projected to reach 22.8 million units by 2030 with a CAGR of 27.3% from 2024 to 2030. The localization rate is expected to increase to 60.0% in 2030, indicating a vast market space for localization.

Sales Volume of Domestic Brake-by-Wire Solutions[(1)], 2024-2030E



Notes:

(1) The sales volume of domestic brake-by-wire solutions refers to the total sales volume of brake-by-wire solutions (including products such as ESC, electronic brake booster, Onebox and EMB) for all vehicles from domestic solutions providers.

(2) The localization rate of brake-by-wire solutions refers to the collective market share in terms of sales volume held by domestic providers within the industry.

Source: CPCA, CIC

Growth Drivers of Global and China's X-by-Wire Solutions Industry

- ***Rising consumer demand for enhanced driving experience.*** X-by-wire solutions can optimize braking and steering feel through algorithms, reduce noise vibration, and enhance the perception of safety with redundant designs. This is prompting OEMs to upgrade these solutions from optional configurations to standard features in vehicle models, thus accelerating the adoption of X-by-wire solutions.

- ***Advancements in intelligent driving solutions create essential demand.*** Currently, products related to vehicle perception and decision-making systems, such as LiDAR and intelligent driving algorithms, have undergone multiple iterations and are relatively mature in technology. However, the motion control system, serving as the core carrier of the execution layer, has lagged in development, becoming a key bottleneck in realizing the closed loop of

"perception-decision-execution". With the continuous advancement of automated driving, the motion control system must be upgraded to offer millisecond-level response and high safety redundancy.

- ***Maturity of supply chain drives down production costs.*** With the gradual standardization, further improvements in cross-segment collaborative mechanisms, and the continuous expansion of production capacity of upstream components for X-by-wire solutions, the material and production costs of X-by-wire solutions are expected to decrease. This cost reduction is also expected to drive an increase in the penetration rate of X-by-wire solutions.

- ***Continuous advancements of core software and hardware technologies.*** At the hardware level, sensor accuracy, actuator response speed, and stability have significantly improved. Meanwhile, software algorithms are continuously optimized for precise coordination of systems such as braking and steering. The combined advancements of both software and hardware enhance the overall reliability and consistency of the X-by-wire solutions, laying a solid technological foundation for their large-scale commercialization.

- ***Favourable policy and regulatory support.*** Governments worldwide have introduced a series of policies to provide a clear policy guidance and standard framework for the X-by-wire solutions industry. In 2020, the PRC government released the "New Energy Vehicle Industry Development Plan (2021-2035)", which explicitly stated the necessity to prioritize breakthroughs in core EV technologies including X-by-wire execution systems, setting a clear direction for the industry's development. Meanwhile, relevant authorities are also actively promoting the establishment of standards, such as discussing and issuing the recommended standard "GB/T 43947-2024 General Technical Requirements for X-by-wire of Low Speed Automated Vehicles", to regulate the industry's development. In Europe, the United Nations Economic Commission for Europe initiated discussions in 2018 to include EMB solutions in the UN Regulation No. 13 agenda. The draft amendment of standards for EMB solutions was completed in 2024 and submitted for review, and the related regulation is expected to be formally published in 2025, clearing regulatory hurdles for the large-scale application of EMB solutions in Europe.

Future Trends of Global and China's X-by-Wire Solutions Industry

- ***Continuous improvements in intelligence and integration.*** X-by-wire solutions are advancing towards greater intelligence and integration with closer collaboration between sensors, actuators, and controllers for efficient data exchange. This allows for more precise and swift adjustments that improve vehicle performance across various conditions and laying a solid foundation for automated driving. Moreover, X-by-wire solution are integrating more functional modules, with core components achieving further mechanical decoupling and redundant integration reducing product size and weight to meet OEM's demands for lightweight and modular solutions.

- ***Full-domain coordinated control becomes a key technological focus.*** By integrating control logic and centralizing management, signal transmission and coordinated control are optimized, enhancing response speed and control precision. Simultaneously, X-by-wire solution achieves deeper cross-domain fusion with the intelligent driving domain, powertrain domain, and others, providing stronger support for the intelligent development of vehicles.

- ***Accelerating global expansion in tandem with OEMs.*** Global X-by-wire solution providers are expanding their operations overseas in tandem with the globalization of OEMs. Specifically, domestic X-by-wire solution providers are leveraging their deep partnerships with domestic OEMs to venture into overseas markets following their global expansion initiatives. By supplying components for export models, they are entering overseas markets such as Southeast Asia and South America, gradually accumulating international client resources and brand recognition. In the future, they are expected to engage directly with overseas OEMs, further promoting domestic X-by-wire solutions in the global market.

- ***Technology transferability supports product portfolio expansion in X-by-wire solutions.*** Leading brake-by-wire solution providers are expanding into steer-by-wire and suspension-by-wire solutions, building a full-stack supply capability for core X-by-wire solutions. This multi-product synergy enhances their service value to OEMs. As the most technologically challenging segment, mass production of brake-by-wire solutions possess core technological capabilities that can be transferred to steer-by-wire, suspension-by-wire, and other related fields.

- ***Software and algorithms defined motion control system becomes a core competency.*** Software and algorithms in X-by-wire solutions integrate multi-dimensional information such as vehicle speed, road conditions, and intelligent driving commands. Through algorithm optimization, these solutions adapt execution strategies to balance safety, energy consumption, and personalization. Providers that master core software algorithms can establish a technological barrier, gaining a competitive edge and market dominance.

- ***AI-powered fusion and prediction reshape execution logic of X-by-wire solutions.*** X-by-wire solutions fuse real-time data from multiple sensors such as steering angle, torque, and wheel speed, and deeply couple this with AI prediction algorithms. This enables them to proactively perceive and manage potential driving risks in advance, achieving millisecond-level active pre-emptive control and upgrading the motion control execution logic from reactive response to intelligent prediction.

Competitive Landscape of China's Brake-by-Wire Solutions Industry

Participants in China's brake-by-wire solutions industry

China's brake-by-wire solutions industry includes both overseas and domestic providers. Overseas providers have traditionally led the market due to their first-mover advantage. In recent years, with the rapid development of the industry, domestic providers are gradually displacing these traditional leaders through technological breakthroughs, rapid response, and customized services. Consequently, their collective market share is expected to keep growing.

Domestic providers can be divided into those with OEM backgrounds and independent third-party solution providers. Solutions providers with OEM backgrounds are established with resources from specific OEMs, focusing R&D and product iterations on the model planning of the particular OEM, typically providing brake-by-wire solutions solely for the models under that OEM. Independent third-party solution providers operate independently through market-based mechanisms without being tied to a specific OEM, offering solutions across various OEMs' models. By accumulating mass

production experience across different scenarios, they continuously optimize their products, develop the capability to respond quickly to diverse customer needs, and also leverage a broader customer base for economies of scale and improved cost-effectiveness.

Ranking of domestic brake-by-wire solution providers

In 2024, the total sales volume of China's brake-by-wire solutions was 28.6 million units. Currently, domestic solutions, known for their cost-effectiveness and product performance, accounted for 5.4 million units, achieving a localization rate of 18.8%. In 2024, the Group's sales volume of brake-by-wire solutions reached 532.3 thousand units, ranking eighth among all domestic and overseas brake-by-wire solution providers with a market share of 1.9%. Meanwhile, it also ranked third among all domestic solution providers and second among all domestic independent third-party solution providers with a market share of 9.9%. Furthermore, the Group achieved a year-over-year growth rate of 58.3% for brake-by-wire solution sales volume in 2024, making it the fastest-growing player among the top five domestic solution providers.

Ranking of domestic brake-by-wire solution providers in China, in terms of sales volume of brake-by-wire solutions, 2024

Ranking	Solution providers	Provider type	Sales volume	Market share[1]
			(Thousand units)	*(%)*
1	Company A[2]	Solution provider with OEM backgrounds	~2,110.0	39.3%
2	Company B[3]	Independent third-party solution provider	~930.0	17.3%
3	**The Group**	Independent third-party solution provider	532.3	9.9%
4	Company C[4]	Independent third-party solution provider	~270.0	5.0%
5	Company D[5]	Independent third-party solution provider	~210.0	3.9%
	Sub-total		**~4,052.3**	**75.4%**

Notes:

(1) The market share is calculated by dividing a solution provider's total sales volume of brake-by-wire solutions (including ESC, electronic brake booster, Onebox and EMB) by the collective sales volume of brake-by-wire solutions from all domestic solution providers.

(2) Company A is a non-listed company founded in 2019 and headquartered in Guangdong Province, China. It is a wholly owned subsidiary of a leading Chinese EV OEM that focuses on the design and manufacturing of comprehensive automotive solutions, including brake-by-wire solutions, steer-by-wire solutions, and thermal management solutions.

(3) Company B is a listed company founded in 2004 and headquartered in Anhui Province, China. It focuses on the design and manufacturing of automotive braking solutions and intelligent driving solutions, including brake-by-wire solutions, electronic control units, and advanced driving assistance solutions.

(4) Company C is a non-listed company founded in 2013 and headquartered in Beijing, China. It focuses on the design and manufacturing of automotive electronic control solutions and intelligent driving solutions, including brake-by-wire solutions, steer-by-wire solutions, and electronic parking brakes.

(5) Company D is a listed company founded in 2000 and headquartered in Zhejiang Province, China. It focuses on the design and manufacturing of automotive braking solutions and motion control system components, including brake-by-wire solutions and wheel hub motors.

Source: CIC

Entry Barriers and Key Success Factors of China's X-by-Wire Solutions Industry

- ***Long-term technical accumulation for high safety and reliability requirements.*** As a core system for vehicle control, X-by-wire solution demands extremely high safety and reliability. Overcoming challenges such as coordinated control, failure protection, and redundancy involves intricate electronic interactions, precise responses, and multi-layered safety designs, establishing significant technological barriers. Such capabilities require long-term R&D accumulation.

- ***Deeply integrated customer collaboration foundation.*** X-by-wire solutions directly impact driving safety, leading OEMs to engage in long-term joint testing and validation with providers. Switching providers often involves complex system architecture migration, making OEMs favor stable, long-term partnerships. New entrants face challenges in gaining market recognition and overcoming high transition costs, making it difficult to swiftly gain customer trust and enter the supply chain.

- ***Strong supply chain management capabilities.*** X-by-wire solutions rely on core components such as high-precision chips, automotive-grade sensors, and high-reliability actuators. Leading solution providers have established stable supply chain through long-term partnerships and strategic reserves, enabling them to manage risks such as raw material price fluctuations and capacity constraints.

- ***High-standard manufacturing and mass production capabilities.*** X-by-wire solutions demand high precision, consistency, and reliability in production, making automated production lines key for efficient and precise manufacturing. Leading providers possess intelligent, high-precision assembly lines to control errors at the micron level, ensuring stable output of high-precision products. Mass production capabilities are also crucial, as they enable stable deliveries and process optimization to reduce costs.

- ***Cross-domain fusion and ecosystem adaptability.*** The X-by-wire domain must be deeply compatible with the intelligent driving domain and the vehicle E/E architecture. Leading providers establish technical integration by participating in the early stages of an OEM's vehicle definition.

- ***Capital barriers.*** X-by-wire solution providers need to continuously invest capital in the synergistic development of software and hardware, as well as in the iterative optimization of technology. At the same time, to meet the demands of mass production, capital investment is required to acquire high-precision assembly equipment and build automated production lines.

TREND OF MIGRATING AND REUSING X-BY-WIRE TECHNOLOGIES IN ROBOTICS AND LOW-ALTITUDE ECONOMY SECTORS

Analysis of the Applicability of X-by-Wire Technologies in the Robotics and Low-Altitude Economy Sectors

Robotics and the low-altitude economy sectors, as emerging growth poles in the global technology industry, are developing rapidly with expanding application scenarios. Both sectors have a high demand for technologies such as motion control and safety redundancy, which align closely with the core

technical features of X-by-wire solutions in the automotive industry. This combination of development space and technological demand is attracting X-by-wire solution providers to enter these related fields through technology migration.

Technical adaptability: Complex motion and aerial attitude control

In the automotive sector, X-by-wire technologies use electronic signals to adjust actuators for steering and braking based on road conditions, achieving precise vehicle control. This dynamic control has significant cross-scenario migration value. In robotics, X-by-wire technologies can integrate motion sensor data to precisely control joint angles and path, meeting the demand for complex and precise motion executions. In the low-altitude economy, X-by-wire technologies can adjust aircraft attitude by processing sensor data to swiftly generate adjustment commands, fulfilling stability for low-altitude aircraft.

Architectural reuse: Extending the application scenarios of electronic control systems

The electronic control system built upon X-by-wire technologies in the automotive sector exhibits high reliability and real-time responsiveness, processing sensor data and driving actuators to ensure stable vehicle operation. This system, with efficient data processing and execution, has strong cross-domain reusability. In robotics, it integrates perceptual data to improve control response and stability. In the low-altitude economy, the ground travel segments of "land-air dual-use" vehicles, such as flying cars, can directly reuse this electronic control system architecture. Through parameter adaptation, it can meet the control requirements for functions such as steering and braking, substantially reducing R&D costs and cycles.

Design migration: Migrating safety redundancy design

To ensure driving safety in the automotive sector, X-by-wire technologies employ multiple safety designs, such as sensor and controller redundancy to handle failures and maintain stability. This multi-dimensional redundancy is adaptable to various scenarios. In robotics, it addresses potential issues such as sensor failures or actuator jams through data validation and backups, improving fault tolerance. In the low-altitude economy, the solution can be upgraded to enhance aircraft fault tolerance in extreme weather or signal interference, ensuring operational safety in the air.

Total Addressable Market of X-by-Wire Technologies in the Robotics and Low-Altitude Economy Sectors

X-by-wire technologies possess core advantages such as high-precision motion control and safety redundancy, aligning well with the demands of robotics and low-altitude economy, enabling cross-domain migration. With the widespread application of robots across industries, and the rise of new business models in the low-altitude economy, such as drone logistics and flying cars, combined with continuous technological innovation and strong policy support, the total addressable market for X-by-wire technologies in these emerging scenarios is vast. It is projected that by 2030, the global total addressable market for X-by-wire technologies in the robotics and low-altitude economy sectors is expected to reach RMB231.2 billion.

X-by-wire solution providers are deeply rooted in the automotive sector, having accumulated core technologies in areas such as motion control software algorithms and safety redundancy design, with their products featuring both quality stability and cost-effectiveness. By reusing existing platforms and mass production experience, leading providers can quickly adapt to robotics and low-altitude economy sectors, gaining a strong position in these emerging markets.

SOURCE OF INFORMATION

In connection with the **[REDACTED]**, we engaged CIC, an independent market research consultant, to conduct an analysis of, and to prepare a report about global X-by-wire solutions industry. The CIC Report has been prepared by CIC independent of the influence of our Group and other interested parties. We have agreed to pay CIC a total fee of RMB650,000 for the preparation and use of the CIC Report, and we believe that such fees are consistent with the market rate. CIC is a consulting firm founded in Hong Kong and provides professional industry consulting services across multiple industries. CIC's services include industry consultancy services, commercial due diligence and strategic consulting.

CIC conducted both primary and secondary research using a variety of resources. Primary research involved interviewing key industry experts and leading industry participants. Secondary research involved analyzing data from various publicly available data sources. The market projections in the commissioned report are based on the following key assumptions: (I) given China's enduringly stable political system, effective social governance and robust economic foundation, it is anticipated that the overall social, economic and political environments in China will remain stable during the forecast period; (ii) according to the National Bureau of Statistics of China, key economic indicators such as gross Domestic Product ("GDP"), industrial added value, and urbanization rate have shown an upward trend in China over the past decade. Therefore, we believe that the economic and industry development in China is likely to maintain a steady growth trajectory during the forecast period, accompanied by continuing urbanization; (iii) related key industry drivers such as rising consumer demand for enhanced driving experience, advancements in intelligent driving solutions creating essential demand, maturity of supply chain driving down production costs, continuous advancements of core software and hardware technologies, and favorable policy and regulatory support throughout the forecast period; and (iv) there will be no extreme force majeure event or unforeseen industry regulation that may significantly or fundamentally affect the relevant market and industry.

Unless otherwise specified, all data and forecasts contained in this section are derived from the consultancy report of CIC. The Directors, upon acting with reasonable prudence, confirmed that there has been no occurrence of adverse change in the overall market information that would subject the data to significant restrictions, contradiction or negative effects since the date of the consultancy report.

We are subject to various PRC laws, rules and regulations that affect many aspects of our business. This section provides an overview of the principal PRC laws, regulations and rules that we believe are relevant to our business and operations.

1. LAWS AND REGULATIONS RELATING TO PRODUCT LIABILITY

Pursuant to the relevant provisions of the Civil Code of the People's Republic of China (《中華人民共和國民法典》) (the Civil Code), promulgated by the National People's Congress (the "**NPC**") on 28 May, 2020 and effective from 1 January, 2021, if a defective product causes harm to others, the injured party may request compensation from the producer or the seller of the product. Where a producer or seller continues to produce or sell a product despite knowing of a defect, or fails to take effective remedial measures in accordance with the Civil Code, thereby causing death or serious health damage to others, the injured party is entitled to claim corresponding punitive damages. If a product is defective due to the fault of a third party, such as a transporter or warehouser, causing harm to others, the producer or seller, after paying compensation, has the right of recourse against the third party.

Pursuant to the Product Quality Law of the People's Republic of China (《中華人民共和國產品質量法》), promulgated by the Standing Committee of the National People's Congress (the "**NPCSC**") on 22 February, 1993 and most recently amended on 29 December, 2018, it is prohibited to produce or sell industrial products that do not meet the standards and requirements for protecting human health and personal and property safety. Products must not pose unreasonable dangers that endanger personal or property safety. If a defective product causes personal injury or damage to the property of others, the victim may claim compensation from the producer of the product or from the seller of the product. Where products are produced or sold that do not comply with national and industry standards for safeguarding human health and personal and property safety, the authorities shall order the cessation of production and sale, confiscate the illegally produced and sold products, and impose a fine of one to three times the value of the products illegally produced and sold (including those sold and unsold, the same applies below); any illegal income derived therefrom shall also be confiscated; in serious cases, the business license shall be revoked; if a crime is constituted, criminal liability shall be pursued in accordance with the law.

2. LAWS AND REGULATIONS RELATING TO INTELLECTUAL PROPERTY

Copyrights

Pursuant to the provisions of the Copyright Law of the People's Republic of China (《中華人民共和國著作權法》), promulgated by the NPCSC on 7 September, 1990 and most recently amended on 11 November, 2020, works of PRC citizens, legal persons or other organizations (i.e., intellectual achievements in the literary, artistic and scientific domains that are original and can be expressed in a certain form) shall enjoy copyright, regardless of whether they are published. Copyright owners enjoy multiple rights, including the right of publication, the right of authorship, the right of alteration, the right of integrity, the right of reproduction, the right of distribution, and the right of communication through information networks, among others.

The Measures for the Registration of Computer Software Copyright (《計算機軟件著作權登記辦法》), promulgated by the National Copyright Administration on 20 February, 2002, regulate the registration of software copyrights, as well as the registration of exclusive licensing contracts and transfer contracts of software copyrights. The Copyright Protection Center of China registers

applications for software copyrights that comply with the provisions of the Measures for the Registration of Computer Software Copyright and the Regulations on the Protection of Computer Software, as most recently amended on 30 January, 2013, and issues registration certificates.

Trademarks

Pursuant to the Trademark Law of the People's Republic of China (《中華人民共和國商標法》), promulgated by the NPCSC on 23 August, 1982 and most recently amended on 23 April, 2019, the Trademark Office of the China National Intellectual Property Administration is responsible for trademark registration and administration in the PRC and for handling trademark dispute matters. The period of validity of a registered trademark is ten years, calculated from the date of approval of the registration. The registrant shall handle renewal procedures within the 12 months prior to the expiration date. A grace period of six months may be granted if the registrant fails to do so during this period. If the renewal procedures are not completed upon expiry, the registered trademark shall be cancelled. The validity period of each renewed registration shall be ten years. On 29 April, 2014, the State Council promulgated the revised Regulations for the Implementation of the Trademark Law of the People's Republic of China, which sets out the provisions for applying for trademark registration and renewal.

Patents

Pursuant to the Patent Law of the People's Republic of China (《中華人民共和國專利法》) (the "**Patent Law**"), promulgated by the NPCSC on 12 March, 1984, most recently amended on 17 October, 2020 and effective from 1 June, 2021, and the Implementing Regulations of the Patent Law of the People's Republic of China (《中華人民共和國專利法實施細則》) (the "**Implementing Regulations of the Patent Law**"), promulgated by the State Council on 15 June, 2001 and most recently amended on 11 December, 2023, they provide for three categories of patents, namely invention patents, utility model patents and design patents. The term of an invention patent right is 20 years, and the term of a utility model patent right is 10 years. With effect from 1 June, 2021, the term of a design patent right for an application filed on or after 1 June, 2021 has been extended to 15 years (calculated from the date of application). The PRC patent system adopts a "first-to-file" principle, which means that where two or more applicants separately file patent applications for the same invention, the patent right shall be granted to the person who first filed the application. An invention or utility model for which a patent right is granted shall possess novelty, inventiveness and utility. Any exploitation of a patent without the consent and permission of the patentee constitutes an infringement of the patent right.

Domain Names

Pursuant to the Administrative Measures for Internet Domain Names (《互聯網域名管理辦法》), promulgated by the MIIT on 24 August, 2017 and effective from 1 November, 2017, domain name registration services are, in principle, based on a "first-come, first-served" basis. Upon completion of the domain name registration, the applicant will become the holder of the relevant domain name. Those engaged in internet information services shall use domain names in compliance with laws, regulations and relevant provisions of the telecommunications administrative authorities, and shall not use domain names to commit illegal acts.

3. LAWS AND REGULATIONS RELATING TO ENVIRONMENTAL PROTECTION

Pursuant to the Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》), promulgated by the NPCSC on 26 December, 1989 and most recently amended on 24 April, 2014, all units and individuals have the obligation to protect the environment. Pollution prevention and control facilities for a construction project shall be designed, constructed, and put into operation simultaneously with the main body of the project. The pollution prevention and control facilities shall comply with the requirements of the approved environmental impact assessment documents and shall not be dismantled or left idle without authorization. If any person or enterprise violates the provisions of environmental protection laws and regulations, the relevant competent authorities may impose a fine and order it to take measures such as restricting production or suspending production for rectification; in serious cases, it shall be ordered to close down.

Pursuant to the Environmental Impact Assessment Law of the People's Republic of China (《中華人民共和國環境影響評價法》), promulgated by the NPCSC on 28 October, 2002 and most recently amended on 29 December, 2018, and the Regulations on the Environmental Protection Management of Construction Projects (《建設項目環境保護管理條例》), promulgated by the State Council on 29 November, 1998 and most recently amended on 16 July, 2017, the State implements classified management for the environmental protection of construction projects based on the degree of their environmental impact, and the construction entity shall prepare an environmental impact report, an environmental impact report form or fill in an environmental impact registration form in accordance with the law before commencing construction. For construction projects for which an environmental impact report or an environmental impact report form is required by law, the construction entity shall submit the environmental impact report or environmental impact report form to the competent administrative department of environmental protection with approval authority for approval before the commencement of construction; If the environmental impact assessment documents of a construction project have not been reviewed by the approval department in accordance with the law or have not been approved after review, the construction entity shall not commence construction. For construction projects for which an environmental impact registration form is required by law, the construction entity shall file the environmental impact registration form with the county-level competent administrative department of environmental protection where the project is located in accordance with the regulations of the competent administrative department of environmental protection under the State Council. Enterprises shall also be equipped with environmental protection facilities as required and are subject to inspection by the competent environmental protection departments.

According to the Administrative Measures for Pollutant Discharge Permits (《排污許可管理辦法》), promulgated by the Ministry of Ecology and Environment on 1 April, 2024 and effective from 1 July, 2024 and the Classified Administration Catalogue of Pollutant Discharge Permits for Fixed Pollution Sources (2019 Edition), the state implements key management, simplified management, and registration management of pollutant discharge permits for enterprises, public institutions, and other producers and operators that discharge pollutants (hereinafter referred to as "**pollutant discharging units**"), based on factors such as the amount of pollutants generated, the amount of pollutants discharged, and the degree of environmental impact. For pollutant discharging units that generate and discharge a small amount of pollutants and have a minor impact on the environment, registration management of pollutant discharge shall be implemented. Pollutant discharging units subject to registration management are not required to apply for a pollutant discharge permit, but shall fill in a pollutant discharge registration form on the national pollutant discharge permit management information platform to register basic information, the destination of pollutant discharge, the pollutant discharge standards implemented, and the pollution prevention and control measures taken.

4. LAWS AND REGULATIONS RELATING TO WORK SAFETY

Pursuant to the Work Safety Law of the People's Republic of China (《中華人民共和國安全生產法》), promulgated by the NPCSC on 29 June, 2002 and most recently amended on 10 June, 2021, production and business units shall provide work safety education and training to their employees to ensure that they possess the necessary work safety knowledge, are familiar with relevant work safety rules, regulations and safe operation procedures, master the safe operation skills for their positions, understand accident emergency response measures, and are aware of their rights and obligations in terms of work safety. Employees who have not passed work safety education and training are not permitted to work at their posts.

5. LAWS AND REGULATIONS ON LABOR AND SOCIAL SECURITY

Labor

Pursuant to the Labor Law of the People's Republic of China (《中華人民共和國勞動法》), promulgated by the NPCSC on 5 July, 1994 and most recently amended on 29 December, 2018, and the Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》), promulgated by the NPCSC on 29 June, 2007 and amended on 28 December, 2012, an employer and an employee establishing a labor relationship shall enter into a written labor contract. Employees are entitled to rights such as equal employment, choice of occupation, receiving labor remuneration, rest and leave, obtaining labor safety and health protection, receiving vocational skills training, enjoying social insurance and welfare, and applying for labor dispute resolution. In addition, employers must establish a labor safety and health system, strictly implement national labor safety and health procedures and standards, provide safety and health education to employees, provide labor safety and health conditions and necessary labor protection articles that comply with national regulations, and arrange regular health checks for employees engaged in operations with occupational hazards.

According to the Interpretation (II) of the Supreme People's Court on Several Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》), issued on July 31, 2025 and implemented on September 1, 2025, the standards for the application of law concerning issues such as the consecutive conclusion of two fixed-term labor contracts, non-competition restrictions, joint employment, and social insurance disputes shall be harmonized to protect the legitimate rights and interests of both employees and employers in accordance with the law.

Social Security

Pursuant to the Social Insurance Law of the People's Republic of China (《中華人民共和國社會保險法》), promulgated by the NPCSC on 28 October, 2010 and amended on 29 December, 2018, the Provisional Regulations on the Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》), promulgated by the State Council on 22 January, 1999 and amended on 24 March, 2019, and the Regulations on the Management of Housing Provident Fund (《住房公積金管理條例》), promulgated by the State Council on 3 April, 1999 and most recently amended on 24 March, 2019, employers shall open social insurance accounts and housing provident fund accounts within 30 days from the date of employment and shall also contribute to social insurance funds, including basic

pension insurance, unemployment insurance, basic medical insurance, work-related injury insurance, and maternity insurance, as well as the housing provident fund for their employees. An employer that fails to make such payments will be fined and ordered to make up the shortfall within a specified time limit.

6. LAWS AND REGULATIONS RELATING TO LAND, PROJECT CONSTRUCTION AND FIRE CONTROL

Land

Pursuant to the Administrative Measures for Commodity Housing Leasing, promulgated by the MHURD on 1 December, 2010 and effective from 1 February, 2011, within 30 days after the conclusion of a housing lease contract, the parties to the housing lease shall go to the competent construction (real estate) department of the people's government of the municipality directly under the Central Government, city, or county where the leased premises are located to handle the registration and filing of the housing lease. In case of violation, the competent construction (real estate) department of the people's government of the municipality directly under the Central Government, city, or county shall order correction within a time limit; if an individual fails to make corrections by the deadline, a fine of not more than RMB1,000 shall be imposed; if a unit fails to make corrections by the deadline, a fine of not less than RMB1,000 and not more than RMB10,000 shall be imposed.

Project Construction

Pursuant to the Construction Law of the People's Republic of China (《中華人民共和國建築法》), promulgated by the NPCSC on 1 November, 1997 and most recently amended on 23 April, 2019, before the commencement of a construction project, the construction entity shall, in accordance with the relevant national regulations, apply to the competent construction administrative department of the people's government at or above the county level where the project is located for a construction permit; however, this excludes minor works below the threshold determined by the competent construction administrative department under the State Council. A construction project may be delivered for use only after it has been completed and has passed acceptance inspection; Projects that have not undergone acceptance inspection or have failed the inspection shall not be delivered for use.

Fire Control

Pursuant to the Fire Control Law of the People's Republic of China (the "**Fire Control Law**"), promulgated by the NPCSC on 29 April, 1998 and most recently amended on 29 April, 2021, the fire control design and construction of a construction project must comply with the national technical standards for fire control in engineering construction. For special construction projects specified by the competent housing and urban-rural development department under the State Council, the construction entity shall submit the fire control design documents to the competent housing and urban-rural development department for review; for other construction projects, when the construction unit applies for a construction permit or for approval of a work commencement report, it shall provide fire control design drawings and technical materials that meet construction needs. The MHURD issued the Interim Provisions on the Administration of Fire Control Design Review and Acceptance of Construction Projects on 1 April, 2020, which were most recently amended on 21 August, 2023, further clarifying that a fire control design review and fire control acceptance system is implemented for special construction projects, while a random inspection system for fire control acceptance filing is implemented for other construction projects.

7. LAWS AND REGULATIONS RELATING TO TAXATION

Enterprise Income Tax (EIT)

Pursuant to the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得税法》) (the "**EIT Law**"), promulgated on 16 March, 2007 and most recently amended by the NPCSC on 29 December, 2018, an enterprise established within the PRC, or an enterprise established under foreign (regional) law but whose de facto management body is within the PRC, is considered a resident enterprise. A resident enterprise shall pay EIT on its income derived from sources within and outside the PRC at a rate of 25%. The State grants preferential EIT treatment to industries and projects that it prioritizes for support and encourages for development. High and new technology enterprises may pay EIT at a preferential rate of 15%.

According to the Announcement of the State Administration of Taxation (the "**SAT**") on Matters Concerning the Implementation of Preferential Income Tax Policies to Support the Development of Small Low-Profit Enterprises and Individual Industrial and Commercial Households (《國税局關於落實支持小型微利企業和個體工商戶發展所得税優惠政策有關事項的公告》), issued on 7 April, 2021, from 1 January, 2021, for the portion of the annual taxable income of a small low-profit enterprise not exceeding RMB1 million, such portion shall be included in taxable income at a reduced rate of 12.5% and subject to an EIT rate of 20%.

Value-added Tax (VAT)

Pursuant to the Value-Added Tax Law of the People's Republic of China (《中華人民共和國增值税法》), promulgated by the NPCSC on 25 December, 2024 and effective from 1 January, 2026, all businesses and individuals engaged in the sale of goods, provision of processing, repair and replacement services, sale of services, intangible assets, and real estate, and the importation of goods within the PRC are VAT taxpayers and shall pay VAT in accordance with its provisions. The VAT rates are 13%, 9%, 6% and 0%, respectively.

8. LAWS AND REGULATIONS RELATING TO CYBERSECURITY AND DATA PROTECTION

Internet Information Security

Pursuant to the Data Security Law of the People's Republic of China (《中華人民共和國數據安全法》), promulgated by the NPCSC on 10 June, 2021 and effective from 1 September, 2021, the State establishes a data classification and hierarchical protection system. Data processing activities shall be carried out in accordance with the provisions of laws and regulations, establishing and improving a full-process data security management system, organizing data security education and training, and taking corresponding technical measures and other necessary measures to ensure data security. When carrying out data processing activities using the Internet and other information networks, the aforementioned data security protection obligations shall be fulfilled on the basis of the multi-level protection system for cybersecurity. Processors of important data shall designate a data security officer and a management body to implement data security protection responsibilities.

Pursuant to the Measures for Cybersecurity Review (《網絡安全審查辦法》), jointly promulgated by the CAC, the NDRC, the MIIT, the MPS, the Ministry of State Security, the Ministry of Finance (the "**MOF**"), the Ministry of Commerce (the "**MOFCOM**"), the People's Bank of China, the State

Administration for Market Regulation, the National Radio and Television Administration, the China Securities Regulatory Commission (the "**CSRC**"), the National Administration of State Secrets Protection, and the State Cryptography Administration on 28 December, 2021, and effective from 15 February, 2022, there are two triggering mechanisms for cybersecurity review: (a) voluntary declaration for review by enterprises: applicable to (i) procurement of network products and services by critical information infrastructure operators; (ii) network platform operators who possess personal information of more than 1 million users and are seeking to list overseas; and (b) review initiated by regulatory authorities: for network products and services and data processing activities that member units of the cybersecurity review working mechanism believe affect or may affect national security, the Cybersecurity Review Office shall initiate a cybersecurity review after reporting to and obtaining approval from the Central Cyberspace Affairs Commission.

Pursuant to the Measures for Security Assessment of Cross-border Data Transfer (《數據出境安全評估辦法》), promulgated by the CAC on 7 July, 2022 and effective from 1 September, 2022, a data processor shall, under any of the following circumstances, declare a security assessment for cross-border data transfer to the national cyberspace administration department through the provincial-level cyberspace administration department at its location: (i) the data processor provides important data overseas; (ii) a critical information infrastructure operator and a data processor processing personal information of more than 1 million individuals provides personal information overseas; (iii) a data processor that has cumulatively provided personal information of 100,000 individuals or sensitive personal information of 10,000 individuals overseas since January 1 of the preceding year provides personal information overseas; and (iv) other circumstances requiring a declaration for security assessment of cross-border data transfer as stipulated by the CAC.

Pursuant to the Regulations on the Administration of Network Data Security (《網絡數據安全管理條例》), promulgated by the State Council on 24 September, 2024 and effective from 1 January, 2025, the State implements a classification and hierarchical protection system for network data. Network data processors shall, in accordance with the provisions of laws, administrative regulations, and the mandatory requirements of national standards, strengthen network data security protection on the basis of the multi-level protection system for cybersecurity, establish and improve a network data security management system, adopt technical measures such as encryption, backup, access control, and security authentication, and other necessary measures to protect network data from tampering, destruction, leakage, or illegal acquisition and use, handle network data security incidents, prevent illegal and criminal activities targeting and utilizing network data, and assume primary responsibility for the security of the network data they process.

9. LAWS AND REGULATIONS RELATING TO FOREIGN DIRECT INVESTMENT

Since 1 January, 2020, the Foreign Investment Law of the People's Republic of China (《中華人民共和國外商投資法》) (the "**Foreign Investment Law**"), promulgated by the NPC, came into effect. The PRC government implements a management system of pre-establishment national treatment plus a negative list for foreign investment. Pre-establishment national treatment refers to granting foreign investors and their investments treatment no less favorable than that granted to domestic investors and their investments during the investment access stage. The negative list refers to the special administrative measures for access implemented by the State for foreign investment in specific fields. The State grants national treatment to foreign investment outside the negative list.

The current negative list is the Special Administrative Measures for Foreign Investment Access (Negative List) (2024 Edition) (《外商投資准入特別管理措施(負面清單)(2024年版)》), issued by the NDRC and MOFCOM on 6 September, 2024 and implemented on 1 November, 2024, which sets out special administrative measures for foreign investment access, such as equity requirements and executive requirements, for industries regulated by the negative list. Our business does not fall into the restricted or prohibited industries for foreign investment as stipulated by the Negative List.

The reporting of foreign investment information is governed by the Measures for Foreign Investment Information Reporting (《外商投資信息報告辦法》), which were jointly formulated by the MOFCOM and the State Administration for Market Regulation and came into effect on 1 January, 2020. According to the Measures for Foreign Investment Information Reporting, the MOFCOM is responsible for coordinating and guiding the work of foreign investment information reporting nationwide. The competent commerce departments of local people's governments at or above the county level and relevant agencies in free trade pilot zones and national economic and technological development zones are responsible for the foreign investment information reporting work within their respective regions. Foreign investors conducting investment activities directly or indirectly within the PRC shall submit investment information to the competent commerce department through the enterprise registration system and the National Enterprise Credit Information Publicity System; reporting methods include initial reports, change reports, cancellation reports, and annual reports. When establishing a foreign-invested enterprise or acquiring the equity of a domestic non-foreign-invested enterprise in the PRC, a foreign investor shall submit an initial report through the enterprise registration system when handling the registration of the establishment of the foreign-invested enterprise and the change of registration of the acquired enterprise. If the information in the initial report changes and involves a change in enterprise registration (filing), the foreign-invested enterprise shall submit a change report through the enterprise registration system when handling the change in enterprise registration (filing). If no change in enterprise registration (filing) is involved, the foreign-invested enterprise shall submit a change report through the enterprise registration system within twenty (20) working days after the change occurs. A foreign-invested listed company may only report changes in the investor and their shareholding information when the cumulative change in the foreign investor's shareholding ratio exceeds 5% or causes a change in the foreign party's controlling or relatively controlling position.

10. LAWS AND REGULATIONS ON OVERSEAS ISSUANCE AND LISTING

OVERSEAS LISTING

According to the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the "**Trial Measures for Overseas Listing**") and five related guidelines, promulgated by the CSRC on 17 February, 2023 and effective from 31 March, 2023, the regulatory system for the direct or indirect overseas issuance of securities and listing by domestic PRC enterprises has been comprehensively reformed and converted to a filing-based system.

According to the Trial Measures for Overseas Listing, domestic PRC enterprises seeking to offer and list securities in overseas markets, either directly or indirectly, must complete filing procedures with the CSRC and report relevant data. The Trial Measures for Overseas Listing stipulate that a domestic PRC enterprise shall not issue or list overseas under any of the following circumstances: (i) listing and financing are explicitly prohibited by PRC law, administrative regulations, or relevant national provisions; (ii) the overseas issuance and listing are determined by the relevant competent departments of the State Council, after review in accordance with the law, to be likely to endanger

national security; (iii) where the domestic enterprise or its controlling shareholder or actual controller has committed criminal offenses such as corruption, bribery, embezzlement, misappropriation of property, or disruption of the socialist market economic order within the last three years; (iv) the domestic enterprise is currently under investigation for suspected criminal offenses or major violations of laws and regulations, and a clear conclusion has not yet been reached; or (v) there is a major ownership dispute over the equity held by the controlling shareholder or by a shareholder controlled by the controlling shareholder or actual controller.

An issuer conducting its initial public offering or listing overseas shall submit a filing application to the CSRC within three working days of submitting its application documents for issuance and listing overseas. After an issuer's overseas issuance and listing, if it issues securities in the same overseas market, it shall file with the CSRC within three working days after the completion of the issuance. Subsequent securities issuance and listing by an issuer in other overseas markets shall be filed as an initial public offering.

Pursuant to the Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies (the "**Confidentiality Provisions**"), jointly promulgated by the CSRC and other relevant government departments on 24 February, 2023 and effective from 31 March, 2023, where a domestic enterprise provides or publicly discloses, or provides or publicly discloses through its overseas listed entity, documents or materials involving state secrets or work secrets of state organs to relevant securities companies, securities service institutions, overseas regulatory authorities or other entities and individuals, it shall, in accordance with the law, report to the competent authority with approval power for approval and file with the confidentiality administrative department at the same level for record. A domestic enterprise providing accounting archives or copies thereof to relevant securities companies, securities service institutions, overseas regulatory authorities, or other entities and individuals shall complete the corresponding procedures in accordance with relevant national regulations. The working papers formed within the PRC by securities companies and securities service institutions providing services for the overseas issuance and listing of domestic enterprises shall be kept within the PRC. If they need to be transferred out of the country, approval procedures shall be handled in accordance with relevant state regulations.

H-share Full Circulation

"Full circulation" refers to the listing and circulation on The Stock Exchange of Hong Kong Limited of the unlisted domestic shares of H-share companies (including unlisted domestic shares held by domestic shareholders before overseas listing, unlisted domestic shares issued domestically after overseas listing, and unlisted shares held by foreign shareholders). According to the Trial Measures for Overseas Listing and related guidelines, for a domestic enterprise that directly issues and lists overseas, shareholders holding unlisted domestic shares are permitted, after filing, to convert the said shares into overseas-listed shares and have them listed and circulated on an overseas trading venue in accordance with the law. When submitting a filing application for direct overseas issuance and listing to the CSRC, a domestic enterprise may simultaneously apply for "full circulation".

On 10 August, 2023, the CSRC issued the Guidelines on the Application for "Full Circulation" of Domestically Unlisted Shares of H-Share Companies (2023 Revision) (the "**Full Circulation Business Guidelines**"), clarifying that, provided that relevant laws and regulations, as well as policy requirements for state-owned asset management, foreign investment, and industry supervision are met, shareholders of unlisted domestic shares may voluntarily negotiate and determine the number and proportion of shares to apply for circulation, and entrust the H-share company to file with the CSRC.

On December 31, 2019, China Securities Depository and Clearing Corporation Limited ("**CSDC**") and the Shenzhen Stock Exchange ("**SZSE**") jointly issued the Implementing Rules for H-Share "Full Circulation" Business (《H股「全流通」業務實施細則》) (the "**Business Implementing Rules**"). The Business Implementing Rules apply to all H-share full circulation business (such as cross-border transfer registration, custody and holding details maintenance, trade entrustment and instruction transmission, clearing, clearing participant management, and nominee services).

To fully advance the H-share "full circulation" reform and clarify the business arrangements and handling procedures for related share registration, custody, and clearing and settlement, CSDC issued the Business Guidelines for H-Share 'Full Circulation' (《H股「全流通」業務指南》) on 7 February, 2020, which stipulated matters concerning preparations for participating in H-share "full circulation" business, account arrangements, cross-border transfer registration, centralized custody overseas, and other related matters. These guidelines were superseded by the Business Guidelines of China Securities Depository and Clearing Corporation Limited Shenzhen Branch for H-Share 'Full Circulation' Business (《中國證券登記結算有限責任公司深圳分公司H股"全流通"業務指南》) (the "**Business Guidelines**"), which came into effect on 23 September, 2024 and most recently amended on 27 June, 2025. CSDC's Hong Kong subsidiary ("**CSDC Hong Kong**") also issued the amended Business Guidelines of China Securities Depository and Clearing (Hong Kong) Company Limited for H-Share 'Full Circulation' Business (《中國證券登記結算(香港)有限公司H股"全流通"業務指南》), effective from 23 September, 2024, which stipulate the corresponding custody, depository, nominee services, settlement arrangements, risk management measures, and other related matters.

According to the Business Implementing Rules and the Business Guidelines, a shareholder applying to participate in H-share "full circulation" ("**Participating Shareholder**") must, before trading the shares, complete a cross-border transfer registration to convert the relevant unlisted domestic shares into H-shares. That is, CSDC will deposit the "full circulation" H-shares held by the Participating Shareholder with CSDC Hong Kong, which will in turn centrally deposit these shares with Hong Kong Securities Clearing Company Limited ("**HKSCC**") and register them in the register of shareholders of the H-share listed company or H-share listing applicant company in the name of HKSCC Nominees Limited. CSDC Hong Kong handles custody and holding details maintenance, cross-border settlement, nominee services, and other businesses for CSDC related to H-share "full circulation" securities. CSDC Hong Kong's securities holding records are legal proof of CSDC's equity in such securities.

OVERVIEW

Our history can be traced back to March 2016 when our Company was incorporated. Our Company was converted into a joint stock company with limited liability in July 2025 and was subsequently renamed as NASN Intelligent Tech (Zhejiang) Co., Ltd. (拿森智能科技(浙江)股份有限公司). Over the years of development, we have established ourselves in the field of intelligent driving motion control, specializing in X-by-wire technology. According to CIC, in terms of brake-by-wire solution sales volume in China in 2024, we are among the top three domestic brake-by-wire solution providers, and the second-largest domestic independent third-party brake-by-wire solution provider. Mr. Tao and Ms. Liu are our Founders. For details of their biography, see "Directors, Supervisors and Senior Management" in this Document.

OUR BUSINESS MILESTONES

The following table summarizes the key milestones in our business development:

Year	Milestone
2016	Our Company was incorporated.
2018	Our NBS solutions, NBooster, entered mass production.
2019	Our NBS solutions, NBooster, was recognized as the first breakthrough in Shanghai's high-end intelligent equipment (上海市高端智能装備首臺突破) by Shanghai Municipal Economy and Information Technology Commission (上海市經濟和信息化委員會).
2020	Our factory in Hangzhou Xiaoshan was completed and commenced production.
	We commenced mass production of our ESC solutions.
2021	We debuted our redundant braking and redundant steering systems for L3/L4 autonomous driving.
2022	Our solutions were adopted and entered into mass production by leading Chinese OEMs.
	We were awarded the first prize of technology invention by the China Society of Automotive Engineers (中國汽車工程學會).
2023	We launched our NBC solutions.
	We introduced fully-automated production lines.
2024	We commenced mass production of ESC solutions and NBC solutions with the redundant EPB function.
	We were awarded the first prize of science and technology progress award by the People's Government of Beijing Municipality.

Year	Milestone
2025	Our factory in Jiaxing Haiyan was completed and commenced production.
	We established the robotics business division.
	We became a supporting supplier for PRC best-selling new energy vehicle model.
	We commenced development of EPS core technologies.
	We were awarded as the "Zhejiang Science and Technology New Dragon" (浙江省科技新小龍) by Zhejiang High-tech Enterprise Association (浙江省高新技術企業協會).
	We were awarded as the "Zhejiang Enterprise Research Institute" (浙江省企業研究院) by Zhejiang Provincial Department of Economy and Information Technology (浙江省經濟和信息化廳).

OUR MAJOR SUBSIDIARIES

Our business operations have been carried out by our Company and our subsidiaries. The table below sets forth the details of our major subsidiaries as of the Latest Practicable Date:

Name	Place of incorporation	Date of incorporation	Principle business activities
NASN Automotive Technology (Hangzhou) Co., Ltd. (拿森汽車科技(杭州)有限公司).	PRC	April 29, 2020	Production of our products
NASN Automotive Technology (Jiaxing) Co., Ltd. (拿森汽車科技(嘉興)有限公司)	PRC	January 13, 2025	Production of our products
Shanghai NASN Automotive Technology Co., Ltd. (上海拿森汽車科技有限公司).	PRC	December 23, 2019	R&D

CORPORATE DEVELOPMENT

Incorporation of Our Company

On March 29, 2016, our Company was incorporated as a limited liability company in the PRC under the name of NASN Automotive Electronics Co., Ltd. (上海拿森汽車電子有限公司) with a registered share capital of RMB10.0 million. Upon incorporation, our Company was owned by Ms. Liu and Ms. Cong Xiuli (叢秀麗), mother of Mr. Tao, as to 99% and 1%, respectively. On November 2, 2016, Ms. Liu and Ms. Cong Xiuli transferred RMB9.8 million and RMB0.1 million registered share capital of our Company to Mr. Tao at nil consideration. Upon completion of the share transfer, our Company was owned by Mr. Tao and Ms. Liu as to 99% and 1%, respectively.

[REDACTED] Investments

From November 2016 to September 2025, we have conducted several rounds of **[REDACTED]** Investments. See "— **[REDACTED]** Investments" in this section for details of the **[REDACTED]** Investments.

Share Incentive Scheme

In recognition of the contributions of our employees and to incentivize them to further promote our development, our Company adopted the Share Incentive Scheme in November 2018 and amended in January 2022 to award the partnership interest in our Employee Incentive Platforms to the scheme participants.

NASN LP and Shanghai Nasheng were established to serve as our Employee Incentive Platforms. On November 23, 2018, our then Shareholders, namely Mr. Tao, Mr. Wang Jianming (王澗鳴), Ms. Hou Jiaqiao (侯佳巧) and Ms. Liu, transferred RMB2,801,515, RMB116,445, RMB42,000 and RMB3,000 registered share capital of our Company to NASN LP, respectively, at par value. On December 23, 2022, NASN LP transferred RMB717,960 registered share capital of our Company to Shanghai Nasheng at a consideration of RMB12.0 million. As of the Latest Practicable Date, NASN LP and Shanghai Nasheng held 6.68% and 2.14% of our total issued Shares. See "Statutory and General Information — Share Incentive Scheme" in Appendix VI to this Document for details of our Share Incentive Scheme.

Joint Stock Conversion

On July 30, 2025, our Company was converted into a joint stock company with limited liability and was subsequently renamed as NASN Intelligent Tech (Zhejiang) Co., Ltd. (拿森智能科技(浙江)股份有限公司) with our registered share capital of RMB32,757,557 remaining unchanged and divided into 32,757,557 Shares with a nominal value of RMB 1.00 each. Our then Shareholders' respective shareholding percentage remain unchanged immediately before and after the joint stock conversion.

Share Subdivision upon [REDACTED]

Pursuant to the Shareholders' resolutions dated September 30, 2025, we expect to conduct the Share Subdivision immediately prior to the **[REDACTED]**, pursuant to which each of our Share with a nominal value of RMB1.00 will be subdivided into 16 Shares with a nominal value of RMB0.0625 each. Upon completion of such Share Subdivision, the registered capital of our Company, which is RMB33,586,862, will be divided into [537,389,792] Shares with a nominal value of RMB0.0625 per Share all of which were fully paid up.

Our Shareholders and their respective shareholding percentage remained unchanged immediately prior to and following the completion of the Share Subdivision and up to immediately prior to the completion of the **[REDACTED]**.

CAPITALIZATION OF OUR COMPANY

The table below summarizes the shareholding structure of our Company.

Name of Shareholder	Number of Shares as of the Latest Practicable Date and before the Share Subdivision	Number of Shares immediately after the completion of Share Subdivision and before the [REDACTED]	Approximate percentage of shareholding before the [REDACTED]
Single Largest Group of Shareholders			
Mr. Tao	5,241,833	83,869,328	15.61%
Ms. Liu	97,000	1,552,000	0.29%
NASN LP	2,245,000	35,920,000	6.68%
Mr. Wang Jianming (王澗鳴)	3,765,055	60,240,880	11.21%
Hangzhou Chuangqian Investment Partnership (Limited Partnership) (杭州創乾投資合夥企業(有限合夥)) ("**Hangzhou Chuangqian**")	2,427,577	38,841,232	7.23%
Shanghai Yangtze River Delta BOC Capital Equity Investment Fund Partnership (Limited Partnership) (上海長三角中銀資本股權投資基金合夥企業(有限合夥)) ("**BOC Capital**")	2,227,301	35,636,816	6.63%
Future Industry Investment Fund II (Limited Partnership) (先進製造產業投資基金二期(有限合夥)) ("**FIIF II**")	2,101,456	33,623,296	6.26%
Suzhou Industrial Park Qiming Rongke Equity Investment Partnership (Limited Partnership) (蘇州工業園區啓明融科股權投資合夥企業(有限合夥)) ("**Qiming Rongke**")	2,025,001	32,400,016	6.03%
Juli Investors			
Chengdu Juli Zhongchan Equity Investment Fund Partnership (Limited Partnership) (成都聚力重產股權投資基金合夥企業(有限合夥)) ("**Chengdu Juli**")	1,099,247	17,587,952	3.27%
Hangzhou Juli No.1 Equity Investment Partnership (Limited Partnership) (杭州聚力壹號股權投資合夥企業(有限合夥)) ("**Juli No.1**")	497,583	7,961,328	1.48%
Juli Hangshi (Hangzhou) Equity Investment Partnership (Limited Partnership) (聚力杭實(杭州)股權投資合夥企業(有限合夥)) ("**Juli Hangshi**")	331,722	5,307,552	0.99%
Suzhou Sushang United Venture Capital Partnership (Limited Partnership) (蘇州蘇商聯合創業投資合夥企業(有限合夥)) ("**Suzhou Sushang**")	1,568,687	25,098,992	4.67%
Ningbo Meishan Bonded Port Zone Wending Investment Co., Ltd. (寧波梅山保稅港區問鼎投資有限公司) ("**Ningbo Wending**")	1,336,174	21,378,784	3.98%
Hillhouse Investors			
VNTR VI HK Holdings Limited ("**VNTR**")	733,235	11,731,760	2.18%
MAUT IV HK Holdings Limited ("**MAUT**")	488,824	7,821,184	1.46%
Ms. Hou Jiaqiao (侯佳巧)	1,113,588	17,817,408	3.32%
Jiaxing Yunsen Equity Investment Partnership (Limited Partnership) (嘉興鋆森股權投資合夥企業(有限合夥)) ("**Jiaxing Yunsen**")	1,099,247	17,587,952	3.27%

Name of Shareholder	Number of Shares as of the Latest Practicable Date and before the Share Subdivision	Number of Shares immediately after the completion of Share Subdivision and before the [REDACTED]	Approximate percentage of shareholding before the [REDACTED]
Chongqing Changxin Zhiqi Private Equity Investment Fund Partnership (Limited Partnership) (重慶長信智汽私募股權投資基金合夥企業(有限合夥)) ("**Changxin Zhiqi**")	854,764	13,676,224	2.54%
Sunpeak Asset Holdings (Hong Kong) Limited (晟天實業集團(香港)有限公司) ("**Sunpeak Asset**")	814,798	13,036,768	2.43%
QM103 LIMITED ("**QM103**")	805,152	12,882,432	2.40%
Suzhou Maison Zhiyuan Venture Capital Enterprise (Limited Partnership) (蘇州麥星致遠創業投資企業(有限合夥)) ("**Suzhou Maison**")	724,637	11,594,192	2.16%
Shanghai Nasheng	717,960	11,487,360	2.14%
Chongqing Kexing Sci-Tech Innovation Equity Investment Fund Partnership (Limited Partnership) (重慶科興科創股權投資基金合夥企業(有限合夥)) ("**Chongqing Kexing**")	329,774	5,276,384	0.98%
Shangrong Investors			
Shangrong Baoying (Ningbo) Investment Center (Limited Partnership) (尚融寶盈(寧波)投資中心(有限合夥)) ("**Shangrong Baoying**")	104,694	1,675,104	0.31%
Shangrong Juxin (Ningbo) Venture Capital Center (Limited Partnership) (尚融聚鑫(寧波)創業投資中心(有限合夥)) ("**Shangrong Juxin**")	129,903	2,078,448	0.39%
Shanghai Shangrong Juyuan Equity Investment Center (Limited Partnership) (上海尚融聚源股權投資中心(有限合夥)) ("**Shangrong Juyuan**")	80,515	1,288,240	0.24%
Dongguan Qinhe Venture Capital Center (Limited Partnership) (東莞勤合創業投資中心(有限合夥)) ("**Dongguan Qinhe**")	302,052	4,832,832	0.90%
Chengdu Qigao Zhihe Venture Capital Partnership (Limited Partnership) (成都啓高致和創業投資合夥企業(有限合夥)) ("**Qigao Zhihe**")	259,807	4,156,912	0.77%
Jiaxing Nasien Venture Capital Partnership (Limited Partnership) (嘉興納斯恩創業投資合夥企業(有限合夥)) ("**Jiaxing Nasien**")	64,276	1,028,416	0.19%
Total	**33,586,862**	**537,389,792**	**100.00%**

MATERIAL ACQUISITIONS, DISPOSALS AND MERGERS

We have not conducted any acquisitions, disposals or mergers since our incorporation that we consider to be material to us.

[REDACTED] INVESTMENTS

Details of the **[REDACTED]** Investments are summarized below:

Name of [REDACTED] Investor	Investment method	Date of contract	Date of settlement	Amount of share capital subscribed/ acquired	Consideration[(1)]	Cost per Share paid[(2)]	Discount to the [REDACTED][(3)]
				(RMB)	*(RMB in millions)*	*(RMB)*	*(%)*
Series Angel-1 Investments (Pre-money valuation: RMB60.0 million; Post-money valuation:RMB80.0 million)[(4)]							
Mr. Wang Jianming . . .	Subscribe for new registered share capital	November 11, 2016	April 28, 2017	2,400,000	14.40	0.38	**[REDACTED]**
Ms. Hou Jiaqiao.	Subscribe for new registered share capital	November 11, 2016	April 28, 2017	933,300	5.60	0.38	**[REDACTED]**
Series Angel-2 Investments (Pre-money valuation: RMB180.0 million; Post-money valuation:RMB200.0 million)[(4)]							
Mr. Wang Jianming . . .	Subscribe for new registered share capital	November 11, 2016	July 31, 2017	1,481,500	20.00	0.84	**[REDACTED]**
Share Transfer between Shareholders in 2017							
Ms. Hou Jiaqiao.	Transfer from Mr. Tao	September 29, 2017	N/A	466,700	—[(5)]	—	**[REDACTED]**
Series A Investment (Pre-money valuation: RMB400.0 million; Post-money valuation: RMB500.0 million)[(4)]							
Suzhou Sushang.	Subscribe for new registered share capital	April 22, 2018	May 4, 2018	1,851,850	50.00	1.69	**[REDACTED]**
Qiming Rongke .	Subscribe for new registered share capital	April 22, 2018	June 13, 2018	1,851,850	50.00	1.69	**[REDACTED]**
Series B Investments (Pre-money valuation: RMB1,150.0 million; Post-money valuation: RMB1,450.0 million)[(4)]							
Suzhou Sushang.	Subscribe for new registered share capital	January 18, 2019	January 25, 2019	241,546	15.00	3.88	**[REDACTED]**
Hangzhou Chuangqian . .	Subscribe for new registered share capital	January 18, 2019	February 14, 2019	2,254,426	140.00	3.88	**[REDACTED]**

Name of [REDACTED] Investor	Investment method	Date of contract	Date of settlement	Amount of share capital subscribed/ acquired	Consideration[1]	Cost per Share paid[2]	Discount to the [REDACTED][3]
				(RMB)	*(RMB in millions)*	*(RMB)*	*(%)*
Shangrong Baoying	Subscribe for new registered share capital	January 18, 2019	January 23, 2019	724,637	45.00	3.88	**[REDACTED]**
Shangrong Juyuan	Subscribe for new registered share capital	January 18, 2019	January 23, 2019	80,515	5.00	3.88	**[REDACTED]**
Suzhou Maison	Subscribe for new registered share capital	January 18, 2019	January 24, 2019	724,637	45.00	3.88	**[REDACTED]**
QM103	Subscribe for new registered share capital	January 18, 2019	July 26, 2019	805,152	50.00	3.88	**[REDACTED]**
Share Transfer between Shareholders in 2019							
Suzhou Sushang	Transfer from Mr. Tao	January 18, 2019	April 15, 2019	259,727	15.00[6]	3.61	**[REDACTED]**
Hangzhou Chuangqian	Transfer from Mr. Tao	January 18, 2019	April 18, 2019	173,151	10.00[6]	3.61	**[REDACTED]**
Qiming Rongke	Transfer from Mr. Tao	January 18, 2019	April 18, 2019	173,151	10.00[6]	3.61	**[REDACTED]**
Series C1 Investments (Pre-money valuation: RMB1,800.0 million; Post-money valuation: RMB1,884.2 million)[4]							
Ningbo Wending	Subscribe for new registered share capital	August 27, 2021	September 28, 2021	1,091,762	84.16	4.82	**[REDACTED]**
Series C2 and C3 Investments (Pre-money valuation: RMB2,000.0 million; Post-money valuation: RMB2,350.0 million)[4]							
BOC Capital	Subscribe for new registered share capital	November 8, 2021	November 30, 2021	1,833,088	150.00	5.11	**[REDACTED]**
FIIF II	Subscribe for new registered share capital	December 27, 2021	January 28, 2022	1,222,059	100.00	5.11	**[REDACTED]**
VNTR	Subscribe for new registered share capital	December 27, 2021	January 29, 2022	733,235	60.00	5.11	**[REDACTED]**

Name of [REDACTED] Investor	Investment method	Date of contract	Date of settlement	Amount of share capital subscribed/ acquired	Consideration[1]	Cost per Share paid[2]	Discount to the [REDACTED][3]
				(RMB)	*(RMB in millions)*	*(RMB)*	*(%)*
MAUT	Subscribe for new registered share capital	December 27, 2021	January 29, 2022	488,824	40.00	5.11	**[REDACTED]**
Share transfer between Shareholders in 2021							
Ningbo Wending . . .	Transfer from Ms. Hou Jiaqiao	August 27, 2021	October 19, 2021	244,412	15.84[7]	4.05	**[REDACTED]**
BOC Capital . .	Transfer from Mr. Tao	November 8, 2021	December 14, 2021	394,213	30.00[8]	4.76	**[REDACTED]**
Series C+ Investments (Pre-money valuation: RMB2,390.0 million; Post-money valuation: RMB2,470.0 million)[4]							
Changxin Zhiqi .	Subscribe for new registered share capital	December 29, 2022	December 29, 2022	961,285	80.00	5.20	**[REDACTED]**
Share transfer between Shareholders in 2022 and 2023							
Changxin Zhiqi .	Transfer from Mr. Tao	December 29, 2022	December 29, 2022	259,807	20.00[9]	4.81	**[REDACTED]**
Shangrong Juxin	Transfer from Mr. Tao	December 29, 2022	December 30, 2022	129,903	10.00[9]	4.81	**[REDACTED]**
Qigao Zhihe. . .	Transfer from Suzhou Sushang	December 29, 2022	January 3, 2023	259,807	20.00[9]	4.81	**[REDACTED]**
Shangrong Baoying. . . .	Transfer from Suzhou Sushang	December 29, 2022	December 30, 2022	194,855	15.00[9]	4.81	**[REDACTED]**
Chongqing Kexing	Transfer from Suzhou Sushang	November 17, 2023	November 23, 2023	329,774	30.00[10]	5.69	**[REDACTED]**
Series D Investments (Pre-money valuation: RMB2,700.0 million; Post-money valuation: RMB2,980.0 million)[4]							
Chengdu Juli . .	Subscribe for new registered share capital	November 21, 2024	December 2, 2024	1,099,247	100.00	5.69	**[REDACTED]**
Jiaxing Yunsen .	Subscribe for new registered share capital	November 21, 2024	December 30, 2024	1,099,247	100.00	5.69	**[REDACTED]**

Name of [REDACTED] Investor	Investment method	Date of contract	Date of settlement	Amount of share capital subscribed/ acquired	Consideration[1]	Cost per Share paid[2]	Discount to the [REDACTED][3]
				(RMB)	*(RMB in millions)*	*(RMB)*	*(%)*
FIIF II	Subscribe for new registered share capital	November 21, 2024	November 29, 2024	879,397	80.00	5.69	**[REDACTED]**
Share transfer between Shareholders in 2025							
Sunpeak Asset. .	Transfer from Shangrong Baoying	August 30, 2025	September 26, 2025	814,798	63.01[11]	4.83	**[REDACTED]**
Dongguan Qinhe	Transfer from Changxin Zhiqi	August 20, 2025	August 27, 2025	302,052	30.00[12]	6.21	**[REDACTED]**
Jiaxing Nasien .	Transfer from Changxin Zhiqi	August 20, 2025	August 22, 2025	64,276	6.38[12]	6.21	**[REDACTED]**
Series D+ Investments (Pre-money valuation: RMB3,950.0 million; Post-money valuation: RMB4,050.0 million)[4]							
Juli Hangshi. . .	Subscribe for new registered share capital	September 26, 2025	September 30, 2025	331,722	40.00	7.54	**[REDACTED]**
Juli No.1	Subscribe for new registered share capital	September 26, 2025	September 30, 2025	497,583	60.00	7.54	**[REDACTED]**

Notes:

(1) In respect of subscription of new registered share capital of the Company, the consideration was determined after arm's length negotiations between the Company and the **[REDACTED]** Investors with reference to the status of milestones and prospects of commercialization of our key products, the overall industry status, the timing of the investments, the market value, and the prospects of our business etc.

(2) Each Share with a nominal value of RMB1.00 will be subdivided into [16] Shares with a nominal value of RMB[0.0625] immediately prior to the **[REDACTED]**. For purpose of presenting the cost per Share paid on a comparable basis especially on a consistent basis with the current Shares of our Company, the cost per Share is calculated by dividing 16 times of the total amount of the registered share capital subscribed or acquired.

(3) The discount to the **[REDACTED]** is calculated based on the assumption that the **[REDACTED]** is HK$**[REDACTED]** per H Share, being the mid-point of the **[REDACTED]** of HK$**[REDACTED]** to HK$**[REDACTED]** per H Share.

(4) In respect of subscription of new registered share capital of the Company, the post-money valuation is calculated by dividing the total consideration for the subscription of the Company's issued share capital under the relevant round of the **[REDACTED]** Investment by the percentage of the newly subscribed Company's issued share capital at the relevant time. The pre-money valuation is calculated by excluding the total consideration for such subscription from the post-money valuation under the relevant round of the **[REDACTED]** Investment. Such implied valuation of our Company has been increasing along with our rapid business development.

(5) Mr. Tao transferred it to Ms. Hou Jiaqiao at nil consideration after arm's length negotiation taking into consideration that Ms. Hou's facilitation of early-stage business development of the Company.

(6) Calculated by dividing the total consideration for such equity transfer by the percentage of the Company's issued share capital transferred at the relevant time, the pre-money and post-money valuation of the Company is RMB1,069.5 million. To the best knowledge of the Company, the consideration for such equity transfer between Shareholders was determined after arm's lengths negotiations taking into consideration the Company's then valuation, business and prospects, as well as timing of the transaction. Our Company was not involved in such negotiation between Shareholders.

(7) Calculated by dividing the total consideration for such equity transfer by the percentage of the Company's issued share capital transferred at the relevant time, the pre-money and post-money valuation of the Company is RMB1,512.9 million. To the best knowledge of the Company, the consideration for such equity transfer between Shareholders was determined after arm's lengths negotiations taking into consideration the Company's then valuation, business and prospects, as well as timing of the transaction. Our Company was not involved in such negotiation between Shareholders.

(8) Calculated by dividing the total consideration for such equity transfer by the percentage of the Company's issued share capital transferred at the relevant time, the pre-money and post-money valuation of the Company is RMB1,776.9 million. To the best knowledge of the Company, the consideration for such equity transfer between Shareholders was determined after arm's lengths negotiations taking into consideration the Company's then valuation, business and prospects, as well as timing of the transaction. Our Company was not involved in such negotiation between Shareholders.

(9) Calculated by dividing the total consideration for such equity transfer by the percentage of the Company's issued share capital transferred at the relevant time, the pre-money and post-money valuation of the Company is RMB2,210.7 million. To the best knowledge of the Company, the consideration for such equity transfer between Shareholders was determined after arm's lengths negotiations taking into consideration the Company's then valuation, business and prospects, as well as timing of the transaction. Our Company was not involved in such negotiation between Shareholders.

(10) Calculated by dividing the total consideration for such equity transfer by the percentage of the Company's issued share capital transferred at the relevant time, the pre-money and post-money valuation of the Company is RMB2,700 million. To the best knowledge of the Company, the consideration for such equity transfer between Shareholders was determined after arm's lengths negotiations taking into consideration the Company's then valuation, business and prospects, as well as timing of the transaction. Our Company was not involved in such negotiation between Shareholders.

(11) Calculated by dividing the total consideration for such equity transfer by the percentage of the Company's issued share capital transferred at the relevant time, the pre-money and post-money valuation of the Company is RMB2,533.1 million. To the best knowledge of the Company, the consideration for such equity transfer between Shareholders was determined after arm's lengths negotiations taking into consideration the Company's then valuation, business and prospects, as well as timing of the transaction. Our Company was not involved in such negotiation between Shareholders.

(12) Calculated by dividing the total consideration for such equity transfer by the percentage of the Company's issued share capital transferred at the relevant time, the pre-money and post-money valuation of the Company is RMB3,253.5 million. To the best knowledge of the Company, the consideration for such equity transfer between Shareholders was determined after arm's lengths negotiations taking into consideration the Company's then valuation, business and prospects, as well as timing of the transaction. Our Company was not involved in such negotiation between Shareholders.

At the time of the **[REDACTED]** Investments, our Directors were of the view that our Company would benefit from the additional capital provided by the **[REDACTED]** Investors' investments in our Company, and that the **[REDACTED]** Investors' investments in our Company demonstrated their confidence in our Group's operations and served as an endorsement of our Group's performance, strengths and prospects.

Use of Proceeds from the [REDACTED] Investments

As of the Latest Practicable Date, 88.41% of the net proceeds from the **[REDACTED]** Investments had been utilized for our general operation and business development.

Special Rights of Our [REDACTED] Investors

In connection with the **[REDACTED]** investments, our **[REDACTED]** Investors were previously granted certain special rights. In anticipation of the **[REDACTED]**, except for the divestment right which have been terminated prior to the date of our first submission of the **[REDACTED]** to the Stock Exchange, all other special rights including information right, right of first refusal and tag-along right, etc. will be terminated upon **[REDACTED]**. The divestment right granted by the Company, Mr. Tao,

Ms. Liu and NASN LP to **[REDACTED]** Investors shall be resumed to be exercisable if the **[REDACTED]** does not take place under circumstances including withdrawal of the **[REDACTED]**, the rejection or return of the **[REDACTED]** by the Stock Exchange, the withdrawal of our Joint Sponsors, the lapse of the **[REDACTED]** without resubmission of the **[REDACTED]** within a prescribed time and failure to complete the **[REDACTED]** within a prescribed time. The Company did not provide any guarantee in respect of the divestment right. There is no other side agreement entered into among the Company and the Shareholders. Since the Company had redemption obligations to the **[REDACTED]** Investors during the Track Record Period, such redemption obligations give rise to financial liabilities. For details, please refer to Note 29 to the financial information in the Accountant's Report set out in Appendix I to this document.

Compliance with the Guide for New Listing Applicants

Based on the documents provided by the Company, the Joint Sponsors are of the view that the **[REDACTED]** investments are in compliance with Chapter 4.2 of the Guide for New Listing Applicants.

Information regarding Our [REDACTED] Investors

Set out below is a description of our **[REDACTED]** Investors. To the best of knowledge of our Company, all **[REDACTED]** Investors are Independent Third Parties.

BOC Capital

BOC Capital is a limited partnership established in the PRC and managed by its general partner, Zhongyintou Private Fund Management (Beijing) Co., Ltd. (中銀投私募基金管理(北京)有限公司). The largest limited partner of BOC Capital is Zhongjin Innovation (Tianjin) Investment Co., Ltd. (中津創新(天津)投資有限公司) ("**Zhongjin Innovation**"), holding approximately 96.63% of partnership interest therein. Zhongjin Innovation is indirectly wholly owned by Tianjin Zejin Industrial Co., Ltd. (天津澤津實業有限公司) ("**Tianjin Zejin**") which in turn is wholly owned by Bank of China Group Investment Limited (中銀集團投資有限公司) ("**BOC Investment**"). BOC Investment is wholly owned by Bank of China Limited, which is a commercial bank listed on the Main Board of the Stock Exchange (stock code: 3988) and the Shanghai Stock Exchange (stock code: 601988). As the professional investment management arm of Bank of China, BOC Investment engages in diverse investment activities including corporate equity investments, fund investment and management, real estate investment and management and special opportunity investments across Hong Kong, Macau, mainland China and overseas markets. Each of BOC Capital, Zhongjin Innovation, Tianjin Zejin, BOC Investment and Bank of China Limited is an Independent Third Party.

FIIF II

Future Industry Investment Fund II (Limited Partnership) (先進製造產業投資基金二期(有限合夥)) is a limited partnership established in the PRC. It is managed by CS Capital Co., Ltd. (國投招商投資管理有限公司) ("**CS Capital**"). CS Capital set up an investment committee for FIIF II, and the investment committee controls the investment decision of FIIF II. FIIF II has 37 limited partners, among whom the Ministry of Finance of the PRC (中華人民共和國財政部) and State Development & Investment Corporation (國家開發投資集團有限公司) holds 25.00% and 10.04% partnership interest, respectively, and none of the other limited partners holds more than 10% partnership interest therein. CS Capital has 10 shareholders. The two largest shareholders each holding 21.05% of the equity interest in CS Capital are (i) China SDIC Gaoxin Industrial Investment Corp., Ltd. (中國國投高新產業

投資有限公司); and (ii) China Merchants Capital Management Co., Ltd. (招商局資本管理有限責任公司), which is indirectly owned as to 50% by China Merchants Financial Holdings Co., Ltd. (招商局金融控股有限公司), which is in turn ultimately controlled by China Merchants Group Limited (招商局集團有限公司); and as to 50% by GLP Capital Investment 5 (HK) Limited, which in turn is controlled by GLP Holdings, L.P., whose general partner is GLP Holdings Limited. CS Capital is an independent private equity fund manager and focuses on six investment sectors: smart manufacturing, intelligent NEV, life science & biomanufacturing, information & communication technology, artificial intelligence, as well as integrated circuits.

Qiming Rongke

Qiming Rongke is a limited partnership established in the PRC. Qiming Rongke is owned as to 1.11% by Suzhou Qiping Investment Management Partnership (Limited Partnership) (蘇州啓平投資管理合夥企業(有限合夥)) ("**Suzhou Qiping**") as its general partner, and 24 limited partners, all being Independent Third Parties with each holding less than one third partnership interest therein. The general partner of Suzhou Qiping is Suzhou Qiman Investment Management Co., Ltd. (蘇州啓滿投資管理有限公司) ("**Suzhou Qiman**"), which is owned by Ms. Yu Jia (于佳) and Ms. Xu Jing (徐靜) as to 50% and 50%, respectively. Qiming Rongke is a venture capital fund operated under Qiming Venture Partners.

Hangzhou Chuangqian

Hangzhou Chuangqian is a limited partnership established in the PRC and its general partner is Hangzhou Maiqisi Investment Partnership (Limited Partnership) (杭州麥奇思投資合夥企業(有限合夥)), whose general partner is Hangzhou Jingwei Investment Management Co., Ltd. (杭州景巍投資管理有限公司), which is owned by Mr. Zuo Lingye (左淩燁) and Ms. Xiao Ping (肖萍) as to 90% and 10%, respectively. Each of the limited partners of Hangzhou Chuangqian is an Independent Third Party and holds less than 30% partnership interest therein. Hangzhou Chuangqian is managed by its fund manager, Shanghai Jingzhuo Investment Management Co., Ltd. (上海旌卓投資管理有限公司) ("**Shanghai Jingzhuo**"). Shanghai Jingzhuo has primarily focused its investments in specialized technology sectors in recent years, and has invested in many reputable technology companies such as Li Auto, Unitree Robotics, Muxi and LandSpace.

Mr. Wang Jianming

Mr. Wang Jianming is an individual **[REDACTED]** Investor who from time to time participates in various investment opportunities with a primary focus in China.

Juli Investors

Juli No.1 is a limited partnership established in the PRC and managed by its general partner, SDIC Juli Investment Management Co., Ltd. (國投聚力投資管理有限公司) ("**SDIC Juli**"). The largest shareholder of SDIC Juli holing 30% equity interest therein is State Development and Investment Group Co., Ltd. (國家開發投資集團有限公司), a wholly-owned subsidiary of the State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會). Each of the other 18 shareholders of SDIC Juli is an Independent Third Party and holds less than 20% equity interest therein. The other two limited partners of Juli No.1 each holding 49.92% partnership interest therein are Hangzhou Xiaoshan Economic and Technology Development Zone Industrial Fund Co., Ltd. (杭州蕭山經濟技術開發區產業基金有限公司) ("**Xiaoshan Industrial Fund**") and Hangzhou Xiaoshan International Venture Capital Development Co., Ltd. (杭州蕭山國際創業投資發展有限公司).

Xiaoshan Industrial Fund is wholly owned by the Hangzhou Xiaoshan Economic and Technological Development Zone State-owned Assets Holding Group Co., Ltd. (杭州蕭山經濟技術開發區國有資本控股集團有限公司) and Hangzhou Xiaoshan International Venture Capital Development Co., Ltd. is ultimately wholly owned by the Finance Bureau of Xiaoshang District (蕭山區財政局).

Chengdu Juli is a limited partnership established in the PRC and managed by its general partners, SDIC Juli. The largest limited partner of Chengdu Juli holding 39.5% partnership interest therein is SDIC Juli M&A Equity Investment Fund (Shanghai) Partnership (Limited Partnership) (國投聚力並購股權投資基金(上海)合夥企業(有限合夥)) ("**SDIC Juli M&A**"), whose general partner is also SDIC Juli. Each of the other three limited partners of Chengdu Juli is an Independent Third Party and holds less than one third partnership interest therein.

Juli Hangshi is a limited partnerships established in the PRC and managed by its general partners, SDIC Juli and Hangshi Equity Investment Fund Management (Hangzhou) Co., Ltd. (杭實股權投資基金管理(杭州)有限公司). Hangshi Equity Investment Fund Management (Hangzhou) Co., Ltd. is a wholly-owned subsidiary of Hangzhou Industrial Investment Group Co., Ltd. (杭州市實業投資集團有限公司), which is owned by the State-owned Assets Supervision and Administration Commission of Hangzhou City (杭州市國有資產監督管理委員會) and Zhejiang Financial Development Co., Ltd. (浙江省財開集團有限公司), a wholly-owned subsidiary of Zhejiang Provincial Department of Finance (浙江省財政廳), as to 90% and 10%, respectively. Juli Hangshi is owned by three limited partners, namely Hangzhou Huishi Investment Management Partnership (Limited Partnership) (杭州匯實投資管理合夥企業(有限合夥)), SDIC Juli M&A and Xiaoshan Industrial Fund, as to 39.9%, 39.9% and 20%, respectively. The general partner of Hangzhou Huishi Investment Management Partnership (Limited Partnership) is Hangshi Qinglian Enterprise Management Consulting (Hangzhou) Co., Ltd. (杭實輕聯企業管理諮詢(杭州)有限公司), which is ultimately controlled by Hangzhou Industrial Investment Group Co., Ltd.

Suzhou Sushang

Suzhou Sushang is a limited partnership established under the laws of the PRC and is principally engaged in venture capital investment. Suzhou Sushang's general partners are Shanghai Qianyue Investment Management Co., Ltd. (上海謙越投資管理有限公司) ("**Shanghai Qianyue**") and Shanghai Jinlian Enterprise Management Center (Limited Partnership) (上海金濂企業管理中心(有限合夥)) ("**Shanghai Jinlian**"), respectively holding 1.79% and 0.09% of partnership interest in Suzhou Sushang. 30% equity interest in Shanghai Qianyue is held by Ningbo Meishan Bonded Port Jincheng Shazhou Equity Investment Co., Ltd. (寧波梅山保稅港區錦程沙洲股權投資有限公司) ("**Jincheng Shazhou**"), which is controlled and owned by Mr. Shen Bin (沈彬), an Independent Third Party, as to 70.53%. Ms. Wang yan (王艷), Mr. Lyu Houjun (呂厚軍) and Mr. Lu Fenglei (陸風雷) respectively holds 69%, 30% and 1% of partnership interest in Shanghai Jinlian, each of whom is an Independent Third Party. Suzhou Sushang has nine limited partners, each of whom holds less than 30% partnership interest therein.

Ningbo Wending

Ningbo Wending is a wholly-owned subsidiary of Contemporary Amperex Technology Co., Ltd. (寧德時代新能源科技股份有限公司), which is a global leading innovative new energy technology company listed on the Main Board of the Stock Exchange (stock code: 3750) and the Shenzhen Stock Exchange (stock code: 300750).

Hillhouse Investors

VNTR VI HK Holdings Limited is a limited company incorporated under the laws of Hong Kong. MAUT IV HK Holdings Limited is a limited company incorporated under the laws of Hong Kong. Both VNTR VI HK Holdings Limited and MAUT IV HK Holdings Limited are ultimately managed and controlled by Hillhouse Investment Management, Ltd. ("**Hillhouse**"), an exempted company incorporated under the laws of the Cayman Islands. Founded in 2005, Hillhouse is dedicated to investing in high-quality businesses for the long term. With two decades of experience, Hillhouse collaborates with industry-defining enterprises, aiming to establish alignment with sustainable, forward-thinking companies across industrial, business services, healthcare and consumer sectors.

Ms. Hou Jiaqiao

Ms. Hou Jiaqiao is an individual **[REDACTED]** Investor who from time to time participates in various investment opportunities with a primary focus in China.

Jiaxing Yunsen

Jiaxing Yunsen is a limited partnership established in the PRC and managed by its general partner, Zhuhai Tongpei Equity Investment Management Partnership (Limited Partnership) (珠海通沛股權投資管理合夥企業(有限合夥)) ("**Zhuhai Tongpei**"), whose general partner is Profit Score Limited. The largest limited partner of Zhuhai Tongpei is Zhuhai Zehuan Investment Management Partnership Enterprise (Limited Partnership) (珠海澤桓投資管理合夥企業(有限合夥)) ("**Zhuhai Zehuan**"), holding 99.10% of partnership interest therein, whose general partner in turn is Profit Score Limited, which in turn is controlled by Mr. Chen Jinsong (陳勁松), and Mr. Chen Jinsong is a limited partner of Zhuhai Zehuan holding 74.51% partnership interest therein. Haiyan Lingchuang Enterprise Management Co., Ltd. (海鹽瓴創企業管理有限公司) and Haiyan State-owned Capital Investment Co., Ltd. (海鹽縣國有資本投資有限公司) are limited partners of Jiaxing Yunsen and hold 60.00% and 40.00% of partnership interest therein. Haiyan Lingchuang Enterprise Management Co., Ltd. is ultimately controlled by Haiyan Yanyi Capital Holding Co., Ltd. (海鹽縣鹽邑資本控股有限公司), a wholly-owned subsidiary of the Haiyan County Finance Bureau (海鹽縣財政局). Haiyan State-owned Capital Investment Co., Ltd. is ultimately wholly owned by the Haiyan County Finance Bureau. Each of Jiaxing Yunsen, its general partner, and limited partners and their respective ultimate beneficial owners are Independent Third Parties.

Changxin Zhiqi

Changxin Zhiqi is a limited partnership established under the laws of the PRC and managed by its general partner, Anhe (Chongqing) Private Equity Investment Management Co., Ltd. (安和(重慶)私募股權投資基金管理有限公司) ("**Anhe Chongqing**"), which is owned by Changan Automobile Investment (Shenzhen) Co., Ltd. (長安汽車投資(深圳)有限公司), an Independent Third Party, as to 44.44% and no other shareholders of Anhe Chongqing hold more than 30% equity interest therein. All of Anhe Chongqing's other shareholders hold less than 30% equity interest therein and are Independent Third Parties. Changan Automobile Investment (Shenzhen) Co., Ltd. is a wholly-owned subsidiary of Chongqing Changan Automobile Co., Ltd. (重慶長安汽車股份有限公司) ("**Changan**"), a joint stock company listed on the Shenzhen Stock Exchange (stock code: 000625). The largest two limited partners of Changxin Zhiqi each holding 49.80% partnership interest therein are Changan and Beijing Juxinde Investment Management Center (Limited Partnership) (北京聚信德投資管理中心(有限合夥)). The general partner of Beijing Juxinde Investment Management Center (Limited Partnership) is CCB

(Beijing) Investment Funds Management Co., Ltd. (建信(北京)投資基金管理有限責任公司), a company ultimately controlled by China Construction Bank Corporation (中國建設銀行股份有限公司), which is a commercial bank listed on the Main Board of the Stock Exchange (stock code: 939) and the Shanghai Stock Exchange (stock code: 601939). The other one limited partner of Changxin Zhiqi, Nanfang Kechuang (Beijing) Private Equity Fund Management Limited (南方科創(北京)私募基金管理有限公司), is an Independent Third Party and holds less than 1% partnership interest therein.

Sunpeak Asset

Sunpeak Asset Holdings (Hong Kong) Limited is a company incorporated under the laws of Hong Kong and is controlled and owned by Mr. Sun Mutian (孫幕天), holding 100% equity interest therein. Mr. Sun Mutian is an Independent Third Party.

QM103

QM103 Limited is a company incorporated under the laws of Hong Kong and is owned by Qiming Venture Partners VI, L.P. and Qiming Managing Directors Fund VI, L.P.. Qiming Venture Partners VI, L.P. and Qiming Managing Directors Fund VI, L.P. are exempted limited partnerships registered under the laws of the Cayman Islands. Qiming GP VI, L.P. is the general partner of Qiming Venture Partners VI, L.P., whereas Qiming Corporate GP VI, Ltd. is the general partner of Qiming GP VI, L.P. and Qiming Managing Directors Fund VI, L.P.

Qiming Corporate GP VI, Ltd. is held as to 30% and 30% by Gary Edward Rieschel and Kuang Duane Ziping, and no other shareholders of Qiming Corporate GP VI, Ltd. hold more than 30% interests therein.

Suzhou Maison

Suzhou Maison is a limited partnership established under the laws of the PRC and managed by its general partner, Shenzhen Maison Investment Management Center (Limited partnership) (深圳市麥星投資管理中心(有限合夥)) ("**Maison Investment Center**"). The general partner of Maison Investment Center is Shenzhen Maison Capital Co., Ltd. (深圳市麥星投資管理有限公司), a wholly-owned subsidiary of Shenzhen Maison Investment Co., Ltd. (深圳市麥星投資有限公司), which is owned by Mr. Cui Wenli (崔文立) and Mr. Wang Yi (王怡) as to 90% and 10%, respectively. The largest limited partner of Suzhou Maison holding 26.18% partnership interest therein is Shanghai Haojin Enterprise Management Partnership (Limited Partnership) (上海灝津企 業管理合夥企業(有限合夥)), which is owned by Mr. Zhang Haijun as its general partner and Shenzhen Maison Equity Investment Fund Partnership (Limited Partnership) (深圳市麥星股權投資基金合夥企業(有限合夥)) as its limited partner, as to 0.01% and 99.99%, respectively. The general partner of Shenzhen Maison Equity Investment Fund Partnership (Limited Partnership) is Maison Investment Center. Each of the other six limited partners of Suzhou Maison is an Independent Third Party and holds less than one third partnership interest therein.

Chongqing Kexing

Chongqing Kexing is a limited partnership established in the PRC and managed by its general partner, Chongqing Kexing Science and Technology Innovation Equity Investment Fund Management Co., Ltd. (重慶科興科創股權投資基金管理有限公司), whose largest shareholder holding 45.44% equity interest therein is Chongqing Baike Hui Enterprise Management Consulting Co., Ltd. (重慶百科匯企業管理諮詢有限公司), a company owned by Mr. Zhao Chunlin (趙春林) and Mr. Qi Yong (齊勇) as to

70% and 30%, respectively. The largest two limited partners each holding 28% partnership interest in Chongqing Kexing are Chongqing Xiantao Data Valley Investment Management Co., Ltd. (重慶仙桃數據谷投資管理有限公司) and Chongqing Lin Kong Development Investment Group Co., Ltd. (重慶臨空開發投資集團有限公司), which are both ultimately wholly owned by the State-owned Assets Supervision and Administration Commission of Yubei District (渝北區國有資產監督管理委員會). Each of the other four limited partners of Chongqing Kexing is an Independent Third Party and holds 20% or less partnership interest therein.

Shangrong Investors

Shangrong Baoying, Shangrong Juxin and Shangrong Juyuan are limited partnerships established in the PRC and managed by their general partner, Shangrong Capital Management Co., Ltd. (尚融資本管理有限公司) ("**Shangrong Capital**"), a company owned as to 30% by Ms. Zheng Ruihua (鄭瑞華) and 50% by Ningbo Heyuan Holding Co., Ltd. (寧波禾元控股有限公司) ("**Ningbo Heyuan**"), which is ultimately controlled by Mr. Sun Yonggen (孫永根). Each of Shangrong Capital, Ms. Zheng Ruihua, Ningbo Heyuan and Mr. Sun Yonggen is an Independent Third Party. All of Shangrong Capital's other shareholders hold less than 30% equity interest therein. Ningbo Heyuan is a limited partner of Shangrong Baoying holding 88.61% partnership interest therein. Each of the other three limited partners of Shangrong Baoying is an Independent Third Party and holds less than one third partnership interest therein. Ms. Wang Meiqin (王美琴) and Mr. Wang Fuyuan (王福元) are limited partners of Shangrong Juxin and each holds 49.51% partnership interest therein. Gongqingcheng Shangrong Investment Management Partnership (Limited Partnership) (共青城尚融投資管理合夥企業(有限合夥)), whose general partner is Mr. Pan Yanyan (潘言炎), is a limited partner of Shangrong Juyuan and holds 98.04% partnership interest therein. The other one limited partner of Shangrong Juyuan is an Independent Third Party and holds less than 1% partnership interest therein.

Dongguan Qinhe

Dongguan Qinhe is a limited partnership established in the PRC and its general partner is Dongguan Qinhe Tsingstone Equity Investment Partnership (Limited Partnership) (東莞勤合清石股權投資合夥企業(有限合夥)), whose general partner is Tsingstone Capital Management (Shanghai) Co., Ltd. (清石資產管理(上海)有限公司), which is indirectly controlled by Nantong Tsingstone Science and Technology Innovation Development Center (Limited Partnership) (南通清石科創發展中心(有限合夥)). The general partner of Nantong Tsingstone Science and Technology Innovation Development Center (Limited Partnership) is Nantong Yanze Technology Development Co., Ltd. (南通彥澤科技發展有限公司), which is wholly owned by Ms. Wu Weiping (吳偉萍). Dongguan Qinhe has five limited partners, among which, Shanghai Moqin Intelligent Technology Co., Ltd. (上海摩勤智能技術有限公司) directly holds 49% partnership interest therein. Shanghai Moqin Intelligent Technology Co., Ltd. is a wholly-owned subsidiary of Huaqin Technology Co., Ltd. (華勤技術股份有限公司), which is a company listed on the Shanghai Stock Exchange (stock code: 603296). Each of the other four limited partners of Dongguan Qinhe is an Independent Third Party. Except for Shanghai Moqin Intelligent Technology Co., Ltd., which directly holds more than one-third of Dongguan Qinhe's partnership interests, each of the other four limited partners directly holds less than one-third of Dongguan Qinhe's partnership interests.

Qigao Zhihe

Qigao Zhihe is a limited partnership established in the PRC and managed by its general partner, Ningbo Qigao Gongchuang Management Consulting Partnership (Limited Partnership) (寧波啓高共創管理諮詢合夥企業(有限合夥)), whose general partner is Qigao Investment Management (Shanghai) Co., Ltd. (啓高投資管理(上海)有限公司), which is owned by Mr. Yin Ming (尹明) and Mr. Zhang Yong (張勇) as to 60% and 40%, respectively. The largest limited partner of Qigao Zhihe holding 16.56% partnership interest therein is Zhejiang Zhengmao Venture Capital Co., Ltd. (浙江正茂創業投資有限公司), which is ultimately controlled by Hailiang Group Co., Ltd. (海亮集團有限公司) ("**Hailiang Group**"). Hailiang Group is owned by Mr. Feng Hailiang (馮海良), an Independent Third Party, as to 41.24%, and by Ningbo Zhetao Investment Holdings Co., Ltd. (寧波哲韜投資控股有限公司) ("**Ningbo Zhetao**") as to 38.05%, respectively. Ningbo Zhetao is ultimately controlled by Mr. Feng Hailiang. All of the other shareholders of Hailiang Group hold less than 30% of equity interest therein and each of Hailiang Group, Mr. Feng Hailiang and Ningbo Zhetao is an Independent Third Party. Each of the other 21 limited partners of Qigao Zhihe is an Independent Third Party and holds less than 15% partnership interest therein.

Jiaxing Nasien

Jiaxing Nasien is a limited partnership established in the PRC and managed by its general partner, Shanghai StarGush Capital Co., Ltd. (上海星涌投資管理有限公司), which is owned by Mr. Shen Hua (沈華) and Mr. Tan Jun (談峻) as to 99.9% and 0.1%, respectively. Mr. Zhan Hehai (戰和海) and Mr. Lu Song (盧松) are limited partners of Jiaxing Nasien and hold 50.0% and 43.3% partnership interest therein.

PRC LEGAL ADVISER'S CONFIRMATION

As advised by our PRC Legal Adviser, the abovementioned equity transfers involving our Shares, increase in share capital and conversion from a limited liability company to a joint stock company with limited liability have been properly and legally completed in all material respects and all requisite regulatory approvals have been obtained in accordance with the applicable PRC laws and regulations in all material respects.

LOCK-UP PERIOD

Pursuant to the applicable PRC law, the Shares held by our existing Shareholders (including our **[REDACTED]** Investors) are subject to a lock-up period of 12 months after the **[REDACTED]**.

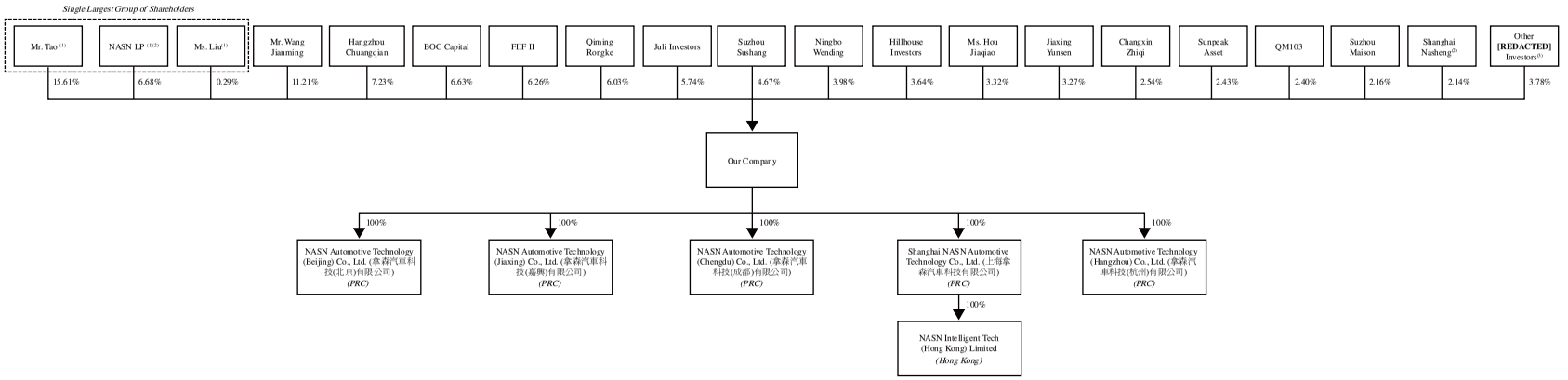
[REDACTED]

[REDACTED]

CORPORATE STRUCTURE

Corporate structure immediately before completion of the [REDACTED]

The following chart sets forth our shareholding structure as of the Latest Practicable Date and immediately before completion of the **[REDACTED]**:



Notes:

(1) NASN LP is controlled by Mr. Tao as its general partner and Ms. Liu is the spouse of Mr. Tao.

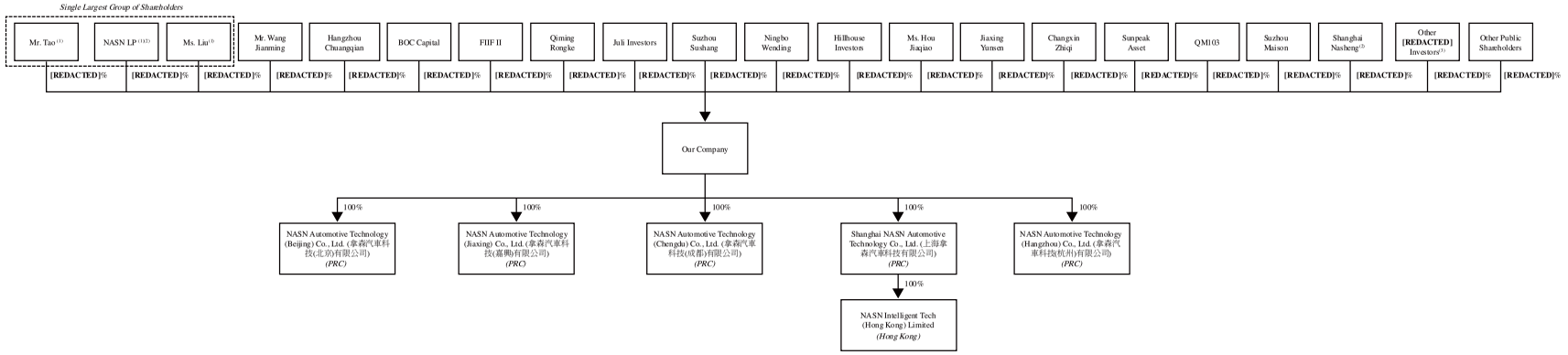
(2) NASN LP and Shanghai Nasheng are Employee Incentive Platforms of our Company. See "— Share Incentive Scheme" in this section and "Statutory and General Information — Share Incentive Scheme" in Appendix VI to this Document for details.

(3) Refers to seven **[REDACTED]** Investors of our Company, including Chongqing Kexing, Shangrong Investors, Dongguan Qinhe, Qigao Zhihe and Jiaxing Nasien. See "— Capitalization of our Company" and "— **[REDACTED]** Investments" for details.

* The aggregate of the percentage figures in the above table may not add up to 100% due to rounding.

Corporate structure immediately following completion of the [REDACTED]

The following chart sets forth our corporate structure immediately after the completion of the **[REDACTED]** and the Conversion of **[REDACTED]** Shares into H Shares (assuming the **[REDACTED]** is not exercised):



Notes:

(1)–(3) See notes in "— Corporate Structure — Corporate structure immediately before completion of the **[REDACTED]**."

* The aggregate of the percentage figures in the above table may not add up to 100% due to rounding.

OVERVIEW

Who We Are

We are a leading Chinese innovator in intelligent driving motion control, specializing in X-by-wire technology. Our focus is on delivering mission-critical X-by-wire solutions for intelligent driving, by integrating proprietary full-stack control algorithms, software and hardware. Perception, decision-making, and execution are the three pillars of automotive intelligence, with X-by-wire technology serving as the "cerebellum" that ensures safe and advanced motion control execution. Our solutions transform commands from the vehicle's intelligent driving "brain" into precise, rapid motion control, enhancing safety, maneuverability and comfort.

We are a pioneer in the localization of X-by-wire systems, aligning with China's national strategy to enhance the independence of the intelligent driving supply chain. According to CIC, we are:

— the first Chinese company to commercialize electronic brake booster solution (NBS solution) for L4 autonomous vehicles;

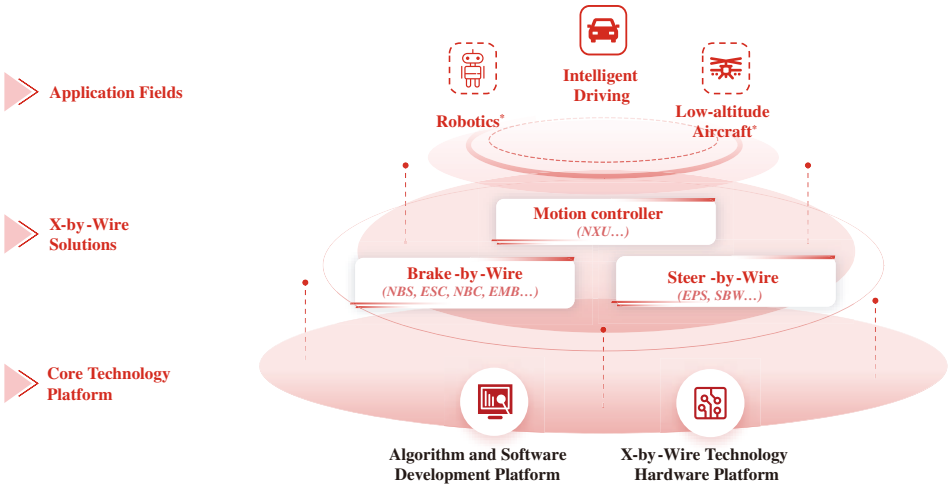
— the first Chinese company to supply proprietary electronic brake booster solution (NBS solution) to leading Chinese EV OEMs;

— among the top three domestic brake-by-wire solution providers in terms of brake-by-wire solution sales volume in China in 2024;

— the second-largest domestic independent third-party brake-by-wire solution provider in terms of brake-by-wire solution sales volume in China in 2024; and

— the fastest-growing among the top five domestic brake-by-wire solution providers in terms of year-on-year growth rate for brake-by-wire solution sales volume in China in 2024.

Our deep technical foundation and commercialization capabilities provide a solid foundation in emerging fields, such as humanoid robotics and low-altitude aircrafts motion control. We have established robust capabilities to serve leading customers, fostering long-standing relationship with our customers. Several top-tier OEMs are already venturing into humanoid robotics and low-altitude aircrafts, creating natural synergies with our potential business expansion into these fields. While achieving rapid growth in the automotive sector, we have the capacity for cross-industry technology deployment and are seeking to cultivate a high-potential second growth curve in adjacent markets.



* Robotics and low-altitude aircraft are future application field.

Our X-by-wire Solutions

Our X-by-wire solutions, centered on proprietary control algorithms, software and hardware architectures, encompass a comprehensive portfolio including NBS, ESC, NBC, RBC and EMB solutions. Our software algorithms enable advanced capabilities such as driver braking intent recognition, intelligent driving mode switching and DSC (dynamic stability control), ensuring precise motion execution, intelligent system coordination and robust safety redundancy. By enabling seamless integration with various OEM platforms, our solutions empower OEMs to achieve high-performance vehicle dynamics and scalable system adaptability. When deployed individually, our solutions enable L1 and L2 levels of intelligent driving, while in combination, our solution offering facilitate L3 and L4 levels of autonomous driving capabilities.

Our Technology Platform

We have developed a comprehensive technology platform for core electronic control solutions in X-by-wire chassis systems, covering component-level, module-level, system-level and vehicle-level integration. This modular platform offers a robust technical framework characterized by high reusability, rapid iteration, exceptional reliability and cross-scenario transferability, enabling efficient innovation, design and development of X-by-wire solutions.

We have built a software platform comprising modular solutions to support efficient, reliable and flexible motion control scenarios. This platform integrates core modules such as brake demand recognition and arbitration algorithm, coordinative regeneration control algorithm, stability control algorithm and actual brake force estimation algorithm. With our strongest R&D team, we have specially enhanced the capability of the hardware-in-loop simulation and vehicle-level software safety release testing. For hardware development, we have built a full-stack self-developed hardware platform, including sensing modules, controlling modules and actuating modules which consist of different sensors, EMC design for high current driver, brushless motors and linear solenoid valves. With our self-designed redundant parking brake module, we introduced the first ESC solution equipped with EPB feature in the global market. Additionally, our capability to deliver X-by-wire solutions based on domestic automotive-grade chips and sensors enhances our market competitiveness with domestic OEMs.

Fostering a New Ecosystem for Automotive Industry Innovation

The global automotive industry is rapidly evolving toward a collaborative and intelligent ecosystem. Leveraging X-by-wire technology as the cornerstone, we collaborate with Tier 1 suppliers, OEMs, and technology leaders to build an innovative ecosystem through an open and collaborative approach. Our joint efforts with a leading global battery technology provider have pioneered the application of brake-by-wire technology in Cell-to-Chassis (C2C) architectures globally. We have also partnered with a global leader in automotive semiconductors to proactively develop 48V X-by-wire solutions. By engaging with OEMs early in the product definition stage, we establish deep technical collaboration to optimize vehicle performance, obtain timely feedback and iterate our solutions efficiently, thereby reinforcing our industry-leading position. Our collaboration with a leading Chinese autonomous driving technology company promoted the development of China's first L4 autonomous minibus, representing the first adoption of brake-by-wire technology in this vehicle category, according to CIC.

Vast Market Potential and Strategic Opportunities

The global automotive industry is accelerating its transition from assisted driving to full-scenario intelligent driving. As the world's largest automotive market and a leader in intelligent EVs, China is poised to nurture globally leading industry players. X-by-wire solutions, as the critical execution layer for advanced intelligent driving, are growing with market scale expanding in tandem with industry advancements. According to CIC, the global X-by-wire market grew from RMB108.8 billion in 2020 to RMB263.9 billion in 2024, achieving a CAGR of 24.8%, and is projected to reach RMB621.7 billion by 2030 with a CAGR of 15.4%. In China, the market expanded from RMB22.4 billion in 2020 to RMB75.2 billion in 2024, with a CAGR of 35.4%, and is expected to grow to RMB222.8 billion by 2030 at a CAGR of 19.8%. Within China's intelligent driving supply chain, X-by-wire, particularly brake-by-wire, remains the segment with the lowest localization rate. Chinese domestic OEMs are accelerating the development of secure and controllable localized supply chain to ensure delivery stability and cost competitiveness. According to CIC, in 2024, the sales volume of domestic brake-by-wire solutions in China's market reached 5.4 million units with a localization rate of only 18.8%, and the localization rate is expected to increase to 60.0% in 2030, indicating significant market opportunities. Leveraging our core technical expertise, we capitalize on this opportunity by overcoming technological barriers, delivering world-class solutions tailored to local needs and expanding our customer base to capture market share and drive localization. Beyond providing cost-effective and high-quality solutions to OEMs, our rapid-response and iterative development capabilities position us as a key contributor to the advancement of intelligent driving industry, playing an indispensable role in China's strategy for automotive self-reliance. Moreover, the versatility of X-by-wire technologies enables expansion into robotics and low-altitude aircrafts, delivering stable, high-end intelligent motion control and broadening our future market potential.

Our Financial Performance

We have achieved robust growth in recent years, with key financial metrics reflecting significant progress. Our revenue increased from RMB272.2 million in 2023 to RMB614.5 million in 2025, representing a CAGR of 50.2%. Our gross profit grew from RMB3.1 million in 2023 to RMB83.6 million in 2025, with a CAGR of 418.3%.

OUR COMPETITIVE STRENGTHS

We believe that our competitive strengths are as follows:

China's Leading Intelligent Driving Motion Control Expert Focusing on X-By-wire Technology

We are China's leading intelligent driving motion control expert specializing in X-by-wire technology. We focus on X-by-wire chassis solutions for intelligent driving applications that demand the highest safety standards and technical sophistication, integrating our proprietary full-stack control algorithms, software and hardware. Through our extensive and loyal customer base, continuous technological innovation and comprehensive full-stack solutions, we have established a leading market position and achieved multiple industry firsts and breakthroughs in China. According to CIC, we are:

- the first to achieve mass production of China's electronic brake booster solution (NBS solution);
- the first Chinese company to commercialize electronic brake booster solution (NBS solution) for L4 autonomous vehicles;
- the first Chinese company to supply proprietary electronic brake booster solution (NBS solution) to leading Chinese EV OEMs;
- the world's first to mass-produce ESC redundant EPB solutions;
- among the first in China to mass produce a single-stage transmission NBC solution;
- the first in the world to integrate brake-by-wire and steer-by-wire solution into C2C integrated platforms;
- among the first in China to release 48V EMB solutions; and
- the recipient of the First Prize for Scientific and Technological Invention from the China Society of Automotive Engineers, one of the industry's most prestigious award.

We are driven by cutting-edge R&D. We have undertaken high-level research projects including a national-level research commissioned by the Ministry of Industry and Information Technology (MIIT) leading the integrated design and development of high-safety, all-climate power batteries and electric chassis, and the Shanghai Industrial Strengthening and Foundation Enhancement Special Project. We also lead the drafting and formulation of national and industry standards for X-by-wire chassis systems. As a member of the Society of Automotive Engineers of China's X-By-wire Chassis Interface Protocol Standards Committee, we participated in drafting the "Communication Interface Requirements for Intelligent Chassis Domain Controllers in Passenger Vehicles," scheduled for implementation in 2026. As a member of Brake Professional Group under the China Association of Automobile Manufacturers (CAAM), we have participated in the drafting of several CAAM group standards, including "Durability Performance Requirements and Bench Test Methods for Electronic Brake Booster Systems" (《電子助力制動系統耐久性能要求及台架試驗方法》), "Assembly Performance Requirements and Bench Test Methods for Decoupled Electronic Brake Booster Systems" (《汽車解耦式電子助力制動系統總成性能

要求及台架試驗方式》), and "Assembly Performance Requirements and Bench Test Methods for Non-Decoupled Electronic Brake Booster Systems" (《汽車非解耦式電子助力制動系統總成性能要求及台架試驗方法》).

We are also a leader in commercializing X-by-wire chassis solutions. According to CIC, we rank among China's top three domestic brake-by-wire solution providers and are the second-largest domestic independent third-party provider, in terms of brake-by-wire solution sales volume in China in 2024. Among China's top five domestic solution providers, we achieved the highest year-over-year growth rate of 58.3% for brake-by-wire solution sales volume in 2024.

Premium Customer Base with High Retention Supported by High-Value Services

Premium Customer Base

Leveraging our deep technological advantages and product competitiveness, we have fostered a premium customer base with high stickiness, forming deep collaboration with leading market players in the automotive industry. As of December 31, 2025, we have built stable and long-term relationships with leading OEMs in China, and according to CIC, our customer base has achieved 100% coverage of the top five Chinese domestic OEMs, ranked by sales volume of passenger vehicle in 2024. We became the main supplier for multiple OEMs in providing X-by-wire solutions for their main vehicle models during the Track Record Period, demonstrating our customers' long-term trust in our technological capabilities and product quality. As of December 31, 2023, 2024 and 2025, we obtained 51, 73 and 117 design-wins projects, respectively.

In terms of global expansion, we have successfully leveraged the overseas channels of our domestic OEM customers to achieve international market penetration. Since 2024, multiple vehicle models of our OEM customers equipped with our X-by-wire solutions have successfully entered markets in Southeast Asia and South America. Concurrently, we are actively developing direct overseas customers and are well-positioned to establish technical cooperation with major international OEMs. Our X-by-wire chassis solutions are currently undergoing automotive-grade validation with these partners, laying a solid foundation for global business growth.

Customer-Centric High-Value Services

We maintain a customer-centric approach, building a comprehensive high-value service ecosystem around our X-by-wire solutions. We enhance customer stickiness through superior product performance, rapid response capabilities and compelling value propositions. Focusing on the core X-by-wire chassis domain, we customize solutions based on our OEM customers' vehicle positioning and intelligent driving requirements, ensuring our solutions precisely meet vehicle design standards in terms of driving safety, control precision and response efficiency. Our technical support teams enable our customers to efficiently advance their vehicle development and mass production schedules.

Continuous Innovation Underpinned by Robust R&D Capabilities and Technical Expertise

We have developed inhouse a full-stack software-hardware integrated platform that seamlessly integrates design, verification, algorithms, testing and large-scale manufacturing, enabling us to have independent end-to-end control from control algorithm and software to core components and system-level solutions.

For control algorithm and software, we have built a proprietary software architecture compliant with AutoSAR standards, encompassing embedded software and stability control systems. Our VSC/ESC algorithms support advanced functionalities such as tank-turn through brake-by-wire systems and ultra-low speed crawling for off-road conditions.

For hardware, we house critical technologies including stroke sensing, motor rotor angle sensing, high-power brushless motor control, high-precision linear solenoid valves and parking brake redundancy systems, establishing a solid performance foundation for our X-by-wire chassis systems. For example, through the innovative reconfiguration of redundant parking brake modules integrated within the ESC system, we enable OEMs to eliminate standalone parking controllers while achieving parking redundancy functionality at minimal cost.

Through the deep integration and co-optimization of software and hardware, we design our X-by-wire solutions to excel in key performance metrics such as response speed, control precision and functional safety, while also offering comprehensive advantages in cost efficiency, compact design and upgrade flexibility.

Our integrated platform is supported by a rigorous validation framework covering the entire process from component-level testing to vehicle-level verification. This ensures reliable transition from technological breakthroughs in laboratories to large-scale commercialization and serves as a core enabler for our rapid market responsiveness and delivery of highly competitive solutions.

Superior R&D Efficiency Powered by Modularized Technology Platform

Our integrated software-hardware technology platform is featured by modular architecture and high transferability. By combining modularization and customization, our platform is capable for cross-scenario transferability, where control algorithms, software and hardware can be applied across different X-by-wire solutions, substantially shortening the development cycle for new solutions and lowering the full-cycle development cost.

More importantly, our platform technologies possess strong cross-industry transfer potential. Leveraging a unified foundational technology framework, our core underlying capabilities, such as software architecture, algorithm development, hardware architecture, electronic devices, brushless motor FOC, stability control, driveline structural design and redundancy safety design in the X-by-wire chassis domain, can be extended to adjacent industries that require high-precision motion control, including humanoid robotics and low-altitude aircrafts.

Technological Expertise and Achievements

Backed by an R&D team with extensive international frontier experience, we have gradually established a comprehensive technology regime covering brake-by-wire, steer-by-wire, and motion control. As of the Latest Practicable Date, we had obtained 192 registered patents, including 97 invention patents, 90 utility model patents, and 5 design patents in the PRC. We also held 54 software copyrights and 54 registered trademarks in the PRC. As of December 31, 2025, we filed over 180 new patent applications in total, creating a strong technological barrier in key X-by-wire technologies.

Comprehensive and Innovative Solutions Portfolio

We have established a comprehensive solution portfolio covering the core areas of X-by-wire chassis, thereby forming a complete supply capability from key components to system-level solutions. According to CIC, we are one of the few suppliers in China capable of providing comprehensive X-by-wire chassis solutions. Our core solutions reach highest industrial standards while achieving differentiated breakthroughs:

- In 2018, we achieved mass production of our NBS solution, the first self-developed electronic brake booster system in China, which was launched earlier than comparable solutions from international competitors. Our decoupled design provides OEMs with greater flexibility in vehicle model design and production, achieving a brake energy regeneration rate up to 25% and extending vehicle range up to 20%.

- In 2023, we introduced the world's first ESC solution with integrated redundant EPB, which reconstructs the redundant parking brake module and integrates it into the ESC solution. This enables the vehicle to dispense with an independent parking controller while achieving redundant parking functionality at cost-effective in a highly cost-efficient manner.

- In 2023, we launched our NBC, which utilizes an innovative single-stage transmission with ball screw, achieving up to 15% higher transmission efficiency than conventional solutions and enabling faster pressure build-up, quicker response times, and overall improvements in performance and safety.

By seamlessly integrating with various OEM platforms, our solutions empower OEMs to achieve superior vehicle dynamics and scalable system adaptability. When deployed individually, our solutions enable L1 and L2 intelligent driving capabilities. When combined, they facilitate L3 and L4 autonomous driving capabilities.

We have established a comprehensive product development system, certified by independent third parties under the ISO 26262 ASIL-D process. Our Shanghai laboratory is accredited by the China National Accreditation Service for Conformity Assessment (中國合格評定國家認可委員會) (CNAS), and our ESC and NBC solutions have obtained EU E-Mark certification.

Building upon our X-by-wire technology foundation, we are developing a diversified product portfolio through vertical technological iteration and horizontal product expansion.

- Vertical expansion into Electro-Mechanical Brake (EMB) systems. We have applied stability control algorithms, real-time braking force estimation algorithms, brushless motor FOC control and thermal management technologies to the development of our EMB solutions.

- Horizontal expansion into EPS solution, steer-by-wire solution, and NXU motion controllers. This supports the advancement of intelligent driving towards higher-level, further strengthening our comprehensive full-domain control capabilities in X-by-wire technologies.

High Production Efficiency Supported by Intelligent Manufacturing and Stable Supply Chain Management

Scaled and Intelligent Production Lines

We operate two manufacturing bases in Xiaoshan and Haiyan, Zhejiang. During the Track Record Period, according to CIC, we achieved production efficiency that exceeded the industry average, demonstrating our ability to respond swiftly to market demand and to allocate production resources efficiently.

Our core production facilities are customized to our production needs, covering product assembly, error-proofing design, in-line product testing and process reliability verification. Our production lines are equipped with internationally advanced intelligent manufacturing facilities and automated key assembly processes. Through autonomous and deep learning–based visual inspection systems, our lines achieve highly automated production, with flexible parameter adjustment enabling rapid product switching. Our full-chain control from manufacturing equipment to end solutions, significantly reduces equipment procurement and maintenance costs, while also serving as a core driver for building technological barriers and sustaining innovation.

Stable Supply Chain System

We have built an independent and stable supply chain system. On the one hand, we possess in-house capabilities for R&D, validation, testing and mass production of core components and systems. For example, our electromagnetic valves are fully self-developed and manufactured with outstanding performance and stable quality. On the other hand, we actively pursue supplier diversification while applying stringent supplier selection standards to safeguard product quality and mitigates potential supply chain risks.

Comprehensive Quality Control System

We have established a comprehensive quality control system covering testing and quality control. We have implemented a rigorous quality control system and obtained internationally recognized automotive quality and safety certifications. This system ensures consistently high product yield rates and enables end-to-end traceability from individual components to finished products, thereby fully meeting our customers' stringent requirements for high-quality solutions.

Visionary Management Team Backed by Strong Industrial and Institutional Shareholders

We are led by a visionary management team with extensive experience in the automotive industry. Our Founder and general manager, Mr. Tao Zhe, has devoted nearly 20 years to the automotive sector. He has over 15 years of independent R&D and mass production experience in ASIL-D compliant X-by-wire chassis electronic control systems, as well as more than 10 years of global team management experience. From the early stages of his career, Mr. Tao acquired hands-on knowledge and management expertise in advanced technology R&D, product development and testing processes at the highest international standards, having previously worked at a leading global automotive component manufacturer.

Drawing on his deep expertise in X-by-wire electronic control technologies and his ability to mobilize global technical resources, Together with his team, Mr. Tao's contribution in the mass production of brushless electric power steering systems was recognized by the Society of Automotive Engineers of China in 2015. Following the establishment of NASN Automotive Electronics Co., Ltd. in 2016, he again spearheaded the team to achieve China's first mass production of electronic brake booster solution, in 2018. Mr. Tao has also presided over multiple national, provincial and municipal research projects, and has been awarded the First Prize for Technological Invention by the China Society of Automotive Engineers and the Second Prize for Scientific and Technological Progress of China's Automotive Industry. He has been recognized as an Industrial Elite Talent of Shanghai (上海市產業菁英人才), a Pioneer in Scientific and Technological Innovation(先鋒科創家科創精英) and holds more than 40 granted invention patents.

Our core management team members each have an average of more than 15 years of industry experience and over 10 years of practical expertise in X-by-wire chassis systems. Guided by forward-looking insights into industry trends, our management team directs our R&D strategy and product development roadmap, enabling us to capture strategic market opportunities across different economic and industry cycles.

We are also backed by a strong base of well-known industrial and institutional investors. Such support not only strengthens our ability to anticipate future industry developments and seize market growth opportunities, but also provides us with extensive product application scenarios and technical resource synergies through collaboration with leading OEMs and global leaders in power batteries alongside professional financial investors.

OUR STRATEGIES

We plan to further strengthen our leading position by implementing the following business strategies:

Continuously Advance Technological Innovation and Enrich Our Solutions Portfolio

We will increase our R&D investment in intelligent driving motion control technologies to continuously iterate and upgrade our brake-by-wire technologies. We also plan to strategically expand into steer-by-wire solutions and NXU motion controller to achieve comprehensive coverage of intelligent driving motion control solutions.

As the cerebellum of intelligent vehicles, X-by-wire technology serves as a critical safeguard for motion execution and control and essential technological support for higher levels of autonomous driving and more diverse application scenarios. We will continue to drive the commercialization of X-by-wire technologies in higher-level and enriched intelligent driving scenarios.

We will also focus on exploring emerging markets which share fundamental motion control technologies with intelligent vehicles, such as humanoid robotics and low-altitude aircraft, and transferring our accumulated expertise in automotive X-by-wire technologies and motion control solutions to new application scenarios, thereby continuously expanding our business footprint.

Actively Foster Customer-Centric Innovation Ecosystem

We will continue to strengthen collaborative development with OEM customers. Through deep participation in our customers' new vehicle model development, we will jointly define vehicle performance and intelligence levels, better align with our OEM customers' rapid product iteration cycles and more effectively meet end-users' growing demands for safety, intelligence and comfort.

We will also seek to continue to collaborate with industry partners to explore advanced technology development directions and application scenarios for intelligent vehicle motion control. For instance, we will strengthen cooperation with intelligent driving companies to jointly develop brake-by-wire solutions that enable higher levels of autonomous driving. We will also deepen our collaboration with leading international battery manufacturers to develop Cell-to-chassis integration technology. In addition, we intend to collaborate with global technology leaders to design integrated solutions that seamlessly combine intelligent chassis and intelligent cockpit systems.

Systematically Expand into Global Markets

The globalization of China's automotive industry requires robust supply chain support. We are committed to leveraging our strong foundation in the Chinese market to become a globally leading intelligent driving motion control company, continuously expanding into Europe, Southeast Asia, South America and other international markets. We will continue to strengthen collaborative development with Chinese OEMs, jointly exploring overseas markets. We will also invest resources to expand our international OEM customer base, accelerating technical exchanges with leading global OEMs to progressively achieve certification and secure orders, ultimately entering their global supply chain systems.

Comprehensively Strengthen Smart Manufacturing Capabilities

We plan to invest resources to comprehensively strengthen our smart manufacturing capabilities. We will continuously improve automation levels at our existing facilities through ongoing optimization of digital production management systems, thereby enhancing production efficiency, product qualification rates and mass production consistency. We plan to expand our production capacity through multi-dimensional measures to meet customers' rapidly growing delivery requirements. These measures include acquiring new production facilities, automated production lines and advanced testing equipment. At the same time, we aim to further enhance our mass production and delivery capabilities by optimizing our production processes and improving operational efficiency.

Continuously Attract Top Talent to Drive Technological Innovation

We seek to continue attracting top technical and management talent in control algorithms, software and hardware architecture design and other fields to maintain our leading position in motion control technology through competitive compensation and benefits packages, comprehensive promotion and incentive mechanisms, while enhancing our employees' professional skills and overall capabilities through strengthened training programs. We will invest resources in human resources management, fostering an open, collaborative and innovation-encouraging work environment. We aim to cultivate a core talent pool with international perspectives, strong professional capabilities and exceptional innovative vitality, providing sustained innovation momentum for our development.

OUR BUSINESS MODEL

We are committed to developing advanced X-by-wire technologies and providing integrated X-by-wire solutions that are mission-critical for intelligent driving. As one of the few Chinese companies with full-stack in-house chassis technologies covering control algorithms, software and hardware architecture, we have successfully commercialized multiple brake-by-wire solutions while continuously advancing next-generation X-by-wire innovations to strengthen our technical leadership and market competitiveness.

Since our inception in 2016, we have led innovation in the China's X-by-wire industry. In 2018, we achieved commercialization and commenced mass production of China's first electronic brake booster system, NBS solution. Building on this success, we launched our ESC solution in 2020, which was later enhanced with the value-added function of redundant EPB solution, together with our Twobox as a flexible option. Furthermore, we launched our NBC solution in 2023, the Onebox, further solidifying our position as a leader among domestic solution providers in X-by-wire industry. Our solutions are designed to meet the evolving demands of electric vehicles, and they have been adopted by leading Chinese OEMs across their flagship vehicle models. We are continuously expanding our technology roadmap and will soon launch solutions including RBC solution, EMB solution, EPS solution, SBW solution and NXU motion controller.

The table below sets forth our revenue breakdown by offerings in absolute amounts and as percentages of our total revenue for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except percentage)					
NBS solution	186,709	68.6	160,846	41.2	119,446	19.4
ESC solution	79,826	29.3	180,161	46.1	177,749	28.9
NBC solution	108	0.0	39,632	10.1	301,495	49.1
Others[(1)]	5,574	2.1	10,098	2.6	15,816	2.6
Total	**272,217**	**100.0**	**390,737**	**100.0**	**614,506**	**100.0**

Note:

(1) Primarily include revenue generated from provision of R&D services and sales of raw materials.

The following table sets out the breakdown of sales volumes and average selling prices by offerings for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	Sales Volume	*ASP*	*Sales Volume*	*ASP*	*Sales Volume*	*ASP*
	(Sales volume in unit, ASP in RMB)					
NBS Solution	215,486	866.5	197,638	813.8	168,500	708.9
ESC Solution	130,560	611.4	305,445	589.8	309,680	574.0
NBC Solution	71	1,528.0	29,251	1,354.9	258,028	1,168.5

Key Operating Data

The table below sets forth key metrics of our operating data during the Track Record Period:

	Year ended December 31,		
	2023	2024	2025
Total number of customers	15	15	18
Customer retention rate[(1)] (%)	58.8	53.3	66.7
Key customer retention rate[(2)] (%)	100.0	100.0	100.0
Customer net dollar retention rate[(3)] (%)	94.2	99.1	98.8
Key customer net dollar retention rate[(4)] (%)	120.3	139.3	116.0
Total number of design wins	51	73	117

Notes:

(1) Refers to the percentage of customers in the previous year that made repeat purchases during the current year.

(2) Key customer represents to the customer with revenue contribution more than 5% in the corresponding year. Retention rate refers to the percentage of key customers in the previous year that made repeat purchases during the current year.

(3) Refers to the percentage of recurring revenue generated from customers in the previous year that is retained from those same customers in the current year.

(4) Refers to the percentage of recurring revenue generated from key customers in the previous year that is retained from those same customers in the current year.

To improve customer retention, we focus on strengthening existing relationships through several measures, including continuously enhancing product quality and reliability to enhance satisfaction of our customers, providing value-added services to improve our after-sale responsiveness and service quality, and engaging in deep collaboration with our customers through joint development of new features of X-by-wire solutions.

OUR SOLUTIONS

Our Brake-by-Wire Solutions

Our core X-by-wire solutions are centered on brake-by-wire technology. It integrates proprietary hardware architecture with advanced control algorithms and software to deliver precise motion execution, intelligent system coordination and robust safety redundancy. By supporting seamless integration with various autonomous driving platforms, our solution empowers OEMs to achieve high-performance vehicle dynamics and scalable system adaptability across diverse driving scenarios. The typical product lifecycle of each of our brake-by-wire solution is approximately fifteen year.

NBS Solution

Our NBS solution, NBooster, entered mass production in 2018, being China's first mass-produced electronic brake booster system. As a typical brake-by-wire solution, our NBS solution, a key module within an EHB system, is designed to replace traditional braking systems, enabling more precise, responsive and intelligent braking and parking braking functionalities that integrate seamlessly with mainstream intelligent driving platforms.

In particular, our NBS solution has achieved a number of technical advantages as follows:

- **Independent series energy regeneration**. Our NBS solution adopts an innovative mechanical structure that decouples brake input from hydraulic brake execution. Based on this decoupling, our NBS solution can independently achieve series brake energy regeneration and provide smooth, comfortable braking functions while maintaining compatibility with various ESC system, providing OEMs with broad flexibility in vehicle model design and production.

- **Improved driving experiences and comfort.** Our NBS solution utilizes a decoupling architecture that separates brake pedal input from hydraulic brake execution, effectively addressing the issue of pedal sinking in traditional braking systems during AEB and similar scenarios, and ensuring the brake pedal consistently delivers linear and uniform feedback. With its decoupling feature, our NBS solution enables precise adjustment of the hydraulic and electric braking ratio, keeping minimal deceleration fluctuations and significantly reducing pedal force variation during ABS activation. This markedly improves both driving experience and vehicle control. With outstanding NVH performance, our NBS solution delivers a quiet and smooth braking experience, making it ideal for urban driving conditions characterized by low speeds and frequent stop-and-go traffic.

- **Energy efficiency and range extension.** With independent brake energy regeneration capability, our NBS solution enables smoother deceleration, while reducing battery capacity requirement and lowering system costs. The complete decoupling of pedal input from hydraulic output enhances energy efficiency, extending vehicle range by up to 20%.

- **Superior braking performance.** With a high-performance brushless motor FOC control algorithm, our NBS solution delivers rapid pressure build-up and braking response. Compared to traditional ESC-based AEB solutions, it effectively shortens AEB braking distances in NCAP tests. Our battery-powered architecture eliminates vacuum source dependency, removing the need for an electric vacuum pump and significantly improving system reliability.

Our NBS solution delivers efficient and stable braking performance, highly effective regenerative braking, and enhanced driving comfort, providing EV owners with lower operating costs and improved safety and reliability. Being the first domestically developed intelligent electronic brake booster solution in China, according to CIC, our NBS solution has been recognized under the Shanghai Major Industrial Foundation Enhancement Projects (上海市工業強基重大專項) and the Shanghai Pilot Free Trade Zone Special Development Project (上海自由貿易試驗區專項), and had been deployed in China's first L4 autonomous passenger bus.

As of December 31, 2023, 2024, and 2025, our NBS solutions have achieved 25, 26 and 26 design wins from ten, ten and ten Chinese OEMs, respectively. As of December 31, 2023, 2024, and 2025, the number of vehicle models using our NBS solutions and had commenced mass production reached 19, 21 and 21. Revenue generated from our NBS solution amounted to RMB186.7 million, RMB160.8 million and RMB119.4 million for the years ended December 31, 2023, 2024, and 2025, respectively, representing 68.6%, 41.2% and 19.4% of our total revenue for the respective periods. During the same periods, the sales volumes of our NBS solutions were 215,486 units, 197,638 units and 168,500 units, respectively.

ESC Solution

Our ESC solution, which entered mass production in 2020, is designed to ensure optimal driving stability, precise dynamic response and enhanced active safety across a wide range of road conditions, preventing skidding and enhancing vehicle stability. It also supports parking braking functionalities. By automatically applying brakes to individual wheels to counteract oversteer or understeer, our ESC solution enables drivers maintain control especially in critical maneuvers such as turning corners or emergency braking. According to CIC, in early 2024, we achieved mass production of our upgraded ESC solution, the industry's first ESC solution capable of supporting the removal of electric parking pawl for the entire vehicle, reducing weight and improving system integration for OEMs.

Our ESC solutions offer a comprehensive set of features and functionalities designed to meet the evolving demands of OEMs and intelligent driving platforms:

- **Strong braking performance.** Our ESC solution deliver robust braking control and stable vehicle control through advanced algorithms, software and precision-calibrated valve-pump systems, with proprietary electromagnetic valves manufactured entirely in-house ensuring consistent quality and performance.

- **Advance integration to intelligent driving.** Our ESC solution supports intelligent driving execution with fast and precise pressure response by reduced braking response time and superior valve-pump performance, while offering highly flexible and diversified control interface.

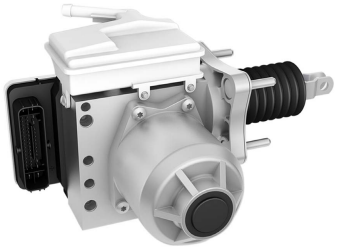
- **Cost-effective innovation.** Our ESC solution eliminates traditional electric parking pawl mechanisms, reducing component costs by RMB 300–400 per vehicle while providing seamless NBS integration for comprehensive parking and driving brake redundancy in autonomous systems.

In addition, as an extension of our ESC solution, we developed a redundant EPB function that enables safe parking even in the event of control circuit failure. In 2024, according to CIC, we became the first company globally to achieve mass production of ESC solutions with the redundant EPB function. By integrating EPB function into our ESC solutions, it eliminates the need for traditional electric parking pawl mechanisms and associated wiring, reducing vehicle costs for OEMs by approximately RMB300–400 per vehicle. It also cuts vehicle weight by around 2.5 kg, lowers energy consumption and simplifies transmission and vehicle manufacturing processes. Engineering validation has been completed across multiple platforms, and we are actively promoting its deployment on intelligent and electrified vehicle platforms.

As of December 31, 2023, 2024, and 2025, our ESC solutions have achieved 22, 33 and 51 design wins from eight, eight and nine Chinese OEMs, respectively. As of December 31, 2023, 2024, and 2025, the number of vehicle models using our ESC solutions and had commenced mass production reached 14, 17 and 25. Revenue generated from our ESC solutions amounted to RMB79.8 million, RMB180.2 million and RMB177.7 million for the years ended December 31, 2023, 2024, and 2025, respectively, representing 29.3%, 46.1% and 28.9% of our total revenue for the respective periods. During the same periods, the sales volumes of our ESC solutions were 130,560 units, 305,445 units and 309,680 units, respectively.

We also offer Twobox solution, an integrated solution of our NBS solution and ESC solution within a dual-module collaborative architecture, providing OEMs with flexible procurement options. Our Twobox solution can achieve fully redundant braking functions including service braking, parking braking and vehicle stability control, achieving system-level safety assurance for both basic braking and stability control. It fully meets the safety requirements of L3 and L4 autonomous driving systems.

NBC Solution



Our NBC solution (the Onebox solution) was initially launched in 2023 and entered into mass production in 2024, marking a milestone in its commercialization and accelerating its adoption as a standard configuration for OEMs. Our NBC solution is a highly integrated products encompasses all functions of the NBS and ESC solutions. It supports core functions including service braking, parking braking and vehicle stability control, while also incorporating value-added features such as coordinated regenerative braking and smooth braking.

Our NBC solution has achieved a number of technical advantages as follows:

- **High braking and transmission efficiency.** Our NBC solution utilizes a single-stage transmission with a ball screw and hollow shaft design, achieving up to 15% higher transmission efficiency than conventional solutions and enabling faster pressure build-up, quicker response times and overall improvements in performance and safety.

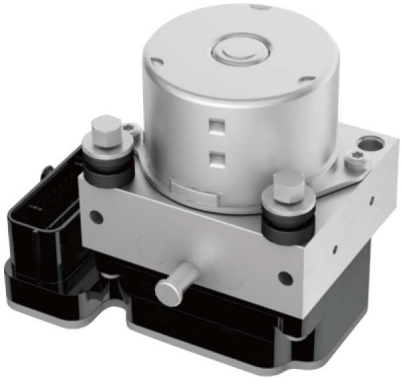
- **Superior NVH performance**. The gear-free transmission layout, combined with tighter component tolerances and software-level noise optimization tailored to typical EV driving conditions, significantly reduces braking noise and delivers a quieter, more premium driving experience.

- **Lightweight and compact design.** Our NBC solution achieves reduction in weight and volume, supported by internalized pedal feel simulation and an optimized hydraulic layout.

- **Cost-effective integration.** With dual-MCU architecture, our NBC solution enables integrated redundant EPB function, replacing standalone EPB controllers and reducing vehicle cost by approximately RMB200.

As of December 31, 2023, 2024, and 2025, our NBC solutions have achieved four, 14 and 40 design wins from three, five and seven Chinese OEMs, respectively. As of December 31, 2023, 2024, and 2025, the number of vehicle models using our NBC solutions and had commenced mass production reached one, eight and 19. Revenue generated from our NBC solutions amounted to RMB0.1 million, RMB39.6 million and RMB301.5 million for the years ended December 31, 2023, 2024, and 2025, respectively, representing nil, 10.1% and 49.1% of our total revenue for the respective periods. During the same periods, the sales volumes of our NBC solutions were 71 units, 29,251 units and 258,028 units, respectively.

RBC Solution



Our RBC solution is designed to operate in tandem with NBC, forming a dual-path braking architecture for L3 and above intelligent driving solutions. It provides independent redundancy for critical braking functions, ensuring effective braking capability in the event of single-system failure and significantly enhancing vehicle safety. Our RBC solution features a distributed control design compatible with next-generation domain controllers and various vehicle platforms. It supports rapid response and precise braking intervention.

Our RBC solution is positioned to support OEMs in deploying L3 and above autonomous driving functions and intelligent chassis control solutions. Together with our NBC solution, it forms a braking system that enables convenient upgrades from L2 to L3 and L4 for OEMs. Our RBC solution is expected to have mass production capabilities by the end of 2026.

EMB Solution

The EMB solution represents a new direction in the evolution of brake-by-wire architectures. It eliminates hydraulic lines, aiming to achieve full electronic and highly integrated brake control. It adopts a distributed control architecture that enables faster response, higher precision and scalable integration with vehicle domain controllers, laying the foundation for centralized and software-defined vehicle platforms. Our EMB solution under development features a fully dry braking structure, eliminating hydraulic pipelines and master cylinders by directly controlling wheel-end braking via

electric motors. Compared with our NBS and NBC solutions with EHB that still requires hydraulic braking components, our EMB effectively shortens braking distances and is well-suited for L3 and above autonomous driving systems.

Our EMB will undergo engineering validation through a phased industrialization path. Our first fully dry EMB solution is expected to have mass production capabilities by 2026.

Our Steer-by-Wire Solutions

EPS Solution

The EPS solution, specifically the DP-EPS version, is designed to meet the functional safety and performance requirements from L1 to L4, as a steering-by-wire solution, autonomous driving platforms. It delivers a maximum rack force of 14.5 kN, supporting a broad range of passenger vehicles including SUVs, MPVs and pickup trucks.

The key features of our fully redundant DP-EPS solution are as below:

- **Advanced redundant architecture.** The six-phase, dual-winding motor with five key redundancy features ensures high fault tolerance and fail-operational capability for critical steering functions.

- **Enhanced steering performance.** Our optimized control algorithms deliver precise and rapid steering response, as well as smooth transitions between manual and automated driving modes.

- **Broad application potential.** Its advanced redundancy and fail-operational capabilities make it well-suited for L3 and above autonomous driving systems.

The DP-EPS solution will undergo engineering validation. Mass production is expected to begin in 2027 following engineering validation, with initial deployment anticipated in forthcoming intelligent vehicle models.

SBW Solution

Our SBW solution serves as an advanced steering system that eliminates the traditional mechanical connection between the upper and lower steering columns, instead transmitting steering commands electronically and replacing the intermediate shaft with a fully redundant electronic architecture. Our SBW solution features full redundancy in both upper and lower steering systems and is well-suited for L3 and above autonomous driving systems.

The key features of our SBW solution are as below:

- **Customizable variable steering ratio.** Unlike conventional mechanical systems, the steering ratio in our solution is defined entirely by software, allowing for tailored steering characteristics to suit different driving conditions.

- **Reduced turning radius.** Our SBW solution enables a higher steering ratio during large turns or U-turns, minimizing the required steering wheel angle and improving manoeuvrability in tight spaces.

Compared to EPS solution, our SBW solutions offer more advantages to OEM customers. Our SBW solution's software-defined steering ratio is able to customize steering ratio curve for different drivers. For example, higher steering ratios may suit customers seeking enhanced driving characteristics, while smaller steering ratios may be applied in driving conditions requiring greater stability, such as high-speed scenarios. Our SBW solution can also set higher steering ratios during large turns or U-turns, reducing the required steering wheel angle and improving the convenience of large turns or U-turns. Further, with greater steering wheel telescopic space, our SBW solution provides larger cabin space for the vehicle.

Our SBW solution is expected to have mass production capabilities by 2027.

Our NXU Motion Controller

Our NXU motion controller is a centralized control unit developed in response to the growing demand for intelligent and software-defined vehicles. It integrates steering, braking and suspension control into a unified architecture, enabling coordinated 6DoF control across lateral, longitudinal and vertical dynamics to support advanced intelligent driving.

The key features of our NXU motion controller are outlined as follows:

- **Decoupled software and hardware architecture.** Our NXU motion controller allows hardware selection and platform adaptability.

- **Full-domain chassis control.** It enables real-time coordination of steering, braking and suspension for enhanced vehicle stability, comfort and handling.

Our NXU motion controller is expected to have mass production capabilities by the end of 2027.

OUR TECHNOLOGIES

We possess full-stack in-house X-by-wire technologies covering control algorithms, software and hardware. Our technologies possess the following core advantages that allow us to achieve commercialization efficiently. These advantages are realized through our in-house R&D capabilities, which span across our X-by-wire solutions.

Control Algorithms

The most critical parts of the software are the key control algorithms, which define the key functions and performance of our brake-by-wire solutions. As the controller of service brake, the system must accurately interpret the driver's braking intent and integrate it with external braking requests from the ADAS and/or APA controllers. It then arbitrates the combined brake request based on current road surface conditions and available braking capability, ultimately determining the optimized brake demand. Furthermore, as the coordinator of regenerative braking, we have developed an advanced dynamic closed-loop control algorithm to blend hydraulic and regenerative braking torque. This algorithm also accounts for dynamic wheel slip conditions and the real-time regenerative braking

capability to ensure smooth and efficient braking transitions. Vehicle stability, which affects not only braking performance but also all fundamental and value-added driving functions, serves as a foundational requirement for safe operation. To address this, we developed a stability estimation and control algorithm that manages both longitudinal and lateral stability, taking into consideration varying road surfaces, driving conditions, and driver maneuvers. Finally, individual wheel brake-force demand arbitration and estimation modules are incorporated to achieve closed-loop control at each wheel, thereby maintaining optimal vehicle stability and safety.

Software Development Platform

Our software development platform is built on an AutoSAR-compliant architecture, featuring a modular structure with unified scheduling and strong compatibility for integrating independent software module, such as third-party and customer-developed software.

MCUs, complex drive control circuits and their abstraction layer software form the backbone of our electronic control systems, responsible for executing control algorithms, managing actuator outputs and ensuring reliable operation across diverse applications. The basic software, functioning as the intermediate layer between the hardware and the control algorithms, provides the essential interface for coordination and communication within the system.

To ensure software reliability and enable rapid iteration, we place a strong emphasis on software verification and validation. We have developed a hardware-in-the-loop simulation environment capable of emulating various ECU inputs and outputs, allowing software verification in laboratory settings without relying solely on in-vehicle testing. With over two decades of deep expertise in chassis control, we recognize the critical importance of ensuring software safety before release to OEMs and end users. To that end, we have established a dedicated vehicle validation team responsible for conducting corner-case verification and extreme-condition testing.

Our selection of MCUs and drive components is tailored to the specific requirements and operating scenarios of each solution. For instance, MCUs used in braking and steering systems can also be readily deployed in robotic control modules. The abstraction layer software enables modular configuration, flexible integration and rapid migration across platforms, providing the flexibility, safety, and efficiency required to meet the complex demands of diverse intelligent driving applications.

X-by-wire Technology Hardware Platform

- Our X-by-wire technology hardware platform integrates high-safety travel sensors, motor position sensors, pressure sensors, dedicated brushless motors, solenoid valves, as well as redundant vehicle control modules and complex drive circuits, all within a modular and platform-based structural design. Developed strictly in accordance with ISO 26262 functional safety standards and ASIL-D requirements, the platform ensures industry-leading safety and reliability. The unified hardware architecture and design commonality provide a solid foundation for rapid product iteration and flexible deployment across multiple vehicle platforms.

- Our mechanical structure and hydraulic system design encompass independently developed core technologies, covering key components such as pedal feel simulators, hydraulic architectures, power transmission units and solenoid valves. These technologies are fully developed in-house,

with comprehensive intellectual property protection across all solutions. The architecture features proprietary mechanical layouts and hydraulic configurations, ensuring optimal performance and adaptability.

RESEARCH AND DEVELOPMENT

Our R&D capabilities are central to our strategy of maintaining technological leadership and market competitiveness in the X-by-wire industry. We are committed to continuous innovation and independent development of core technologies.

R&D Team

Our R&D team consists of dedicated talent with profound industry expertise, focusing on developing and commercializing our solutions which help maintain our technological advantages and market competitiveness. Each of our core R&D team members has more than 10 years of experience in automotive research and development or chassis engineering, with domestic or overseas working experience in reputable technology companies.

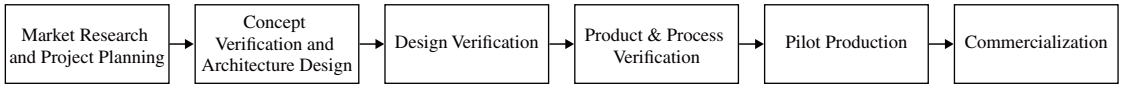
As of December 31, 2025, our R&D department comprised 150 employees, 12.7% of which held a master's degree or above. Our R&D team represented 41.2% of total employees as of the same date. The department is structured into eight specialized divisions, including system integration, software development (function layer, basic software, software testing and integration), bench testing and trial production, hardware development, mechanical development.

We retain key management and technical staff with competitive remuneration packages and welfare benefits. We also invest in continuing education and training programs to upskill our key management and technical staff. In the event of termination of employment requested by a key staff, we closely communicate with the staff for the reason of departure and feedback for us.

We incurred R&D expenses of RMB96.5 million, RMB87.6 million, and RMB83.0 million in 2023, 2024 and 2025, respectively, constituting 68.2%, 69.8% and 52.0% of our total operating expenses for the respective periods.

R&D Process

The following chart illustrates our R&D process:



Our product development process follows a structured and safety-oriented framework tailored to the automotive industry. Given that our core technologies are self-developed and involve functional safety requirements, our R&D workflow incorporates rigorous validation and integration checkpoints. The overall development process is divided into key phases: market research and project planning, concept verification and architecture design, pilot production and commercialization.

R&D Project

We are currently engaged in various R&D projects to upgrade and expand our solutions:

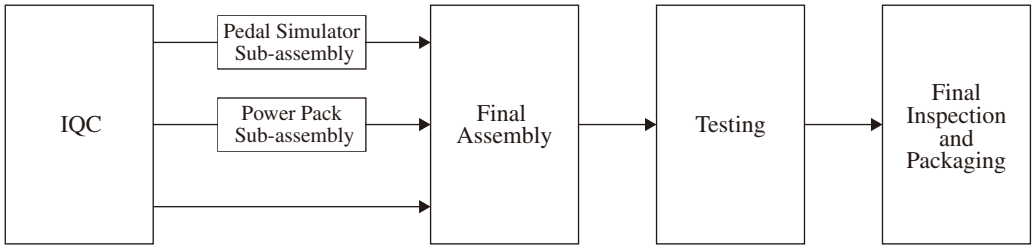
Key R&D projects	Description	Timeline
EMB	We focus on performance differentiation, safety and automotive-grade reliability through improved mechanical designs and modular control software.	We plan to develop our large-scale mass production capacity in 2026.
Steer-by-wire solutions	We focus on optimizing system architecture and improving functional safety, through refining core hardware and software modules.	We plan to develop our large-scale mass production capacity in 2027.
Low-altitude aircraft related X-by-wire solutions	We focus on improved control algorithms, precision navigation and optimized energy use through lightweight designs with aviation-grade safety.	We plan to conduct A-sample development in 2027 and conduct B-sample development in 2028.
Robotics-related X-by-wire solutions	We focus on enhancing joint actuators and motion control with a lightweight, high-performance power module and motion intelligence designed for real-world operation.	We plan to conduct A-sample development in 2026 and conduct B-sample development in 2027.

OUR PRODUCTION

Production Process

Our production process is designed to promote high standards of quality while simultaneously providing the agility to expedite production to meet customers' demands in a timely manner. Our mass production capabilities and strict quality control measures enable us to ensure the high performance and reliability of our solutions. The typical production cycle is approximately 69 minutes for NBS solutions, 59 minutes for ESC solutions and 177 minutes for NBC solutions.

The following chart illustrates the production process of solutions that are assembled, tested and packaged at our factories.



- *Incoming quality control.* All raw materials and components undergo stringent quality inspection upon receipt.

- *Sub-assembly.* Components are pre-assembled and functionally tested for use in final assembly.

- *Final assembly*. Key assembly processes include pressing, riveting, tightening, and greasing.

- *Assembly testing*. The assembled unit undergoes a series of tests, including calibration, sub-assembly performance testing, final assembly performance testing, end-of-line testing, and vacuum testing.

- *Final inspection and packaging*. Finished solutions are subject to final inspection before packaging.

Production Base

During the Track Record Period, to enhance production efficiency and quality control, we established two production bases in Zhejiang Province.

The Xiaoshan production base, located in Hangzhou, Zhejiang, covers a gross floor area of 9,980 sq.m. and serves as our intelligent manufacturing facility for X-by-wire solutions. It houses China's first mass production line for the NBS intelligent braking system and is equipped with complete production lines for ESC, ECU, NBC, DP-EPS solutions and valve. The base features internationally advanced automation capabilities, including two Class 100,000 cleanrooms and two anti-static workshops, and has obtained certifications such as IATF16949, ISO14001 and ISO45001. It primarily manufactures core brake-by-wire and steer-by-wire solutions. Its fully automated production lines are tailored to our proprietary solution architecture, ensuring unmatched quality stability and production efficiency.

The Haiyan production base, located in Jiaxing, Zhejiang, covers a gross floor area of 25,000 sq.m. and is primarily responsible for NBC solution final assembly, ECU, solenoid valve and cleaning processes. It is equipped with three NBC solution assembly lines and multiple electronic component production lines. It plays a pivotal role in scaling our operations. The Haiyan production base commenced operations in August 2025 and has achieved mass production.

We develop production schedules based on market demand and facility utilization. With rapid capacity expansion and advanced equipment, we now outperform most peers in production efficiency, forming a strong competitive barrier.

Production Capacity

The following table sets forth our production capacity, production volume and utilization rate by our solutions for the periods indicated:

	Year ended December 31,								
	2023			2024			2025		
Production Lines	Production capacity[1]	Production volume	Utilization rate[2]	Production capacity[1]	Production volume	Utilization rate[2]	Production capacity[1]	Production volume	Utilization rate[2]
	Production unit in pieces		*(%)*	*Production unit in pieces*		*(%)*	*Production unit in pieces*		*(%)*
NBS Solution	239,616	217,901	90.9	239,616	193,876	80.9	239,616	166,310	69.4
ESC Solution	334,464	137,145	41.0	469,248	296,735	63.2	469,248	332,177	70.8
NBC Solution	N/A[3]	N/A[3]	N/A[3]	119,808[4]	34,363	28.7	279,552	247,652	88.6

(1) The production capacity is calculated assuming the production lines function at full capacity as planned in terms of working days, hours per day and pace of production during the corresponding year.

(2) The actual production for the year refers to the total volume of solutions produced during that year.

(3) The 71 units of NBC solution produced during pilot production are excluded from the production capacity calculation as they represent pre-commercial trial manufacturing.

(4) This production line started commercialized production in second half of 2024.

OUR CUSTOMERS

Our customers primarily consist of OEMs, 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.

Major Customers

For the years ended December 31, 2023, 2024 and 2025, the revenue from our five largest customers for the respective years in aggregate accounted for 97.9%, 96.5% and 94.4% of our total revenue, respectively, and our largest customer for the respective years contributed 59.2%, 67.2% and 47.2% of our total revenue, respectively.

The tables below set forth information about our five largest customers in each year of the Track Record Period:

Year ended December 31, 2025

No.	Customers	Background	Major solutions sold	Revenue attributable to the customer	% of our total revenue	Year of commencement of business relationship with us	Typical credit term
				(RMB in thousands)			
1.	Customer A	A state-owned company, primarily engaged in the research and development, manufacturing and sales of complete vehicles, listed on the Shenzhen Stock Exchange	NBS, ESC, NBC	290,336	47.2	2021	90 days upon receipt of invoice, by wire transfer
2.	Customer B	A company specializing in the research, development, and production of passenger vehicles	NBC	132,311	21.5	2024	Within 75 days starting from the first day of next month upon receipt of invoice, by wire transfer
3.	Customer C	A state-owned enterprise primarily engaged in the manufacturing and sales of complete vehicles	ESC, NBC	90,644	14.8	2023	30 days upon receipt of goods, by wire transfer
4.	Customer D	A state-owned company primarily engaged in the research and development, manufacturing and sales of complete vehicles	NBC, NBS	42,264	6.9	2018	Within 60 days starting from the first day of next month upon receipt of invoice, by wire transfer
5.	Customer E	A company engaged in the research, development, manufacturing, and sales of complete vehicles	NBC	24,630	4.0	2023	90 days upon receipt of invoice, by wire transfer
	Total			580,185	94.4		

Year ended December 31, 2024

No.	Customers	Background	Major solutions sold	Revenue attributable to the customer	% of our total revenue	Year of commencement of business relationship with us	Typical credit term
				(RMB in thousands)			
1.	Customer A	A state-owned company, primarily engaged in the research and development, manufacturing and sales of complete vehicles, listed on the Shenzhen Stock Exchange	NBS, ESC, NBC	262,645	67.2	2021	90 days upon receipt of invoice, by wire transfer
2.	Customer C	A state-owned enterprise primarily engaged in the manufacturing and sales of complete vehicles	ESC, NBC	44,496	11.4	2023	30 days upon receipt of goods, by wire transfer
3.	Customer D	A state-owned company primarily engaged in the research and development, manufacturing and sales of complete vehicles	NBC, NBS	32,161	8.2	2018	Within 60 days starting from the first day of next month upon receipt of invoice, by wire transfer
4.	Customer F	A company primarily engaged in the research, development, and sales of complete vehicles. Listed on both the Hong Kong Stock Exchange and the Shanghai Stock Exchange.	ESC	26,874	6.9	2021	Within three months starting from the next month upon receipt of invoice, by wire transfer
5.	Customer E	A company engaged in the research, development, manufacturing, and sales of complete vehicles	NBC	10,904	2.8	2023	90 days upon receipt of invoice, by wire transfer
	Total			377,080	96.5		

Year ended December 31, 2023

No.	Customers	Background	Major solutions sold	Revenue attributable to the customer	% of our total revenue	Year of commencement of business relationship with us	Typical credit term
				(RMB in thousands)			
1.	Customer A	A state-owned company, primarily engaged in the research and development, manufacturing and sales of complete vehicles, listed on the Shenzhen Stock Exchange	ESC, NBS, NBC	161,042	59.2	2021	90 days upon receipt of invoice, by wire transfer
2.	Customer D	A state-owned company primarily engaged in the research and development, manufacturing and sales of complete vehicles	NBS	49,105	18.0	2018	Within 60 days starting from the first day of next month upon receipt of invoice, by wire transfer
3.	Customer F	A company primarily engaged in the research and development, manufacturing and sales of complete vehicles, listed on both the Hong Kong Stock Exchange and the Shanghai Stock Exchange	ESC	29,982	11.0	2021	Within three months starting from the next month upon receipt of invoice, by wire transfer
4.	Customer C	A state-owned enterprise primarily engaged in the manufacturing and sales of complete vehicles	ESC	22,810	8.4	2023	30 days upon receipt of goods, by wire transfer
5.	Customer G	A company primarily engaged in the research, development, manufacturing, and sales of complete vehicles, listed on the Shanghai Stock Exchange	NBS	3,529	1.3	2021	No credit term, by wire transfer
	Total			266,468	97.9		

According to CIC, it is common for domestic providers in the X-by-wire solutions industry to have high customer concentration, resulting from the high concentration of major downstream OEMs, as well as the long validation cycles required by OEMs. We have not experienced any termination of cooperation with major customers during the Track Record Period. Although we have actively expanded our customer base, our operating results in the foreseeable future will continue to depend, to a significant extent, on the procurement arrangements of a limited number of leading OEMs and their ability to sell vehicle models equipped with our solutions. For risks relating to our customer

concentration, see "Risk Factors — Risks Relating to Our Business and Industry — If any of our major customers terminate cooperation, our customer concentration may expose us to revenue volatility and potential financial instability."

During the Track Record Period, none of our Directors, their associates or any of our shareholders (who owned, or to the knowledge of Directors had owned, more than 5% of our issued share capital) had any interest in any of our five largest customers.

Salient Terms of Agreements with Customers

The salient terms of the framework agreements with our customers during the Track Record Period are set forth below:

- *Solutions specifications.* The specification for solutions, quantity, price, delivery timeline, and other detailed items are typically specified in the agreement.

- *Delivery.* We are required to deliver our solutions to locations designated by our customers within an agreed period, following which customers typically conduct acceptance inspections.

- *Payment.* Our contracts generally provide for payment in multiple installments, with each installment payable subject to the terms of the contract and the progress of delivery.

- *Intellectual property.* The ownership of intellectual property arising from the projects will generally be defined in the agreements.

- *Warranty.* We typically grant a warranty period of three years from the date on which the end user accepts delivery of the vehicles into which our solutions are embedded. We also provide technical support during this period.

- *Confidentiality.* All confidential information provided by either party shall not be disclosed to any third party without prior written consent.

During the Track Record Period, we entered into a ten-year sales agreement with one major customer for the sales of X-by wire solution from 2023 to 2033. Our customer generally informs us of its procurement plans three months ahead and places purchase orders in each month. The payment is generally made within two months after acceptance.

Meanwhile, we entered into five framework agreements with our major customers for the sale of X-by-wire solutions without fixed contract terms. We supply our solutions based on individual purchase orders, which are generally issued by our customers on a monthly basis. Payments are generally made either on a monthly basis or within three months upon issuance of the value-added tax invoice. Under certain agreements, our customers reserve the right to terminate the agreement by giving written notice.

There is no material breach of these agreements during the Track Record Period and up to the Latest Practicable Date.

After-Sales and Warranty

We have established a comprehensive after-sales service and warranty management system to ensure timely and effective responses to customer feedback. Upon receiving a complaint, we conduct a preliminary analysis within 24 hours on business days. If necessary, a cross-functional task force led by quality engineers and supported by personnel from production, R&D, project management and supply chain departments is assembled to investigate and resolve the issue. All customer complaints are handled in accordance with standardized procedures, including root cause analysis and issue reproduction. We provide after-sales services such as repair, replacement or return based on the nature of the issue and in accordance with applicable laws and contractual terms. Where on-site service is required, our trained after-sales personnel are dispatched with the necessary equipment, subject to having passed internal assessments.

For OEMs, we generally offer a warranty period of three years or 150,000 kilometers. During the warranty period, we provide free repairs for quality issues attributable to us, while damage caused by improper customer operation is handled on a chargeable basis. We may be held liable for solution defects that result in personal injury or property damage, in accordance with applicable laws and regulations. See "Risk Factors — Our solutions may have undetected defects or contain serious errors, which could create safety issues, reduce market adoption, damage our brand image, subject us to product recalls or expose us to product liability and other claims that could materially and adversely affect our business." In cases where such defects are traced to raw materials or components supplied by third parties, we reserve the right to seek indemnification from the relevant suppliers. In 2023, 2024 and 2025, the warranty expenses incurred were RMB0.9 million, RMB1.1 million and RMB2.5 million, respectively. In the same periods, we made provisions for warranties of RMB2.3 million, RMB2.6 million and RMB4.6 million, respectively. 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 solutions.

SALES AND MARKETING

Sales Team and Network

We have an experienced sales and marketing team in China, consisting of 12 personnel as of December 31, 2025, who proactively identify market opportunities. Our solutions are primarily sold to OEMs and are generally deployed on new vehicles by OEMs. We generally sell our X-by-wire solutions through direct sales. During the Track Record Period and up to the Latest Practicable Date, we did not sell our solutions to any distributor.

Collaboration with Our Customers

We primarily serve OEMs by providing X-by-wire solutions that are integrated into their vehicle platforms. Our customers typically determine the necessity and suitability of our solutions based on their vehicle positioning, target end-users and competitive benchmarks. We maintain long-term collaborative relationships with our OEM customers throughout the entire product lifecycle, from early-stage development and system validation to mass production and after-sales support. In addition to delivering proprietary solutions, we also assist customers in co-developing customized solutions tailored to their specific technical and regulatory requirements. Our engagement model is flexible and may be adjusted based on customer processes, internal development protocols and the nature of the solution provided.

Design Win

Upon receiving a request for proposal or technical engagement from an OEM, we provide X-by-wire solutions tailored to its specific vehicle platform and performance requirements. Our technical sales team works closely with the customer to understand their needs, address feedback and refine our proposals through multiple rounds of discussion and evaluation. Customers typically conduct internal technical reviews to assess the feasibility and compatibility of our solutions.

During the development process, we are permitted to use customer-provided data, drawings and samples, while ensuring that our R&D and production activities do not infringe upon third-party intellectual property rights. Upon successful design win, we generally enter into nomination letters, technical development agreements or R&D fee arrangements, which define the respective rights and obligations of both parties. We are typically required to develop solutions in accordance with customer specifications and provide detailed technical documentation. Customers may oversee the development process, propose modifications and formally approve the solution through signed nomination letters.

This engagement model enables us to integrate our X-by-wire systems into customer vehicle programs from early-stage development through to mass production, forming the foundation for long-term strategic cooperation.

Solution Development

Following a successful design win, we initiate the development of X-by-wire solutions in accordance with customer specifications. We are generally responsible for completing the development within the agreed timeframe and conducting regular technical reviews with the customer. Throughout the development process, we maintain close communication with the customer to ensure alignment on technical requirements, progress milestones, and any necessary adjustments. Customers may provide feedback during development, which we incorporate through iterative refinement of the solution. Depending on the nature of the project and customer expectations, we may also be required to submit technical documentation, conduct validation tests and support integration into the customer's vehicle platform.

Pricing Strategies

A significant portion of our sales is conducted through formal tendering processes. When participating in tenders, we evaluate the specific requirements and competitive landscape of each project. Our initial bid is formulated based on our standard pricing methodology, principally determined by aggregating all relevant cost components, including raw materials, components, manufacturing and R&D expenses, together with a target gross margin. The final contract price is determined by the outcome of the tender process, which may involve multiple rounds of bidding and negotiation. As a result, the final price for certain contracts may differ from our baseline pricing. We maintain open communication with customers regarding material fluctuations in raw material prices, logistics costs and exchange rates, and negotiate pricing adjustments as appropriate.

Our pricing strategy is reviewed periodically and may be adjusted annually to reflect evolving market conditions and customer requirements. We are not subject to any government pricing guidance or regulatory pricing restrictions.

Marketing

We leverage our strong brand reputation, comprehensive solution portfolio and proactive marketing efforts to drive order acquisition. Our direct sales model focuses on strategic OEM clients and high-value accounts, supported by tailored promotional strategies based on customer tier and solution type. We actively participate in industry exhibitions and technical forums to demonstrate our intelligent chassis technologies and solution innovations, reinforcing our position as a technology-driven supplier with full-stack electronic control capabilities. Our marketing strategy emphasizes customized solutions, cost efficiency and end-to-end responsiveness, differentiating us from foreign competitors through a lean cost structure and rapid service cycles. At the same time, we build competitive advantages among domestic brands with technical expertise and ground-up innovation capabilities.

OUR SUPPLIERS

Our suppliers primarily consist of manufacturers and vendors of key mechanical and electronic materials, including motors, electronic control units, chips and machined parts. We primarily engage domestic suppliers, with a growing emphasis on local sourcing to enhance cost control and supply chain resilience.

Major Suppliers

For the years ended December 31, 2023, 2024 and 2025, our five largest suppliers for the respective years in aggregate accounted for 36.2%, 31.5% and 35.8% of our total purchase amount, respectively, and our largest supplier for the respective years contributed 14.2%, 8.1% and 10.6% of our total purchase amount, respectively.

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

Year ended December 31, 2025

No.	Suppliers	Background	Major products/services provided to us	Purchase cost	% of our total purchase cost	Year of commencement of business relationship with us	Typical credit term
				(RMB in thousands)			
1.	Supplier A	A company primarily engaged in the manufacturing and sales of automotive electric motors and appliances	Drive motor	67,320	10.6	2018	Within 30 days of the following month upon receipt of invoice, by wire transfer
2.	Supplier B	A company primarily engaged in the manufacturing and sales of automotive components	Metal component	50,687	8.0	2023	Within 90 days of the following month upon receipt of invoice, by wire transfer
3.	Supplier C	A company primarily engaged in the import agency business of electronic components	Electron component	37,310	5.9	2020	Within 30 days of the following month upon receipt of invoice, by wire transfer
4.	Supplier D	A company primarily engaged in the sales of electronic components	Electron component	35,824	5.7	2020	Within 30 days of the following month upon receipt of invoice, by wire transfer
5.	Supplier E	A company primarily engaged in the manufacturing and sales of electronic components	Electron component	35,557	5.6	2023	Within 60 days starting from the first day of next month upon receipt of invoice, by wire transfer
	Total			226,698	35.8		

Year ended December 31, 2024

No.	Suppliers	Background	Major products/services provided to us	Purchase cost	% of our total purchase cost	Year of commencement of business relationship with us	Typical credit term
				(RMB in thousands)			
1.	Supplier A	A company primarily engaged in the manufacturing and sales of automotive electric motors and appliances	Drive motor	26,203	8.1	2018	Within 30 days of the following month upon receipt of invoice, by wire transfer
2.	Supplier C	A company primarily engaged in the sales of electronic components	Electron component	23,907	7.4	2020	Within 30 days of the following month upon receipt of invoice, by wire transfer
3.	Supplier D	A company primarily engaged in the manufacturing and sales of electronic components, listed on the Shenzhen Stock Exchange	Electron component	18,230	5.6	2020	Within 30 days of the following month upon receipt of invoice, by wire transfer
4.	Supplier F	A company primarily engaged in the manufacturing and sales of automotive brake assist systems and related electromechanical products	Brake master cylinder	17,010	5.2	2018	Within 45 days starting from the first day of next month upon receipt of invoice, by wire transfer
5.	Supplier E	A company primarily engaged in the manufacturing and sales of electronic components	Electron component	16,894	5.2	2023	Within 60 days starting from the first day of next month upon receipt of invoice, by wire transfer
	Total			102,244	31.5		

Year ended December 31, 2023

No.	Suppliers	Background	Major products/services provided to us	Purchase cost	% of our total purchase cost	Year of commencement of business relationship with us	Typical credit term
				(RMB in thousands)			
1.	Supplier D	A company primarily engaged in the manufacturing and sales of electronic components, listed on the Shenzhen Stock Exchange	Electron component	47,820	14.2	2020	Within 30 days of the following month upon receipt of invoice, by wire transfer
2.	Supplier A	A company primarily engaged in the manufacturing and sales of automotive electric motors and appliances	Drive motor	22,895	6.8	2018	Within 30 days of the following month upon receipt of invoice, by wire transfer
3.	Supplier G	A company primarily engaged in the manufacturing and sales of electronic components	Electron component	18,970	5.6	2020	Within 30 days of the following month upon receipt of invoice, by wire transfer
4.	Supplier F	A company primarily engaged in the manufacturing and sales of automotive brake assist systems and related electromechanical products	Brake master cylinder	17,717	5.3	2018	Within 45 days starting from the first day of next month upon receipt of invoice, by wire transfer
5.	Supplier C	A company primarily engaged in the sales of electronic components	Electron component	14,443	4.3	2020	Within 30 days of the following month upon receipt of invoice, by wire transfer
	Total			121,845	36.2		

As of the Latest Practicable Date, none of our Directors, their associates or any of our shareholders, who owned, or to the knowledge of the Directors had owned, more than 5% of our issued share capital, had any interest in any of our five largest suppliers.

Raw Materials and Components

Our procurement is generally based on our customized production plan and internal strategic storage. We have a dedicated team to procure raw materials and components to meet the specific requirements of our solutions. The key raw materials and components we used for our production include standard parts, assemblies such as motors and electronic control units, chips, machined parts, and non-metallic components such as rubber and injection-moulded parts. During the Track Record

Period, all of our procurement was conducted within China. For the years ended December 31, 2023, 2024, and 2025, our total purchase amounts were RMB336.7 million, RMB324.3 million and RMB634.1 million, respectively.

We have implemented a range of measures to ensure the stable supply of raw materials and components, including the exclusion of exclusive supply arrangements, emphasis on alternative sourcing, and the strengthening of supplier admission standards. All of our suppliers are interchangeable, and there are no components for which we rely solely on a single fixed supplier, thereby effectively mitigating the risk of cost and quality control failures. In addition, we adopt a competitive bidding and price comparison mechanism when selecting suppliers, which ensures that procurement decisions are based on market competitiveness, pricing transparency and supplier capability. We also actively monitor inventory levels of raw materials and adjust stock quantities in response to market conditions to reduce the potential risks arising from price fluctuations in raw materials.

Selection and Engagement of Suppliers

In selecting suppliers, we consider a range of factors, including the supplier's background, technical capabilities, relevant qualifications and certifications, quality performance, cost competitiveness, production capacity, and delivery efficiency. Based on the criticality and standardization level of each material, we classify suppliers into three tiers and implement tiered management to ensure product quality and supply chain stability.

At the supplier nomination stage, all potential suppliers are required to undergo a Potential Supplier Assessment (PSA). For critical safety-related components, suppliers must achieve a PSA score of at least 80. This assessment is jointly conducted by our procurement, R&D and quality teams to ensure the reliability of supplier quality and the technical feasibility of their products. Once suppliers are engaged, we implement a comprehensive management system to monitor and control supplier performance. We conduct quarterly performance evaluations and scoring for all suppliers. Suppliers with lower performance rankings or those identified with issues are required to report to the responsible manager for review and rectification.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any quality or delivery issues with our raw materials and components that materially affected our operations.

We typically enter into supply agreements with our suppliers. The salient terms of such agreements include:

- *Product specifications.* We specify the product name, manufacturer or brand, specification, price, quantity, delivery timeline and other detailed items in each purchase order we send to our suppliers.

- *Delivery.* Our suppliers are generally responsible for delivery of products to our designated location specified in each purchase order.

- *Payment.* We are generally required to settle payments within 90 days after receipt of invoice.

- *Product warranties.* In general, the warranty period shall commence on the date we receive the products and shall expire upon the termination of the warranty period we promised to our customer (five years or 150,000 kilometers, whichever comes first).

- *Confidentiality.* All confidential information provided by either party shall not be disclosed to any third party without prior consent.

- *Termination.* The agreements will be terminated by mutual agreement, or by other means as set forth in the agreements.

QUALITY CONTROL

We are committed to delivering high-quality, high-performance solutions through a comprehensive quality management system that spans procurement, production, testing, storage, delivery and after-sales service. We have obtained key certifications, including IATF 16949, ISO 14001, ISO 26262 and ISO 45001. We have established rigorous technical and quality assessment procedures for entry into OEM supply chains. The entry process typically involves comprehensive audits of our manufacturing capabilities, quality management systems and product performance. For solutions with elevated appearance requirements or functional upgrades, we install additional in-line inspection stations as required by customers to ensure all standards are met.

- **Supply Chain Management**

  We implement a structured procurement quality control system to ensure that all purchased materials and components meet internal standards and customer requirements. Upon delivery, materials are subject to inspection and verification before warehousing, with non-conforming items returned and corrective actions required from suppliers. The handling, storage, packaging and delivery of materials are managed in accordance with defined standards to safeguard product quality throughout the supply chain.

- **Production and In-Process Quality Control**

  We strictly adhere to national, regional and internal standards throughout our production process. Our quality control system is led by Product Quality Engineers (PQEs) and supported by formal procedures that cover incoming material inspection, in-process control, finished product inspection and non-conformance handling. The foundation of our inspection framework is built on Design Failure Mode and Effects Analysis (DFMEA) and Process Failure Mode and Effects Analysis (PFMEA), from which control plans are derived to define inspection points, methods and frequencies.

  A multi-stage inspection mechanism is in place, combining automated and manual inspection techniques to ensure product consistency and assembly precision. Automated inspection tools include camera-based imaging and force curve monitoring systems, while manual checks are conducted at the start of each shift or at regular intervals, with particular attention to alignment of mating components. All inspection activities are managed through standardized checklists and documentation protocols. Key inspection tools are subject to periodic verification to ensure our manufacturing operations consistently uphold high standards of product quality, safety and reliability.

- **After-Sales Services, Product Returns and Recalls**

  We have established a comprehensive after-sales management system covering customer feedback collection, issue analysis, on-site support and repair services. See "Our Customers — After-Sales and Warranty". During the Track Record Period and up to the Latest Practicable Date: (i) we had not been subject to any material administrative or other penalties from any competent authority in connection with product quality; (ii) we had not undertaken any material product recalls with respect to defective solutions; and (iii) we had not been involved in any material dispute with customers in connection with product quality.

LOGISTICS AND INVENTORY MANAGEMENT

Logistics

Our hardware solutions are typically delivered directly from the production facilities and warehouses to the venue specified by our customers. We also engage a number of reputable third-party logistics service providers for delivery to our customers. To the best of our knowledge, each of those logistics service providers is an Independent Third Party.

Inventory Management

Our inventories mainly include raw materials, finished goods and work in progress. As of December 31, 2025, our inventories amounted to RMB123.3 million. We regularly track our inventory to keep it at a level sufficient to fulfill customers' orders. We manage inventory under standardized policies designed to safeguard quality and minimize obsolescence. These policies define shelf life, storage temperature and humidity ranges, and specific handling requirements for each material category. All materials are subject to re-inspection upon expiry to ensure compliance and maintain quality standards. We also proactively assess changes in market conditions and pre-store strategic raw materials in anticipation of potential supply shortage. Our supply management team reviews our inventory aging reports routinely with the business operation team and takes necessary actions to minimize risks of obsolescence.

INTELLECTUAL PROPERTY

We consider intellectual property essential for our continuous success, particularly in terms of research and development capabilities in preserving our leadership in the X-by-wire industry.

As of the Latest Practicable Date, we had 192 registered patents, including 97 invention patents, 90 utility model patents, and 5 design patents in the PRC. We also held 54 software copyrights and 54 registered trademarks in the PRC. We self-developed all material intellectual properties. We do not have any co-owned or jointly shared patents or patent applications with third parties, nor have we outsourced any R&D activities or incurred outsourcing expenses during the Track Record Period. Our material intellectual property rights cover technical areas such as vehicle braking and steering control systems, sensor signal validation, electronic parking brake, and assistive braking technologies.

We have employed internal policies, confidentiality agreements, encryptions and data security measures to protect our proprietary rights. We have established an intellectual property management policy that provides a structured approach to managing and protecting our intellectual property assets. This policy sets out detailed procedures applicable to all technology development projects and clearly defines the implementation requirements for incentive mechanisms and protective measures. In terms of contractual arrangements, we enter into confidentiality and non-disclosure agreements with our employees, suppliers, R&D collaboration partners and other third parties to protect our proprietary rights. Our employment agreements also provide that all patents, software, inventions, developments, works of authorship and trade secrets created by them during their employment are our property. In R&D collaboration agreements, we have set clear clauses for the ownership of intellectual property developed during the process and future commercialization rights with our partners.

During the Track Record Period and up to the Latest Practicable Date, other than the disclosed in the "Legal Proceedings", we did not have any material disputes or any other pending legal proceedings of intellectual property rights with third parties. Despite any measures taken to protect our intellectual property, unauthorized parties may attempt to or successfully copy aspects of our solutions or to obtain or use information that we regard as proprietary without our consent. As a result, we may be unable to sufficiently protect our trade secrets and proprietary information. See "Risk Factors — We may become involved in lawsuits to protect or enforce our intellectual property, which could be expensive, time-consuming and unsuccessful. Our patent rights relating to our solutions could be found invalid or unenforceable if being challenged in court or before the CNIPA or related intellectual property agencies in other jurisdictions."

We also own a number of registered trademarks and pending trademark applications. As of the Latest Practicable Date, we had registered trademarks for our Company and our corporate logo in China and other jurisdictions and are seeking trademark protection for our Company and our corporate logo in other jurisdictions where available and appropriate.

COMPETITION

The X-by-wire industry is highly competitive. All major aspects of our business face competition from both domestic and international companies. We primarily compete in areas such as product features and performance, technological innovation, product quality, service capability, cost control, user experience, pricing strategy, brand recognition and industry reputation. Furthermore, the continuous emergence of new technologies and ongoing technological upgrades are expected to further intensify industry competition. For further details, please refer to the section "Industry Overview — Competitive Landscape of China's Brake-by-Wire Solutions Industry."

PATH TO PROFITABILITY

Despite our rapid revenue growth, we remained loss-making during the Track Record Period. In 2023, 2024 and 2025, we incurred net losses of RMB200.8 million, RMB169.5 million and RMB189.5 million, respectively. Our revenue increased significantly during the Track Record Period and amounted to RMB272.2 million, RMB390.7 million and RMB614.5 million in 2023, 2024 and 2025, respectively, representing year-over-year revenue growth rates of 25.1% in 2023, 43.5% in 2024 and 57.3% in 2025, respectively.

Our losses during the Track Record Period were primarily due to:

- ***Substantial R&D investments as a technology-driven company.*** The X-by-wire solutions industry in which we operate is highly competitive, and the technologies are rapidly evolving. As an innovation-driven company, we have made substantial investments in R&D to establish our technological leadership and develop our comprehensive X-by-wire chassis solutions. According to CIC, our R&D expenses as a percentage of operating expenses exceed the industry average. Furthermore, to maintain our technological leadership and competitive edge, we must continue to attract and retain world-class talent, which necessitates offering competitive compensation packages, benefits and performance-based incentives that are commensurate with market standards for highly skilled professionals in our industry. Moreover, as the intelligent driving industry undergoes rapid transformation, particularly in the X-by-wire technologies, we must allocate substantial resources to meet stringent regulatory requirements and customer validation, including obtaining necessary certifications and approvals, conducting comprehensive safety and performance testing, implementing robust quality management systems and maintaining continuous compliance monitoring. As such, all these factors lead to substantial upfront investment, which results in our loss positions during the Track Record Period. Our R&D expenses were RMB96.5 million, RMB87.6 million and RMB83.0 million in 2023, 2024 and 2025, respectively, accounting for 68.2%, 69.8% and 52.0% of our operating expenses in the corresponding period.

- ***Production capacity in ramp-up phase with economies of scale yet to be fully realized.*** Our manufacturing operations are currently in the capacity ramp-up phase as we scale production to meet growing customer demand. During this transitional period, we have not yet achieved optimal capacity utilization rates, resulting in higher unit production costs. During the Track Record Period, our production capacity utilization rate for our ESC solutions was 41.0%, 63.2% and 70.8% respectively in 2023, 2024 and 2025. As our production volume and production utilization capacity increase, and we optimize our manufacturing processes, we expect to realize significant economies of scale that will improve our gross margins and overall profitability.

- ***Higher raw material procurement costs due to limited bargaining power.*** Before we fully scale up our mass production, we face relatively higher raw material procurement costs because our procurement volume is limited. We expect our procurement to increase substantially as we grow our sales and expand our production. This is expected to strengthen our negotiating position with suppliers, leading to more favorable pricing terms and improved cost structure. During the Track Record Period, our procurement costs of mechanical and electronic materials amounted to RMB229.5 million, RMB307.5 million and RMB484.7 million in 2023, 2024 and 2025, respectively, accounting for 84.3%, 78.7% and 78.9% of our revenue in the corresponding period. The decreasing trend of this costs as a percentage of our revenue indicates that we started to benefit from economies of scale.

In the foreseeable future, we plan to enhance our profitability by expanding our revenue scale, reducing our operating costs and improving gross profit margin.

Expanding Our Revenue Scale

We are a company under rapid growth. Our revenue increased significantly during the Track Record Period and amounted to RMB272.2 million, RMB390.7 million and RMB614.5 million in 2023, 2024 and 2025, respectively, representing year-over-year revenue growth rates of 25.1% in 2023, 43.5% in 2024 and 57.3% in 2025, respectively. We expect that our revenue will grow further due to the following factors:

- ***Leveraging Early-mover Advantage to Capitalize on Market Opportunities and Industry Tailwind.*** The automotive industry is undergoing a fundamental transformation towards intelligence and electrification, creating significant growth opportunities for X-by-wire technology providers. As intelligent driving capabilities become mainstream, the demand for precise, reliable, and X-by-wire chassis systems is accelerating. According to CIC, the global X-by-wire solutions industry has achieved rapid growth in recent years. In terms of revenue, the corresponding market size grew from RMB108.8 billion in 2020 to RMB263.9 billion in 2024, with a CAGR of 24.8%, and is projected to reach RMB621.7 billion by 2030 with a CAGR of 15.4% during the period, driven by increasing vehicle intelligence levels, stringent safety regulations, and consumer demand for enhanced driving experiences. See "Industry Overview — Market Size of Global and China's X-by-Wire Solutions Industry." According to CIC, we ranked the third among all domestic brake-by-wire solution providers and second among all domestic independent third-party solution providers, in terms of the sales volume of brake-by-wire solutions in China in 2024, accounting for a 9.9% market share. At the same time, our year-over-year growth rate for brake-by-wire solution sales volume in 2024 was the fastest among the top five domestic providers. As an early mover and leader of X-by-wire technologies among domestic solution providers, we are well positioned to capitalize on the industry-wide shift from mechanical to X-by-wire systems to capture vast market opportunities as OEMs accelerates their adoption of X-by-wire solutions which are the mission critical technology for vehicle intelligence.

- ***Deepening Customer Relationships and Expanding Our Customer Base.*** For existing customers, we aim to deepen collaboration by leveraging our proven track record on current vehicle models to expand into additional platforms and vehicle lines. Our established relationships with leading Chinese OEMs provide a strong foundation for selling opportunities across their expanding model portfolios. During the Track Record Period, our Key customer retention rate remained at 100.0%, and our key customer net dollar retention rate achieved 120.3%, 139.3% and 116.0% in 2023, 2024 and 2025. To deepen existing customer relationships, we will focus on continuously improving product quality and enhance customer satisfaction, such as providing value-added services to improve response efficiency and after-sale service quality. We plan to establish regional service centers to better understand the needs of our customers. Additionally, we will pursue deeper collaboration with our customers through joint development of new features and ongoing product optimization. Concurrently, we are actively pursuing new customer acquisitions, particularly among international OEMs seeking reliable X-by-wire technology partners for their China market strategies. We will develop a target customer list, closely track project plans and bidding opportunities, and actively promote our X-by-wire solutions. Additionally, we will participate in key industry forums, exhibitions and customer technical showcases while conducting regular visits and organizing technical exchange meetings to strengthen engagement and build relationships with potential customers. We have participated in the

Shanghai International Automotive Exhibition in 2025, where we promoted our solutions and launched new products. In the 2026 Beijing International Automotive Exhibition, we publicly announced our robotics strategy for the first time.

- ***Enriching Our Solution Portfolio.*** We continuously enhance our solution offerings through iterative development, performance optimization, and integration of advanced functionalities. Our R&D efforts focus on developing next-generation X-by-wire solutions that offer superior performance, enhanced safety features, and greater system integration capabilities. For example, we have invested in the R&D of steering-by-wire solutions and NXU motion controllers, with the goal of achieving full-spectrum coverage of intelligent driving motion control solutions. By expanding our product portfolio to address diverse customer requirements across different vehicle models and price points, we aim to increase our addressable market and capture a larger share of each customer's X-by-wire procurement budget. This comprehensive product strategy enables us to serve as a one-stop solution provider, strengthening customer stickiness and driving revenue growth.

- ***Exploring New Markets and Application Scenarios.*** Our market expansion strategy encompasses both geographic diversification and application scenario development. Internationally, we plan to establish partnerships with global OEMs to access overseas automotive markets. We are also exploring opportunities in emerging markets where automotive intelligence is gaining momentum, such as Southeast Asia. Our marketing initiatives focus on strengthening partnership with domestic OEMs as they sell their vehicles overseas. Simultaneously, we are accelerating direct sales to overseas by actively engaging in international bidding. For example, we collaborated with a customer in Malaysia, and the product under this collaboration has achieved mass production and generated revenue. We will continue to pursue technical collaborations with overseas customers. We are targeting overseas OEM markets by collaborating with global vehicle design companies. We started to generate revenue from sales in the overseas market in the second half of 2024, and we recorded revenue of RMB0.3 million in 2024 and RMB11.2 million in 2025, demonstrating our growth potential in the emerging markets. Beyond traditional passenger vehicles, we are developing solutions for new application scenarios, such as humanoid robots and low-altitude aircraft. We also plan to set up overseas subsidiaries to facilitate international business development, market expansion and international supply chain management, and to serve as a hub for global R&D and talent acquisition. Further, to demonstrate the value proposition of our X-by-wire technology, we are scheduled to participate in international automotive exhibitions, technical seminars organized by OEMs and industry associations and collaborative development programs with OEMs. To strengthen these marketing initiatives, we plan to recruit approximately 35 marketing personnel.

Reducing Our Operating Costs and Improving Gross Profit Margin

- **Focusing on High Value-Added Solutions.** We are committed to developing and prioritizing high value-added, higher-margin X-by-wire solutions to optimize our product portfolio. The production of our ESC and NBC solutions launched in recent years recorded significantly higher gross profit margins than the solutions we offered in our early development stage, mainly due to the continuously advanced technology in such solutions. Our focus on developing high value-added and higher-margin X-by-wire solutions, including newly launched ESC and NBC products, has proven effective as evidenced by a steady improvement in gross profit margin from 1.1% in 2023 to 10.7% in 2024 and 13.6% in 2025. We also expect to launch solutions and services of higher

margins in the near future. In particular, we plan to launch brake-by-wire and steer-by-wire solutions with advanced technologies around later 2026 to 2028, which are designed to be applied in higher intelligent driving scenarios, such as L3 and L4 levels of autonomous driving. We will continue to explore opportunities in other cutting-edge application scenarios, such as humanoid robotics and low-altitude aircraft. These solutions carry relatively higher premium due to higher technology barrier and competitiveness in the market.

- **Enhancing R&D Efficiency.** During the Track Record Period, we allocated significant resources on research and development, focusing on the development of X-by-wire algorithms, software and hardware. We aim to improve our R&D efficiency and optimize our product cost structure. By advancing our modular R&D platform with high transformability, we are able to leverage and repurpose earlier R&D investments to support future development activities for solutions across different application scenarios. During the development of our NBS solutions, we successfully developed software and hardware modules related to brushless motor drive, which can be directly reused for our NBC solution, requiring only parameter adjustments and safety and operational calibrations to match different models. When developing our ESC solution, we completed the development of stability control algorithms which have been validated through large-scale mass production. These algorithms can be reused to our NBC solution. As a result of the foregoing, our R&D expenses as a percentage of total revenue decreased from 35.5% in 2023 to 22.4% in 2024 and further decreased to 13.5% in 2025. We expect our R&D expenses to remain a substantial portion of our operating expenses to support our business expansion in the future, but our R&D expenses as a percentage of revenue keep decreasing as we continue to compound the value of previous R&D investments, enhance R&D efficiency and unleash greater economics of scale in R&D activities.

- **Optimizing Operational Efficiency.** We plan to improve operating efficiency by enhancing administrative and sales expense management. During the Track Record Period, we incurred significant operating expenses, including R&D expenses, selling and marketing expenses and administrative expenses. We have made continuous efforts to streamline our administrative and operational processes and improve our operational efficiency. Our administrative expenses as a percentage of total revenue decreased from 14.8% in 2023 to 10.2% in 2025, reflecting improvements in cost management and operational efficiency. Going forward, we intend to establish a more disciplined budgeting process, implement performance-driven expenditure controls and leverage digital tools and data analytics to improve cost transparency and operational productivity. For example, we plan to deepen the application of the ERP system to our finance, supply chain, production, sales, and human resources management. This integration will improve the accuracy and timeliness of our data on costs and expenses. For product manufacturing, the use of digital tools can precisely calculate the costs related to material and labor of each product, providing robust support for pricing and profitability analysis. These initiatives are expected to increase our operational resilience and support sustainable profit growth as our business continues to scale.

- **Continuous Business Expansion to Achieve Economies of Scale.** We seek to expand our business scale, which in turn enables us to optimize our supply chain and enhance economies of scale, thereby reducing costs and improving efficiency.

	Year ended December 31,					
	2023		2024		2025	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except percentages)					
Selling and marketing expenses	4,824	1.8	5,326	1.4	14,248	2.3
Administrative expenses	40,270	14.8	32,571	8.3	62,379	10.2
Research and development expenses	96,547	35.5	87,580	22.4	82,959	13.5
Total operating expenses	141,641	52.0	125,477	32.1	159,586	26.0

Our operating expenses as a percentage of total revenue decreased from 52.0% in 2023 to 32.1% in 2024, and further decreased to 26.0% in 2025, primarily attributable to our enhancement of operating efficiency. We expect our operating expenses as a percentage of revenue to further 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. In addition, a significant portion of such expenses was related to our employee compensation, such as benefit expenses and share-based payment expenses, which are less likely to increase proportionally along with our revenue growth as we scale up.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

We profoundly acknowledge the substantial importance of environmental, social, and governance (ESG) factors and sustainable development for our long-term growth, the interests of our stakeholders, and the broader society. The integration of ESG principles is deeply embedded in our strategic decision-making processes and the entirety of our daily operational workflows.

ESG Governance Structure

We prioritize ESG governance, establishing a structure where the Operating Management Committee deliberates and decides, while the ESG Working Group manages and executes. The Operating Management Committee oversees major ESG matters, sets policies, strategies, and goals, identifies risks and opportunities, and approves ESG disclosures to meet regulations requirements. The ESG Working Group develops the ESG management system, defines objectives and responsibilities, guides subsidiaries in establishing environmental management systems, monitors major ESG incidents, risks, and hazards, and ensures that corrective actions are implemented to optimize operations and thought processes, thereby guaranteeing effective ESG measures.

Environmental Protection

We strictly comply with environmental laws and regulations such as the Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》), the Law of the People's Republic of China on Environmental Impact Assessment (《中華人民共和國環境影響評估法》), and the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste (《中華人民共和國固體廢棄物污染環境防治法》). We closely monitor the latest developments in laws and regulations and regularly evaluate and optimize our internal ESG systems and measures. Meanwhile, we have established a multi-dimensional environmental management mechanism that conforms to the ISO 14001 Environmental Management System standard. During the Track Record Period, there were no serious violations of environmental laws or regulations.

Resource management

In our daily operations, the primary energy and resources consumed include electricity, water, and packaging materials. The table below sets forth our energy and resource consumption during the Track Record Period:

	For the year ended December 31,		
	2023	2024	2025
Energy Consumption			
Electricity Consumption (MWh)	2,824.61	3,452.25	4,929.76
Gasoline Consumption (MWh)	17.70	15.81	72.27
Total Energy Consumption (MWh)	2,842.31	3,468.05	5,002.03
Energy Consumption Intensity (MWh/million RMB revenue)	10.44	8.88	8.14
Water Consumption			
Water Consumption (cubic meters)	2,503.00	2,430.00	5,198.00
Water Consumption Intensity (cubic meters/million RMB revenue)	9.19	6.22	8.46
Packaging Materials			
Packaging Material Usage (ton)	94.38	64.77	91.23
Packaging Material Usage Intensity (ton/million RMB revenue)	0.35	0.17	0.15

To enhance the efficient use of energy and water resources, we have set management objectives to reduce water and electricity intensity by 5.0% by 2028, based on our business characteristics and with annual progress tracking.

To meet the aforementioned goals, we strictly comply with laws and regulations including the Energy Conservation Law of the People's Republic of China (《中華人民共和國節約能源法》), and develop relevant water and electricity usage plans based on our actual operational conditions. We are advancing the achievement of our water and electricity conservation targets in a systematic manner, with ongoing progress aligned with established timelines. Specific measures include but are not limited to (i) conducting daily inspections of electronic equipment in meeting rooms to ensure devices are promptly turned off when not in use, (ii) implementing a policy of switching off lighting, air conditioning, and non-essential electronic equipment outside working hours, (iii) Evaluate the necessity of official vehicle use and encourage employees to prioritize green commuting options, (iv) promoting water-saving awareness by displaying conservation reminders in restrooms, and (v) strengthening the maintenance and inspection of water pipes and faucets to prevent unnecessary waste of water.

Emissions Management

Hazardous waste management

We strictly adhere to national and local laws and regulations concerning hazardous waste disposal, and have formulated systems such as Management Standards for Solid Waste (《固體廢物管理規定》) and Management Standards for Hazardous Waste (《危廢管理規定》), thereby establishing a comprehensive management framework for hazardous waste that spans its generation, collection, storage, and ultimate disposal. We implement stringent segregated collection measures for diverse hazardous waste categories, designating independent, sealed temporary storage zones within our

production facilities, complete with conspicuous hazard warnings, to mitigate environmental risks during storage. All hazardous waste is entrusted to qualified third parties with national accreditation for disposal. The table below sets forth our hazardous waste emissions and emission intensity during the Track Record Period:

	For the year ended December 31,		
	2023	2024	2025
Total hazardous waste (Tons)	3.70	8.65	12.29
Hazardous waste intensity (Tons/million RMB revenue)	0.01	0.02	0.02

The reasons for the increase in hazardous waste emissions intensity in 2024 compared to 2023 primarily include: (i) business expansion and production scale expansion of the company, which increased requirements for waste gas treatment, resulting in an increase in the production of waste activated charcoal; (ii) increased chemicals usage causing more chemical packaging materials waste; and (iii) increased frequency of equipment maintenance resulting in an increase in the production of waste oil from air compressor and oil containing cloth.

To reduce the waste level, we have implemented a series of initiatives, which include: (i) optimizing production processes; (ii) establishing a refined classification and recycling system for hazardous waste, and cooperating with compliant disposal enterprises to improve recycle efficiency; and (iii) reinforcing employee training, and standardizing the classification and management of hazardous waste.

Non-hazardous waste management

Our non-hazardous waste primarily comprises domestic waste, paper-based packaging materials, and products deemed substandard, damaged, or expired. For domestic waste, we engage qualified sanitation entities to manage its collection and disposal in adherence to urban waste management protocols. Regarding substandard, damaged, or expired products, we have established specialized processing procedures to ensure that secondary contamination is averted, either through the salvaging of usable components via disassembly and recycling or through innocuous destruction, thereby promoting the reduction and resource-oriented management of non-hazardous waste. The table below sets forth our non-hazardous waste emissions and emission intensity during the Track Record Period:

	For the year ended December 31,		
	2023	2024	2025
Total non-hazardous waste (Tons)	14.50	38.51	66.76
Non-hazardous waste intensity (Tons/million RMB revenue)	0.05	0.10	0.11

The reasons for the increase in non-hazardous waste emissions intensity from 2023 to 2025 primarily include: (i) the launch of new products and an increase in company's order volume causing the usage of paper-based packaging materials to increase; (ii) an increase in the number of employees leading to the increasing amount of generated domestic waste; and (iii) temporary fluctuations in the quality control of new products development, trial production, and production processes, resulting in an increase in the amount of non-conforming items.

To reduce the waste level, we have implemented a series of initiatives, which include: (i) promoting the recycling of paper-based packaging materials and adopting recyclable packaging designs to reduce the consumption of disposable packaging; (ii) implementing the classification and management policy of domestic waste policy and installing classification equipment to increase recycle efficiency; (iii) optimizing production processes along with quality control system, and introducing high-precision detection equipment to reduce the production of non-conforming items; and (iv) cooperating with a specialized recycling agency to establish a regular recycling mechanism for non-hazardous waste.

Waste gas management

We prioritize the management of exhaust gas emissions and have formulated Waste Gas Control Procedure (《廢氣控制程序》) to ensure compliance with national and industry standards such as the Integrated Emission Standard of Air Pollutants (《大氣污染物綜合排放標準》). Concurrently, we implement a series of initiatives to mitigate total waste gas emissions, which include: (i) optimizing production processes to reduce emissions during manufacturing; (ii) prioritizing energy-efficient equipment to diminish emissions resulting from energy consumption; and (iii) reinforcing waste gas collection management protocols to prevent untreated discharges. The table below sets forth our waste gas emissions during the Track Record Period:

	For the year ended December 31,		
	2023	**2024**	**2025**
Waste gas (Tons)	0.02	0.04	0.12

Wastewater management

The wastewater discharged from our operations primarily comprises domestic sewage and wastewater generated during the cleaning line processes. We strictly adhere to the Water Pollution Prevention and Control Law of the PRC (《中華人民共和國水污染防治法》) and have instituted management protocols such as Wastewater Control Procedure (《廢水控制程序》) to ensure that both domestic sewage and cleaning line wastewater treatments fully comply with applicable discharge standards, thereby preventing water pollution from excessive wastewater discharge. For domestic sewage, we have installed specialized wastewater treatment facilities to guarantee that the treated water quality meets the standards for discharge into municipal drainage network. Regarding cleaning line wastewater, we employ tailored treatment processes based on its specific characteristics, ensuring that its quality achieves national discharge standards. The table below sets forth our wastewater emissions during the Track Record Period:

	For the year ended December 31,		
	2023	**2024**	**2025**
Wastewater (Tons)	963.00	2,428.00	3,908.00

The increase in wastewater emissions from 2023 to 2025 is mainly attributable to the expansion of the company's production scale, which has led to: (i) higher water consumption in production processes; and (ii) more frequent and extensive cleaning of components, thereby generating larger volumes of cleaning-line wastewater and other process wastewater.

To reduce the waste level, we have implemented a series of initiatives, which include: optimizing production processes and adopting efficient water-saving cleaning processes to reduce water consumption per unit product.

Addressing Climate Change

Identification and management of climate-related risks

We fully recognize the business risks posed by climate issues and actively engage in identifying and managing climate-related risks and opportunities. The table below sets forth the climate-related risks and opportunities we have identified:

Risk/Opportunity type	Description	Potential impact	Measures
Physical Risks			
Extreme weather risks	• Extreme weather events induced by climate change, such as heavy rainfall, typhoons, and cold waves.	• Equipment damage due to water immersion or power outages, leading to extended production cycles; • Supply delays of raw materials and finished products caused by logistics disruptions; • Interruption of public utilities such as electricity and water supply; • Extreme weather events pose threats to personnel safety.	• Establish a climate emergency management system and conduct extreme weather assessments and emergency drills; • Develop a multi-logistics provider cooperation mechanism to dynamically adjust transportation plans; • Closely monitor extreme weather warnings, perform regular facility and equipment inspections, enhance protective measures, and carry out safety training.

Risk/Opportunity type	Description	Potential impact	Measures
Transformation risks			
Policy risks	• The regulatory environment is imposing increasingly stringent environmental requirements on enterprises and their products; • Governments are continuously strengthening disclosure requirements for corporate carbon emissions, ESG performance, and other related information.	• Increase in the company's environmental compliance risks; • Rise in costs in the production and operation processes.	• Monitor regulatory developments to enable timely formulation, revision, and implementation of internal policies for mitigating compliance risk; • Introduce energy-saving equipment and optimize production processes to reduce energy consumption and pollution from operations.
Technical risks	• Product and technology development fails to adequately adapt to sustainable development requirements.	• Continuous increase in R&D investment for environmental protection and energy-saving technologies.	• Integrate environmental and energy-saving criteria into the R&D process, leveraging innovation to enhance product energy conservation and carbon reduction capabilities.
Market risks	• Downstream customers and end consumers are showing a growing preference for low-carbon and sustainable products.	• Potential decrease in market share and revenue if product offerings fail to respond promptly to changes in market demand.	• Incorporate supplier environmental performance into the evaluation system to foster sustainability across the supply chain. • Embed energy-efficient principles into product design and R&D to develop products aligned with low-carbon and sustainable development goals.

Risk/Opportunity type	Description	Potential impact	Measures
Transformation risks			
Market expansion	• Against the backdrop of climate change and the "dual-carbon" goals, the EV industry is experiencing rapid development; • The EV market demonstrates growing demand for intelligent features and energy efficiency optimization.	• Our X-by-wire solutions can effectively meet the needs of new energy vehicles for intelligent driving and energy efficiency improvement. Seizing this opportunity is poised to enhance our market share and brand influence.	• Continue to make technological breakthroughs, strengthen collaboration with EV OEMs, and promote the application of our X-by-wire solutions in a wider range of EV models.

Greenhouse gas management

Our greenhouse gas emissions primarily stem from direct emissions (Scope 1) generated during our production and operational processes, indirect emissions (Scope 2) originating from purchased electricity consumption, and other indirect emissions (Scope 3) resulting from employee business travel and commuting activities. The table below sets forth our Scope 1, Scope 2 and Scope 3 greenhouse gas emissions during the Track Record Period:

	For the year ended December 31,		
Greenhouse gas emission	**2023**	**2024**	**2025**
Scope 1: Direct GHG Emissions (tCO2e)	4.59	4.10	18.76
Scope 2: Energy Indirect GHG Emissions (tCO2e)	1,977.23	2,416.57	3,450.83
Total GHG Emissions (Scope 1 +Scope 2) (tCO2e)	1,981.82	2,420.68	3,469.60
GHG Emission Intensity (Scope 1+ Scope 2) (tCO2e/million RMB revenue)	7.28	6.20	5.65
Scope 3: Other Indirect GHG Emissions (tCO2e)	211.55	164.95	248.19
Scope 3 GHG Emission Intensity (tCO2e/million RMB revenue)	0.78	0.42	0.40

To mitigate greenhouse gas emissions, we have set the following management objectives based on our business characteristics and will continue to track progress each year:

- GHG emission intensity is expected to decrease by 5.0% by 2028.

To meet the aforementioned goals, we are advancing the achievement of our greenhouse gas emissions reduction targets based on our actual operational conditions, with ongoing progress aligned with established timelines. Specific measures include but are not limited to the following:

- Install facilities such as video conferencing tools in meeting rooms to promote the use of remote collaboration tools in office scenarios to reduce greenhouse gas emissions due to business trips;

- Encourage employees to choose low-emission travel modes to reduce greenhouse gas emissions during business trip and;

- Implement a policy requiring the shutdown of non-essential electronic equipment outside working hours to conserve electrical energy and thereby reduce indirect emissions.

Social Responsibility

Employment and Labor Standards

We strictly adhere to the Labor Law of the PRC (《中華人民共和國勞動法》) and the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》), among other pertinent laws and regulations, thereby delineating explicit stipulations for human rights protection and employment management. Our recruitment process treats all applicants equitably and resolutely precluding discrimination based on factors such as race, ethnicity, nationality, religion, disability, gender, or marital status. We strictly prohibits the employment of child labor and forced labor, explicitly forbidding any form of harassment or derogatory conduct. Furthermore, we extend labor rights requirements throughout our supply chain, obligating suppliers and business partners to similarly respect employees' labor rights and fundamental human rights, collectively fostering an inclusive, non-discriminatory work environment.

Health and Safety

Our paramount concern is the health and safety of our employees. We have implemented a robust occupational health and safety management system, adhering to ISO 45001 standards. This includes the establishment of stringent safety protocols and emergency preparedness plans, such as the Production Safety Responsibility System (《安全生產責任制》), Stakeholder Safety Management System (《相關方安全管理制度》), and Special Equipment Safety Management System (《特種設備安全管理制度》). We furnish employees with essential personal protective equipment and conducts regular safety training and drills to enhance safety awareness and emergency response capabilities. Concurrently, routine safety inspections are performed within the workplace to promptly identify and mitigate potential hazards, thereby fostering an environment committed to zero accidents and injuries.

Training and Development

We place significant emphasis on employee capability development, establishing a systematic and comprehensive training framework that spans the entire professional lifecycle of our employees. This framework encompasses training in corporate overview, enterprise culture, social responsibility, safety and environmental protection, occupational health, job-specific skills, and career development. Concurrently, we continuously refine our training mechanisms, formulating annual training plans for employees and providing multi-level learning platforms and practical opportunities.

To standardize human resource management and optimize talent development and retention, we have established specialized policy documents such as the Promotion Management Measures (《晋升管理辦法》), Mentorship Management System (《帶教管理制度》), and Performance Management System (《績效管理制度》). These measures ensure that employee career progression mechanisms are open, transparent, and equitable, effectively mobilizing employee motivation and engagement.

Community Engagement

We have always adhered to the concept of social responsibility and actively engaged in community involvement while maintaining steady operations, striving to build a harmonious and symbiotic development environment.

In terms of employee care, we consistently prioritize employees' well-being and have organized multiple employee donation drives to provide financial support to employees themselves or their family members facing financial difficulties due to unexpected incidents or serious illnesses, to alleviate the financial burdens of employees' families in distress. In the field of educational public welfare, we actively contribute to the development of higher education. For the year of 2024 to 2025, we made a donation to the Education Foundation of Beijing Institute of Technology, earmarked for the relevant work of the Smart New Energy Vehicle Alumni Association, supporting industry talent cultivation and academic exchanges through practical actions. Looking ahead, we will further expand the scope of our community engagement, planning to launch volunteer services and public welfare environmental protection activities, continuously deepen the practice of social responsibility, and contribute to the sustainable development of society.

Product Responsibility

We have established a scientifically robust and effective quality management system, strictly adhering to the IATF16949 quality management system standard and relevant legal and regulatory mandates. This system comprehensively assesses and optimizes the factory's quality management across three core dimensions: systemic integrity, procedural standardization, and product conformity, thereby ensuring that product quality consistently meets stringent industry benchmarks and customer specifications. Suppliers furnishing us with production materials, components, or services are similarly required to implement and certify an IATF16949 compliant quality management system. During the Track Record Period, we rigorously upheld product liability regulations, with no instances of non-compliance, thereby unequivocally substantiating the conformity and reliability of our solutions.

To further elevate our overarching quality management capabilities, beginning in 2023, we initiated a comprehensive implementation of Enterprise Resource Planning and Office Automation operational management systems, with the comprehensive quality management module being a primary focus of this development. We have formulated precise management protocols and performance benchmarks, focusing on critical aspects such as customer demand alignment, expedited issue resolution, meticulous quality control at workstations, proactive risk mitigation throughout the production process, and collaborative quality management with suppliers, thereby ensuring the effective realization of holistic quality management.

Supply Chain Sustainability

We have significantly strengthened our supplier management framework by developing and rigorously enforcing a suite of regulations, including the Procurement Management Procedure (《採購管理程序》) and Supplier Selection and Control Procedure (《供應商選擇及控制程序》). These protocols delineate precise standards and requirements for the full lifecycle management of suppliers, encompassing admission audits, collaborative selection, ongoing evaluation, and exit management, thereby providing robust institutional support for compliant supply chain operations.

We actively promote the establishment of a sustainable supply chain, mandating that suppliers' products, services, and operations adhere to laws and regulations related to environmental protection. Preference in procurement is given to suppliers holding ISO14001 environmental management system certification or those actively implementing such a system. Furthermore, we conduct intermittent evaluations of supplier environmental performance and require them to periodically furnish valid environmental reports and certifications issued by local environmental authorities. Should a supplier's provision of goods or services negatively impact the environment, we issue corrective action requests and monitor their rectification efforts to ensure compliance with sustainable development imperatives.

EMPLOYEES

As of December 31, 2025, we had 364 full-time employees. The following table sets forth the numbers of our employees categorized by function as of the date indicated:

Function	Number of Employees	% of Total
Research and development	150	41.2
General and administration	59	16.2
Production	143	39.3
Sales	12	3.3
Total	**364**	**100.0**

During the Track Record Period, we primarily recruited employees through online job platforms, campus recruitment programs and internal referrals. We enter into standard labor contracts and sign confidentiality agreements with all employees. We also sign non-compete agreements with key management and professional staff.

We place strong emphasis on employee training and development to enhance technical capabilities and overall performance. New employees receive induction training covering our corporate culture, business operations and industry background to help them integrate into the company. We also offer tailored ongoing training programs delivered by internal and external experts to strengthen employees' technical skills in their respective business areas. For key positions, we provide management development programs, including leadership training.

We are committed to providing fair and equal opportunities to all employees. We have established career development and promotion plans applicable to employees at all levels, supported by regular performance evaluations. As part of our talent retention strategy, we offer competitive compensation packages, including salaries and allowances, performance-based bonuses and long-term incentive schemes. These include, but are not limited to, employee share ownership plans targeting managers, high-potential talent and key technical professionals. We have implemented a regular appraisal system to assess employee performance, which serves as the basis for decisions on salary adjustments and promotions.

In accordance with applicable PRC laws and regulations, we participate in various employee social security programs. These include pension insurance, medical insurance, unemployment insurance, maternity insurance, work-related injury insurance and housing provident fund schemes. We are required by law to contribute to these programs based on a specified percentage of employees' wages, bonuses and certain allowances, subject to the maximum contribution limits set by local authorities from time to time.

During the Track Record Period, we were not in strict compliance with the contribution requirements in relation to our employees because we did not make social insurance contributions and housing provident funds in full amount for certain of our employees. Our PRC Legal Advisor has advised us that, under PRC laws and regulations, we might be subject to late fees and fines for not being in strict compliance with such contribution requirements. If any competent government authority is of the view that the social insurance payments we made for our employees do not satisfy the requirements under relevant PRC laws and regulations, we might be ordered to pay the unpaid amount within a certain period and a late fee that equals to 0.05% of the total unpaid amount per day, accruing from when the social insurance contribution was due. If we fail to pay the unpaid amount or the late fee, we may be subject to a fine.

As of the Latest Practicable Date, we had not received any notification from the relevant PRC regulatory authorities requiring us to pay shortfalls or late payments with respect to the social insurance and/or housing funds, nor had we been subject to any related administrative penalties. Given we have obtained relevant confirmation during our interview with the relevant competent authorities, our PRC Legal Advisor is of the view, with respect to the certain PRC subsidiaries with certain number of employees, that the risk of the competent authorities requiring us to pay shortfalls with respect to the social insurance and housing funds and/or take the initiative to impose penalties on us is remote.

We believe we have generally maintained good working relationships with our employees. We did not experience any material labor disputes or significant difficulties in employee recruitment during the Track Record Period.

PROPERTIES

Our corporate headquarters is located in Shanghai, China. As of the Latest Practicable Date, we did not have any self-owned property and leased three properties in the PRC, with an aggregate gross floor area of approximately 38,368.1 sq.m., primarily used for manufacturing, corporate administration and office purposes. The lease generally has a term of up to three years. The lease agreement of two properties has not been registered and filed with the relevant PRC authorities in accordance with PRC laws and regulations. We believe that our existing facilities are generally adequate to meet our current needs, but we expect to seek additional space as needed to accommodate future growth, especially as we expand our production facilities and sales network nationwide.

As of the Latest Practicable Date, none of the properties leased by us had a carrying amount of 15% or more of our consolidated total assets. According to Chapter 5 of the Hong Kong Listing Rules and section 6(2) of the Companies Ordinance (Exemption of Companies and Documentes from Compliance with Provisions) Notice, this document is exempt from the requirements of section 342(1)(b) of the Companies (Winding up and Miscellaneous Provisions) Ordinance to include all interests in land or buildings in a valuation report.

INSURANCE

We have taken out all mandatory insurance policies, such as product liability insurance, required for our business operations under PRC laws and regulations, and that our insurance coverage is adequate. Our principal insurance policies primarily include public liability insurance, employer's liability insurance and group personal accident insurance. We consider our insurance coverage to be adequate as we have in place all the mandatory insurance policies required by Chinese laws and regulations and, according to CIC, in accordance with the commercial practices in the industries in which we operate.

In line with general market practice, we do not maintain certain insurance policies that are not available in the jurisdictions in which we operate, or that are not generally required by law. According to CIC, it is an industry norm for upstream suppliers in the automobile industry, like us, not to carry separate product liability insurance for the products and solutions they provide. During the Track Record Period, we did not make any material insurance claims in relation to our business. For further details, please refer to "*Risk Factors — Our insurance coverage may be insufficient to cover all customer losses or potential claims, which could adversely affect our business, operating results, and financial condition.*"

SEASONALITY

Our business experiences seasonal fluctuations primarily due to the production and delivery cycles of downstream OEMs. The first and second quarters are typically off-peak seasons, while the third and fourth quarters are peak seasons, with particularly high volumes in the fourth quarter.

During the Track Record Period, we observed that order volumes in the second half of each year consistently exceeded those in the first half. According to CIC, this pattern aligns with broader industry trends, where mass production by OEMs tends to peak in the fourth quarter. According to industry data, this is influenced by several factors: (i) year-end promotional campaigns by automotive dealers to achieve sales targets and secure incentives from OEMs, (ii) increased consumer willingness to purchase vehicles toward the end of the year, often supported by year-end bonuses and other benefits, and (iii) the peak season for auto shows in September and October, which stimulate consumer interest and drive sales through direct engagement and promotional offers.

For relevant risks, see "Risk Factors — Seasonal fluctuations in the automotive industry may cause variations in our revenue and operating results."

LEGAL PROCEEDINGS AND COMPLIANCE

Legal Proceedings

Occasionally, we may be subject to legal proceedings and claims arising in the ordinary course of our business. Our Directors confirm that, during the Track Record Period and up to the Latest Practicable Date, we had not involved in any litigation, arbitration or administrative proceeding against us or any of our Directors that could have a material and adverse effect on our business, financial conditions or results of operations. Furthermore, to the knowledge of our Directors, there is no pending or foreseeable litigation, arbitration or administrative proceeding against us or any of our Directors that could cause a material and adverse effect on our business, financial conditions or results of operations.

Patent Litigations

In March 2025, a Germany-headquartered technology and services supplier (the "**Plaintiff**") initiated five patent infringement proceedings (the "**Claims**") in Suzhou Intermediate People's Court of Jiangsu Province (the "**Court**") against our Company, alleging that our ESC solution constitutes infringement of Plaintiff's five patents (the "**Patents**", each a "**Patent**"). The Patents were alleged to involve features of five components used in our ESC solution (the "**Components**", each a "**Component**").

The Plaintiff requested the Court to order our Company to (i) immediately cease all infringing activities, including the manufacture, sale and offering for sale of the allegedly infringing products and, immediate destruction of all unsold infringing products, and (ii) provide monetary relief to the Plaintiff for economic losses and reasonable expenses incurred in stopping the infringement, provisionally calculated at RMB10.0 million per case, totalling RMB50.0 million across all five Claims.

The first evidence-exchange hearing took place in September 2025 and the Court held the formal trial hearing in April 7, 2026. We are vigorously defending the Claims in the Court with the assistance of our IP Litigation Counsel. One of the Plaintiff's Claims has been dismissed by the Court in March 2026. The remaining four Claims are still under the Court's review. We have made adequate provision of RMB10.0 million in 2025. For details, see Note 28 to Appendix I in this document.

In the worst case scenario (the probability of which, in our view and that of our IP litigation counsel, is low), our maximum exposure if the court were to rule in favour of the Plaintiff would be:

(a) in respect of (i) above, we are proactively upgrading and iterating our ESC solutions. Based on the view of our IP Litigation Counsel, our upgraded solutions will not fall into the scope of the Plaintiff's Patents. Therefore, we are able to continue selling our ESC solution. Any potential inventory loss would be immaterial.

(b) in respect of (ii) above, even in an unlikely scenario that the Court's decision to dismiss Plaintiff's claim is reversed upon appeal and we are held liable for all five Claims, the maximum amount of monetary compensation to the Plaintiff would be RMB50.0 million. This amount would not have significant impact on the Group's current assets and net assets, after adjusting liabilities arising from redeemable shares, as of December 31, 2025.

The amount of maximum exposure as set out above represents an amount estimated by our Company on a worst case scenario basis. Our Company and our IP Litigation Counsel are of the view that the probability of the occurrence of such worst case scenario is low considering the merit of the

evidence and our defense. Such estimate of worst case scenario based on Plaintiff's Claims is provided for reference only and does not represent our genuine estimate of potential exposure in the patent litigations, nor do we accept any liability for such estimate of worst case scenario based on Plaintiff's Claims.

Compliance

During the Track Record Period and up to the Latest Practicable Date, we had not been and were not involved in any material noncompliance incidents that have led to fines, enforcement actions or other penalties that could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations.

RISK MANAGEMENT AND INTERNAL CONTROL

We have established and will continue to maintain a risk management and internal control system, which includes policies and procedures that we consider appropriate for our business operations. We are committed to continuously improving this system. We have adopted and implemented risk management policies across various aspects of our business operations. The Board of Directors is responsible for establishing and updating our internal control system, while our senior management is responsible for overseeing the daily implementation of internal control procedures and measures across subsidiaries and functional departments.

Financial Reporting Risk Management

We have adopted comprehensive accounting policies for financial reporting risk management, including financial management, budget control and the preparation of financial statements. We have also established procedures to implement these accounting policies, and our finance department reviews management accounts in accordance with these procedures. In addition, we provide ongoing training for financial personnel to ensure proper compliance with and effective implementation of these policies.

Compliance and Intellectual Property Risk Management

We have designed and adopted rigorous internal procedures to ensure that our business operations comply with relevant rules and regulations and to safeguard our intellectual property. Prior to entering into any contracts or business arrangements, our legal department reviews the contract terms and examines all relevant documents related to our operations, including licenses and permits obtained either from counterparties or by us to fulfil contractual obligations, as well as all necessary due diligence materials. During the Track Record Period and up to the latest practicable date, there have been no material or systemic violations.

We have established detailed internal procedures to ensure that our in-house legal department conducts compliance reviews before we offer solutions and services to the public, including upgrades to existing solutions. Our legal department is also responsible for obtaining necessary government pre-approvals or consents, including preparing and submitting all required documentation to relevant government authorities within the prescribed regulatory timelines. Additionally, it ensures timely submission of all necessary trademark, copyright and patent registration applications, renewals or filings to the competent authorities.

Internal Control Risk Management and Measures

We have designed and adopted rigorous internal procedures to ensure that our business operations comply with relevant rules and regulations. Internal mechanisms are in place to ensure that all essential licenses, permits and approvals required for our operations are obtained and regularly reviewed to monitor their status and validity. We have obtained the necessary government approvals or consents, including preparing and submitting all required documentation to relevant authorities within the prescribed regulatory timelines for filing purposes.

Human Resources Risk Management

We have established internal control and risk management policies covering various aspects of human resources management, including recruitment, training, professional ethics and legal compliance. We maintain high recruitment standards through strict procedures to ensure the quality of new hires and provide specialized training tailored to the needs of employees in different departments. We also conduct regular performance evaluations, with compensation linked to performance. The implementation of internal risk management policies is regularly monitored to identify, manage and mitigate internal risks related to potential violations of codes of conduct, professional ethics, internal policies or laws by employees at all levels of the Group.

Investment Risk Management

The Directors' office is responsible for sourcing, screening, executing and managing investment projects. We identify investment opportunities based on our investment strategy and conducts comprehensive pre-investment due diligence to assess project risks, business synergies and potential returns.

LICENSES, APPROVALS AND PERMITS

As of the latest practicable date, we have obtained all licenses, approvals, permits and certificates that are material and necessary for our business operations in China, and such licenses, approvals, permits and certificates remain valid and in effect.

DATA PRIVACY AND SECURITY

In the course of our business, we collect, store and process business data and transaction data. As our customers are primarily OEMs rather than individual consumers, we do not collect and process any personal data of vehicle owners, or any data collected during the operation of vehicles installed with our solutions. The data collected and generated during our business operations are stored within mainland China.

We pay close attention to risk management relating to our data system, as storage and protection of corporate data and related information is critical to us. Our approach to data security is guided by national standards, industry best practices, and data security requirements. We have established an information system with multiple layers of safeguards, including internal and external firewalls, to identify and mitigate potential security threats. We remain committed to investing heavily in data security and privacy protection to maintain and enhance these systems.

The Company is of the view that we have been in compliance with relevant laws and regulations relating to cybersecurity and data protection. Up to the Latest Practicable Date, and throughout the Track Record Period, we were not aware of any significant incidents of data leakage and we had not been subject to administrative investigation, inquiry, penalty, litigations or any legal proceedings for any incompliance related to data privacy and cybersecurity during our operations. We have not experienced any material leakage of personal information, or received any material regulatory inquiries, investigations, notices, warnings, penalties, litigations or other legal proceedings relating to personal information protection laws during the Track Record Period and up to the Latest Practicable Date.

In the course of our business operations, we collect, store, and process internal data primarily related to the financial, operational, R&D, and transactional information of our business partners in Chinese mainland. Since we only conduct transactions with enterprises, our business generally does not involve the collection or processing of customers' personal information. During the Track Record Period, we did not conduct any cross-border data transfers. In the course of our business operations, we may share our own business-related data with third parties on a need-to-know basis only, in accordance with applicable laws and relevant contractual arrangements. During the Track Record Period and up to the Last Practicable Date, we have not encountered any material claims, penalties, or incidents related to data privacy and security. According to the PRC legal adviser, we have been in compliance with the relevant PRC data privacy and protection laws and regulations in all material respects.

Our internal control consultants are of the view that our internal controls on data privacy and cybersecurity are adequate and effective.

AWARDS AND RECOGNITIONS

During the Track Record Period, we received awards and recognition in respect of our technologies and solutions. The following table sets out major awards and recognitions we received during the Track Record Period and up to the Latest Practicable Date:

Year	Name of Award/Recognition	Awarding Authority
2025	Zhejiang Science and Technology New Dragon (浙江省科技新小龍)	Zhejiang High-tech Enterprise Association
2025	Zhejiang Enterprise Research Institute (浙江省企業研究院)	Zhejiang Provincial Department of Economy and Information Technology
2024	Beijing Municipal Science and Technology Progress Award First Prize (北京市科學進步獎壹等獎)	Beijing Municipal Government
2023	Zhejiang Province Specialized and New Small and Medium Enterprise (浙江省專精特新中小企業)	Zhejiang Provincial Department of Economy and Information Technology
2023	National-Level Specialized and New "Little Giant" Enterprise (國家級專精特新「小巨人」企業)	Ministry of Industry and Information Technology of the PRC
2023	Shanghai Science and Technology Little Giant Enterprise (上海市科技小巨人企業)	Shanghai Municipal Science and Technology Commission

OVERVIEW

Upon **[REDACTED]**, our Board will consist of nine Directors, including three executive Directors, three non-executive Directors and three independent non-executive Directors. All of our Directors and senior management meet the qualification requirements under the relevant PRC laws and regulations and the Listing Rules for their respective positions.

BOARD OF DIRECTORS

Brief information of our Directors is set out below:

Name	Age	Position	Date of joining our Group	Date of appointment as Director	Principal roles and responsibilities
Executive Directors					
Mr. Tao Zhe (陶喆)[1]	44	Executive Director, chairman of the Board and chief executive officer	November 2, 2016	November 2, 2016	Responsible for the strategic planning, daily operations and management of our Group
Ms. Liu Qian (劉倩)[1]	43	Executive Director and chief operating officer	March 29, 2016	March 29, 2016	Responsible for the operations and financial management of our Group
Dr. Lin Yi (林逸)	73	Executive Director and chief strategy Officer	October 12, 2022	September 30, 2025	Responsible for the strategic planning of our Group
Non-executive Directors					
Ms. Liu Limei (劉麗梅)	66	Non-executive Director	November 17, 2021	November 17, 2021	Responsible for participating in strategic decision making, supervision and management operations through the Board
Mr. Wang Jianming (王澗鳴)	55	Non-executive Director	December 27, 2018	December 27, 2018	Responsible for participating in strategic decision making, supervision and management operations through the Board

Name	Age	Position	Date of joining our Group	Date of appointment as Director	Principal roles and responsibilities
Mr. Yeh Kuantai . . .	58	Non-executive Director	June 27, 2019	June 27, 2019	Responsible for participating in strategic decision making, supervision and management operations through the Board
Independent non-executive Directors					
Mr. Fan Chi Chiu (范智超)	40	Independent non-executive Director	September 30, 2025	September 30, 2025 (effective upon **[REDACTED]**)	Responsible for supervising and offering independent judgment to the Board
Mr. Jiang Zhenyu (姜震宇)	52	Independent non-executive Director	September 30, 2025	September 30, 2025 (effective upon **[REDACTED]**)	Responsible for supervising and offering independent judgment to the Board
Dr. Wang Yao (王耀)	39	Independent non-executive Director	September 30, 2025	September 30, 2025 (effective upon **[REDACTED]**)	Responsible for supervising and offering independent judgment to the Board

Note:

(1) Mr. Tao and Ms. Liu are spouses.

Executive Directors

Mr. Tao Zhe (陶喆), aged 44, is our Founder, executive Director, chairman of the Board and chief executive officer. Mr. Tao has served as our Director since November 2016 and our chief executive officer since January 2017. Mr. Tao currently holds directorships in all Major Subsidiaries of our Company.

Mr. Tao has nearly 20 years of experience in the automobile industry. Prior to founding our Company, from July 2006 to July 2009, Mr. Tao served at Shanghai ZF Steering Machine Co., Ltd. (上海采埃孚轉向機有限公司), and later from July 2009 to March 2016, Mr. Tao worked at SAIC Automotive Group Co., Ltd. (上海汽車集團股份有限公司), a limited company listed on the Shanghai Stock Exchange (stock code: 600104). He has also served as a member of the 10th Council of the China Society of Automotive Engineers (中國汽車工程學會第十屆理事會) since October 2023, a member of China EV100 (中國電動汽車百人會理事) in 2023, a member of the brake-by-wire and intelligent chassis control working committee of the China Society of Automotive Engineers (中國汽車工程學會

線控制動與底盤智慧控制工作組委員) between 2021 and 2023, and was selected as an expert of the brake committee expert group of the China Association of Automobile Manufacturers (中國汽車工業協會制動器委員會專家組) between September 2020 and June 2023.

Mr. Tao was awarded the Beijing Science and Technology Award (北京市科學技術獎) by the People's Government of Beijing Municipality (北京市人民政府) in April 2024, the Pearl Elite Talents (明珠菁英人才) by the Office of the Leading Group for Talent Work of the Shanghai Pudong New Area Committee of the Communist Party of China (中共上海市浦東新區區委人才工作領導小組辦公室) in 2023, the First Prize of Science and Technology Award (科學技術獎一等獎) by Chinese Society of Automotive Engineers (中國汽車工程學會) in December 2022, and the 2022 Science and Technology Innovation Elite (2022科創精英) by China Star Market (科創板日報) in the same year. Mr. Tao was also awarded the Shanghai Industrial Elite (上海產業菁英) by the Shanghai Municipal Economy and Information Technology Commission (上海市經濟和信息化委員會) in December 2021, the Third Prize of Shanghai Industry-University-Research Cooperation Outstanding Project Award (上海產學研合作優秀項目獎三等獎) by Shanghai Association for Science and Technology (上海市科學技術協會) in December 2020, the Second prize of China Automobile Industry Science and Technology Progress Award (中國汽車工業科學技術進步二等獎) by Chinese Society of Automotive Engineers (中國汽車工程學會) in October 2015, and the first prize of SAIC Technology Innovation (上汽技術創新一等獎) by SAIC Motor Group Co., Ltd. (上海汽車集團股份有限公司) in May 2015.

Mr. Tao obtained his bachelor's degree in transportation and logistics from Qingdao University of Technology (青島理工大學) in the PRC in July 2004, and further obtained his master's degree in vehicle engineering from Beijing Institute of Technology (北京理工大學) in the PRC in July 2006. Mr. Tao was admitted to and has been studying in the Ph.D. programme in vehicle engineering from Beijing Institute of Technology (北京理工大學) in the PRC since September 2025.

Ms. Liu Qian (劉倩), aged 43, is our Founder, executive Director and chief operating officer. Ms. Liu has served as our chief operating officer since September 2025 and our Director since March 2016. Ms. Liu currently serves as manager at NASN Automotive Technology (Jiaxing) Co., Ltd. (拿森汽車科技(嘉興)有限公司) and as supervisor at NASN Automotive Technology (Hangzhou) Co., Ltd. (拿森汽車科技(杭州)有限公司).

Ms. Liu has more than 17 years of experience in the automobile industry. Prior to founding our Company, from July 2008 and until July 2015, Ms. Liu served at the technology center of SAIC Automotive Group Co., Ltd. (上海汽車集團股份有限公司), a limited company listed on Shanghai Stock Exchange (stock code: 600104).

Ms. Liu was awarded the 36 Krypton — 2024 Influential Women (36氪•2024影響力女性) by 36 Krypton (36氪), the Publicity time of which in June 2024, and the 2022 Contribution Role Model for Women (巾幗建功標兵) of the Shanghai Pudong New Area by Shanghai Pudong New Area Women's Federation (上海市浦東新區婦女聯合會) in March 2023.

Ms. Liu obtained her bachelor's degree in mechanical engineering and automation from Jilin University (吉林大學) in the PRC in July 2005, and further obtained her master's degree in mechanical electronics engineering from Jilin University in the PRC in May 2008.

Dr. Lin Yi (林逸), aged 73, is our executive Director and chief strategy officer. Dr. Lin joined our Company as our chief engineer in October 2022. He was appointed as our executive Director and chief strategy officer in September 2025.

Dr. Lin has extensive experience in the automobile industry. Prior to joining our Company, Dr. Lin worked at Jilin University of Technology (吉林工業大學) until 2002, having served multiple positions including professor and dean at the School of Automotive Engineering. Dr. Lin was appointed as the deputy head of technology of the National Engineering Research Center of Electric Vehicles (formerly known as National Engineering Laboratory for Electric Vehicles) in the Beijing Institute of Technology (北京理工大學電動車輛國家工程實驗室) in November 2010 for a term of five years. Dr. Lin also served in senior positions of Beijing Automotive Group Co., Ltd. (北京汽車集團有限公司), including an executive director in Beijing Electric Vehicle Co., Ltd. (北京新能源汽車股份有限公司) and the vice dean of BAIC Motor Corporation Limited (北京汽車股份有限公司), a joint stock company with limited liability listed on Hong Kong Stock Exchange (stock code: 01958) until February 2015. Dr. Lin was selected as a distinguished expert of Chinese Society of Automobile Manufacturers (中國汽車工程協會) in October 2016 and is currently the honorary director of its suspension technology branch. Dr. Lin served as independent non-executive director of Zhejiang Shibao Company Limited (浙江世寶股份有限公司), a joint stock company with limited liability listed on Shenzhen Stock Exchange (stock code: 002703) and Hong Kong Stock Exchange (stock code: 01057), from June 2018 to June 2024. Dr. Lin also served in various academic roles such as an adjunct professor, professor, and adjunct doctoral supervisor at Shanghai Jiao Tong University (上海交通大學), Beijing Institute of Technology (北京理工大學), and Beihang University (北京航空航天大學).

Dr. Lin was awarded the Special Allowances of the State Council (國務院特殊津貼) by the State Council in January 1999. Dr. Lin was also awarded the Outstanding Figures in China's Automobile Industry (中國汽車工業傑出人物) by China Association of Automobile Manufacturers (中國汽車工業協會) in November 2008. Dr. Lin obtained a Ph.D. degree in engineering in December 1989 from Jilin University of Technology (吉林工業大學) in the PRC.

Non-executive Directors

Ms. Liu Limei (劉麗梅), aged 66, is our non-executive Director. Ms. Liu Limei joined our Company and was appointed as our Director in November 17, 2021. Prior to joining our Company, Ms. Liu has worked as an accountant in Fuyuan County Federation of Trade Unions (撫遠市總工會) from 1981 to 2015. Ms. Liu achieved college degree from Party School of the Jiamusi Municipal Committee of the Communist Party of China (中國共產黨佳木斯市委員會黨校) in the PRC in December 1989.

Mr. Wang Jianming (王澗鳴), aged 55, is our non-executive Director. Mr. Wang joined our Company as our Director in December 2018.

Prior to joining our Company, Mr. Wang has worked as a supervisor in Shanghai Qiande Seed Industry Co., Ltd. (上海乾德種業有限公司) since July 2015, and as chairman of the board and general manager in Shenzhen Linkconn Electronics Co., Ltd. (深圳市乾德電子股份有限公司) since March 2016 and December 2011, respectively. From 1993 to 2001, Mr. Wang successively served as an engineer at various companies.

Mr. Wang studied in the University of Science and Technology Beijing (北京科技大學) in the PRC as the class of 1989.

Mr. Yeh Kuantai, aged 58, is a non-executive Director. Mr. Yeh joined our Company and was appointed as our Director in June 2019.

Prior to joining our Company, Mr. Yeh has served as a director in Arashi Vision Inc. (影石創新科技股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 688775), since September 2018 and as a partner in Qiming Venture Partners (啓明創投) since May 2014.

Mr. Yeh obtained a bachelor's degree in science from Cornell University in the USA in May 1989. He further obtained a master's degree in engineering (electrical) and in business administration respectively in May 1990 and May 1998, also from Cornell University.

Independent Non-executive Directors

Mr. Fan Chi Chiu (范智超), aged 40, is our independent non-executive Director. Mr. Fan joined our Company and was appointed as an independent non-executive Director in September 2025 (effective upon **[REDACTED]**).

Mr. Fan has served as an investment director in AB Builders Group Limited (奧邦建築集團有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 1615), since November 2021. From October 2007 to June 2011, Mr. Fan served as a senior auditor in PricewaterhouseCoopers. From July 2011 to February 2014, Mr. Fan was employed at Barclays Capital Asia Limited, where he left as an analyst. From April 2014 to March 2015, Mr. Fan served as the finance director of Vantasia Holdings (HK) Limited (萬安控股(香港)有限公司). From April 2015 to September 2021, Mr. Fan served as the chief financial officer in ELL Environmental Holdings Limited (強泰環保控股有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 1395). From July 2017 to September 2021, Mr. Fan served as an executive director in Grace Wine Holdings Limited (怡園酒業控股有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 8146). Mr. Fan has also served as independent non-executive director at several listed companies, including (i) Shinelong Automotive Lightweight Application Limited (勛龍汽車輕量化應用有限公司), a limited liability company listed on the Hong Kong Stock Exchange (stock code: 1930), since June 2019, (ii) Hevol Services Group Co., Limited. (和泓服務集團有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 6093), since June 2019, (iii) Weihai Bank Co., Ltd. (威海銀行股份有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 9677), since June 2020, and (iv) Xuanzhu Biopharmaceutical Co., Ltd. (軒竹生物科技股份有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 2575), since November 2024.

Mr. Fan obtained a bachelor's degree in professional accounting from The Chinese University of Hong Kong (香港中文大學) in December 2007. In addition, Mr. Fan has obtained the qualification of Certified Public Accountant (CPA) from the Hong Kong Institute of Certified Public Accountants (香港會計師公會) in January 2011.

Mr. Jiang Zhenyu (姜震宇), aged 52, is our independent non-executive Director. Mr. Jiang joined our Company and was appointed as an independent non-executive Director in September 2025 (effective upon **[REDACTED]**).

Mr. Jiang has more than 15 years of experience in financial management and legal practices. Mr. Jiang has served as the chief financial officer and a joint company secretary of Dida Inc., a company listed on the Main Board of the Stock Exchange (stock code: 2559) since May 2020 and September 2020, respectively. At Dida Inc., Mr. Jiang is primarily responsible for finance, investments and capital market activities and corporate governance related matters. Prior to joining Dida Inc., Mr. Jiang served as the chief financial officer of Cheetah Mobile Inc., a company listed on the New York Stock Exchange (ticker: CMCM), from April 2017 to January 2020. Prior to that, Mr. Jiang founded and

operated a startup tech company. From February 2014 to October 2015, Mr. Jiang served as the chief financial officer at 9F Inc., a company listed on Nasdaq (ticker: JFU). From September 2008 to March 2014, he worked as an associate at Skadden, Arps, Slate, Meagher & Flom LLP. Mr. Jiang accumulated corporate governance knowledge and experience through his aforementioned senior management positions at Dida Inc., Cheetah Mobile Inc. and 9F Inc. Mr. Jiang has also served as an independent non-executive director in Li Auto Inc. (理想汽車), a company listed on the Main Board of the Stock Exchange (stock code: 2015), since August 2021.

Mr. Jiang graduated from Tsinghua University (清華大學) in the PRC with a bachelor's degree and a master's degree in automotive engineering in July 1995 and June 1998, respectively. He further obtained a master's degree from The Pennsylvania State University in December 1999 and a juris doctor degree from Cornell University in May 2008. Mr. Jiang qualified as a registered attorney at law in the State of New York in January 2009 and was also recognized as a chartered financial analyst by CFA Institute in the USA in April 2013.

Dr. Wang Yao (王耀), aged 39, is our independent non-executive Director. Dr. Wang joined our Company and was appointed as an independent non-executive Director in September 2025 (effective upon **[REDACTED]**).

Since February 2024, Dr. Wang has served as the deputy chief engineer of the China Association of Automobile Manufacturers (中國汽車工業協會) ("**CAAM**"). Prior to this, he served as the assistant to the secretary-general and also the head of technology department in CAAM between January 2020 and February 2024. Between September 2017 to December 2019, he served as the general manager of technology department in CAAM. From July 2011 to March 2015, Dr. Wang served as head researcher at China Grinm Group Co., Ltd. (中國有研科技集團有限公司) (formally known as China General Research Institute for Nonferrous Metals (北京有色金屬研究總院有限公司), responsible for research and development of, amongst others, technologies and materials related to new energy vehicles. From April 2015 to November 2017, Dr. Wang served as the head of Strategic Planning Department and director of the Directors' Office in China Automotive Battery Research Institute Co., Ltd (國聯汽車動力電池研究院有限責任公司).

Dr. Wang obtained a bachelor's degree in applied physics from the University of Science and Technology in China (中國科學技術大學) in the PRC in July 2006. Dr. Wang further obtained a Ph.D. degree in physics from the Chinese Academy of Sciences (中國科學院) in the PRC in July 2011. In addition, Dr. Wang was recognized as Senior Engineer in Management (Industrial) Engineering by the State-owned Assets Supervision and Administration Commission of the State Council of the PRC (中國國務院國有資產監督管理委員會) in December 2025.

SUPERVISORS

Brief information of our Supervisors is set out below:

Name	Age	Position	Date of joining our Group	Date of appointment as a Supervisor	Responsibility
Mr. Yu Xin (于鑫)[1]	45	Supervisor	January 1, 2017	December 27, 2018	Overseeing our operations, financial activities and internal controls

Name	Age	Position	Date of joining our Group	Date of appointment as a Supervisor	Responsibility
Ms. Wu Ying (吳瑛)[1]	33	Supervisor	November 23, 2020	July 16, 2025	Overseeing our operations, financial activities and internal controls
Ms. Li Qiuxia (李秋霞)[1].	31	Supervisor	August 17, 2022	July 16, 2025	Overseeing our operations, financial activities and internal controls

Note:

(1) In compliance with PRC laws, our supervisory committee will be dissolved and the terms of office of such Supervisors will be terminated prior to the **[REDACTED]**.

Mr. Yu Xin (于鑫), aged 45, is our supervisor. Mr. Yu joined our Group in January 2017, and was appointed as our supervisor in December 27, 2018.

Prior to joining our Company, from December 2007 to December 2018, Mr. Yu served as an engineer and worked in the product development and design department of in Fawer Automotive Parts Limited Company (富奧汽車零部件股份有限公司), a joint stock company with limited liability listed on Shenzhen Stock Exchange (stock code: 000030).

Mr. Yu obtained a bachelor's degree in mechanical engineering and automation from Jilin University (吉林大學) in the PRC in July 2005.

Ms. Wu Ying (吳瑛), aged 33, is our supervisor. Ms. Wu joined our Group in November 2020, and was appointed as our supervisor in July 16, 2025.

Prior to joining our Company, from August 2015 to March 2020, Ms. Wu served in finance and administrative positions in various companies, including China Education Technology Research Institute Limited Shanghai Branch Company (北京中公教育科技有限公司上海分公司), Shanghai Jiao Tong University Only Science and Technology Co., Ltd. (上海昂立教育科技集團有限公司), and Shanghai Starbucks Coffee Management Co., Ltd. (上海星巴克咖啡經營有限公司).

Ms. Wu graduated with administration major from The Open University of China (國家開放大學) in the PRC in administration in January 2018.

Ms. Li Qiuxia (李秋霞), aged 31, is our supervisor. Ms. Li joined our Group in August 2022, and was appointed as our supervisor in July 16, 2025.

Prior to joining our Company, Ms. Li served in administrative roles from September 2018 to June 2022 in GENITOP Research Co., Ltd. (上海高通半導體有限公司) and Shanghai Hanshi IoT Technology Co., Ltd. (上海瀚示物聯網技術有限公司), from March 2018 to July 2018, in Shanghai Huanpin Trading Co., Ltd. (上海奐品貿易有限公司) and from September 2016 to April 2017 in Shanghai Qianlin Industrial Co., Ltd. (上海千臨實業有限公司).

Ms. Li graduated with human resource management major from Shanghai University (上海大學) in the PRC in human resource management in January 2021.

SENIOR MANAGEMENT

Brief information of our Senior Management is set out below:

Name	Age	Position	Date of joining our Group	Date of appointment as Senior Management	Principal roles and responsibilities
Mr. Tao Zhe (陶喆)	44	Executive Director, chairman of the Board and chief executive officer	November 2, 2016	November 2, 2016	Responsible for the strategic planning, daily operations and management of our Group
Ms. Liu Qian (劉倩)	43	Executive Director and chief operating officer	March 29, 2016	March 29, 2016	Responsible for the operations and financial management of our Group
Mr. Fan Peng (范鵬)	37	Chief technology officer	January 1, 2017	January 1, 2017	Responsible for the strategic technology planning and R&D of our Group
Mr. Pan Pan (潘盼)	38	Chief product officer	September 26, 2021	September 26, 2021	Responsible for the application business development, product application, and customer relationship maintenance of our Group
Dr. Lin Yi (林逸)	73	Executive Director and chief strategy officer	October 12, 2022	September 19, 2025	Responsible for the strategic planning of our Group

Mr. Tao Zhe (陶喆), aged 44, is our Founder, executive Director, chairman of the Board and chief executive officer. See "— Board of Directors — Executive Directors" for his biographical details.

Ms. Liu Qian (劉倩), aged 43, is our Founder, executive Director and chief operating officer. See "— Board of Directors — Executive Directors" for her biographical details.

Mr. Fan Peng (范鵬), aged 37, is our chief technology officer. Mr. Fan joined our Group in January 2017 and was later appointed as our chief technology officer.

Prior to joining our Company, from April 2012 to March 2016, Mr. Fan served at Shanghai Automotive Group Co., Ltd. (上海汽車集團股份有限公司), a joint stock company with limited liability listed on Shanghai Stock Exchange (stock code: 600104). Mr. Fan was awarded Shanghai Industry-University-Research Cooperation Outstanding Project Award (上海產學研合作優秀項目獎) by Shanghai Association for Science and Technology (上海市科學技術協會) in December 2020, Outstanding Innovative and Entrepreneurial Talents (傑出創新創業人才) by Shanghai Municipal Human

Resources and Social Security Bureau (上海市人力資源和社會保障局) in December 2021, and Pearl Engineer of Pudong New Area (浦東新區明珠工程師) by Office of the Leading Group for Talent Work of the Shanghai Pudong New Area Committee of the Communist Party of China (中共上海市浦東新區區委人才工作領導小組辦公室) in 2023.

Mr. Fan obtained a bachelor's degree in electrical engineering and automation from Harbin Institute of Technology (哈爾濱工業大學) in the PRC in July 2009. Mr. Fan further obtained a master's degree in power electronics and power transmission from Shanghai Jiao Tong University (上海交通大學) in the PRC in March 2012.

Mr. Pan Pan (潘盼), aged 38, is our chief product officer. Mr. Pan joined our Group and was appointed as our chief product officer in September 2021.

Prior to joining our Company, from 2010 to 2021, Mr. Pan served research and development roles in various companies, including Chery Automobile (奇瑞汽車股份有限公司), a joint stock company with limited liability listed on Hong Kong Stock Exchange (stock code: 9973), Beijing Hengtong Hawtai Automobile Sales Co., Ltd. (北京恒通華泰汽車銷售有限公司), and Beijing Electric Vehicle Co., Ltd. (北京新能源汽車股份有限公司). Mr. Pan served as a member of the brake-by-wire and intelligent chassis control working group of China Industry Technology Innovation Strategic Alliance for Electric Vehicle (電動汽車產業技術創新戰略聯盟) by China Industry Technology Innovation Strategic Alliance for Electric Vehicle between May 2021 and May 2023, and as specially appointed expert by Automotive Division of China Machine Press (汽車工業出版社汽車分社) in June 2025.

Mr. Pan obtained a bachelor's degree in mechanical design and manufacturing and its automation (mechanism) from Henan University of Science and Technology (河南科技大學) in the PRC in July 2010.

Dr. Lin Yi (林逸), aged 73, is our executive Director and chief strategic officer. See "— Board of Directors — Executive Directors" for his biographical details.

JOINT COMPANY SECRETARIES

Ms. Zhang Yulun (張語倫), aged 31, is one of our joint company secretaries. Ms. Zhang joined our Company on February 28, 2022, she successively served as manager of the secretariat office of our Board and she was appointed as the Company Secretary in September 2025, with effect from the **[REDACTED]**. Ms. Zhang is primarily responsible for the financing and strategic cooperation, maintaining investor relations, and assisting in corporate governance of our Company.

Prior to joining us, from August 2021 to February 2022, she served at Ningbo Joyson Electronic Corp. (寧波均勝電子股份有限公司), a joint stock company with limited liability listed on Shanghai Stock Exchange (stock code: 600699). From April 2018 to July 2021, she served at Shanghai Trusted Industrial Control Platform Co., Ltd. (上海工業控制安全創新科技有限公司).

Ms. Zhang obtained a bachelor's degree in international economy and trade from the Harbin Institute of Technology (哈爾濱工業大學) in the PRC in July 2016. Ms. Zhang further obtained a master's degree of Science in business and economics from Lunds Universitet in Sweden in September 2017.

Ms. Jian Xuegen (簡雪艮), has been appointed as our joint company secretary on August 11, 2025, with effect from the **[REDACTED]**. Ms. Jian joined SWCS Corporate Services Group (Hong Kong) Limited (方圓企業服務集團(香港)有限公司) ("**SWCS**"), a corporate service provider, in May 2024 and is currently an assistant vice president of Corporate Secretarial Department of SWCS.

Ms. Jian has obtained the membership of the Hong Kong Institute of Certified Public Accountants since January 2019. Ms. Jian has also been a member of the Chinese Institute of Certified Public Accountants since December 2010. Ms. Jian obtained a bachelor's degree of accounting from the South China University of Technology (華南理工大學) in July 2008.

CONFIRMATION FROM OUR DIRECTORS

Each of our Directors confirms that as of the Latest Practicable Date, he or she did not have any interest in a business which competes or is likely to compete, directly or indirectly, with our business, and requires disclosure under Rule 8.10 of the Listing Rules and further confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules on September 26, 2025, September 28, 2025, and September 30, 2025; and (ii) understands his or her obligations as a director of a listed issuer on the Stock Exchange under the Listing Rules.

Each of the independent non-executive Directors confirms (i) his/her independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules; (ii) that he or she has no past or present financial or other interest in the business of the Company or its subsidiaries or any connection with any core connected person of the Company under the Listing Rules as of the Latest Practicable Date; and (iii) that there are no other factors that may affect his/her independence at the time of his/her appointments.

BOARD COMMITTEES

Our Company has established three Board Committees in accordance with the relevant PRC laws and regulations, the Articles and the corporate governance practice under the Listing Rules, namely the Audit Committee, the Remuneration Committee and the Nomination Committee.

Audit Committee

The Audit Committee consists of three Directors, namely Mr. Jiang Zhenyu, Mr. Fan Chi Chiu and Dr. Wang Yao. Mr. Jiang Zhenyu is the chairperson of the Audit Committee. The primary responsibilities of the Audit Committee are to review and supervise our financial reporting process, including:

(a) to make recommendations to the Board on the appointment, replacement and removal of the external auditor, to consider and approve the remuneration and terms of engagement of the external auditor, and any questions of its resignation or dismissal;

(b) to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards. The Audit Committee shall discuss with the external auditors the nature and scope of the audit and reporting obligations before the audit commences;

(c) to develop and implement policy on engaging an external auditor to provide non-audit services;

(d) to monitor internal audit system of the Company and ensure the implementation of such systems;

(e) to facilitate communications between the internal audit department and external auditors;

(f) to review the financial information and relevant disclosures of the Company; and

(g) to monitor the Company in respect of financial reporting system, risk management and internal controls system.

Remuneration and Appraisal Committee

The Remuneration and Appraisal Committee consists of three Directors, namely Dr. Wang Yao, Mr. Jiang Zhenyu and Mr. Tao Zhe. Dr. Wang Yao is the chairperson of the Remuneration Committee. The primary responsibilities of the Remuneration Committee include:

(a) to make recommendations to the Board on our Company's remuneration policy and structure for all Directors and senior management, and on the establishment of a formal and transparent procedure for developing the remuneration policy;

(b) to review and approve the remuneration proposals of senior management with reference to the Board's corporate goals and objectives;

(c) to make recommendations to the Board on the remuneration packages of the executive Director and senior management or to determine, with delegated responsibility, the remuneration packages of the executive Director and senior management. The remuneration packages shall include benefits in kind, pension rights and compensation payments (including compensation for loss or termination of their office or appointment);

(d) to make recommendations to the Board on the remuneration of non-executive Directors;

(e) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in our Group;

(f) to review and approve the compensation payable to the executive Director and senior management for their loss or termination of office or appointment to ensure that such compensation is consistent with the contractual terms and is otherwise fair and not excessive;

(g) to review and approve the compensation arrangements relating to dismissal or removal of the Directors for misconduct to ensure that such compensation is consistent with the contractual terms and is otherwise fair and not excessive;

(h) to ensure that no Director or any of his associates is involved in deciding his own remuneration; and.

(i) to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules.

Nomination Committee

The Nomination Committee consists of three Directors, namely Dr. Wang Yao, Mr. Jiang Zhenyu and Ms. Liu Qian. Dr. Wang Yao is the chairperson of the Nomination Committee. The primary responsibilities of the Nomination Committee include:

(a) to review the structure, size and composition of the Board (including the skills, knowledge and experience) at least annually and make recommendations on any proposed changes to the Board to complement our Company's corporate strategy;

(b) to identify individuals suitably qualified to become board members and select and make recommendations to the Board on the selection of individuals nominated for directorships;

(c) to assess the independence of the independent non-executive Directors; and

(d) to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors (in particular the chairperson of the Board and the chief executive officer).

REMUNERATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

The aggregate amount of remuneration paid to our Directors and Supervisors (including directors' fee, salaries, remuneration, pension, discretionary bonus, equity-settled share-based payments and other benefits in kind) for the years ended December 31, 2023, 2024 and 2025 were approximately RMB6.49 million, RMB6.90 million and RMB1.76 million, respectively. Further information on the remuneration of each Director and Supervisor during the Track Record Period is set out in Appendix I to this Document.

For each of the years ended December 31, 2023, 2024 and 2025, the aggregate amount of directors' fee, salaries, remuneration, pension, discretionary bonus, equity-settled share-based compensation payments and other benefits in kind (if applicable) paid to the five highest-paid individuals of our Group were approximately RMB9.64 million, RMB10.23 million and RMB8.21 million, respectively.

During the Track Record Period, no remuneration was paid or payable by our Company to our Directors, Supervisors or the five highest-paid individuals as an inducement to join or upon joining our Company. During the Track Record Period, no compensation was paid or payable by our Company to our Directors, former Directors, Supervisors, former Supervisors or the five highest-paid individuals for the loss of any office in connection with the management of the affairs of any subsidiary of our Company.

During the Track Record Period, none of our Directors or Supervisors has waived or agreed to waive any remuneration or benefits in kind. Save as disclosed above, no other payments were paid or payable by our Company or any of our subsidiaries to our Directors, Supervisors or the five highest-paid individuals during the Track Record Period.

Under the arrangement currently in force, the aggregate amounts of remuneration payable by our Company to our Directors for the year ending December 31, 2026 to be approximately RMB3.37 million. The actual remuneration of Directors in 2026 may be different from the expected remuneration.

DIRECTORS' INTEREST

Save as disclosed in this document, none of our Directors (i) held any other positions in our Company or any other members of our Group as of the Latest Practicable Date; (ii) had any other relationship with any Directors or senior management of our Company as of the Latest Practicable Date; and (iii) held any directorship in any other listed companies in the three years immediately prior to the date of this document.

MANAGEMENT PRESENCE

We have applied for, and the Stock Exchange [has granted], a waiver from compliance with Rule 8.12 and Rule 19A.15 of the Listing Rules. For further details, see "Waivers from Strict Compliance with the Listing Rules and Exemption from Compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance" in this Document.

BOARD DIVERSITY POLICY

In order to enhance the effectiveness of our Board and to maintain high standard of corporate governance, the Board has adopted a board diversity policy (the "**Board Diversity Policy**"). The Board Diversity Policy sets out the criteria in selecting candidates to our Board, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

Our Board currently consists of seven male members and two female members, with three executive Directors, three non-executive Directors and three independent non-executive Directors of ages ranging from 38 to 72. We consider that our Board has a balanced mix of skill-set, experience, expertise, and diversity which enhances decision-making capability and the overall effectiveness of the Board in achieving sustainable business operation and enhancing shareholder value.

The Nomination Committee is responsible for reviewing the structure and diversity of the Board and selecting individuals to be nominated as Directors. After the **[REDACTED]**, the Nomination Committee will monitor and evaluate the implementation of the Board Diversity Policy from time to time to ensure its continued effectiveness, and when necessary, make any revisions that may be required and recommend any such revisions to our Board for consideration and approval. The Nomination Committee will also include in successive annual reports a summary of the Board Diversity Policy, including any measurable objectives set for implementing the Board Diversity Policy and the progress on achieving these objectives.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

We are committed to achieving high standards of corporate governance which are crucial to our development and safeguard the interests of our Shareholders. To accomplish this, save for the deviation disclosed below, we expect to comply with the corporate governance requirements under the Corporate Governance Code and Corporate Governance Report as set out in Appendix C1 to the Listing Rules after the **[REDACTED]**.

Pursuant to code provision C.2.1 of the Corporate Governance Code, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from the requirement that the roles of chairperson of the board and chief executive should be separate and should not be performed by the same individual. We do not have a separate chairperson of the Board and chief executive, and Mr. Tao currently acts as both our chairman of the Board and chief executive officer. Mr. Tao has played an important leadership role in our Company's development. The Board believes that vesting the roles of both chairman of the Board and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired, and this structure will enable our Company to make and implement decisions promptly and effectively. For further information relating to our Company's corporate governance measures, see "Relationship with Our Single Largest Group of Shareholders—Corporate Governance" in this document.

COMPLIANCE ADVISER

We have appointed Rainbow Capital (HK) Limited as our compliance adviser pursuant to Rule 3A.19 of the Listing Rules. Pursuant to Rule 3A.23 of the Listing Rules, we must consult with and, if necessary, seek advice from our compliance adviser on a timely basis in the following circumstances:

(i) before the publication of any regulatory announcement, circular or financial report;

(ii) where a transaction, which might be a notifiable or connected transaction, is contemplated including but not limited to share issues and share repurchases;

(iii) where our Company proposes to use the **[REDACTED]** of the **[REDACTED]** in a manner different from that detailed in this Document, or where the business activities, developments or results of our Group deviate from any forecast, estimate or other information in this Document; and

(iv) where the Stock Exchange makes an inquiry of our Company regarding unusual movements in the price or trading volume of its listed securities or any other matters under Rule 13.10 of the Listing Rules.

The term of the appointment of our compliance adviser shall commence on the **[REDACTED]** and end on the date when we distribute our annual report in respect of our financial results for the first full financial year commencing after the **[REDACTED]**, and such appointment may be subject to extension by mutual agreement.

OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

As of the Latest Practicable Date, Mr. Tao and Ms. Liu beneficially owned 15.61% and 0.29% of the total issued share capital of our Company, respectively. In addition, Mr. Tao ultimately controlled 6.68% voting rights attached to the share capital held by NASN LP, by virtue of being the general partner of NASN LP. See "History, Development and Corporate Structure — Corporate Structure" in this document for details. Therefore, as of the Latest Practicable Date, Mr. Tao, Ms. Liu and NASN LP collectively controlled 22.58% voting rights of our Company and constituted Single Largest Group of Shareholders.

Immediately following the completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised), Mr. Tao, Ms. Liu and NASN LP will continue to control **[REDACTED]**% of voting rights of our Company, and will remain as our Single Largest Group of Shareholders upon **[REDACTED]**.

INTERESTS OF OUR SINGLE LARGEST GROUP OF SHAREHOLDERS IN OTHER BUSINESSES

Each of our Single Largest Group of Shareholders confirmed that as of the Latest Practicable Date, apart from the business of our Company, he/she/it did not have any interest in other business, which competes or is likely to compete, directly or indirectly, with our business, which would require disclosure under Rule 8.10 of the Listing Rules.

INDEPENDENCE FROM OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

Having considered the following factors, our Directors are satisfied that we can carry on our business independently from our Single Largest Group of Shareholders and its close associates after the **[REDACTED]**.

Management Independence

Upon completion of the **[REDACTED]**, our Board will consist of nine Directors, including three executive Directors, three non-executive Directors and three independent non-executive Directors. See "Directors, Supervisors and Senior Management" in this document for details.

Our Directors believe that our Board and senior management is able to manage our business and function independently from our Single Largest Group of Shareholders and their respective associates based on the following reasons:

(a) save for Mr. Tao and Ms. Liu acting as our Single Largest Group of Shareholders, none of the other Directors and members of our senior management team hold any position in the Single Largest Group of Shareholders or their respective associates. Our daily management and operations are carried out independently by our senior management team, all of whom have substantial experience in the industry in which our Company is engaged, and will therefore be able to make business decisions that are in the best interests of our Company. For details of the industry experience of our senior management team, please refer to the section headed "Directors, Supervisors and Senior Management" in this document;

(b) each Director is aware of his/her fiduciary duties as a director which require, among other things, that he/she acts for the benefit and in the interest of our Company and does not allow any conflict between his/her duties as a Director and his/her personal interests;

(c) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Company and a Director and/or his/her associate, he/she shall abstain from voting and shall not be counted towards the quorum for the voting. Hence, no Director will be able to influence our Board in making decisions on matters in which he or she is, or may be interested; and

(d) we have three independent non-executive Directors and certain matters of our Company, including continuing connected transactions, must always be referred to the independent non-executive Directors for review. We have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Company and our Single Largest Group of Shareholders which would support our independent management. See "— Corporate Governance" for details.

Based on the above, our Directors believe that our Board as a whole and together with our senior management are able to perform the managerial role in our Company independently from our Single Largest Group of Shareholders and their respective close associates after the **[REDACTED]**.

Operational Independence

We do not rely on our Single Largest Group of Shareholders and their respective close associates for our business development, staffing, administration, finance, internal audit, IT, sales and marketing, procurement or company secretarial functions. We have our own departments specializing in these respective areas which have been in operation and are expected to continue to operate separately and independently from our Single Largest Group of Shareholders and their respective close associates. In addition, we have our own headcount of employees for our operations and management for human resources.

We have independent access to our suppliers and customers. We are in possession of all relevant licenses, certificates, facilities and IP rights necessary to carry on and operate our principal businesses and we have sufficient operational capacity in terms of capital and employees to operate independently.

Based on the above, our Directors believe that we are able to operate independently of our Single Largest Group of Shareholders and their respective close associates.

Financial Independence

We have an independent financial system and make financial decisions according to our Company's own business needs. We have our own internal control and accounting systems and an independent finance department for discharging the treasury function and independent access to third party financing. We do not expect to rely on our Single Largest Group of Shareholders and their respective close associates for financing after the **[REDACTED]** as we expect that our working capital will be funded by cash flows generated from operating activities, the cash and cash equivalent on hand and internally generated funds as well as the **[REDACTED]** from the **[REDACTED]**.

As of the Latest Practicable Date, we did not have any outstanding loans or guarantees provided by or granted to, nor any non-trade balances due to or due from, our Single Largest Group of Shareholders or their respective associates.

Based on the above, our Directors believe that we are capable of carrying on our business independently of, and do not place undue reliance on our Single Largest Group of Shareholders after the **[REDACTED]**.

CORPORATE GOVERNANCE

Our Company will comply with the provisions of the Corporate Governance Code in Appendix C1 to the Listing Rules (the "**Corporate Governance Code**"), which sets out principles of good corporate governance.

Our Directors recognize the importance of good corporate governance in protection of our Shareholders' interests. We would adopt the following measures to safeguard good corporate governance standards and to avoid potential conflict of interests between our Company and our Single Largest Group of Shareholders:

(a) where a Board meeting is held for the matters in which any Director or his/her associates have a material interest, such Director(s) shall abstain from voting on the relevant resolutions and shall not be counted in the quorum for the voting;

(b) where a Shareholders' meeting is to be held for considering proposed transactions in which our Single Largest Group of Shareholders or any of their respective associates has a material interest, our Single Largest Group of Shareholders or their respective associates will not vote on the resolutions and shall not be counted in the quorum in the voting;

(c) as part of our preparation for the **[REDACTED]**, we have amended our Articles of Association to comply with the Listing Rules which will become effective upon **[REDACTED]**. In particular, our Articles of Association provides that, a Director shall be abstained from voting on any resolution approving any contract, transaction or arrangement in which such Director or any of his/her associates has a material interest nor shall such Director be counted in the quorum present at the Board meeting;

(d) our Company has established internal control mechanisms to identify connected transactions. Upon the **[REDACTED]**, if our Company enters into connected transactions with our Single Largest Group of Shareholders or any of their respective associates, our Company will comply with the applicable Listing Rules;

(e) we are committed that our Board shall include a balanced composition of executive Director and non-executive Directors (including independent non-executive Directors). We have appointed three independent non-executive Directors, and we believe our independent non-executive Directors (i) possess sufficient experiences, (ii) are free of any business or other relationship which could interfere in any material manner with the exercise of their independent judgment, and (iii) will be able to provide an impartial and external opinion to protect the interests of our Shareholders as a whole. For details of the independent non-executive Directors, see "Directors, Supervisors and Senior Management";

(f) where our Directors reasonably request the advice of independent professionals, such as financial advisors, the appointment of such independent professionals will be made at our Company's expenses; and

(g) we have appointed Rainbow Capital (HK) Limited as our Compliance Advisor to provide advice and guidance to us in respect of compliance with the Listing Rules, including various requirements relating to corporate governance.

Based on the above, our Directors are satisfied that sufficient corporate governance measures have been put in place to manage conflicts of interest between our Company and our Single Largest Group of Shareholders, and to protect minority Shareholders' interests after the **[REDACTED]**.

OVERVIEW

Upon **[REDACTED]**, transactions between members of our Group and our connected person will constitute continuing connected transactions of our Company under Chapter 14A of the Listing Rules.

CONNECTED PERSON

The table below sets forth the connected person of our Company involved in the connected transaction set out in this section and the nature of its connection with us:

Name of Connected Persons	Connected Relationship
Shenzhen Linkconn Electronics Co., Ltd. (深圳市乾德電子股份有限公司) ("**Shenzhen Linkconn**")	Shenzhen Linkconn is indirectly controlled by Mr. Wang Jianming (王潤鳴), a Director of our Company.

SUMMARY OF THE TRANSACTION

Nature of Transaction	Waiver Sought	Applicable Listing Rules	Proposed Annual Cap for the Year Ending December 31,		
			2026	2027	2028
			(RMB million)		
Non-exempt Continuing Connected Transaction					
1. Linkconn Procurement Framework Agreement	Announcement and independent Shareholders' approval requirements	14A.34, 14A.35, 14A.36, 14A.53, 14A.76, 14A.105	44.11	86.58	117.50

NON-EXEMPT CONTINUING CONNECTED TRANSACTION

We have conducted the following transaction in the ordinary and usual course of our business, which will, upon **[REDACTED]**, constitute continuing connected transaction of our Company subject to the annual reporting, announcement and/or independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

1. Linkconn Procurement Framework Agreement

Principal terms

We entered into a procurement framework agreement with Shenzhen Linkconn on [•] (the "**Linkconn Procurement Framework Agreement**"), pursuant to which, our Group will procure anti-rotation ring, spring seat, gasket, valve seat, sensors, ECU housing and magnet assembly from Shenzhen Linkconn. The initial term of the Linkconn Procurement Framework Agreement shall commence on the **[REDACTED]** until December 31, 2028. Relevant subsidiaries/associates of both parties will enter into separate underlying agreements and/or orders which will set out the specific terms and conditions according to the principles provided in the Linkconn Procurement Framework Agreement.

Reasons for and benefits of the transaction

We are primarily engaged in providing integrated X-by-wire solutions, including, among others, NBS solutions and NBC solutions and therefore are in need of sensors and ECU housing for both NBS and NBC solutions, anti-rotation ring, spring seat, gasket and valve seat for NBC solutions, and magnet assembly for NBS solutions.

Our Company has been purchasing such products from Shenzhen Linkconn and/or its associates during the Track Record Period in the ordinary and usual course of our business. Considering that Shenzhen Linkconn and/or its associates has provided such products to us at a price no less favorable than the prevailing market price and been able to enter mass production of such products to meet our booming demand during the Track Record Period, we believe it is in the best interest of the Group and our Shareholders as a whole to continue to procure such products from Shenzhen Linkconn and/or its associates who is capable of fulfilling our demands with a stable and high quality supply on terms which are better than those offered by Independent Third Parties.

Pricing policies

The fees to be charged by Shenzhen Linkconn and/or its associates in respect of above products shall be determined through arm's length negotiations between the relevant parties, taking into consideration the volume of products required, the standard price, the cost of production considering their in-house production of subcomponents, and prevailing market price of comparable products. Where feasible, the Group has obtained fee quotes from Independent Third Parties for comparable products and we will continue to obtain such fee quotes from Independent Third Parties at least on an annual basis and/or before entering into any definitive agreements to ensure the terms offered by Shenzhen Linkconn and/or its associates are similar to or better than the terms offered by Independent Third Parties under the similar circumstances.

Historical amounts

The transaction amounts in respect of our procurement of the above products were approximately RMB4.75 million, RMB5.78 million and RMB13.18 million for the years ended December 31, 2023, 2024 and 2025, respectively. The increase in the transaction amount was primarily attributable to our increasing demand for such products driven by our increased sales volume of NBC solutions.

Annual caps

The transaction amounts in respect of our procurement of the above products under the Linkconn Procurement Framework Agreement for the three years ending December 31, 2026, 2027 and 2028 shall not exceed RMB44.11 million, RMB86.58 million and RMB117.50 million, respectively.

Basis of annual caps

In determining the annual caps for the transactions contemplated under the Linkconn Procurement Framework Agreement, we have considered, among other things, the following:

- the historical transaction amount for the procurement of anti-rotation ring, spring seat, gasket, valve seat, sensors, ECU housing and magnet assembly during the Track Record Period. In particular, we procured all the anti-rotation ring, spring seat, gasket, valve seat,

sensors and magnet assembly from Shenzhen Linkconn and/or its associates so when estimating the annual caps for the three years ending December 31, 2028, the Company has assumed that we will continue to procure all the anti-rotation ring, spring seat, gasket, valve seat, sensors and magnet assembly from Shenzhen Linkconn and/or its associates in the years ending December 31, 2028 because Shenzhen Linkconn and/or its associates have provided relevant products to us at a price no less favorable than the prevailing market price, and Shenzhen Linkconn and/or its associates have mass production of such products to meet our future booming demand;

- the increase in the sales volume of our NBC solutions during the Track Record Period. In particular, we launched our NBC solutions in 2023, and the sales volume of our NBC solutions has been increasing significantly, and we expect the sales volume of our NBC solutions will grow further as new vehicle models increasingly adopted the OneBox solution, and therefore, we anticipate to have even higher increase in our demand for such products procured for our NBC solutions, including anti-rotation ring, spring seat, gasket, valve seat, and ECU housing. In particular, we expect to procure 595,000 units, 1,400,000 units and 2,000,000 units of ECU housing annually for the production of our NBC solutions for the years ending December 31, 2026, 2027 and 2028, respectively; and

- the expected market price of such products for the three years ending December 31, 2028. For the purpose of estimating the annual cap calculated based on the market price of such products, we have considered the historical market price of such products during the Track Record Period, as well as the reasonable change in rates to address the possible market fluctuation in the three years ending December 31, 2028.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio for each of the three years ending December 31, 2026, 2027 and 2028 calculated for the purpose of Chapter 14A of the Listing Rules is expected to be more than 5% on an annual basis, such transactions will, upon **[REDACTED]**, constitute continuing connected transactions of our Company subject to the reporting, annual review, announcement, circular and independent Shareholders' approval requirements under the Listing Rules.

INTERNAL CONTROL MEASURES

In order to ensure that the terms under relevant framework agreements for the continuing connected transactions are fair and reasonable, or no less favorable than terms available to or from Independent Third Parties, and are carried out under normal commercial terms, we [have] adopted the following internal control procedures:

- our various internal departments will be responsible for the control and daily management in respect of the continuing connected transactions;

- our various internal departments will be jointly responsible for evaluating the terms under the framework agreement for the continuing connected transactions, in particular, the fairness of the pricing policies and annual caps under each transaction;

- our various internal departments will regularly monitor the fulfilment status of the annual caps and the transaction updates under the framework agreements; and

- our independent non-executive Directors and auditors will conduct annual review of the continuing connected transactions under the framework agreements and provide annual confirmation to ensure that, in accordance with the Listing Rules, the transactions are conducted in accordance with the terms of the framework agreements, on normal commercial terms and in accordance with the relevant pricing policies.

CONFIRMATION BY DIRECTORS

The Directors (including independent non-executive Directors) are of the view that the above continuing connected transactions have been entered into in the ordinary and usual course of business of our Group and on normal commercial terms or better that are fair and reasonable and in the interests of our Company and our Shareholders as a whole; and the proposed annual caps for such continuing connected transactions are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

CONFIRMATION BY THE JOINT SPONSORS

Based on the due diligence findings, the Joint Sponsors are of the view that the above continuing connected transactions have been/will be entered into in the ordinary and usual course of business of the Group on normal commercial terms or better which are fair and reasonable and in the interests of the Company and its Shareholders as a whole; and the proposed annual caps in respect of such continuing connected transactions are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

WAIVERS GRANTED BY THE STOCK EXCHANGE

As the above continuing connected transactions are expected to be carried out on a recurring basis, our Directors consider that strict compliance with the announcement and the independent Shareholders' approval requirements will be impractical, and such requirements will lead to unnecessary administrative costs and create an onerous burden on our Group.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has] granted us, pursuant to Rule 14A.105 of the Listing Rules, waivers from strict compliance with the announcement and independent Shareholders' approval requirements under Rule 14A.35 of the Listing Rules, provided that the total amount of transactions for each of the three years ending December 31, 2026, 2027 and 2028 will not exceed the relevant proposed annual caps as set out in this section. We will comply with the applicable requirements of the Listing Rules if we exceed the proposed annual caps set out in this section or if there are significant changes in the terms of such transactions.

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following the completion of the **[REDACTED]**, the following persons are expected to have an interest and/or short positions in our Shares or underlying Shares which would be required to be disclosed to us and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying the rights to vote in all circumstances at general meetings of our Company:

		As of the Latest Practicable Date and before the Share Subdivision		Immediately following the completion of the Share Subdivision, the [REDACTED] and the Conversion of [REDACTED] Shares into H Shares (assuming the [REDACTED] is not exercised) [1]		
Shareholder	Nature of interest	Number of [REDACTED] Shares	Approximate percentage of shareholding in the total issued share capital of our Company	Number of Shares	Type of Shares	Approximate percentage of shareholding in the total issued share capital of our Company
Mr. Tao Zhe (陶喆)	Beneficial owner	5,241,833	15.61%	**[REDACTED]**	H Shares	**[REDACTED]**%
	Beneficial owner[2]	66,344	0.20%	**[REDACTED]**	H Shares	**[REDACTED]**%
	Interest in controlled corporation[3]	2,245,000	6.68%	**[REDACTED]**	H Shares	**[REDACTED]**%
	Interest of spouse[3]	97,000	0.29%	**[REDACTED]**	H Shares	**[REDACTED]**%
NASN LP	Beneficial owner	2,245,000	6.68%	**[REDACTED]**	H Shares	**[REDACTED]**%
Mr. Wang Jianming (王澗鳴)	Beneficial owner	3,765,055	11.21%	**[REDACTED]**	H Shares	**[REDACTED]**%
Hangzhou Chuangqian Investment partnership (limited partnership) (杭州創乾投資合夥企業(有限合夥))	Beneficial owner	2,427,577	7.23%	**[REDACTED]**	H Shares	**[REDACTED]**%
Shanghai Yangtze River Delta Bank of China Capital Equity Investment Fund Partnership Enterprise (Limited Partnership) (上海長三角中銀資本股權投資基金合夥企業(有限合夥))	Beneficial owner	2,227,301	6.63%	**[REDACTED]**	H Shares	**[REDACTED]**%
Advanced Manufacturing Industry Investment Fund Phase II (Limited Partnership) (先進製造產業投資基金二期(有限合夥))	Beneficial owner	2,101,456	6.26%	**[REDACTED]**	H Shares	**[REDACTED]**%

SUBSTANTIAL SHAREHOLDERS

		As of the Latest Practicable Date and before the Share Subdivision		Immediately following the completion of the Share Subdivision, the [REDACTED] and the Conversion of [REDACTED] Shares into H Shares (assuming the [REDACTED] is not exercised) (1)		
Shareholder	Nature of interest	Number of [REDACTED] Shares	Approximate percentage of shareholding in the total issued share capital of our Company	Number of Shares	Type of Shares	Approximate percentage of shareholding in the total issued share capital of our Company
Suzhou Industrial Park Qiming Rongke Equity Investment Partnership (Limited Partnership) (蘇州工業園區啓明融科股權投資合夥企業(有限合夥)).	Beneficial owner	2,025,001	6.03%	**[REDACTED]**	H Shares	**[REDACTED]**%

(1) The calculation is based on the assumption that immediately following the completion of the Share Subdivision and the **[REDACTED]**, there will be a total number of **[REDACTED]** H Shares (without taking into consideration the exercise of **[REDACTED]**) in **[REDACTED]**.

(2) Mr. Tao is a limited partner of Shanghai Nasheng, holding 9.24% partnership interests therein, and he is not involved in the management of Shanghai Nasheng. Ms. Zhou Lijin, the general and executive partner of Shanghai Nasheng, exercises the voting rights attached to the Shares held by Shanghai Nasheng on its behalf. As such, Mr. Tao does not enjoy the voting rights attached to the Shares of Shanghai Nasheng.

(3) As of the Latest Practicable Date, Mr. Tao acted as the general partner of NASN LP. Mr. Tao and Ms. Liu are spouses. As such, Mr. Tao is deemed to be interested in the Shares held by NASN LP and Ms. Liu. See "History, Development and Corporate Structure — Corporate Structure" for details.

Our Directors are not aware of any other person who will have any interest and/or short positions in our Shares or underlying Shares which would be required to be disclosed to us and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying the rights to vote in all circumstances at general meetings of our Company or any other member of our Group. Our Directors are not aware of any arrangement which may at a subsequent date result in a change of control of our Company.

OUR SHARE CAPITAL

Immediately before the [REDACTED]

As of the Latest Practicable Date and immediately prior to the Share Subdivision, the **[REDACTED]** and the Conversion of **[REDACTED]** Shares into H Shares, the registered and issued share capital of our Company was RMB33,586,862, comprising of 33,586,862 **[REDACTED]** Shares, with a nominal value of RMB1.00 each.

Upon the Completion of Share Subdivision [REDACTED] and Conversion of [REDACTED] Shares into H Shares

Immediately after the Share Subdivision, the **[REDACTED]** and Conversion of **[REDACTED]** Shares into H Shares (assuming the **[REDACTED]** is not exercised), the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage of the enlarged issued share capital after the [REDACTED]
[REDACTED] Shares	**[REDACTED]**	**[REDACTED]**%
H Shares converted from **[REDACTED]** Shares	**[REDACTED]**	**[REDACTED]**%
H Shares to be **[REDACTED]** under the **[REDACTED]**	**[REDACTED]**	**[REDACTED]**%
Total	**[REDACTED]**	**100.00%**

Assuming the **[REDACTED]** is exercised in full, the share capital of our Company immediately following the Share Subdivision, the **[REDACTED]** and Conversion of **[REDACTED]** Shares into H Shares will be as follows:

Description of Shares	Number of Shares	Approximate percentage of the enlarged issued share capital after the [REDACTED]
[REDACTED] Shares	**[REDACTED]**	**[REDACTED]**%
H Shares converted from **[REDACTED]** Shares	**[REDACTED]**	**[REDACTED]**%
H Shares to be **[REDACTED]** under the **[REDACTED]**	**[REDACTED]**	**[REDACTED]**%
Total	**[REDACTED]**	**100.00%**

OUR SHARES

Upon completion of the Share Subdivision, the **[REDACTED]** and Conversion of **[REDACTED]** Shares into H Shares, our Shares will consist of H Shares.

Our H Shares may only be **[REDACTED]** for and **[REDACTED]** in Hong Kong dollars. Apart from certain qualified domestic institutional investors in the PRC, through Shanghai-Hong Kong Stock Connect, or through Shenzhen-Hong Kong Stock Connect or other persons who are entitled to hold our H Shares pursuant to relevant PRC laws and regulations or upon approvals of any competent authorities, our H Shares generally cannot be **[REDACTED]** for by or **[REDACTED]** between legal or natural persons of the PRC.

We shall pay all dividends in respect of H Shares in Hong Kong dollars. See "Appendix V — Summary of the Articles of Association" for details of the circumstances under which general meetings of our Company are required. In addition to cash, dividends may be distributed in the form of Shares. For holders of H Shares, dividends in the form of Shares will be distributed in the form of additional H Shares.

CONVERSION OF [REDACTED] SHARES INTO H SHARES

If any of the **[REDACTED]** Shares are to be converted, **[REDACTED]** and **[REDACTED]** as H Shares on the Hong Kong Stock Exchange, such conversion, **[REDACTED]** and **[REDACTED]** will need to be filed with the relevant PRC regulatory authorities, including the CSRC, and the approval of the Hong Kong Stock Exchange.

Filing with the CSRC for Full Circulation

In accordance with the Overseas Listing Trial Measures and related guidelines, H-share listed companies which apply for the conversion of unlisted shares into H shares for listing and circulation on the Hong Kong Stock Exchange shall file with the CSRC by filing materials on key compliance issues. An unlisted domestic joint stock company may apply for "full circulation" when applying for an overseas initial public offering.

We applied for a "full circulation" filing when filing with the CSRC for an overseas **[REDACTED]** on October 13, 2025, and submitted the filing reports, authorization documents of the shareholders of **[REDACTED]** Shares which applied for the H-share "full circulation", undertaking on the compliance of share acquisition and other documents in accordance with the requirements of the CSRC.

We have received the filing notice from the CSRC dated April 9, 2026 in relation to the overseas **[REDACTED]** and "full circulation", pursuant to which certain Shareholders ("**Full Circulation Participating Shareholders**") could convert **[REDACTED]** Shares into H Shares on a one-for-one basis upon the completion of the **[REDACTED]**.

Listing Approval by the Hong Kong Stock Exchange

We have applied to the Listing Committee of the Hong Kong Stock Exchange for the granting of **[REDACTED]** of, and permission to deal in, our H Shares to be **[REDACTED]** pursuant to the **[REDACTED]**, and the H Shares to be converted from **[REDACTED]** Shares on the Hong Kong Stock Exchange, which is subject to the approval by the Hong Kong Stock Exchange.

We will perform the following procedures for the Conversion of **[REDACTED]** Shares into H Shares after receiving the approval of the Hong Kong Stock Exchange: (1) giving instructions to our H Share Registrar regarding relevant share certificates of the converted H Shares; and (2) enabling the converted H Shares to be accepted as eligible securities by **[REDACTED]** for deposit, clearance and settlement in the **[REDACTED]**.

Domestic Procedures

The Full Circulation Participating Shareholders may only deal the Shares upon completion of the below arrangement procedures for the registration, deposit and transaction settlement in relation to the conversion and **[REDACTED]**:

i. We will appoint CSDCC as the nominal holder to deposit the relevant securities at CSDCC (Hong Kong), which will then deposit the securities at **[REDACTED]** in its own name. CSDCC, as the nominal holder of the Full Circulation Participating Shareholders, shall handle all custody, maintenance of detailed records, cross-border settlement and corporate actions, etc. relating to the converted H Shares for the Full Circulation Participating Shareholders;

ii. According to the Notice of SAFE on Issues Concerning the Foreign Exchange Administration of Overseas Listing (《國家外匯管理局關於境外上市外匯管理有關問題的通知》), the Full Circulation Participating Shareholders shall complete the overseas shareholding registration with the local foreign exchange administration bureau before the Shares are sold, and after the overseas shareholding registration, open a specified bank account for the holding of overseas shares by domestic investors at a domestic bank with relevant qualifications and open a fund account for the H Share "Full circulation" at the Domestic Securities Company. The Domestic Securities Company shall open a securities trading account for the H Share "Full circulation" at the Hong Kong Securities Company; and

iii. The Full Circulation Participating Shareholders shall submit trading orders of the converted H Shares through the Domestic Securities Company. Trading orders of the Full Circulation Participating Shareholders for the relevant Shares will be submitted to the Stock Exchange through the securities trading account opened by the Domestic Securities Company at the Hong Kong Securities Company. Upon completion of the transaction, settlements between each of the Hong Kong Securities Company and CSDCC (Hong Kong), CSDCC (Hong Kong) and CSDCC, CSDCC and the Domestic Securities Company, and the Domestic Securities Company and the Full Circulation Participating Shareholders, will all be conducted separately.

Please see below for details of the Conversion of **[REDACTED]** Shares into H Shares:

Shareholder	Number of Shares to be converted to H Shares upon completion of the Share Subdivision and the [REDACTED]	Number of [REDACTED] Shares upon completion of the Share Subdivision and the [REDACTED]
Mr. Tao	**[REDACTED]**	**[REDACTED]**
Ms. Liu	**[REDACTED]**	**[REDACTED]**
Shanghai NASN Enterprise Management Partnership (Limited Partnership) (上海拿森企業管理合夥企業(有限合夥))	**[REDACTED]**	**[REDACTED]**
Mr. Wang Jianming (王澗鳴)	**[REDACTED]**	**[REDACTED]**
Hangzhou Chuangqian Investment Partnership (Limited Partnership) (杭州創乾投資合夥企業(有限合夥))	**[REDACTED]**	**[REDACTED]**

Shareholder	Number of Shares to be converted to H Shares upon completion of the Share Subdivision and the [REDACTED]	Number of [REDACTED] Shares upon completion of the Share Subdivision and the [REDACTED]
Shanghai Yangtze River Delta BOC Capital Equity Investment Fund Partnership (Limited Partnership) (上海長三角中銀資本股權投資基金合夥企業(有限合夥))	[REDACTED]	[REDACTED]
Future Industry Investment Fund II (Limited Partnership) (先進製造產業投資基金二期(有限合夥))	[REDACTED]	[REDACTED]
Suzhou Industrial Park Qiming Rongke Equity Investment Partnership (Limited Partnership) (蘇州工業園區啟明融科股權投資合夥企業(有限合夥))	[REDACTED]	[REDACTED]
Chengdu Juli Zhongchan Equity Investment Fund Partnership (Limited Partnership) (成都聚力重產股權投資基金合夥企業(有限合夥))	[REDACTED]	[REDACTED]
Hangzhou Juli No. 1 Equity Investment Partnership (Limited Partnership) (杭州聚力壹號股權投資合夥企業(有限合夥))	[REDACTED]	[REDACTED]
Juli Hangshi (Hangzhou) Equity Investment Partnership (Limited Partnership) (聚力杭實(杭州)股權投資合夥企業(有限合夥))	[REDACTED]	[REDACTED]
Suzhou Sushang United Venture Capital Partnership (Limited Partnership) (蘇州蘇商聯合創業投資合夥企業(有限合夥))	[REDACTED]	[REDACTED]
Ningbo Meishan Bonded Port Zone Wending Investment Co., Ltd. (寧波梅山保稅港區問鼎投資有限公司)	[REDACTED]	[REDACTED]
VNTR VI HK Holdings Limited	[REDACTED]	[REDACTED]
MAUT IV HK Holdings Limited	[REDACTED]	[REDACTED]
Ms. Hou Jiaqiao (侯佳巧)	[REDACTED]	[REDACTED]
Jiaxing Yunsen Equity Investment Partnership (Limited Partnership) (嘉興鋆森股權投資合夥企業(有限合夥))	[REDACTED]	[REDACTED]
Chongqing Changxin Zhiqi Private Equity Investment Fund Partnership (Limited Partnership) (重慶長信智汽私募股權投資基金合夥企業(有限合夥))	[REDACTED]	[REDACTED]
Sunpeak Asset Holdings (Hong Kong) Limited (晟天實業集團(香港)有限公司)	[REDACTED]	[REDACTED]
QM103 LIMITED	[REDACTED]	[REDACTED]
Suzhou Maison Zhiyuan Venture Capital Enterprise (Limited Partnership) (蘇州麥星致遠創業投資企業(有限合夥))	[REDACTED]	[REDACTED]
Shanghai Nasheng	[REDACTED]	[REDACTED]
Chongqing Kexing Sci-Tech Innovation Equity Investment Fund Partnership (Limited Partnership) (重慶科興科創股權投資基金合夥企業(有限合夥))	[REDACTED]	[REDACTED]
Shangrong Baoying (Ningbo) Investment Center (Limited Partnership) (尚融寶盈(寧波)投資中心(有限合夥))	[REDACTED]	[REDACTED]
Shangrong Juxin (Ningbo) Venture Capital Center (Limited Partnership) (尚融聚鑫(寧波)創業投資中心(有限合夥))	[REDACTED]	[REDACTED]
Shanghai Shangrong Juyuan Equity Investment Center (Limited Partnership) (上海尚融聚源股權投資中心(有限合夥))	[REDACTED]	[REDACTED]

Shareholder	Number of Shares to be converted to H Shares upon completion of the Share Subdivision and the [REDACTED]	Number of [REDACTED] Shares upon completion of the Share Subdivision and the [REDACTED]
Dongguan Qinhe Venture Capital Center (Limited Partnership) (東莞勤合創業投資中心(有限合夥))	**[REDACTED]**	**[REDACTED]**
Chengdu Qigao Zhihe Venture Capital Partnership (Limited Partnership) (成都啟高致和創業投資合夥企業(有限合夥))	**[REDACTED]**	**[REDACTED]**
Jiaxing Nasien Venture Capital Partnership (Limited Partnership) (嘉興納斯恩創業投資合夥企業(有限合夥))	**[REDACTED]**	**[REDACTED]**
Total	**[REDACTED]**	**[REDACTED]**

Note

(1) Refers to all Shareholders of the Company. See "History, Development and Corporate Structure – Capitalization of our Company" for details of number of Shares held by each Shareholder.

LOCK-UP PERIODS

In accordance with Article 160 of the PRC Company Law, the shares issued prior to any public offering of shares by a company cannot be transferred within one year from the date on which such publicly offered shares are listed and traded on the relevant stock exchange. As such, the Shares **[REDACTED]** by the Company prior to the **[REDACTED]** will be subject to such statutory restriction on transfer within a period of one year from the **[REDACTED]**. See "History, Development and Corporate Structure — Lock-up Period."

The Company will work with the Domestic Securities Company to be engaged by the Company to restrict the **[REDACTED]** of the H Shares converted from **[REDACTED]** Shares technically within one year after the **[REDACTED]**.

Our Directors and members of senior management shall declare their shareholdings in the Company and any changes in their shareholdings. Shares transferred by our Directors and members of the senior management each year during their term of office shall not exceed 25% of their total respective shareholdings in the Company. The Shares that the aforementioned persons held in the Company cannot be transferred within one year from the date on which the shares are **[REDACTED]** and **[REDACTED]**, nor within half a year after they leave their positions in the Company. The Articles of Association may contain other restrictions on the transfer of our Shares held by our Directors and members of senior management.

TRANSFER OF SHARES [REDACTED] PRIOR TO THE [REDACTED]

The PRC Company Law provides that in relation to the public offering of a company, the shares issued prior to the public offering shall not be transferred within a period of one year from the date on which the publicly offered shares are listed on any stock exchange. Accordingly, Shares **[REDACTED]** by our Company prior to the **[REDACTED]** shall be subject to this statutory restriction and not be transferred within a period of one year from the **[REDACTED]**.

REGISTRATION OF SHARES NOT [REDACTED] ON AN OVERSEAS STOCK EXCHANGE

According to the Guidelines for the "Full Circulation" Program for Domestic Unlisted Shares of H-share Listed Companies (H股公司境內未上市股份申請「全流通」業務指引) announced by the CSRC, the domestic shareholders of unlisted shares shall handle share transfer registration business in accordance with the relevant business rules of CSDC. Further, H-share companies should submit the relevant status reports to the CSRC within 15 days after the transfer registration with the CSDC of the shares involved in the application is completed.

CIRCUMSTANCES UNDER WHICH GENERAL MEETING IS REQUIRED

Pursuant to the PRC Company Law and the terms of the Articles of Association, our Company may from time to time by special resolution of shareholders increase its capital or decrease its capital or capital redemption reserve. See "Appendix V — Summary of the Articles of Association" in this Document for further details.

You should read the following discussion and analysis with our audited consolidated financial information, including the notes thereto, included in the Accountant's Report in Appendix I to this document. Our consolidated financial information has been prepared in accordance with IFRS.

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance. These statements are based on our assumptions and analysis in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, whether actual outcomes and developments will meet our expectations and predictions depends on a number of risks and uncertainties. In evaluating our business, you should carefully consider the information provided in this document, including but not limited to the sections headed "Risk Factors" and "Business."

For the purpose of this section, unless the context otherwise requires, references to 2023, 2024 and 2025 refer to our financial years ended December 31 of such years. Unless the context otherwise requires, financial information described in this section is described on a consolidated basis.

OVERVIEW

We are a leading Chinese innovator in intelligent driving motion control, specializing in X-by-wire technology. Our focus is on delivering mission-critical X-by-wire solutions for intelligent driving, an area with most stringent safety requirements and highest technological barriers, integrating proprietary full-stack control algorithms, software and hardware. Perception, decision-making, and execution are the three pillars of automotive intelligence, with X-by-wire technology serving as the "cerebellum" that ensures safe and advanced motion control execution, much like the role cerebellum plays in coordinating voluntary movements, maintaining posture and balance and enabling motor learning for human. Our solutions enable precise and rapid vehicle motion control based on commands from the vehicle's intelligent driving "brain," namely, the intelligent driving system responsible for perception and planning, significantly enhancing safety, maneuverability and comfort.

During the Track Record Period, we experienced robust growth in revenue and gross profit. Our revenue increased from RMB272.2 million in 2023 to RMB390.7 million in 2024, and further increased to RMB614.5 million in 2025, representing a CAGR of 50.2% from 2023 to 2025. Our gross profit increased from RMB3.1 million in 2023 and to RMB41.9 million in 2024, and further increased to RMB83.6 million in 2025, representing a CAGR of 418.3% from 2023 to 2025. In 2023, 2024 and 2025, we recorded net losses of RMB200.8 million, RMB169.5 million and RMB189.5 million, respectively.

MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Company Specific Factors

Our ability to retain existing customers and attract new customers

Our ability to maintain and deepen relationships with existing customers and attract new customers affects our results of operations. Our customers are primarily OEMs and our solutions are integrated into their vehicle platforms through design wins.

Retaining existing customers allows us to secure repeat business across multiple vehicle models and benefit from established relationships for additional vehicle development projects. This depends on our ability to provide support throughout the entire product lifecycle, from early-stage development and system validation to mass production and after-sales services, and to deliver customized X-by-wire solutions that meet evolving technical and regulatory requirements. Close engagement also helps us align our development timelines with customers' production schedules, which is essential for timely delivery and successful integration into vehicle platforms.

Attracting new customers expands our revenue base and depends on our ability to meet diverse customer requirements and maintain competitive offerings. Our ability to capture opportunities in key segments, such as EVs and intelligent driving application, will influence the number of design wins we achieve. Design wins typically involve close technical collaboration and multiple rounds of validation, and their outcome directly affects the number of vehicle platforms we serve and our revenue growth.

Our ability to launch advanced solutions and technologies

Our ability to introduce advanced X-by-wire solutions and related technologies on schedule and at scale affects our revenue growth and profitability. The automotive industry is undergoing rapid transformation driven by electrification and intelligent driving, which requires continuous innovation in brake-by-wire, steer-by-wire and motion controller.

Our financial performance depends on how effectively we can upgrade existing solutions and bring new solutions into mass production while meeting stringent functional safety and performance standards. Timely commercialization of advanced solutions including RBC, EMB, EPS, SBW and NXU motion controller, as well as enhancements to software and algorithms that improve response speed and integration, directly affects our competitiveness and the value we deliver to customers.

Successful and timely introduction of advanced technologies can strengthen customer confidence, increase adoption by OEMs and improve economies of scale, which in turn support revenue growth and profitability. However, delays in launching new solutions or failure to meet technical requirements could limit our ability to capture market opportunities.

Our investment in R&D

Our ability to innovate and deliver advanced X-by-wire solutions is fundamental to our long-term competitiveness and financial performance. The X-by-wire segment is a key foundation for vehicle electrification and intelligent driving, and it requires compliance with the highest functional safety standards. Continuous technological upgrades and product improvements are essential to maintain our market position and meet customer requirements.

We follow a structured development process that includes market research and project planning, concept verification and architecture design, pilot production and commercialization. At each stage, we apply strict checkpoints to ensure functional safety and system reliability. To support this process, we have built a highly experienced R&D team covering system integration, software development (application layer, basic software, integration testing), vehicle calibration and testing, bench performance testing, hardware development, mechanical development, process development and quality assurance. Each core team member has more than 10 years of experience in automotive R&D or chassis systems, many with backgrounds in leading domestic and international technology companies.

We expect R&D expenses to remain significant as we continue to enhance product performance, improve software and algorithm capabilities, and develop new solutions such as steer-by-wire and motion controllers. In 2023, 2024 and 2025, our R&D expenses were RMB96.5 million, RMB87.6 million and RMB83.0 million, respectively, representing 35.5%, 22.4% and 13.5% of our total revenue for the corresponding periods. The decline in R&D expenses as a percentage of revenue reflects our ability to scale operations and improve cost efficiency while maintaining a strong commitment to innovation. Our ability to balance sustained investment in R&D with effective cost control will remain a key factor influencing our results of operations.

Our ability to manage costs and improve operational efficiency

Our results of operations are significantly influenced by our ability to manage costs and maintain operational efficiency. Our cost of sales primarily comprise mechanical and electronic materials. In 2023, 2024 and 2025, our cost of sales amounted to RMB269.1 million, RMB348.8 million and RMB530.9 million, respectively. Fluctuations in raw material prices and potential supply chain disruptions could increase production costs and adversely affect our results of operations. To mitigate these risks, we adopt a structured procurement system with competitive bidding, strict supplier selection, regular performance reviews and alternative sourcing, supported by inventory monitoring and standardized supply agreements to ensure supply stability and cost efficiency. As we expand our business, operating expenses may increase to support growth.

During the Track Record Period, our selling and marketing expenses were RMB4.8 million, RMB5.3 million and RMB14.2 million in 2023, 2024 and 2025, respectively, and our administrative expenses were RMB40.3 million, RMB32.6 million and RMB62.4 million during the same periods. We continue to focus on improving operational efficiency and optimizing cost structures to manage the impact of potential expense increases as our business grows.

General Factors

Our business and operating results are affected by general factors affecting the X-by-wire solutions industry, which include: (i) development of macroeconomic conditions; (ii) demand for X-by-wire technologies; (iii) technological advancements and competitive landscape of X-by-wire industry; (iv) government policies and regulations relating to intelligent vehicle industry; and (v) seasonality.

BASIS OF PREPARATION

Our Historical Financial Information has been prepared in accordance with all applicable International Financial Reporting Standards ("**IFRS**"), which comprise all standards and interpretations approved by the International Accounting Standards Board ("**IASB**"). See Note 2 of the Accountants' Report in Appendix I to this document for material accounting policy information.

The IASB has issued a number of new and revised IFRS Accounting Standards. For the purpose of preparing our Historical Financial Information, we have adopted all applicable new and revised IFRS Accounting Standards for the Track Record Period, except for any new or revised standards or interpretations that are not yet effective for the Track Record Period. The revised and new accounting standards and interpretations issued but not yet effective for the Track Record Period, are set out in Note 2.2 of the Accountants' Report in Appendix I to this document. Our Historical Financial Information also complies with the applicable disclosure provisions of the Listing Rules.

MATERIAL ACCOUNTING POLICIES

For our material accounting policies, estimates, assumptions and judgments that are important for understanding our financial condition and results of operations, see Notes 2 and Note 3 to the Accountants' Report in Appendix I to this document.

COVID-19

Our Directors are of the view that the COVID-19 pandemic had no material adverse impact on our business operations and financial performance during the Track Record Period, as our production, sales activities and revenue growth were not affected by the COVID-19 pandemic during the Track Record Period.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

The following table sets forth a summary of our results of operations for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except percentages)					
Revenue	**272,217**	**100.0**	**390,737**	**100.0**	**614,506**	**100.0**
Cost of sales	(269,104)	(98.9)	(348,807)	(89.2)	(530,891)	(86.4)
Gross profit	**3,113**	**1.1**	**41,930**	**10.7**	**83,615**	**13.6**
Other income and gains	26,958	9.9	20,946	5.4	26,441	4.3
Selling and marketing expenses	(4,824)	(1.8)	(5,326)	(1.4)	(14,248)	(2.3)
Administrative expenses	(40,270)	(14.8)	(32,571)	(8.3)	(62,379)	(10.2)
Research and development expenses	(96,547)	(35.5)	(87,580)	(22.4)	(82,959)	(13.5)
Fair value gains on financial assets at fair value through profit or loss	485	0.2	673	0.2	717	0.1
Impairment losses on financial assets, net	1,305	0.5	(7,003)	(1.8)	1,580	0.3
Other expenses	(803)	(0.3)	(701)	(0.2)	(11,231)	(1.8)
Finance costs	(902)	(0.3)	(652)	(0.2)	(502)	(0.1)
Financial costs associated with redemption liabilities	(89,338)	(32.8)	(99,237)	(25.4)	(130,558)	(21.2)
Loss before tax	**(200,823)**	**(73.8)**	**(169,521)**	**(43.4)**	**(189,524)**	**(30.8)**
Income tax expense	—	—	—	—	—	—
Loss and total comprehensive income for the year	**(200,823)**	**(73.8)**	**(169,521)**	**(43.4)**	**(189,524)**	**(30.8)**

Non-IFRS Measures

To supplement our consolidated financial statements, which are presented in accordance with IFRS, we also use adjusted net loss (non-IFRS measure) as an additional financial measure, which is not required by, or presented in accordance with IFRS. We believe this non-IFRS measure facilitates comparisons of operating performance from year to year by eliminating potential impacts of items.

We believe that this measure provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as it helps our management. However, our presentation of adjusted net loss (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of this non-IFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for an analysis of, our results of operations or financial condition as reported under IFRS. In addition, the non-IFRS measure may be defined differently from similar terms used by other companies.

We define adjusted net loss (non-IFRS measure) as loss for the year adjusted by adding back (i) share-based payment expenses, (ii) financial costs associated with redemption liabilities and (iii) **[REDACTED]**, which relate to the **[REDACTED]**. The adjustments were consistently made during the Track Record Period. The following table presents our non-IFRS measures for the years indicated.

	Year ended December 31,		
	2023	**2024**	**2025**
		(RMB in thousands)	
Reconciliation of loss for the year to adjusted loss for the year (non-IFRS measure):			
Loss for the year	(200,823)	(169,521)	(189,524)
Add:			
— Share-based payment expenses[(1)]	6,068	9,524	12,225
— Financial costs associated with redemption liabilities	89,338	99,237	130,558
— **[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Adjusted net loss (non-IFRS measure)	(105,417)	(60,760)	(29,286)

Note:

(1) Share-based payment expenses mainly represent the non-cash employee benefit expenses incurred in connection with our award to management and key employees. Such expenses in any specific period are not expected to result in future cash payments.

DESCRIPTION OF MAJOR COMPONENTS OF OUR RESULTS OF OPERATIONS

Revenue

During the Track Record Period, our revenue was primarily derived from the sale of NBS, ESC and NBC solutions. We generated substantially all of our revenue from the PRC during the Track Record Period. The following table sets forth our revenue breakdown by offerings in absolute amounts and as percentages of our total revenue for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except percentage)					
NBS solutions	186,709	68.6	160,846	41.2	119,446	19.4
ESC solutions	79,826	29.3	180,161	46.1	177,749	28.9
NBC solutions	108	0.0	39,632	10.1	301,495	49.1
Others[(1)]	5,574	2.1	10,098	2.6	15,816	2.6
Total	**272,217**	**100.0**	**390,737**	**100.0**	**614,506**	**100.0**

Note:

(1) Primarily include revenue generated from provision of R&D services and sales of raw materials.

The following table sets forth the details of the sales volume and average selling price (net of tax) by offerings for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	Sales Volume	ASP	Sales Volume	ASP	Sales Volume	ASP
	(Sales volume in unit, ASP in RMB)					
NBS solutions	215,486	866.5	197,638	813.8	168,500	708.9
ESC solutions	130,560	611.4	305,445	589.8	309,680	574.0
NBC solutions	71	1,528.0	29,251	1,354.9	258,028	1,168.5

The average selling price of our NBS solutions decreased from RMB866.5 in 2023 to RMB813.8 in 2024, primarily due to a decrease in the sales of our higher-priced NBS solutions. The average selling price of our NBS solutions decreased from RMB813.8 in 2024 to RMB708.9 in 2025, primarily due to our strategic emphasis on competitively-priced NBS products to capture market share, which contributed to an increase in sales volume during the period.

The average selling price of our ESC solutions remained relatively stable during the Track Record Period.

The average selling price of our NBC solutions decreased from RMB1,528.0 in 2023 to RMB1,354.9 in 2024, primarily due to the transition from small-batch production with corresponding higher prices to mass production at lower unit prices in 2024, as we expanded operations to support

higher volumes and broader market adoption. The average selling price further decreased from RMB1,354.9 in 2024, to RMB1,168.5 in 2025, primarily due to ongoing adjustments to our sales approach, designed to enhance our competitiveness and capture market share.

Cost of Sales

Our cost of sales amounted to RMB269.1 million, RMB348.8 million and RMB530.9 million in 2023, 2024 and 2025, respectively. During the Track Record Period, our cost of sales primarily consists of procurement costs of mechanical and electronic materials. The following table sets forth a breakdown of our cost of sales by nature in absolute amounts and as percentages of our total cost of sales for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except percentages)					
Mechanical material	154,340	57.4	198,069	56.8	326,269	61.4
Electronic material	75,178	27.9	109,414	31.4	158,471	29.8
Depreciation and amortization	13,252	4.9	15,782	4.5	16,501	3.1
Employee benefit expenses	9,850	3.7	13,428	3.8	16,201	3.1
Inventory provision	9,999	3.7	3,870	1.1	1,162	0.2
Maintenance expenses	2,312	0.9	2,633	0.8	4,552	0.9
Others[(1)]	4,173	1.6	5,611	1.6	7,735	1.5
Total	**269,104**	**100.0**	**348,807**	**100.0**	**530,891**	**100.0**

Note:

(1) Primarily include utilities and shipping costs.

The following table sets forth a breakdown of our cost of sales by offerings in absolute amounts and as percentages of our total cost of sales for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except percentages)					
NBS solutions	182,896	68.0	148,134	42.5	112,183	21.1
ESC solutions	82,494	30.7	152,253	43.7	136,417	25.7
NBC solutions	90	0.0	38,737	11.1	273,679	51.6
Others	3,624	1.3	9,683	2.8	8,612	1.6
Total	**269,104**	**100.0**	**348,807**	**100.0**	**530,891**	**100.0**

Gross Profit and Gross Profit Margin

We recorded gross profit of RMB3.1 million, RMB41.9 million and RMB83.6 million in 2023, 2024 and 2025, respectively, representing gross profit margin of 1.1%, 10.7% and 13.6%, respectively, during the same periods.

The following table sets forth a breakdown of gross profit and gross profit margin by offerings for the periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	Gross profit/(loss)	Gross profit/(loss) margin	Gross profit/(loss)	Gross profit/(loss) margin	Gross profit/(loss)	Gross profit/(loss) margin
	(RMB in thousands, except percentages)					
NBS solutions	3,813	2.0	12,713	7.9	7,263	6.1
ESC solutions	(2,668)	(3.3)	27,907	15.5	41,332	23.3
NBC solutions	18	16.9	894	2.3	27,816	9.2
Others	1,950	35.0	415	4.1[(1)]	7,204	45.5
Total	**3,113**	**1.1**	**41,930**	**10.7**	**83,615**	**13.6**

Notes:

(1) Our gross profit margin from others decreased from 35.0% in 2023 to 4.1% in 2024, primarily due to lower average R&D service fees per customer due to adjustments to project scope and pricing.

Other Income and Gains

During the Track Record Period, our other income primarily consists of (i) government grants and subsidies; and (ii) investment income from structured deposits. Government grants primarily consist of subsidies and funding to support the initiation and development of R&D projects, rental subsidies and other types of government subsidies. These grants are generally non-recurring in nature and are subject to annual policy adjustments, administrative assessments, and project acceptance procedures. During the Track Record Period, our other gains primarily consist of net foreign exchange differences. The following table sets forth a breakdown of our other income and gains for the periods indicated:

	Year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Other income			
Bank interest income	2,997	2,478	2,651
Government grants and subsidies	18,064	14,936	19,031
Investment income from structured deposits	4,620	2,519	4,346
Others	736	532	413
Other gains			
Foreign exchange differences, net	500	481	—
Gain on disposal of property, plant and equipment	41	—	—
Total	**26,958**	**20,946**	**26,441**

Selling and Marketing Expenses

During the Track Record Period, our selling and marketing expenses primarily consist of (i) employee compensation; and (ii) business development expenses. The following table sets forth a breakdown of our selling and marketing expenses both in absolute amounts and as percentages of total selling and marketing expenses for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except percentages)					
Employee compensation	2,664	55.2	2,838	53.3	4,136	29.0
Share-based payments	168	3.5	184	3.4	5,629	39.5
Business development expenses	1,189	24.6	1,859	34.9	3,127	22.0
Travel expenses	756	15.7	419	7.9	1,168	8.2
Others	47	1.0	26	0.5	188	1.3
Total	**4,824**	**100.0**	**5,326**	**100.0**	**14,248**	**100.0**

During the Track Record Period, our selling and marketing expenses, excluding share-based payments, amounted to RMB4.7 million, RMB5.1 million and RMB8.6 million in 2023, 2024 and 2025, respectively.

Administrative Expenses

During the Track Record Period, our administrative expenses primarily consist of (i) employee compensation; (ii) professional service fees, including consultancy and **[REDACTED]**; (iii) office expenses; and (iv) depreciation and amortization. The following table sets forth a breakdown of our administrative expenses both in absolute amounts and as percentages of total administrative expenses for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except percentages)					
Employee compensation	21,639	53.7	19,510	59.9	23,469	37.6
Professional service fees	8,010	19.9	2,679	8.2	22,838	36.6
Office expenses	3,149	7.8	2,421	7.4	5,316	8.5
Share-based payments	1,271	3.2	3,255	10.0	5,019	8.0
Depreciation and amortization	1,936	4.8	1,875	5.8	1,654	2.7
Business entertainment expenses	2,712	6.7	1,048	3.2	1,853	3.0
Other taxes	395	1.0	566	1.7	892	1.4
Others	1,158	2.9	1,217	3.8	1,338	2.2
Total	**40,270**	**100.0**	**32,571**	**100.0**	**62,379**	**100.0**

During the Track Record Period, our administrative expenses, excluding **[REDACTED]** and share-based payments, amounted to RMB39.0 million, RMB29.3 million and RMB39.9 million in 2023, 2024 and 2025, respectively.

Research and Development Expenses

During the Track Record Period, our research and development expenses primarily consist of (i) employee compensation; (ii) depreciation and amortization; and (iii) development service fees relating to third-party technical services. The following table sets forth a breakdown of our research and development expenses both in absolute amounts and as percentages of total research and development expenses for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except percentages)					
Employee compensation	54,092	56.0	50,572	57.8	49,011	59.1
Depreciation and amortization	10,540	10.9	10,186	11.6	9,208	11.1
Development service fees	11,776	12.2	11,384	13.0	6,730	8.1
Material costs	7,809	8.0	2,826	3.2	8,238	9.9
Share-based payments	4,629	4.8	6,085	6.9	1,577	1.9
Testing fees	1,579	1.6	1,124	1.3	1,590	1.9
Others[(1)]	6,122	6.5	5,403	6.2	6,605	8.0
Total	**96,547**	**100.0**	**87,580**	**100.0**	**82,959**	**100.0**

Note:

(1) Primarily include travel expenses, utilities and property management fees, transportation expenses and intellectual property related costs.

During the Track Record Period, our research and development expenses, excluding share-based payments, amounted to RMB91.9 million, RMB81.5 million and RMB81.4 million in 2023, 2024 and 2025, respectively.

Fair Value Gains on Financial Assets at Fair Value Through Profit or Loss

During the Track Record Period, our fair value gains on financial assets at fair value through profit or loss, which were primarily in relation to our investments in structured deposits, amounted to RMB0.5 million, RMB0.7 million and RMB0.7 million in 2023, 2024 and 2025, respectively.

Impairment Losses on Financial Assets, Net

Net impairment losses on financial assets primarily represent provision of trade receivables. During the Track Record Period, our impairment losses on financial assets, net amounted to RMB7.0 million in 2024. Our impairment gains on financial assets, net amounted to RMB1.3 million in 2023. Our impairment gains on financial assets, net amounted to RMB1.6 million in 2025.

Other Expenses

Our other expenses primarily consist of inventory shrinkage, losses on asset disposal, litigation-related provisions and non-operating expenses. We recorded other expenses of RMB0.8 million, RMB0.7 million and RMB11.2 million in 2023, 2024 and 2025, respectively. The increase in 2025 was primarily attributable to a provision recorded in relation to pending intellectual property litigation.

Finance Costs

Our finance costs consist of interest on interest-bearing bank borrowings and other loans, and interest on lease liabilities. We recorded finance costs of RMB0.9 million, RMB0.7 million and RMB0.5 million in 2023, 2024 and 2025, respectively.

Financial Costs Associated with Redemption Liabilities

Our financial costs associated with redemption liabilities represent the net present value of amounts payable to certain equity holders. We recorded of financial costs associated with redemption liabilities of RMB89.3 million, RMB99.2 million and RMB130.6 million in 2023, 2024 and 2025, respectively.

PERIOD-TO-PERIOD COMPARISON OF RESULTS OF OPERATIONS

Year Ended December 31, 2025 Compared to Year Ended December 31, 2024

Revenue

Our revenue increased by 57.3% from RMB390.7 million in 2024 to RMB614.5 million in 2025.

- Our revenue from NBS solutions decreased by 25.7% from RMB160.8 million in 2024 to RMB119.4 million in 2025, primarily due to a decrease in sales volume from 197,638 units in 2024 to 168,500 units in 2025, which was associated with the industry-wide increase in the adoption of more highly integrated one-box solutions for new vehicle models, as well as certain existing vehicle models nearing the end of their production cycles.

- Our revenue from ESC solutions remained relatively stable at RMB180.2 million in 2024 and RMB177.7 million in 2025, primarily due to an increase in sales volume from 305,445 units in 2024 to 309,680 units in 2025, which was mainly attributable to an increase in the number of vehicle models supplied, largely offset by a slight decrease in average selling prices in 2025.

- Our revenue from NBC solutions increased significantly from RMB39.6 million in 2024 to RMB301.5 million in 2025, primarily due to a substantial increase in sales volume from 29,251 units in 2024 to 258,028 units in 2025, as NBC solutions were increasingly adopted in new and existing vehicle models, consistent with OEMs' growing preference for more highly integrated one-box solutions.

Cost of Sales

Our cost of sales increased by 52.2% from RMB348.8 million in 2024 to RMB530.9 million in 2025, primarily due to higher material costs associated with increased sales volume, particularly the substantial ramp-up in NBC solutions in 2025.

Gross Profit and Gross Margin

As a result of the foregoing, our gross profit increased from RMB41.9 million in 2024 to RMB83.6 million in 2025. Our gross profit margin increased from 10.7% in 2024 to 13.6% in 2025.

- Our gross profit margin from NBS solutions decreased from 7.9% in 2024 to 6.1% in 2025, primarily due to lower pricing and higher unit costs, as OEM demand continued to shift from NBS solutions to more highly integrated one-box solutions, resulting in reduced production scale.

- Our gross profit margin from ESC solutions increased from 15.5% in 2024 to 23.3% in 2025, primarily due to lower unit costs, particularly lower raw material and component costs, driven by our cost control and procurement optimization.

- Our gross profit margin from NBC solutions increased from 2.3% in 2024 to 9.2% in 2025, primarily due to lower unit costs, which were mainly driven by lower material costs and improved manufacturing efficiency as the product line progressed further along its mass production ramp-up in 2025.

Other Income and Gains

Our other income and gains increased by 26.2% from RMB20.9 million in 2024 to RMB26.4 million in 2025, primarily due to higher government grants and subsidies, mainly driven by increased discretionary subsidies granted by local governments, and higher investment income from structured deposits.

Selling and Marketing Expenses

Our selling and marketing expenses increased significantly from RMB5.3 million in 2024 to RMB14.2 million in 2025, primarily due to increases in (i) employee compensation, mainly attributable to share-based payment expenses recognized in 2025, and (ii) business development and travel expenses resulting from expanded sales activities.

Administrative Expenses

Our administrative expenses increased by 91.5% from RMB32.6 million in 2024 to RMB62.4 million in 2025, primarily due to increases in (i) professional service fees attributable to listing-related expenses and (ii) employee compensation due to increased headcount and higher share-based payment expenses.

Research and Development Expenses

Our research and development expenses decreased by 5.3% from RMB87.6 million in 2024 to RMB83.0 million in 2025, primarily due to decreases in (i) employee compensation and (ii) development service fees, reflecting the transition of certain projects from the research and development stage to the commercialization stage and the related temporary reallocation of resources.

Impairment (Losses)/Gains on Financial Assets, Net

We recorded net impairment losses on financial assets of RMB7.0 million in 2024 and net impairment gains on financial assets of RMB1.6 million in 2025, primarily due to changes in the expected credit loss provision based on accounts receivable balances and aging profile.

Financial Costs Associated with Redemption Liabilities

Our financial costs associated with redemption liabilities increased by 31.6% from RMB99.2 million in 2024 to RMB130.6 million in 2025, primarily due to the increase in the principal amount of redemption liabilities following financing rounds completed at the end of 2024 and during 2025, together with the ongoing accretion of existing redemption liabilities.

Loss for the Year

As a result of the foregoing, our loss for the year increased by 11.8% from RMB169.5 million in 2024 to RMB189.5 million in 2025.

Comparisons Between Years Ended December 31, 2024 and 2023

Revenue

Our revenue increased by 43.6% from RMB272.2 million in 2023 to RMB390.7 million in 2024.

- Our revenue from NBS solutions decreased by 13.9% from RMB186.7 million in 2023 to RMB160.8 million in 2024, primarily due to a decrease in sales volume from 215,486 units in 2023 to 197,638 units in 2024, driven by specific vehicle models of an OEM nearing the end of their production cycle and by a transition to the Onebox solution for other models. This decrease reflects a shift in product mix as Onebox solutions gradually replace NBS solutions, rather than a contraction in market demand for our offerings.

- Our revenue from ESC solutions increased significantly from RMB79.8 million in 2023 to RMB180.2 million in 2024, primarily due to a significant increase in sales volume from 130,560 units in 2023 to 305,445 in 2024, driven by the adoption of our ESC solutions in a broader range of vehicle models of existing OEMs.

- Our revenue from NBC solutions increased significantly from RMB0.1 million in 2023 to RMB39.6 million in 2024, primarily due to an increase in sales volume from 71 units in 2023 to 29,251 in 2024, as new vehicle models increasingly adopted the NBC solution, which offers higher integration and better compatibility with intelligent features, with demand accelerating from the second half of 2024.

Cost of Sales

Our cost of sales increased by 29.6% from RMB269.1 million in 2023 to RMB348.8 million in 2024 primarily due to an increase in procurement costs for raw materials and consumables, driven by increased sales volume of ESC and NBC solutions in 2024.

Gross Profit and Gross Margin

As a result of the foregoing, our gross profit increased significantly from RMB3.1 million in 2023 to RMB41.9 million in 2024. Our gross profit margin increased from 1.1% in 2023 to 10.7% in 2024.

- Our gross profit margin from NBS solutions increased from 2.0% in 2023 to 7.9% in 2024, primarily due to (i) a decrease in raw material costs as we negotiated favorable pricing terms with suppliers for key components and strategically shifting sourcing for certain major parts to more cost-effective options; and (ii) improved production efficiency as we streamlined production lines through refined manufacturing processes and enhanced equipment utilization.

- Gross profit margin from our ESC solutions changed from a gross loss margin of 3.3% in 2023 to a gross profit margin of 15.5% in 2024, primarily due to (i) the increased sales contribution from our advanced ESC solutions incorporating redundant EPB function, which were mass-produced starting in 2024 and generally carried higher gross margins than our earlier ESC product offerings without such safety redundancy features; and (ii) improved production efficiency and better cost absorption as we ramped up the mass production of ESC solutions.

- Our gross profit margin from NBC solutions decreased from 16.9% in 2023 to 2.3% in 2024, primarily due to 2023 reflecting limited sample sales at premium prices, while 2024 marked the early stage of mass production, which involved limited economies of scale.

Other Income and Gains

Our other income and gains decreased by 22.3% from RMB27.0 million in 2023 to RMB20.9 million in 2024, primarily due to (i) a decrease in government grants and subsidies resulting from lower amounts of discretionary subsidies granted by local governments; and (ii) a decrease in investment income from structured deposits resulting from a reduction in the balance of structured deposits and lower market interest rates.

Selling and Marketing Expenses

Our selling and marketing expenses remained relatively stable at RMB4.8 million in 2023 and RMB5.3 million in 2024.

Administrative Expenses

Our administrative expenses decreased by 19.1% from RMB40.3 million in 2023 to RMB32.6 million in 2024, primarily due to decreases in professional service fees for external consulting services.

Research and Development Expenses

Our research and development expenses decreased by 9.3% from RMB96.5 million in 2023 to RMB87.6 million in 2024, primarily due to a decrease in material costs as certain projects progressed to later development stages, which required fewer and less costly materials, as well as improvements in our R&D efficiency.

Impairment (Losses)/Gains on Financial Assets, Net

We recorded impairment gains on financial assets of RMB1.3 million in 2023 and net impairment losses on financial assets of RMB7.0 million in 2024, primarily due to changes in the year-end receivable balances and aging structure.

Financial Costs Associated with Redemption Liabilities

Our financial costs associated with redemption liabilities increased by 11.1% from RMB89.3 million in 2023 to RMB99.2 million in 2024, primarily due to the accrual of additional interest on the redemption amount.

Loss for the Year

As a result of the foregoing, our loss for the year decreased by 15.6% from RMB200.8 million in 2023 to RMB169.5 million in 2024.

DISCUSSION OF CERTAIN KEY ITEMS OF CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The following table sets forth selected information from our consolidated statements of financial position as of the dates indicated:

	As of December 31,		
	2023	2024	2025
		(RMB in thousands)	
Non-current assets			
Property, plant and equipment	137,391	146,456	235,135
Right-of-use assets	9,636	6,254	10,069
Intangible assets	923	395	138
Prepayments, other receivables and other assets	1,331	12,728	14,395
Time deposits	—	10,004	10,258
Total non-current assets	**149,281**	**175,837**	**269,995**
Total current assets	**605,762**	**902,420**	**948,750**
Total current liabilities	**1,476,530**	**1,963,521**	**2,231,629**
Net current liabilities	**(870,768)**	**(1,061,101)**	**(1,282,879)**
Non-current liabilities			
Deferred income	25,545	21,626	47,009
Lease liabilities	2,328	—	3,658
Total non-current liabilities	**27,873**	**21,626**	**50,667**

Property, Plant and Equipment

Our property, plant and equipment primarily consist of our machinery and construction in progress. The following table sets forth the details of our property, plant and equipment as of the dates indicated:

	As of December 31,		
	2023	2024	2025
		(RMB in thousands)	
Machinery	90,654	138,547	181,874
Vehicles	2,554	1,178	1,798
Office equipment and electronic devices	1,466	1,144	2,495
Leasehold improvements	3,129	1,296	—
Construction in progress	39,588	4,291	48,968
Total	**137,391**	**146,456**	**235,135**

Our property, plant and equipment increased from RMB137.4 million as of December 31, 2023 to RMB146.5 million as of December 31, 2024, primarily due to capital expenditures for the expansion and upgrade of our Xiaoshan production base. Our property, plant and equipment subsequently increased to RMB235.1 million as of December 31, 2025, primarily due to an increase in construction

in progress related to the construction of our Haiyan production base and an increase in machinery due to our investment in additional production equipment to support increased sales volume and capacity requirements.

Right-of-Use Assets

Our right-of-use assets primarily consist of leased office buildings and factories. Our right-of-use assets decreased from RMB9.6 million as of December 31, 2023 to RMB6.3 million as of December 31, 2024, primarily due to the depreciation of existing leases. Our right-of-use assets further increased to RMB10.1 million as of December 31, 2025, primarily due to the renewal of our Shanghai office lease.

Prepayments, other receivables and other assets

Our prepayments, other receivables and other assets consist of (i) other tax recoverable; (ii) deposits; (iii) prepayments to suppliers; (iv) prepaid expenses; and (v) prepayments for long-term assets. The following table sets forth the details our prepayments, other receivables and other assets as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Current:			
Other tax recoverable	—	—	12,444
[REDACTED]	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Deposits	2,126	2,074	1,736
Prepayments to suppliers	6,110	425	550
Prepaid expenses	1,381	1,512	932
Non-current:			
Prepayments for long-term assets	1,331	12,728	14,395
Total	**10,948**	**16,739**	**33,017**

Our prepayments, other receivables and other assets increased from RMB10.9 million as of December 31, 2023 to RMB16.7 million as of December 31, 2024, primarily due to an increase in prepayments for long-term assets driven by higher advance payments for equipment, partially offset by a decrease in prepayments to suppliers attributable to raw materials and components used in production. Our prepayments, other receivables and other assets further increased to RMB33.0 million as of December 31, 2025, primarily due to (i) an increase in other tax recoverable driven by an increase in equipment purchases, which increased the amount of input VAT recoverable; and (ii) an increase in prepayments for long-term assets driven by higher advance payments to equipment suppliers prior to delivery and issuance of invoices.

Inventories

Our inventories primarily consist of (i) raw materials; (ii) finished goods; and (iii) work in progress. The following table sets fort the details of our inventories as of the dates indicated:

	As of December 31,		
	2023	2024	2025
		(RMB in thousands)	
Raw materials	64,683	41,444	54,252
Finished goods	23,375	18,448	71,800
Work in progress	4,835	5,627	8,825
Contract fulfillment assets	3,327	879	671
Less: provision for impairment losses on inventories	(10,440)	(12,855)	(12,205)
Total	**85,780**	**53,543**	**123,343**

Our inventories decreased from RMB85.8 million as of December 31, 2023 to RMB53.5 million as of December 31, 2024, primarily due to (i) a decrease in raw materials as shorter supplier lead times and increased production capacity allowed us to reduce safety stock levels; (ii) a decrease in finished goods driven by higher delivery of products in response to customer demand; and (iii) an increase in the provision for impairment losses on inventories following the write-down of certain slow-moving items. Our inventories increased to RMB123.3 million as of December 31, 2025, primarily due to (i) an increase in finished goods, primarily comprising NBS, ESC and NBC products, driven by customer order demand and production planning; and (ii) an increase in raw materials, driven by higher inventory levels maintained to support production needs associated with business growth.

The following table sets forth the number of our inventories turnover days for the periods indicated:

	Year ended December 31,		
	2023	2024	2025
Inventories turnover days [(1)]	128	85	69

Note:

(1) Inventories turnover days for a period equals the average of the opening and closing inventories (excluding provision for impairment) divided by cost of sales for the same period and multiplied by 365 days for a full-year period.

Our inventories turnover days decreased from 128 days in 2023 to 85 days in 2024 and subsequently decreased 69 days in 2025, primarily due to more efficient procurement planning, optimized inventory control processes and increased market demand for our products, which accelerated sales and shortened the inventory turnover cycle and generally in line with our business growth.

As of February 28, 2026, RMB114.7 million, or 84.6% of our inventories as of December 31, 2025, had been used, consumed or sold.

Trade and Bills Receivables

Our trade and bills receivables primarily represent (i) trade receivables in relation to our ordinary course of business and (ii) bills receivables at fair value through other comprehensive income. The following table sets forth the details of our trade and bills receivables as of the dates indicated:

	As of December 31,		
	2023	2024	2025
		(RMB in thousands)	
Trade receivables and commercial bills:			
Trade Receivables	182,643	247,835	261,134
Commercial bills	660	—	—
Impairment losses	(4,342)	(11,345)	(9,765)
Net carrying amount	178,961	236,490	251,369
Bills receivables:			
Bills receivables at fair value through other comprehensive income	44,150	29,219	102,875
Bills receivables at amortised cost	1,306	18,988	30,194
Net carrying amount	45,456	48,207	133,069
Total	**224,417**	**284,697**	**384,438**

Our trade and bills receivables increased from RMB224.4 million as of December 31, 2023 to RMB284.7 million as of December 31, 2024, primarily due to an increase in trade receivables resulting from increased sales to existing and new customers. Our trade and bills receivables increased to RMB384.4 million as of December 31, 2025, primarily due to (i) an increase in trade receivables driven by increased sales and the related timing of collections; and (ii) an increase in bills receivables driven by changes in the credit terms and settlement arrangements of certain customers, including increased settlement through bank acceptance bills.

During the Track Record Period, all of our trade and bills receivables were aged within one year.

The following table sets forth the number of our trade and bills receivables turnover days for the years indicated:

	Year ended December 31,		
	2023	2024	2025
Trade and bills receivables turnover days[(1)]	300	245	205

Note:

(1) Trade and bills receivables turnover days for a period equals the average of the opening and closing trade and bills receivables (excluding impairment) divided by revenue for the same period and multiplied by 365 days for a full-year period.

Our trade and bills receivables turnover days decreased from 300 days in 2023 to 245 days in 2024 and further decreased to 205 days in 2025, primarily due to enhanced collection efforts, including closer monitoring of aging, improved internal billing and milestone management, and better

coordination among our sales, operations and finance teams to address documentation alignment and other administrative matters promptly. These initiatives improved the efficiency and predictability of our collection process, contributing to the reduction in turnover days.

Credit terms granted to our customers are generally determined through commercial negotiation taking into account factors such as order size, customer relationship and payment history. Our standard terms typically comprise an initial credit period of one to three months, followed by settlement generally through bank acceptance bills with maturities of six months. On the supplier side, we procure raw materials and components under contracts with negotiated settlement arrangements and credit periods based on factors such as purchase volume, length of relationship and market practice, and we settle in accordance with the agreed contractual terms.

The relatively long trade and bills receivables turnover days in 2023 was mainly driven by a higher proportion of sales to an OEM with payment terms involving an initial three-month credit period followed by settlement through six-month bank acceptance bills, resulting in a longer collection cycle. During the development of new vehicle models involving larger orders, the collection cycle was further extended by case-specific delays of approximately one to two months on certain bank acceptance bills. These arrangements were consistent with our normal practices for such customers, and the delays were case-specific rather than indicative of broader trends.

Our cash conversion cycle was 253 days, 173 days and 129 days in 2023, 2024 and 2025, respectively. The decrease in our cash conversion cycle during the Track Record Period was primarily attributable to decreases in trade and bills receivables turnover days and inventories turnover days, partially offset by a decrease in trade and bills payables turnover days. Trade and bills receivables turnover days decreased from 300 days in 2023 to 245 days in 2024 and further to 205 days in 2025, while inventories turnover days decreased from 128 days in 2023 to 85 days in 2024 and further to 69 days in 2025. Trade and bills payables turnover days decreased from 175 days in 2023 to 157 days in 2024 and further to 145 days in 2025.

Beginning in 2024, we implemented measures to enhance collections and improve inventory management, including defining clearer credit limits and terms, linking collection performance to sales incentives, enhancing monitoring of receivables aging, streamlining billing and milestone processes, and strengthening procurement planning and inventory control to better align purchasing with demand. These measures contributed to the improvement in our trade and bills receivables turnover and inventories turnover during the Track Record Period.

As of February 28, 2026, RMB198.4 million, or 76.0% of our trade receivables as of December 31, 2025, had been settled.

As of February 28, 2026, RMB99.7 million, or 74.9% of our bills receivables as of December 31, 2025, had been settled.

Financial Investments at Fair Value Through Profit or Loss

Our financial investments at fair value through profit or loss consist of structured deposits. Our financial investments at fair value through profit or loss increased from RMB170.5 million as of December 31, 2023 to RMB394.6 million as of December 31, 2024, primarily due to purchase of

additional structured deposits. Our financial investments at fair value through profit or loss decreased to RMB263.4 million as of December 31, 2025, primarily due to the redemption of certain structured deposits to fund capital expenditures and operational needs.

To monitor and control investment risks associated with our financial product portfolio, we have adopted a comprehensive investment policy and internal control procedures. We apply a low-risk strategy that ensures compliance with applicable laws, regulations, and our Articles of Association. Pre-investment processes are managed by relevant business departments, which conduct market research, financial analysis, and feasibility assessments. Significant projects undergo expert review and, where necessary, evaluation by independent intermediaries engaged by the Board or our Shareholders. Investment proposals are submitted in writing and require approval by the appropriate authority, including the Board for major projects. Upon approval, investments are executed under continuous supervision, with budget monitoring and funding plans prepared by the finance department and contracts reviewed by the legal department.

We manage risks through regular evaluations of investment performance, fair value, and profitability, with corrective actions promptly reported and any adjustments or terminations subject to formal decision-making procedures, including Shareholders' approval for material changes to investment projects. Our finance and business departments possess expertise in market analysis, financial modeling, risk assessment, and performance evaluation to support informed decision-making aligned with our low-risk approach. The Board provides oversight by approving significant investments, engaging external experts when necessary, and updating policies to reflect regulatory changes. After the **[REDACTED]**, our investments in financial assets will be subject to compliance with Chapter 14 of the Listing Rules.

Cash and cash equivalents

Our cash and cash equivalents were RMB115.5 million, RMB165.6 million and RMB148.6 million, respectively, as of December 31, 2023, 2024 and 2025. See "— Liquidity and Capital Resources — Cash Flow."

Trade and Bills Payables

Our trade and bills payables primarily consisted of trade payables and bills payables, primarily representing our obligations to settle purchases of goods and services from suppliers in the ordinary course of business. Our trade and bills payables are non-interest-bearing and are typically settled within one year after the invoice date.

Our trade and bills payables increased from RMB110.9 million as of December 31, 2023 to RMB188.6 million as of December 31, 2024, primarily due to higher procurement of raw materials to support increased production volume and a greater use of bank acceptance notes for supplier settlements. Our trade and bills payables increased to RMB234.3 million as of December 31, 2025, primarily due to higher outstanding payables arising from increased procurement in line with our business growth, as well as changes in settlement timing and supplier credit terms in the ordinary course of business.

The following table sets forth an aging analysis of our trade and bills payables as of the dates indicated:

	As of December 31,		
	2023	2024	2025
		(RMB in thousands)	
Within 1 year	110,874	188,563	234,261

The following table sets forth the number of our trade and bills payables turnover days for the years indicated:

	Year ended December 31,		
	2023	2024	2025
Trade and bills payables turnover days [(1)]	175	157	145

Note:

(1) Trade and bills payables turnover days for a period equals the average of the opening and closing trade payables divided by cost of sales for the same period and multiplied by 365 days for a full-year period.

Our trade and bills payables turnover days decreased from 175 days in 2023 to 157 days in 2024, and further decreased to 145 days in 2025, primarily due to changes in our supplier settlement arrangements, including a greater use of bank acceptance notes for settlement, as well as changes in settlement timing and payment arrangements with suppliers in the ordinary course of business.

As of February 28, 2026, RMB137.5 million, or 58.7% of our trade and bills payables as of December 31, 2025, had been settled.

Other Payables and Accruals

Our other payables and accruals mainly include (i) payroll and welfare payable; and (ii) payable for purchase of items of properties and equipment. The following table sets forth the details of our other payables and accruals as of the dates indicated:

	As of December 31,		
	2023	2024	2025
		(RMB in thousands)	
Payroll and welfare payable	13,836	14,074	16,264
Payable for purchase of items of properties and equipment	10,868	25,355	28,697
Accrual expense	2,309	3,648	763
Other tax payables	1,880	9,551	3,791
[REDACTED]	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Others	2,625	3,556	3,702
Total	**31,518**	**56,184**	**53,435**

Our other payables and accruals increased from RMB31.5 million as of December 31, 2023 to RMB56.2 million as of December 31, 2024, primarily due to (i) an increase in payables for purchase of items of PPE resulting from procurement of equipment for new production line expansion; and (ii) an increase in other tax payables resulting from higher VAT and related surcharges arising from increased business volume. Our other payables and accruals subsequently decreased to RMB53.4 million as of December 31, 2025, primarily due to (i) a decrease in other tax payables driven by lower value-added tax payable, mainly as a result of increased input value-added tax credits; and (ii) a decrease in accrued expenses, mainly reflecting lower accrued finance-related consulting fees in 2025.

As of February 28, 2026, RMB30.5 million, or 57.0% of our other payables and accruals as of December 31, 2025, had been settled.

Deferred Income

Our deferred income mainly consists of government grants, including asset-related grants. Our deferred income decreased from RMB31.9 million as of December 31, 2023 to RMB27.1 million as of December 31, 2024, primarily due to the systematic amortization of asset-related grants and recognition of other grants in profit or loss. Our deferred income increased to RMB53.3 million as of December 31, 2025, primarily due to the receipt of significant new government subsidies, including a Free Trade Zone special subsidy.

Redemption Liabilities

Our redemption liabilities mainly consist of financial liabilities associated with certain shares bearing redemption rights. Our redemption liabilities increased from RMB1,309.9 million as of December 31, 2023 to RMB1,689.1 million as of December 31, 2024, and further increased to RMB1,901.6 million as of December 31, 2025. The increases were primarily due to the accretion of the carrying amount toward the contractual redemption amount in accordance with applicable accounting standards. These changes are accounting in nature and do not involve any cash outflows unless and until redemption occurs.

LIQUIDITY AND CAPITAL RESOURCES

During the Track Record Period and up to the Latest Practicable Date, we had funded our cash requirements principally from cash generated from operations, banking facilities available, and equity and debt financing. After the **[REDACTED]**, we intend to finance our future capital requirements through cash generated from our business operations, banking facilities available and the net **[REDACTED]** from the **[REDACTED]**. We currently do not anticipate any changes to the availability of financing to fund our operations in the near future. We had cash and cash equivalents of RMB115.5 million, RMB165.6 million and RMB148.6 million, as of December 31, 2023, 2024 and 2025, respectively.

Current Assets and Liabilities

The following table sets forth a breakdown of our current assets and liabilities as of the dates indicated:

	As of December 31,			As of February 28,
	2023	2024	2025	2026
	(RMB in thousands)			
Current assets				
Inventories	85,780	53,543	123,343	138,745
Trade and bills receivables	224,417	284,697	384,438	355,107
Financial assets at fair value through profit or loss	170,485	394,573	263,417	150,527
Prepayments, other receivables and other assets	9,617	4,011	18,622	40,211
Tax recoverable	—	—	17	17
Time deposits	—	—	10,312	—
Cash and cash equivalents	115,463	165,596	148,601	185,297
Total current assets	**605,762**	**902,420**	**948,750**	**869,904**
Current liabilities				
Trade and bills payables	110,874	188,563	234,261	206,111
Other payables and accruals	31,518	56,184	53,435	46,186
Contract liabilities	1,195	3,052	2,164	1,405
Due to related companies	2,570	1,844	6,512	4,939
Interest-bearing bank and other borrowings	1,001	9,069	1,001	1,005
Lease liabilities	10,343	5,903	10,044	10,071
Deferred income	6,392	5,513	6,303	7,644
Provisions	2,781	4,300	16,327	16,327
Redemption liabilities	1,309,856	1,689,093	1,901,582	1,924,409
Total current liabilities	**1,476,530**	**1,963,521**	**2,231,629**	**2,218,097**
Net current liabilities	**(870,768)**	**(1,061,101)**	**(1,282,879)**	**(1,348,193)**

Our net current liabilities increased from RMB1,282.9 million as of December 31, 2025 to RMB1,348.2 million as of February 28, 2026, primarily due to (i) an increase in redemption liabilities as a result of accretion toward the contractual redemption amount, and (ii) a decrease in financial investments at fair value through profit or loss, primarily due to the redemption of certain structured deposits to fund capital expenditures and operational needs, partially offset by a decrease in trade and bills payables as certain payables were settled in the ordinary course of business.

Our net current liabilities increased from RMB1,061.1 million as of December 31, 2024 to RMB1,282.9 million as of December 31, 2025, primarily due to (i) an increase in redemption liabilities as a result of accretion toward the contractual redemption amount and additional financing activities, and (ii) an increase in trade and bills payables due to higher raw material procurement, partially offset by an increase in trade and bills receivables in line with sales growth.

Our net current liabilities increased from RMB870.8 million as of December 31, 2023 to RMB1,061.1 million as of December 31, 2024, primarily due to (i) an increase in redemption liabilities due to accretion toward the contractual redemption amount, and (ii) an increase in trade and bills

payables due to higher procurement of raw materials, partially offset by an increase in trade and bills receivables in line with the growth in sales, and an increase in financial assets at fair value through profit or loss resulting from purchase of additional structured deposits.

Upon **[REDACTED]**, the redemption liabilities will be reclassified from liabilities to equity following the termination of the Company's redemption obligation, and as a result, our net liabilities position will turn into a net assets position. For further details of our redemption liabilities, see Note 29 to the Accountants' Report in Appendix I to this document.

We intend to further improve our net current liabilities position through various measures, for example: (i) continuing to closely monitor our liquidity position to ensure that it remains aligned with our business operations and expansion plans; (ii) improving our trade payables management by negotiating more favorable credit terms and extended payment cycles with suppliers as our bargaining power strengthens with business growth; and (iii) enhancing our trade receivables management by implementing effective evaluation systems and stringent collection measures to maintain robust and timely collection of receivables.

Cash Flow

The following table sets forth our cash flows for the periods indicated:

	Year ended December 31,		
	2023	**2024**	**2025**
		(RMB in thousands)	
Net cash (used in)/from operating activities	(88,875)	25,338	(164,614)
Net cash flows from/(used in) investing activities	5,776	(254,590)	52,127
Net cash (used in)/from financing activities	(9,037)	279,055	96,044
Net (decrease)/increase in cash and cash equivalents	(92,136)	49,803	(16,443)
Cash and cash equivalents at the beginning of the year	207,101	115,463	165,596
Effect of foreign exchange rate changes, net	498	330	(552)
Cash and cash equivalents at the end of the year	**115,463**	**165,596**	**148,601**

Net Cash from/(Used in) Operating Activities

In 2025, the net cash used in operating activities was RMB164.6 million, which was primarily attributable to our loss before tax of RMB189.5 million, as adjusted by (i) financial costs associated with redemption liabilities of RMB130.6 million and depreciation of property, plant and equipment of RMB22.2 million; and (ii) changes in working capital, which primarily comprised an increase in trade and bills receivables of RMB106.2 million, an increase in inventories of RMB71.0 million, partially offset by an increase in trade and bills payables of RMB45.7 million.

In 2024, the net cash generated from operating activities was RMB25.3 million, which was primarily attributable to our loss before tax of RMB169.5 million, as adjusted by (i) financial costs associated with redemption liabilities of RMB99.2 million and depreciation of property, plant and

equipment of RMB20.1 million; and (ii) changes in working capital, which primarily comprised an increase in trade and bills payables of RMB77.7 million and a decrease in inventories of RMB28.4 million, partially offset by an increase in trade and bills receivables of RMB67.3 million.

In 2023, the net cash used in operating activities was RMB88.9 million, which was primarily attributable to our loss before tax of RMB200.8 million, as adjusted by (i) financial costs associated with redemption liabilities of RMB89.3 million, depreciation of property, plant and equipment of RMB17.1 million and write-down of inventories to net realizable value of RMB10.0 million; and (ii) changes in working capital, which primarily comprised a decrease in trade and bills payables of RMB36.4 million and an increase in trade and bills receivables of RMB11.1 million, partially offset by a decrease in pledged deposits of RMB41.7 million.

Net Cash from/(Used in) Investing Activities

In 2025, net cash generated from investing activities was RMB52.1 million, which was primarily attributable to disposal of financial investments at fair value through profit or loss of RMB1,846.2 million, partially offset by (i) acquisition of financial investments at fair value through profit or loss of RMB1,710.0 million; and (ii) purchases of items of property, plant and equipment of RMB109.6 million.

In 2024, net cash used in investing activities was RMB254.6 million, which was primarily attributable to acquisition of financial investments at fair value through profit or loss of RMB754.9 million, partially offset by disposal of financial investments at fair value through profit or loss of RMB534.0 million.

In 2023, net cash used in investing activities was RMB5.8 million, which was primarily attributable to disposal of financial investments at fair value through profit or loss of RMB834.9 million, partially offset by acquisition of financial investments at fair value through profit or loss of RMB810.0 million and purchases of items of property, plant and equipment of RMB40.5 million.

Net Cash from/(Used in) Financing Activities

In 2025, net cash flows from financing activities were RMB96.0 million, which was primarily attributable to capital injection from the Company's shareholders of RMB102.8 million, partially offset by payment of lease liabilities of RMB3.3 million.

In 2024, net cash flows from financing activities were RMB279.1 million, which was primarily attributable to (i) capital paid in/issues of shares of RMB285.3 million; and (ii) new interest bearing bank and other borrowings of RMB9.1 million, partially offset by payment of lease liabilities of RMB11.1 million.

In 2023, net cash flows used in financing activities were RMB9.0 million, which was primarily attributable to (i) payment of lease liabilities of RMB4.5 million; and (ii) repayment of interest-bearing bank and other borrowings of RMB5.0 million, partially offset by new interest-bearing bank and other borrowings of RMB1.0 million.

Liquidity Management Framework

To maintain a robust liquidity position and meet our working capital requirements, we have established a comprehensive liquidity management framework designed to ensure effective implementation of the following measures:

(i) Our financial department prepares periodic cash flow forecasts, factoring in anticipated invoice settlements and operating expenses. These forecasts are subject to our management's review and approval. We maintain an adequate level of cash and cash equivalents, as determined by the management, to support operations and mitigate volatility in cash flows. See Note 40 to the Accountants' Report in Appendix I to this document.

(ii) We continuously assess both short-term and long-term liquidity positions by evaluating working capital sufficiency and the utilization of available banking facilities. Our financial department is responsible for preparing annual cash flow projections for review and approval.

(iii) We have implemented formal budgeting policies and procedures to strengthen oversight of cash flow management and ensure disciplined financing planning.

(iv) We prepare an annual budget that includes projected cash receipts and payments from operating activities, business expansion plans, capital expenditures, tax obligations and dividend distributions.

(v) We maintain contingency funding plans to address unexpected liquidity needs, such as stress testing under adverse scenarios. This ensures resilience against market disruptions and operational risks.

(vi) Our ability to access bank borrowings provides flexibility to optimize our capital structure and maintain strong liquidity reserves.

(vii) To optimize liquidity and enhance returns, we regularly review our structured deposit conditions in response to changing market. Our financial department and management jointly identify suitable deposit products, ensuring compliance with internal approval processes and alignment with operational objectives.

Our Directors believe that an effective liquidity management framework allows us to deploy capital more efficiently, thereby reducing overall liquidity risk and enhancing the effectiveness of capital utilization.

INDEBTEDNESS

The following table sets forth the breakdown of our indebtedness as of the dates indicated:

	As of December 31,			As of February 28,
	2023	2024	2025	2026
	(RMB in thousands)			
Current				
Interest-bearing bank and other borrowings	1,001	9,069	1,001	1,005
Lease liabilities	10,343	5,903	10,044	10,071
Redemption liabilities	1,309,856	1,689,093	1,901,582	1,924,409
Non-current				
Lease liabilities	2,328	—	3,658	2,912
Total	**1,323,528**	**1,704,065**	**1,916,285**	**1,938,397**

Our Directors confirmed that there has not been any material change in our indebtedness since December 31, 2025 to the date of this document. As of the Latest Practicable Date, there was no material restrictive covenant in our indebtedness which could significantly limit our ability to obtain future financing, nor was there any material default on our indebtedness or breach of covenant during the Track Record Period and up to the Latest Practicable Date. As of the Latest Practicable Date, except for bank loans, we did not have plans for other material external debt financing.

Interest-Bearing Bank Borrowings

As of December 31, 2023, 2024 and 2025 and February 28, 2026, we had interest-bearing bank borrowings of RMB1.0 million, RMB9.1 million, RMB1.0 million and RMB1.0 million, respectively. For more details, see Note 26 to the Accountants' Report in this document. The effective interest rate on our bank loans ranged from 0.8% to 2.95% during the Track Record Period. As of February 28, 2026, our committed unutilized banking facilities amounted to RMB30.0 million.

Our Directors have confirmed that our bank borrowings contain standard terms, conditions and covenants that are customary for commercial bank borrowings in China. Our Directors also have confirmed that we did not experience any difficulty in obtaining bank loans or other borrowings, default in payment of bank loans or other borrowings or breach of covenants during the Track Record Period and up to the Latest Practicable Date.

Lease Liabilities

Our lease liabilities are related to lease contracts for various buildings used in our operations, which typically have lease terms of one to three years. Our lease liabilities decreased from RMB12.7 million as of December 31, 2023 to RMB5.9 million as of December 31, 2024, primarily due to reclassification of a portion of lease liabilities from non-current to current as the remaining lease term shortened. Our lease liabilities subsequently increased to RMB13.7 million as of December 31, 2025, primarily due to the recognition of new lease liabilities following the renewal of our Shanghai office lease.

Indebtedness Statement

Except as disclosed above, as of February 28, 2026, being the latest practicable date for determining our indebtedness, we did not have any outstanding mortgages, charges, debentures, other issued debt capital, bank overdrafts, borrowings, liabilities under acceptance or other similar indebtedness, hire purchase commitments, guarantees or other material contingent liabilities. Our Directors have confirmed that there is no material change in our indebtedness since February 28, 2026 and up to the Latest Practicable Date.

CONTINGENT LIABILITIES

During the Track Record Period, we were named as a defendant in five lawsuits filed by a party alleging that we infringed its intellectual property in Mainland China. After considering advice from our Group's legal counsel, our Directors believe that we have a valid and merit defense against the allegation and, accordingly, our Group has not provided for any claim arising from four of the five lawsuits, other than the related legal and other costs.

KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios for the periods indicated:

	For the year ended/As of December 31,		
	2023	2024	2025
Revenue growth	25.1	43.5	57.3
Current ratio[(1)]	0.4	0.5	0.4
Quick ratio[(2)]	0.4	0.4	0.4

Notes:

(1) Current ratio equals current assets divided by current liabilities as of the end of the period.

(2) Quick ratio equals current assets less inventories and divided by current liabilities as of the end of the period.

CAPITAL COMMITMENTS

During the Track Record Period, our capital commitments were contracted but unprovided commitments for properties, plant and equipment. As of December 31, 2023, 2024 and 2025, the total amount of our capital commitments was RMB64.7 million, RMB31.5 million and RMB94.5 million, respectively. See Note 35 to the Accountants' Report in Appendix I to this document.

CAPITAL EXPENDITURES

Our capital expenditures during the Track Record Period were primarily related to purchases of items of property, plant and equipment and intangible assets. The following table sets forth the details of our capital expenditures for the periods indicated:

	As of December 31,		
	2023	2024	2025
		(RMB in thousands)	
Purchases of items of property, plant and equipment	37,610	30,316	111,321
Purchase of intangible assets	78	78	87
Total	**37,688**	**30,394**	**111,408**

We funded our capital expenditure requirements during the Track Record Period mainly from equity financing. We intend to fund our future capital expenditures and long-term investments with a combination of operating cashflow, equity and debt financing and net **[REDACTED]** received from the **[REDACTED]**. See "Future Plans and Use of **[REDACTED]**." We may reallocate the fund to be utilized on capital expenditure based on our ongoing business needs.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, we did not have any off-balance sheet arrangements.

MATERIAL RELATED PARTY TRANSACTIONS

For details about our related party transactions during the Track Record Period, see Note 36 of Appendix I to this Document. Our Directors believe that our transactions with related parties during the Track Record Period were conducted on an arm's length basis, and they did not distort our results of operations or make our historical results not reflective of our future performance.

FINANCIAL RISK DISCLOSURE

See Note 40 of Appendix I to this Document.

DIVIDENDS AND DIVIDEND POLICY

No dividend was paid or declared by our Company since its date of incorporation and up to the end of the Track Record Period. We have not set any pre-determined dividend payout ratio.

The determination of whether to pay a dividend and in which amount is based on factors the Board may deem relevant. Any dividend distribution will also be subject to the approval of the Shareholders in a Shareholders' meeting. Under PRC law and the Articles of Association, the general reserve requires annual appropriations of 10% of after-tax profits at each year-end until the balance reaches 50% of the relevant PRC entity's registered capital. In view of our accumulated losses, as advised by our PRC Legal Advisors, according to the relevant PRC laws and regulations and the

Articles of Association, we shall not declare or pay dividend until the accumulated losses are covered by our after-tax profits and sufficient statutory common reserve are drawn in accordance with the relevant laws and regulations.

WORKING CAPITAL CONFIRMATION

Taking into account the financial resources available to us, including our cash and cash equivalents on hand, the available banking facilities and the estimated net **[REDACTED]** from the **[REDACTED]**, our directors are of the view that we have sufficient working capital to meet our present requirements and for the next 12 months from the date of this document.

DISTRIBUTABLE RESERVES

As of December 31, 2025, we did not have any distributable reserves.

[REDACTED]

[REDACTED] represent professional fees, **[REDACTED]** and other fees incurred in connection with the **[REDACTED]**. We estimate that our **[REDACTED]** will be approximately HK$**[REDACTED]** million (assuming the **[REDACTED]** are not exercised and based on the **[REDACTED]** of HK$**[REDACTED]**), which accounts for approximately **[REDACTED]**% of the gross **[REDACTED]** from the **[REDACTED]**. We estimate the **[REDACTED]** to consist of approximately HK$**[REDACTED]** million in **[REDACTED]** and HK$**[REDACTED]** million in **[REDACTED]** (which consist of fees and expenses of legal advisors and our Reporting Accountant of approximately HK$**[REDACTED]** million and other fees and expenses of approximately HK$**[REDACTED]** million). Among the total **[REDACTED]**, approximately HK$**[REDACTED]** million will be directly attributable to the **[REDACTED]** of our Shares, which will be deducted from equity upon the completion of the **[REDACTED]**, and the remaining approximately HK$**[REDACTED]** million will be expensed upon the **[REDACTED]**.

UNAUDITED [REDACTED] STATEMENT OF ADJUSTED NET TANGIBLE ASSETS

For details, see Appendix II to this Document.

NO MATERIAL ADVERSE CHANGE

After performing sufficient due diligence work which our Directors consider appropriate and after due and careful consideration, the Directors confirm that, up to the date of this document, there has been no material adverse change in our financial or trading position or prospects since December 31, 2025, being the end date of the periods reported in Appendix I to this Document, and there is no event since December 31, 2025 that would materially affect the information as set out in the Accountant's Report in Appendix I to this Document.

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors confirm that, except as otherwise disclosed in this document, as of the Latest Practicable Date, there was no circumstance that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

FUTURE PLANS

See "Business — Our Strategies" in this Document for a detailed description of our future plans.

USE OF [REDACTED]

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

- Approximately **[REDACTED]**% of the net **[REDACTED]**, or HK$**[REDACTED]** million, will be used over the next five years to strengthen our research and development capabilities and further expand our solutions portfolio. With the growing trend of vehicle intelligence, the market for intelligent driving motion control technologies is expected to experience rapid growth. According to CIC, in terms of revenue, the global X-by-wire solutions market grew from RMB108.8 billion in 2020 to RMB263.9 billion in 2024 and is projected to reach RMB621.7 billion by 2030, representing a CAGR of 15.4% from 2024 to 2030. In China, the market expanded from RMB22.4 billion in 2020 to RMB75.2 billion in 2024 and is expected to reach RMB222.8 billion by 2030, with a CAGR of 19.8% from 2024 to 2030. In response to this trend, we plan to increase our R&D investment in advanced intelligent driving motion control technologies to develop innovative solutions and upgrade existing solutions, addressing emerging market needs and reinforcing our competitive position. In particular:

  - Approximately **[REDACTED]**% of the net **[REDACTED]**, or HK$**[REDACTED]** million, will be used for R&D of cutting-edge technologies and development of new solutions in the intelligent chassis field. Specifically, we plan to enhance our technology reserves and solutions development in EMB, steer-by-wire, motion control unit, robotic motion control and low-altitude aircraft motion control, building an integrated technology platform for intelligent chassis and extending our R&D capabilities across multiple application scenarios to secure a first-mover advantage in next-generation intelligent motion control solutions.

  - Approximately **[REDACTED]**% of the net **[REDACTED]**, or HK$**[REDACTED]** million, will be used to enhance and upgrade our existing solutions through ongoing research and development, focusing on improving architecture, optimizing control strategies, accelerating software updates and strengthening key solutions features. We also aim to improve performance in areas such as compatibility with vehicle electronic architectures, cost efficiency, solutions compactness and lightweight design, as well as intelligent application scenarios, to further increase the market share of our current solutions.

- Approximately **[REDACTED]**% of the net **[REDACTED]**, or HK$**[REDACTED]** million, will be used over the next three years to expand and upgrade our production and manufacturing capabilities, thereby enhancing our delivery capabilities. We plan to purchase customized automated production lines and related facilities with higher levels of automation, modular design, advanced error-proofing systems, optimized production processes, enhanced digitalization and comprehensive traceability systems. These investments will enable us to improve the level of

intelligent automation in our manufacturing processes, strengthen digital operations management and enhance our ability to deliver solutions efficiently and with consistent quality. The following table provides an overview of our facility expansion plans, including key implementation details:

Solution	Expected Investment Commencement Date	Expected Increase in Production Capacity
		(units)
NBC	First new planned production line: second half of 2026 Second new planned production line: second half of 2027	480,000 (combined)
ESC	2027	270,000
EMB	second half of 2026	160,000

- Approximately **[REDACTED]**% of the net **[REDACTED]**, or HK$**[REDACTED]** million, will be used over the next five years to enhance our services and raise our brand recognition internationally. We plan to establish a global service and marketing network, recruit a marketing team with international vision and industry experience, and participate in major global industry events and technology conferences to increase our brand awareness, broaden customer coverage and accelerate the globalization of our business. In addition, we intend to develop deep strategic collaborations with leading technology companies and key component suppliers to build a robust technology moat, enhance supply chain resilience and drive technological innovation and cost optimization.

- Approximately **[REDACTED]**% of the net **[REDACTED]**, or HK$**[REDACTED]** million, will be used for working capital and other general corporate purposes.

In the event that the **[REDACTED]** is set at the maximum **[REDACTED]** or the minimum **[REDACTED]** of the **[REDACTED]**, the net **[REDACTED]** of the **[REDACTED]** will increase or decrease by approximately HK$**[REDACTED]** million, respectively. To the extent that the net **[REDACTED]** from the **[REDACTED]** (including the net **[REDACTED]** from the exercise of the **[REDACTED]**) are either more or less than expected, we will adjust our allocation of the net **[REDACTED]** for the above purposes on a pro rata basis.

We do not expect to rely on the net **[REDACTED]** of the **[REDACTED]** to carry on our ordinary business operations. To the extent that the net **[REDACTED]** of the **[REDACTED]** are not sufficient to fund our development plan, we intend to fund the shortfall through a variety of means, including **[REDACTED]** from banking facilities and cash generated from operation.

To the extent that the net **[REDACTED]** of the **[REDACTED]** are not immediately used for the above purposes, we may deposit such funds into short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Futures Ordinance or the applicable laws and regulations in other jurisdictions) for so long as it is deemed to be in the best interests of our Company. In such event, we will comply with the appropriate disclosure requirements under the Listing Rules. We will issue an appropriate announcement if there is any material change to the above proposed use of **[REDACTED]**.

[REDACTED]

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ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF NASN INTELLIGENT TECH (ZHEJIANG) CO., LTD., HAITONG INTERNATIONAL CAPITAL LIMITED AND BOCI ASIA LIMITED

Introduction

We report on the historical financial information of NASN Intelligent Tech (Zhejiang) Co., Ltd. (the "**Company**") and its subsidiaries (together, the "**Group**") set out on pages I-[•] to I-[•], which comprises the consolidated statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group for each of the years ended 31 December 2023, 2024 and 2025 (the "**Relevant Periods**"), and the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2023, 2024 and 2025 and material accounting policy information and other explanatory information (together, the "**Historical Financial Information**"). The Historical Financial Information set out on pages I-[•] to I-[•] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated **[REDACTED]** (the "**Document**") in connection with the initial **[REDACTED]** of the shares of the Company on the **[REDACTED]** of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 *Accountants' Reports on Historical Financial Information in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information, in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the financial position of the Group and the Company as at 31 December 2023, 2024 and 2025 and of the financial performance and cash flows of the Group for each of the Relevant Periods in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-[•] have been made.

Dividends

We refer to note 11 to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Relevant Periods.

Certified Public Accountants
Hong Kong
[REDACTED]

I HISTORICAL FINANCIAL INFORMATION

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The financial statements of the Group for the Relevant Periods, on which the Historical Financial Information is based, were audited by Ernst & Young in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the "**Underlying Financial Statements**").

The Historical Financial Information is presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended 31 December		
	Notes	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
REVENUE	*5*	272,217	390,737	614,506
Cost of sales		(269,104)	(348,807)	(530,891)
Gross profit		3,113	41,930	83,615
Other income and gains	*5*	26,958	20,946	26,441
Selling and marketing expenses		(4,824)	(5,326)	(14,248)
Administrative expenses		(40,270)	(32,571)	(62,379)
Research and development expenses		(96,547)	(87,580)	(82,959)
Fair value gains on financial investments at fair value through profit or loss		485	673	717
Reversal/(provision) of impairment on financial assets, net		1,305	(7,003)	1,580
Other expenses		(803)	(701)	(11,231)
Finance costs	*7*	(902)	(652)	(502)
Financial costs associated with redemption liabilities	*6*	(89,338)	(99,237)	(130,558)
LOSS BEFORE TAX	**6**	**(200,823)**	**(169,521)**	**(189,524)**
Income tax expense	*10*	—	—	—
LOSS AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**(200,823)**	**(169,521)**	**(189,524)**
Loss attributable to:				
Owners of the parent		(200,823)	(169,521)	(189,524)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT				
Basic and diluted *(RMB)*	*12*	(9.32)	(7.68)	(5.96)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	As at 31 December		
		2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS				
Property, plant and equipment	*13*	137,391	146,456	235,135
Right-of-use assets	*14*	9,636	6,254	10,069
Intangible assets	*15*	923	395	138
Prepayments, other receivables and other assets	*21*	1,331	12,728	14,395
Time deposits	*22*	—	10,004	10,258
Total non-current assets		**149,281**	**175,837**	**269,995**
CURRENT ASSETS				
Inventories	*18*	85,780	53,543	123,343
Trade and bills receivables	*19*	224,417	284,697	384,438
Financial investments at fair value through profit or loss	*20*	170,485	394,573	263,417
Prepayments, other receivables and other assets	*21*	9,617	4,011	18,622
Tax recoverable		—	—	17
Time deposits	*22*	—	—	10,312
Cash and cash equivalents	*22*	115,463	165,596	148,601
Total current assets		**605,762**	**902,420**	**948,750**
CURRENT LIABILITIES				
Trade and bills payables	*23*	110,874	188,563	234,261
Other payables and accruals	*24*	31,518	56,184	53,435
Contract liabilities	*25*	1,195	3,052	2,164
Due to related companies	*36*	2,570	1,844	6,512
Interest-bearing bank borrowings	*26*	1,001	9,069	1,001
Lease liabilities	*14*	10,343	5,903	10,044
Deferred income	*27*	6,392	5,513	6,303
Provisions	*28*	2,781	4,300	16,327
Redemption liabilities	*29*	1,309,856	1,689,093	1,901,582
Total current liabilities		**1,476,530**	**1,963,521**	**2,231,629**
NET CURRENT LIABILITIES		**(870,768)**	**(1,061,101)**	**(1,282,879)**
TOTAL ASSETS LESS CURRENT LIABILITIES		**(721,487)**	**(885,264)**	**(1,012,884)**
NON-CURRENT LIABILITIES				
Deferred income	*27*	25,545	21,626	47,009
Lease liabilities	*14*	2,328	—	3,658
Total non-current liabilities		**27,873**	**21,626**	**50,667**
Net liabilities		**(749,360)**	**(906,890)**	**(1,063,551)**
EQUITY				
Equity attributable to owners of the parent				
Paid-in capital/share capital	*30*	21,536	29,953	33,587
Reserves	*32*	(770,896)	(936,843)	(1,097,138)
Total deficiency in asset		**(749,360)**	**(906,890)**	**(1,063,551)**

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2023

	Paid-in capital	Capital reserve*	Share-based payment reserve*	Other reserve*	Special reserve*	Accumulated losses*	Total deficiency in asset
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	Note 30	*Note 32*	*Note 32*	*Note 32*	*Note 32*		
As at 1 January 2023	21,536	925,766	22,033	(1,023,601)	169	(484,709)	(538,806)
Loss and other comprehensive income for the year	—	—	—	—	—	(200,823)	(200,823)
Equity-settled share-based payment expense *(note 31)*	—	—	6,068	—	—	—	6,068
Grant of redemption rights to the equity holders *(note 29)*	—	—	—	(15,799)	—	—	(15,799)
Transfer	—	—	—	—	1,211	(1,211)	—
As at 31 December 2023	21,536	925,766	28,101	(1,039,400)	1,380	(686,743)	(749,360)

Year ended 31 December 2024

	Paid-in capital	Capital reserve*	Share-based payment reserve*	Other reserve*	Special reserve*	Accumulated losses*	Total deficiency in asset
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	Note 30	*Note 32*	*Note 32*	*Note 32*	*Note 32*		
As at 1 January 2024	21,536	925,766	28,101	(1,039,400)	1,380	(686,743)	(749,360)
Loss and other comprehensive income for the year	—	—	—	—	—	(169,521)	(169,521)
Equity-settled share-based payment expense *(note 31)*	—	—	9,524	—	—	—	9,524
Shareholders' capital injection	8,417	274,050	—	—	—	—	282,467
Grant of redemption rights to the equity holders *(note 29)*	—	—	—	(280,000)	—	—	(280,000)
Transfer	—	—	—	—	1,662	(1,662)	—
As at 31 December 2024	29,953	1,199,816	37,625	(1,319,400)	3,042	(857,926)	(906,890)

Year ended 31 December 2025

	Paid-in/share capital	Capital reserve*	Share-based payment reserve*	Other reserve*	Special reserve*	Accumulated losses*	Total deficiency in asset
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	Note 30	*Note 32*	*Note 32*	*Note 32*	*Note 32*		
As at 1 January 2025	29,953	1,199,816	37,625	(1,319,400)	3,042	(857,926)	(906,890)
Loss and other comprehensive income for the year	—	—	—	—	—	(189,524)	(189,524)
Equity-settled share-based payment expense *(note 31)*	—	—	12,225	—	—	—	12,225
Capital paid in/shares issued	3,634	98,935	—	—	—	—	102,569
Grant of redemption rights to the shareholders *(note 29)*	—	—	—	(81,931)	—	—	(81,931)
Transfer	—	—	—	—	1,944	(1,944)	—
Conversion into a joint stock company *(note 30)*	—	(405,767)	—	—	—	405,767	—
As at 31 December 2025	33,587	892,984	49,850	(1,401,331)	4,986	(643,627)	(1,063,551)

* These reserve accounts represent the total consolidated debit reserves of RMB770,896,000, RMB936,843,000 and RMB1,097,138,000 in the consolidated statements of financial position as at 31 December 2023, 2024 and 2025, respectively.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Notes	Year ended 31 December		
		2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before tax		(200,823)	(169,521)	(189,524)
Adjustments for:				
Depreciation of property, plant and equipment	*6,13*	17,087	20,060	22,175
Depreciation of right-of-use assets	*6,14*	8,616	7,442	7,080
Amortisation of intangible assets		722	606	344
Write-down of inventories to net realisable value		9,999	3,870	1,162
(Reversal)/provision of impairment on financial assets, net		(1,305)	7,003	(1,580)
Investment income from structured deposits and wealth management products	*5*	(4,620)	(2,519)	(4,346)
Fair value gains on financial investments at fair value through profit or loss		(485)	(673)	(717)
Bank interest income		(2,997)	(2,478)	(2,651)
Finance costs	*7*	902	652	502
Financial costs associated with redemption liabilities	*6,29*	89,338	99,237	130,558
Asset-related government grants and subsidies		(8,356)	(6,392)	(7,991)
Exchange (gain)/loss		(498)	(330)	552
Share-based payments	*6,28*	6,068	9,524	12,225
(Gains)/losses on disposal of items of property, plant and equipment	*5*	(41)	461	288
		(86,393)	(33,058)	(31,923)
(Increase)/decrease in inventories		(5,611)	28,367	(70,962)
Increase in trade and bills receivables		(11,097)	(67,283)	(106,229)
Decrease/(increase) in prepayments and other receivables		8,068	5,606	(11,651)
Decrease in pledged deposits		41,695	—	—
(Decrease)/increase in trade and bills payables		(36,388)	77,689	45,698
(Decrease)/increase in other payables and accruals		(2,203)	10,179	(6,124)
(Decrease)/increase in contract liabilities		(1,446)	1,857	(888)
Increase/(decrease) in amounts due to related companies		1,655	(726)	4,668
Increase in provisions		1,397	1,519	12,027
Cash (used in)/ generated from operations		(90,323)	24,150	(165,384)
Interest received		1,448	1,188	787
Income tax paid		—	—	(17)
Net cash flows (used in)/from operating activities		(88,875)	25,338	(164,614)

	Notes	Year ended 31 December		
		2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of items of property, plant and equipment		(40,486)	(27,226)	(109,646)
Receipt of asset-related government grants		16,799	1,594	34,164
Purchase of intangible assets		(78)	(78)	(87)
Placement of time deposits		—	(10,000)	(9,996)
Proceeds from disposal of items of property, plant and equipment		3,129	730	179
Acquisition of financial investments at fair value through profit or loss		(810,000)	(754,900)	(1,710,000)
Disposal of financial investments at fair value through profit or loss		834,863	534,004	1,846,219
Interest received		1,549	1,286	1,294
Net cash flows from/(used in) investing activities		5,776	(254,590)	52,127
CASH FLOWS FROM FINANCING ACTIVITIES				
Capital paid in/issues of shares	*30*	—	285,338	102,805
Shares issued expenses	*30*	—	(2,871)	(236)
Principal portion of lease liabilities		(4,516)	(11,117)	(3,278)
New interest-bearing bank borrowings		1,000	9,068	1,000
Repayment of interest-bearing bank borrowings		(5,000)	(1,000)	(1,000)
Interest paid		(521)	(363)	(320)
Payment of **[REDACTED]**		—	—	**[REDACTED]**
Net cash flows (used in)/from financing activities		(9,037)	279,055	96,044
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(92,136)	49,803	(16,443)
Cash and cash equivalents at beginning of the year		207,101	115,463	165,596
Effect of foreign exchange rate changes, net		498	330	(552)
CASH AND CASH EQUIVALENTS AT END OF YEAR		115,463	165,596	148,601
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS				
Cash and bank balances	*22*	115,463	175,600	169,171
Less: Time deposits	*22*	—	10,004	20,570
Cash and cash equivalents as stated in the consolidated statements of cash flows		115,463	165,596	148,601

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

	Notes	As at 31 December		
		2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS				
Property, plant and equipment	*13*	33,598	32,783	27,729
Right-of-use assets	*14*	5,576	2,193	6,633
Intangible assets	*15*	441	179	61
Investments in subsidiaries	*16*	60,173	40,392	151,836
Prepayments, other receivables and other assets	*21*	234	11,693	499
Total non-current assets		**100,022**	**87,240**	**186,758**
CURRENT ASSETS				
Inventories	*18*	6,120	1,376	3,682
Trade and bills receivables	*19*	219,652	276,318	369,542
Financial investments at fair value through profit or loss	*20*	170,485	353,440	101,914
Prepayments, deposits and other receivables	*21*	2,765	2,881	4,316
Due from subsidiaries		260,567	180,777	409,907
Cash and cash equivalents	*22*	113,908	101,465	113,680
Total current assets		**773,497**	**916,257**	**1,003,041**
CURRENT LIABILITIES				
Trade and bills payables	*23*	42,441	33,915	18,601
Other payables and accruals	*24*	18,575	26,208	14,582
Contract liabilities	*25*	1,195	3,052	2,164
Due to subsidiaries		112,027	38,286	159,524
Due to related companies		67	5	72
Interest-bearing bank borrowings	*26*	1,001	9,069	1,001
Lease liabilities	*14*	2,897	1,842	2,445
Deferred income	*27*	3,463	2,330	3,137
Provisions	*28*	2,781	4,300	16,327
Redemption liabilities	*29*	1,309,856	1,689,093	1,901,582
Total current liabilities		**1,494,303**	**1,808,100**	**2,119,435**
NET CURRENT LIABILITIES		**(720,806)**	**(891,843)**	**(1,116,394)**
TOTAL ASSETS LESS CURRENT LIABILITIES		**(620,784)**	**(804,603)**	**(929,636)**
NON-CURRENT LIABILITIES				
Deferred income	*27*	4,623	3,886	32,436
Lease liabilities	*14*	2,328	—	3,658
Total non-current liabilities		**6,951**	**3,886**	**36,094**
NET LIABILITIES		**(627,735)**	**(808,489)**	**(965,730)**
EQUITY				
Paid-in capital/share capital	*30*	21,536	29,953	33,587
Reserves	*32*	(649,271)	(838,442)	(999,317)
Total deficiency in asset		**(627,735)**	**(808,489)**	**(965,730)**

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE AND GROUP INFORMATION

Nasn Intelligent Tech (Zhejiang) Co., Ltd. (the "**Company**"), formerly named as Shanghai Nasn Automotive Electronics Co., Ltd., was established as a limited liability company in the People's Republic of China ("**PRC**") on 29 March 2016. The Company was converted into a joint stock company with limited liability on 30 July 2025. The registered office of the Company is located at Floor 3, Building 1, No. 358 Hongxing Road, Economic and Technological Development Zone, Xinjie Street, Xiaoshan District, Hangzhou, Zhejiang, PRC.

During the Relevant Periods, the Company and its subsidiaries (the "**Group**") were involved in the following principal activity:

- Research and development, production and sale of X-by-wire solutions

As at 31 December 2025, the Company had direct or indirect interests in its subsidiaries, all of which are private limited liability companies, the particulars of the Company's principal subsidiaries are set out below:

Name	*Notes*	Place and date of incorporation/ registration and operations	Registered and paid up capital	Percentage of equity attributable to the Company	Principal activities
				Direct	
			'000	*%*	
拿森汽車科技(杭州)有限公司 Hangzhou Nasn Auto Co., Ltd.	*(1)*	PRC/Chinese Mainland/ 29 April 2020	RMB20,000	100	Manufacture and research and development ("**R&D**") of X-by-wire solutions
上海拿森汽車科技有限公司 Shanghai Nasn Auto Technology Co., Ltd.*	*(2)*	PRC/Chinese Mainland/ 23 December 2019	RMB20,000	100	Manufacture and R&D of X-by-wire solutions
拿森汽車科技(嘉興)有限公司 Jiaxing Nasn Auto Co., Ltd.	*(3)*	PRC/Chinese Mainland/ 13 January 2025	RMB20,000	100	Manufacture and R&D of X-by-wire solutions

* The English names of all group companies registered in the PRC represent the best efforts made by the management of the Company to translate the Chinese names of these companies as they do not have official English names.

Notes:

(1) The statutory financial statements of this entity for the years ended 31 December 2023, 2024 and 2025 prepared in accordance with general accepted accounting principles in Chinese mainland were audited by 上海瑞成會計師事務所(普通合夥) (Shanghai Ruicheng Certified Public Accountants (General Partnership)), certified public accountants registered in the Chinese mainland.

(2) The statutory financial statements of this entity for the years ended 31 December 2025 prepared in accordance with general accepted accounting principles in Chinese mainland were audited by 上海瑞成會計師事務所(普通合夥) (Shanghai Ruicheng Certified Public Accountants (General Partnership)), certified public accountants registered in the Chinese mainland.

(3) As at the date of this report, no audited financial statements of this subsidiary has been prepared since this subsidiary was newly established in 2025.

2.1 BASIS OF PREPARATION

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board (the "**IASB**"). All IFRS Accounting Standards effective for the accounting period commencing from 1 January 2025, together with the relevant transitional provisions, have been early adopted by the Group in the preparation of the Historical Financial Information throughout the Relevant Periods.

The Historical Financial Information has been prepared under the historical cost convention, except for structured deposits and wealth management products at fair value through profit or loss and bills receivables at other comprehensive income, which have been measured at fair value.

The Historical Financial Information has been prepared under the going concern basis notwithstanding the fact that, as at 31 December 2025, the Group had net current liabilities of approximately RMB1,282,879,000 and net liabilities of approximately RMB1,063,551,000, which primarily arose from the liabilities recognized for the redemption rights amounting to RMB1,901,582,000 as 31 December 2025 granted to certain existing shareholders. According to the provisions as stipulated in the capital investment agreements entered into between the Company and certain of the Company's existing shareholders, the Company is obliged to fully redeem the Company's share capital from these shareholders when the Company either fails to complete a qualified **[REDACTED]** before 31 December 2027 or upon occurrence of other specific events as set out in notes 29. These rights of redemption will be terminated upon **[REDACTED]** of the Company and the redemption liabilities will then be transferred to equity. The directors are of the opinion that redemption will not be triggered within next twelve months from 31 December 2025. In addition, the Group had unutilised banking facilities of RMB57,269,000 as at 31 December 2025. Having taken into above consideration, and together with the cashflow forecast which covers a period of not less than twelve months from 31 December 2025 prepared by the management of the Group, the directors of the Company are of the opinion that the Group has sufficient financial resources to continue as a going concern for the next twelve months. Accordingly, the directors of the Company consider that it is appropriate to prepare the Historical Financial Information for the Relevant Periods on a going concern basis.

Basis of consolidation

The Historical Financial Information includes the financial statements of the Company and its subsidiaries for the Relevant Periods. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets and liabilities; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

The Group has not applied the following new and amended IFRS Accounting Standards, that have been issued but are not yet effective, in the Historical Financial Information. The Group intends to apply these new and amended IFRS Accounting Standards, if applicable, when they become effective.

Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[1]
Amendments to IFRS 9 and IFRS 7	*Contracts Referencing Nature-dependent Electricity*[1]
IFRS 18	*Presentation and Disclosure in Financial Statements*[2]
IFRS 19 and its amendments	*Subsidiaries without Public Accountability: Disclosures*[2]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
Amendments to IAS 21	*Translation to a Hyperinflationary Presentation Currency*[2]
Annual Improvements to IFRS Accounting Standards — Volume 11	*Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7*[1]

1 Effective for annual periods beginning on or after 1 January 2026
2 Effective for annual/reporting periods beginning on or after 1 January 2027
3 No mandatory effective date yet determined but available for adoption

Further information about those IFRS Accounting Standards that are expected to be applicable to the Group is described below.

IFRS 18 replaces IAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss and other comprehensive income, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss and other comprehensive income into one of five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in IAS 1 are moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as IAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of IFRS 18, limited, but widely applicable, amendments are made to IAS 7 *Statement of Cash Flows*, IAS 33 *Earnings per Share* and IAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other IFRS Accounting Standards. IFRS 18 and the consequential amendments to other IFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The application of IFRS 18 is not expected to have material impact on the financial position of the Group but is expected to affect the presentation of the statement of profit or loss and other comprehensive income and statement of cash flows and additional disclosure will be included in the Historical Financial Information.

The Group is in the process of making an assessment of the impact of other new and amended IFRS Accounting Standards upon initial application. So far, the Group considers that these new and amended IFRS Accounting Standards are unlikely to have a significant impact on the Group's results of operations and financial position.

2.3 MATERIAL ACCOUNTING POLICY INFORMATION

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the Historical Financial Information on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each of the reporting periods as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major

inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Machinery	10% to 32%
Vehicles	10% to 32%
Office equipment and electronic devices	19% to 32%
Leasehold improvements	33% to 75%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is stated at cost less any impairment losses, and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each financial year.

Software

Purchased software is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful life of 3 years, which is mainly determined by reference to the licensed period of the purchased software.

Research and development costs

All research costs are charged to profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Deferred development costs are stated at cost less any impairment losses and are amortised using the straight-line basis over the commercial lives of the underlying products not exceeding five to seven years, commencing from the date when the products are put into commercial production.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Plant and properties	1 to 3 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group

exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment that are considered to be of low value.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("**SPPI**") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair

value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through other comprehensive income (debt instruments)

For debt investments at fair value through other comprehensive income, interest income, foreign exchange revaluation losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

Financial investments at fair value through profit or loss

Financial investments at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or

- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the

transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("**ECLs**") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

Stage 1 — Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 — Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 — Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade and bills receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings, or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and bills payables, other payables and accruals, due to related companies, interest-bearing bank borrowings and redemption liabilities.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost (loans and borrowings, or payables)

After initial recognition, loans and borrowings, or payables are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs the statement of profit or loss.

Redemption liabilities

A contract that contains an obligation to purchase the Group's equity instruments for cash or another financial asset gives rise to a financial liability for the redemption amount, even if the Group's obligations to purchase is conditional on the counterparty exercising a right to redeem. The redemption liability is initially measured at the carrying amount of the redemption amount and subsequently measured at amortised cost as finance cost being included in financial costs associated with redemption liabilities.

The redemption liabilities were classified as current liabilities as some of the redemption events could occur anytime. The carrying amount of the redemption liability will be reclassified to equity upon a termination of the counterparty's redemption right.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short- term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in profit or loss net of any reimbursement.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

The Group provides for warranties in relation to the sale of X-by-wire solutions for general repairs of defects occurring during the warranty period. Provisions for these assurance-type warranties granted by the Group are initially recognised based on sales and past experience of the level of repairs and maintenance. The warranty-related cost is revised annually.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Sale of X-by-wire solutions

Revenue from the sale of X-by-wire solutions is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the products or customer acceptance.

When the consideration in a contract includes an annual discount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Share-based payments

The Company operates a share scheme. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("**equity-settled transactions**"). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value of the granted shares is determined by an external valuer using the equity allocation model, taking into account the recent capital injection price. Further details are set out in note 31 to the Historical Financial Information.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

Other employee benefits

Pension scheme

The employees of the Group's subsidiaries which operate in Chinese Mainland are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

3. MATERIAL ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

The Group has accumulated tax losses carried forward of RMB576,025,000, RMB711,240,000 and RMB767,026,000 in aggregate as at 31 December 2023, 2024 and 2025, respectively. These losses related to subsidiaries that have a history of losses, have not expired, and may not be used to offset taxable income elsewhere in the Group. The subsidiaries have neither any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward.

If the Group had been able to recognise all unrecognised deferred tax assets, the profit and equity would have increased by RMB27,551,000, RMB20,027,000 and RMB16,813,000 for the years ended 31 December 2023, 2024 and 2025, respectively. Further details on deferred taxes are disclosed in note 17 to the Historical Financial Information.

Significant judgement in determining the lease term of contracts with renewal options

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate the lease.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Share-based payments

The Group operates a share scheme for the purpose of providing incentives to the Group's employees (including directors). The grant date fair value of the granted shares is determined by an external valuer using the back-solve method and adopting the equity allocation model, taking into account the recent capital injection price. Further details are contained in note 31 to the Historical Financial Information.

Provision for expected credit losses on trade and bills receivables

The Group uses a provision matrix to calculate ECLs for trade and bills receivables. The provision rates are based on days past due for groupings of various customer that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrates the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At the end of each of the Relevant Periods, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade and bills receivables is disclosed in note 19 to the Historical Financial Information.

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each reporting period. These non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value-in-use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Leases — Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("**IBR**") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases

are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

4. OPERATING SEGMENT INFORMATION

The Group manages its businesses as a whole by the most senior executive management for the purposes of resource allocation and performance assessment. The Group's chief operating decision maker is the chief executive officer of the Group who reviews the Group's consolidated results of operations for the purpose of making decisions about resource allocation and performance assessment. Accordingly, no reportable segment information is presented.

Geographical information

All the non-current assets of the Group are physically located in Chinese Mainland. The geographical location of customers is based on the location at which the customers operate, and almost all of the revenue of the Group was derived from operations in Chinese Mainland during the Relevant Periods.

Information about major customers

External customers that contributed over 10% of total revenue of the Group for the years ended 31 December 2023, 2024 and 2025 are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Customer Group A	161,042	262,645	290,336
Customer Group B	*	44,496	90,644
Customer Group C	49,105	*	*
Customer Group D	29,982	*	*
Customer Group E	*	*	132,311

* Less than 10% of the Group's revenue.

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Revenue from contracts with customers	272,217	390,737	614,506

Revenue from contracts with customers

(a) Disaggregated revenue information

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Types of goods			
X-by-wire solutions	266,643	380,639	598,690
Others	5,574	10,098	15,816
Total revenue from contracts with customers	272,217	390,737	614,506

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Geographical markets			
Chinese Mainland	272,217	390,399	603,265
Overseas	—	338	11,241
Total	**272,217**	**390,737**	**614,506**

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Timing of revenue recognition			
Goods or services transferred at a point in time	272,217	390,737	614,506

The following table shows the amounts of revenue recognised in the Relevant Periods that were included in the contract liabilities at the beginning of the reporting period:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:	2,641	1,195	3,052

(b) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of X-by-wire solutions

The performance obligation is satisfied when control of the asset is transferred to the customer, generally upon delivery of the goods or customer consumption. The payment is generally due within 30 to 90 days from delivery.

Taking the practical expedient in IFRS 15, information about remaining performance obligations is not disclosed as all the contracts with customers have an original expected duration of one year or less.

An analysis of other income and gains is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Other income			
Bank interest income	2,997	2,478	2,651
Government grants and subsidies*	18,064	14,936	19,031
Investment income from structured deposits and wealth management products	4,620	2,519	4,346
Others	736	532	413
Other gains			
Foreign exchange differences, net	500	481	—
Gain on disposal of property, plant and equipment	41	—	—
Total	**26,958**	**20,946**	**26,441**

* Various government grants have been received from the PRC local government authorities to support the Company and subsidiaries' daily operation. Government grants received for which related expenditure has not yet been undertaken are included in deferred income in the statement of financial position. There are no unfulfilled conditions related to these government grants.

6. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	Notes	Year ended 31 December		
		2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Cost of sales*		269,104	348,807	530,891
Write-down of inventories to net realisable value	*18*	9,999	3,870	1,162
Additional product warranty provision	*28*	2,312	2,633	4,552
Depreciation of property, plant and equipment**	*13*	17,087	20,060	22,175
Depreciation of right-of-use assets**	*14*	8,616	7,442	7,080
Amortisation of intangible assets**	*15*	722	606	344
Research and development costs		96,547	87,580	82,959
Lease payments not included in the measurement of lease liabilities		2,676	2,661	2,298
[REDACTED]		—	—	**[REDACTED]**
Employee benefit expense (including directors', chief executive's and supervisor's remuneration *(note 8)*)***:				
Wages and salaries		76,137	74,669	80,771
Share-based payment	*31*	6,068	9,524	12,225
Pension scheme contributions and social welfare		12,626	12,407	14,242
Additional litigation provision	*28*	—	—	10,000
Fair value gains on financial investments at fair value through profit or loss		485	673	717
Reversal(provision) of impairment on financial assets, net		(1,305)	7,003	(1,580)
(Gains)/losses on disposal of items of property, plant and equipment		(41)	461	288
Financial costs associated with redemption liabilities	*29*	89,338	99,237	130,558

* Cost of sales for the Relevant Periods includes the impairment on write of inventories to net realizable value, additional provision for product warranty, depreciation of property, plant and equipment, the depreciation of right-of-use assets and the amortisation of intangible assets which are also included in the respective total amounts disclosed separately in "write-down of inventories to net realisable value", "additional product warranty provision", "depreciation of property, plant and equipment", depreciation of "right-of-use assets" and "amortisation of intangible assets" above.

** The depreciation of property, plant and equipment, right-of-use assets and the amortisation of intangible assets for the Relevant Periods are included in "Cost of sales", "Research and development costs" and "Administrative expenses" in profit or loss.

*** The employees benefit expenses for the Relevant Periods is included in "Cost of sales", "Selling and marketing expenses", "Research and development expenses" and "Administrative expenses" in profit or loss.

7. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Interest on interest-bearing bank borrowings	520	363	320
Interest on lease liabilities	382	289	182
Total	**902**	**652**	**502**

8. DIRECTORS', CHIEF EXECUTIVE'S AND SUPERVISOR'S REMUNERATION

Directors' and supervisors' remuneration for the Relevant Periods is as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Fees	—	—	—
Other emoluments:			
Salaries, bonuses, allowances and benefits in kind	3,965	4,028	3,588
Performance related bonuses*	658	633	683
Share-based payments	1,415	1,801	(2,937)
Pension scheme contributions and social welfare	453	443	429
Subtotal	6,491	6,905	1,763
Total	**6,491**	**6,905**	**1,763**

* Certain directors of the Company are entitled to bonus payments which are determined by key performance indicators.

During the Relevant Periods, certain directors were granted the Company's shares, in respect of their services to the Group, under the employee incentive scheme (the "**Schemes**") of the Company, further details of which are set out in note 31 to the Historical Financial Information. The difference between the fair value of the shares granted and the subscription price was recorded in the share-based payment reserve within equity with the corresponding "share-based payment expenses" in profit or loss over the vesting period. The amounts during the Relevant Periods are included in the above directors', chief executive's and supervisor's remuneration disclosures.

The remuneration of each director/supervisor of the Company paid/payable by the Group (including emoluments for services as employees of the group entities prior to becoming the directors/supervisors of the Company) for the Relevant Periods is set out as follows:

Year ended 31 December 2023

	Salaries, allowances and benefits in kind	Performance related bonuses	Share-based payments	Pension scheme contributions and social welfare	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Chief executive director:					
Mr. Tao Zhe *(i)*	1,210	232	—	95	1,537
Non-executive directors:					
Ms. Liu Qian *(ii)*	1,051	202	—	95	1,348
Mr. Wang Jianming *(iii)*	—	—	—	—	—
Mr. Chen Hui *(iv)*	—	—	—	—	—
Mr. Liu Tong *(v)*	—	—	—	—	—
Mr. Cong Xiuli *(vi)*	—	—	—	—	—
Mr. Liu Zhuang *(vii)*	—	—	—	—	—
Mr. Yeh Kuantai *(viii)*	—	—	—	—	—
Mr. Lin Hao *(ix)*	—	—	—	—	—
Ms. Liu Limei *(x)*	—	—	—	—	—
Mr. Wu Bo *(xi)*	—	—	—	—	—
Mr. Liu Fuqing *(xiii)*	1,224	139	1,156	138	2,657
Subtotal	2,275	341	1,156	233	4,005
Supervisor:					
Mr. Yu Xin *(xii)*	480	85	259	125	949
Total	**3,965**	**658**	**1,415**	**453**	**6,491**

Year ended 31 December 2024

	Salaries, allowances and benefits in kind	Performance related bonuses	Share-based payment expense	Pension scheme contributions and social welfare	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Chief executive director:					
Mr. Tao Zhe *(i)*	1,210	145	—	93	1,448
Non-executive directors:					
Ms. Liu Qian *(ii)*	1,047	278	—	93	1,418
Mr. Wang Jianming *(iii)*	—	—	—	—	—
Mr. Chen Hui *(iv)*	—	—	—	—	—
Mr. Liu Tong *(v)*	—	—	—	—	—
Mr. Cong Xiuli *(vi)*	—	—	—	—	—
Mr. Liu Zhuang *(vii)*	—	—	—	—	—
Mr. Yeh Kuantai *(viii)*	—	—	—	—	—
Mr. Lin Hao *(ix)*	—	—	—	—	—
Ms. Liu Limei *(x)*	—	—	—	—	—
Mr. Wu Bo *(xi)*	—	—	—	—	—
Mr. Liu Fuqing *(xiii)*	1,262	111	1,542	135	3,050
Subtotal	2,309	389	1,542	228	4,468
Supervisor:					
Mr. Yu Xin *(xii)*	509	99	259	122	989
Total	**4,028**	**633**	**1,801**	**443**	**6,905**

Year ended 31 December 2025

	Salaries, allowances and benefits in kind	Performance related bonuses	Share-based payments	Pension scheme contributions and social welfare	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Chief executive director:					
Mr. Tao Zhe *(i)*	1,210	290	—	92	1,592
Non-executive directors:					
Ms. Liu Qian *(ii)*	1,047	253	—	92	1,392
Mr. Wang Jianming *(iii)*	—	—	—	—	—
Mr. Chen Hui *(iv)*	—	—	—	—	—
Mr. Liu Tong *(v)*	—	—	—	—	—
Mr. Cong Xiuli *(vi)*	—	—	—	—	—
Mr. Liu Zhuang *(vii)*	—	—	—	—	—
Mr. Yeh Kuantai *(viii)*	—	—	—	—	—
Mr. Lin Hao *(ix)*	—	—	—	—	—
Ms. Liu Limei *(x)*	—	—	—	—	—
Mr. Wu Bo *(xi)*	—	—	—	—	—
Mr. Liu Fuqing *(xiii)*	512	—	(3,341)	56	(2,773)
Mr. Wu Jianfeng *(xiv)*	—	—	—	—	—
Ms. Peng Xuemei *(xv)*	—	—	—	—	—
Mr. Lin Yi *(xviii)*	38	—	—	—	38
Subtotal	1,597	253	(3,341)	148	(1,343)
Supervisor:					
Mr. Yu Xin *(xii)*	513	118	404	122	1,157
Ms. Wu Ying *(xvi)*	147	12	—	39	198
Ms. Li Qiuxia *(xvii)*	121	10	—	28	159
Subtotal	781	140	404	189	1,514
Total	**3,588**	**683**	**(2,937)**	**429**	**1,763**

(i) On 2 November 2016, Mr. Tao Zhe was appointed as the chairman of the board of directors of the Company.

(ii) On 29 March 2016, Ms. Liu Qian was appointed as a director of the Company.

(iii) On 27 December 2018, Mr. Wang Jianming was appointed as a director of the Company.

(iv) On 27 December 2018, Mr. Chen Hui was appointed as a director of the Company and resigned on 7 November 2023.

(v) On 27 December 2018, Mr. Liu Tong was appointed as a director of the Company and resigned on 20 January 2025.

(vi) On 4 March 2019, Ms. Cong Xiuli was appointed as a director of the Company and resigned on 27 September 2025.

(vii) On 4 March 2019, Mr. Liu Zhuang was appointed as a director of the Company and resigned on 27 September 2025.

(viii) On 27 June 2019, Mr. Yeh Kuan Tai was appointed as a director of the Company.

(ix) On 19 May 2020, Mr. Lin Hao was appointed as a director of the Company and resigned on 27 September 2025.

(x) On 17 November 2021, Ms. Liu Limei was appointed as a director of the Company.

(xi) On 21 December 2021, Mr. Wu Bo was appointed as a director of the Company and resigned on 20 January 2025.

(xii) On 27 December 2018, Mr. Yu Xin was appointed as the chairman of the board of supervisors of the Company.

(xiii) On 7 November 2023, Mr. Liu Fuqing was appointed as a director of the Company and resigned on 27 September 2025.

(xiv) On 20 January 2025, Mr. Wu Jianfeng was appointed as a director of the Company and resigned on 27 September 2025.

(xv) On 20 January 2025, Ms. Peng Xuemei was appointed as a director of the Company and resigned on 27 September 2025.

(xvi) On 16 July 2025, Ms. Wu Ying was appointed as a supervisor of the Company.

(xvii) On 16 July 2025, Ms. Li Qiuxia was appointed as a supervisor of the Company.

(xviii) On 30 September 2025, Mr. Lin Yi was appointed as a director of the Company.

9. FIVE HIGHEST PAID EMPLOYEES

The number of directors or supervisors within five individuals with the highest emoluments in the Group during the year ended 31 December 2023, 2024 and 2025 were 3, 3 and 3, respectively, details of whose remuneration are set out in note 8 above. Details of the remuneration of each of the remaining highest paid employees who are neither a director nor chief executive of the Company are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Salaries, allowances and benefits in kind	1,897	1,954	1,903
Performance related bonuses	220	260	304
Share-based payments	1,763	1,881	1,619
Pension scheme contributions and social welfare	220	215	241
Total	**4,100**	**4,310**	**4,067**

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Nil to HKD1,000,000	—	—	—
HKD1,000,000 to HKD2,000,000	2	2	2

10. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Chinese Mainland

The subsidiaries established in Chinese mainland are subject to tax at the statutory rate of 25% on the taxable profits determined in accordance with the Corporate Income Tax Law, except for those subject to preferential tax rate set out below.

Nasn Intelligent Tech (Zhejiang) Co., Ltd. and Hangzhou Nasn Auto Co., Ltd. were granted the qualification of High and New Technology Enterprises ("**HNTE**") and subject to preferential income tax rate of 15% during the Relevant Periods.

Chengdu Nasn Auto Co., Ltd. and Shanghai Nasn Auto Technology Co., Ltd. have applied the Small-Scaled Minimal Profit Corporate Income Tax Preferential Policy announced by the State Administration of Taxation. Pursuant to the policy, during the period from 1 January 2022 to 31 December 2027, the subsidiaries are subject to a preferential effective income tax rate of 5%.

Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Current income tax	—	—	—
Deferred tax credit *(note 17)*	—	—	—
Total tax expense for the year	**—**	**—**	**—**

A reconciliation of the tax expense applicable to loss before tax at the preferential tax rate for the jurisdiction in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rates are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Loss before tax	(200,823)	(169,521)	(189,524)
Tax at the preferential tax rate	(30,123)	(25,428)	(28,429)
Effect of different tax rates	(41)	—	1,327
Expenses not deductible for tax	13,817	15,093	17,838
Additional deduction on research and development expenses *(a)*	(11,204)	(9,692)	(7,549)
Deductible temporary differences not recognised/(utilised)	4,075	(256)	8,709
Tax losses not recognized, net	23,476	20,283	8,104
Tax expense at the Group's effective tax rate	—	—	—

(a) Additional deduction allowance was for qualified research and development costs. According to the relevant laws and regulations promulgated by the State Taxation Administration of the PRC, enterprises engaging in research and development activities are entitled to claim 200% of their research and development costs incurred as tax-deductible expenses when determining their assessable profits for the Relevant Periods.

11. DIVIDENDS

No dividends have been paid or declared by the Company during the Relevant Periods.

12. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amounts is based on the loss for the year attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares outstanding during the Relevant Periods.

	Year ended 31 December		
	2023	2024	2025
Loss			
Loss for the year attributable to ordinary equity shareholders of the Company *(RMB'000)*	(200,823)	(169,521)	(189,524)
Shares			
Weighted average number of shares outstanding for the purpose of calculating basic and diluted loss per share *(thousand shares)*	21,536	22,063	31,806
Loss per share			
Basic and diluted *(RMB)*	(9.32)	(7.68)	(5.96)

The Group had no potentially ordinary shares in issue during the Relevant Periods.

The weighted average number of ordinary shares in issue before the Company's conversion into a joint stock company was determined assuming that the paid-in capital had been fully converted into share capital at the same conversion ratio of 1:1 as upon its conversion into a joint stock company in July 2025.

13. PROPERTY, PLANT AND EQUIPMENT

The Group

	Machinery	Vehicles	Office equipment and electronic devices	Leasehold improvements	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2023						
At 1 January 2023:						
Cost	104,523	3,379	5,782	12,302	19,981	145,967
Accumulated depreciation	(17,985)	(727)	(999)	(6,300)	—	(26,011)
Net carrying amount	86,538	2,652	4,783	6,002	19,981	119,956
At 1 January 2023, net of accumulated depreciation	86,538	2,652	4,783	6,002	19,981	119,956
Additions	4,545	81	156	—	32,828	37,610
Transfers	12,651	165	130	275	(13,221)	—
Disposals	(60)	—	(3,019)	(9)	—	(3,088)
Depreciation provided during the year	(13,020)	(344)	(584)	(3,139)	—	(17,087)
At 31 December 2023, net of accumulated depreciation	90,654	2,554	1,466	3,129	39,588	137,391
At 31 December 2023:						
Cost	121,136	3,626	3,017	12,568	39,588	179,935
Accumulated depreciation	(30,482)	(1,072)	(1,551)	(9,439)	—	(42,544)
Net carrying amount	90,654	2,554	1,466	3,129	39,588	137,391

	Machinery	Vehicles	Office equipment and electronic devices	Leasehold improvements	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2024						
At 1 January 2024:						
Cost	121,136	3,626	3,017	12,568	39,588	179,935
Accumulated depreciation	(30,482)	(1,072)	(1,551)	(9,439)	—	(42,544)
Net carrying amount	90,654	2,554	1,466	3,129	39,588	137,391
At 1 January 2024, net of accumulated depreciation	90,654	2,554	1,466	3,129	39,588	137,391
Additions	15,420	112	24	—	14,760	30,316
Transfers	50,057	—	—	—	(50,057)	—
Disposals	—	(1,191)	—	—	—	(1,191)
Depreciation provided during the year	(17,584)	(297)	(346)	(1,833)	—	(20,060)
At 31 December 2024, net of accumulated depreciation	138,547	1,178	1,144	1,296	4,291	146,456
At 31 December 2024:						
Cost	186,613	2,094	3,042	12,568	4,291	208,608
Accumulated depreciation	(48,066)	(916)	(1,898)	(11,272)	—	(62,152)
Net carrying amount	138,547	1,178	1,144	1,296	4,291	146,456

	Machinery	Vehicles	Office equipment and electronic devices	Leasehold improvements	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2025						
At 1 January 2025:						
Cost	186,613	2,094	3,042	12,568	4,291	208,608
Accumulated depreciation	(48,066)	(916)	(1,898)	(11,272)	—	(62,152)
Net carrying amount	138,547	1,178	1,144	1,296	4,291	146,456
At 1 January 2025, net of accumulated depreciation	138,547	1,178	1,144	1,296	4,291	146,456
Additions	691	1,182	1,701	—	107,747	111,321
Transfers	62,832	—	68	—	(62,900)	—
Disposals	(14)	(273)	(10)	—	(170)	(467)
Depreciation provided during the year	(20,182)	(289)	(408)	(1,296)	—	(22,175)
At 31 December 2025, net of accumulated depreciation	181,874	1,798	2,495	—	48,968	235,135
At 31 December 2025:						
Cost	249,858	2,783	4,608	12,568	48,968	318,785
Accumulated depreciation	(67,984)	(985)	(2,113)	(12,568)	—	(83,650)
Net carrying amount	181,874	1,798	2,495	—	48,968	235,135

During the Relevant Periods, the Group recorded continuous net losses from operations. and there are indications of impairment.

The Group performed an impairment test on a cash-generating unit ("**CGU**") which engaged in production of X-by-wire solutions products amounting to RMB149,281,000, RMB165,833,000 and RMB259,737,000 at the end of each of Relevant Periods, respectively.

The recoverable amount of the CGU is determined based on a value in use calculation using cash flow projections based on financial budgets approved by the management. The budgeted sales and margins are estimated based on historical information achieved and the expected market development.

Below sets out key assumptions as adopted by the Group's management in the impairment assessment:

	As of December 31,		
	2023	2024	2025
Annual revenue growth rate	4%–57%	4%–57%	4%–39%
Pre-tax discount rate	12.4%	11.5%	12.0%

Annual revenue growth rate — The basis is determined with reference to the average revenue growth rate achieved in the years before the budget year, appropriate adjustments for management's projected future operating plans and production data.

Pre-tax discount rate — The discount rate used is before tax and reflects specific risks relating to the relevant unit.

The Group's management believes that any reasonably possible change in the key parameters would not cause the CGU's carrying amount to exceed its recoverable amount.

The Group's management determined that there was no impairment of its CGU during the Relevant Periods.

The Company

	Machinery	Vehicles	Office equipment and electronic devices	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2023					
At 1 January 2023:					
Cost	17,467	2,795	1,891	5,452	27,605
Accumulated depreciation	(7,643)	(502)	(780)	—	(8,925)
Net carrying amount	9,824	2,293	1,111	5,452	18,680
At 1 January 2023, net of accumulated depreciation	9,824	2,293	1,111	5,452	18,680
Additions	1,532	47	128	17,501	19,208
Transfers	9,424	—	130	(9,554)	—
Disposals	(56)	—	(6)	—	(62)
Depreciation provided during the year	(3,601)	(215)	(412)	—	(4,228)
At 31 December 2023, net of accumulated depreciation	17,123	2,125	951	13,399	33,598
At 31 December 2023:					
Cost	27,871	2,842	2,113	13,399	46,225
Accumulated depreciation	(10,748)	(717)	(1,162)	—	(12,627)
Net carrying amount	17,123	2,125	951	13,399	33,598

	Machinery	Vehicles	Office equipment and electronic devices	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2024					
At 1 January 2024:					
Cost	27,871	2,842	2,113	13,399	46,225
Accumulated depreciation	(10,748)	(717)	(1,162)	—	(12,627)
Net carrying amount	17,123	2,125	951	13,399	33,598
At 1 January 2024, net of accumulated depreciation	17,123	2,125	951	13,399	33,598
Additions	4,749	—	24	2,170	6,943
Transfers	15,398	—	—	(15,398)	—
Disposals	—	(1,191)	—	—	(1,191)
Depreciation provided during the year	(6,119)	(260)	(188)	—	(6,567)
At 31 December 2024, net of accumulated depreciation	31,151	674	787	171	32,783
At 31 December 2024:					
Cost	48,018	1,198	2,137	171	51,524
Accumulated depreciation	(16,867)	(524)	(1,350)	—	(18,741)
Net carrying amount	31,151	674	787	171	32,783

	Machinery	Vehicles	Office equipment and electronic devices	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2025					
At 1 January 2025:					
Cost	48,018	1,198	2,137	171	51,524
Accumulated depreciation	(16,867)	(524)	(1,350)	—	(18,741)
Net carrying amount	31,151	674	787	171	32,783
At 1 January 2025, net of accumulated depreciation	31,151	674	787	171	32,783
Additions	30,818	907	763	124	32,612
Disposals	(30,314)	(170)	(10)	(170)	(30,664)
Depreciation provided during the year	(6,595)	(228)	(179)	—	(7,002)
At 31 December 2025, net of accumulated depreciation	25,060	1,183	1,361	125	27,729
At 31 December 2025:					
Cost	48,258	1,724	2,697	125	52,804
Accumulated depreciation	(23,198)	(541)	(1,336)	—	(25,075)
Net carrying amount	25,060	1,183	1,361	125	27,729

14. LEASES

The Group as a lessee

The Group has lease contracts for plant and properties used in its operations. The primary leased assets of the Group are office buildings and factories. Leases of plant and properties generally have lease terms between 1 and 3 years.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the Relevant Periods are as follows:

The Group

	Plant and properties
	RMB'000
As at 1 January 2023	11,975
Additions	580
Revision of a lease term arising from a change	7,388
Depreciation charge	(8,616)
Decrease arising from lease termination	(1,691)
As at 31 December 2023 and 1 January 2024	9,636
Revision of a lease term arising from a change	4,060
Depreciation charge	(7,442)
As at 31 December 2024 and 1 January 2025	6,254
Additions	7,459
Revision of a lease term arising from a change	3,436
Depreciation charge	(7,080)
As at 31 December 2025	10,069

The Company

	Plant and properties
	RMB'000
As at 1 January 2023	8,857
Additions	580
Depreciation charge	(3,861)
As at 31 December 2023 and 1 January 2024	5,576
Depreciation charge	(3,383)
As at 31 December 2024 and 1 January 2025	2,193
Additions	7,459
Depreciation charge	(3,019)
As at 31 December 2025	6,633

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the Relevant Periods are as follows:

The Group

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Carrying amount at the beginning of the year	10,528	12,671	5,903
New leases	580	—	7,459
Revision of a lease term arising from a change	7,388	4,060	3,436
Accretion of interest recognised during the year	382	289	182
Decrease arising from lease term termination	(1,691)	—	—
Payments	(4,516)	(11,117)	(3,278)
Carrying amount at the end of the year	12,671	5,903	13,702
Analysed into:			
Current portion	10,343	5,903	10,044
Non-current portion	2,328	—	3,658

The Company

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Carrying amount at the beginning of the year	8,205	5,225	1,842
New leases	580	—	7,459
Accretion of interest recognised during the year	349	186	79
Payments	(3,909)	(3,569)	(3,277)
Carrying amount at the end of the year	5,225	1,842	6,103
Analysed into:			
Current portion	2,897	1,842	2,445
Non-current portion	2,328	—	3,658

The maturity analysis of lease liabilities is disclosed in note 40.

(c) The amounts recognised in profit or loss in relation to leases are as follows:

The Group

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Depreciation charge of right-of-use assets	8,616	7,442	7,080
Interest on lease liabilities	382	289	182
Expenses relating to short-term leases and leases of low-value assets	2,676	2,661	2,298
Total amount recognised in profit or loss	11,674	10,392	9,560

15. INTANGIBLE ASSETS

The Group

	Software
	RMB'000
At 1 January 2023:	
Cost	4,155
Accumulated amortisation	(2,588)
Net carrying amount	1,567
31 December 2023	
Cost at 1 January 2023, net of accumulated amortisation	1,567
Additions	78
Amortisation provided during the year	(722)
At 31 December 2023	923
At 31 December 2023 and at 1 January 2024:	
Cost	4,233
Accumulated amortisation	(3,310)
Net carrying amount	923
31 December 2024	
Cost at 1 January 2024, net of accumulated amortisation	923
Additions	78
Amortisation provided during the year	(606)
At 31 December 2024	395
At 31 December 2024 and at 1 January 2025:	
Cost	4,311
Accumulated amortisation	(3,916)
Net carrying amount	395

	Software
	RMB'000
31 December 2025	
Cost at 1 January 2025, net of accumulated amortisation	395
Additions	87
Amortisation provided during the year	(344)
At 31 December 2025	138
Cost	4,345
Accumulated amortisation	(4,207)
Net carrying amount	138

The Company

	Software
	RMB'000
At 1 January 2023:	
Cost	3,292
Accumulated amortisation	(2,494)
Net carrying amount	798
31 December 2023	
Cost at 1 January 2023, net of accumulated amortisation	798
Additions	78
Amortisation provided during the year	(435)
At 31 December 2023	441
At 31 December 2023 and at 1 January 2024:	
Cost	3,370
Accumulated amortisation	(2,929)
Net carrying amount	441
31 December 2024	
Cost at 1 January 2024, net of accumulated amortisation	441
Additions	78
Amortisation provided during the year	(340)
At 31 December 2024	179
At 31 December 2024 and at 1 January 2025:	
Cost	3,448
Accumulated amortisation	(3,269)
Net carrying amount	179

	Software
	RMB'000
31 December 2025	
Cost at 1 January 2025, net of accumulated amortisation	179
Amortisation provided during the year	(118)
At 31 December 2025	61
Cost	3,448
Accumulated amortisation	(3,387)
Net carrying amount	61

16. INVESTMENTS IN SUBSIDIARIES

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Carrying amount at the beginning and end of year	60,173	40,392	151,836

17. DEFERRED TAX

The Group

The movements in deferred tax assets and liabilities during the Relevant Periods are as follows:

Deferred tax assets

	Losses available for offsetting against future taxable profits	Lease liabilities	Total
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2023	217	1,579	1,796
Deferred tax charged to profit or loss during the year	(164)	(187)	(351)
Gross deferred tax assets at 31 December 2023 and 1 January 2024	53	1,392	1,445
Deferred tax charged to profit or loss during the year	—	(507)	(507)
Gross deferred tax assets at 31 December 2024 and 1 January 2025	53	885	938
Deferred tax credited to profit or loss during the year	26	546	572
Gross deferred tax assets at 31 December 2025	79	1,431	1,510

The movements in deferred tax assets and liabilities during the Relevant Periods are as follows:

Deferred tax liabilities

	Right-of-use assets
	RMB'000
At 1 January 2023	1,796
Deferred tax credited to profit or loss during the year	(351)
Gross deferred tax liabilities at 31 December 2023 and 1 January 2024	1,445
Deferred tax credited to profit or loss during the year	(507)
Gross deferred tax liabilities at 31 December 2024 and 1 January 2025	938
Deferred tax charged to profit or loss during the year	572
Gross deferred tax liabilities at 31 December 2025	1,510

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statements of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Net deferred tax assets recognised in the consolidated statements of financial position	—	—	—
Net deferred tax liabilities recognised in the consolidated statements of financial position	—	—	—

Deferred tax assets have not been recognised in respect of the following items:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Tax losses	576,025	711,240	767,026
Deductible temporary differences	68,999	66,415	131,558
Total	**645,024**	**777,655**	**898,584**

The Group has tax losses arising in Chinese Mainland will expire in one to ten years for offsetting against future taxable profits. Deferred tax assets have not been recognised in respect of these losses as it is not considered probable that taxable profits will be available against which the tax losses can be utilised. Tax losses, for which no deferred tax assets are recognized, will expire in the following years:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
2026	1,517	1,517	1,517
2027	15,441	15,441	15,441
2028	35,620	35,620	35,620
2029	54,989	54,989	54,989
2030	67,548	67,548	62,637
2031 to 2035	400,910	536,125	596,822
Total	**576,025**	**711,240**	**767,026**

The Company

The movements in deferred tax assets and liabilities during the Relevant Periods are as follows:

Deferred tax assets

	Losses available for offsetting against future taxable profits	Lease liabilities	Total
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2023	98	1,231	1,329
Deferred tax charged to profit or loss during the year	(45)	(448)	(493)
Gross deferred tax assets at 31 December 2023 and 1 January 2024	53	783	836
Deferred tax charged to profit or loss during the year	—	(507)	(507)
Gross deferred tax assets at 31 December 2024 and 1 January 2025	53	276	329
Deferred tax credited to profit or loss during the year	26	640	666
Gross deferred tax assets at 31 December 2025	79	916	995

Deferred tax liabilities

	Right-of-use assets
	RMB'000
At 1 January 2023	1,329
Deferred tax credited to profit or loss during the year	(493)
Gross deferred tax liabilities at 31 December 2023 and 1 January 2024	836
Deferred tax credited to profit or loss during the year	(507)
Gross deferred tax liabilities at 31 December 2024 and 1 January 2025	329
Deferred tax charged to profit or loss during the year	666
Gross deferred tax liabilities at 31 December 2025	995

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statements of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Net deferred tax assets recognised in the statements of financial position	—	—	—
Net deferred tax liabilities recognised in the statements of financial position	—	—	—

The Company has tax losses arising in Chinese Mainland of RMB451,870,000, RMB582,344,000 and RMB637,814,000 as at 2023, 2024 and 2025, respectively, that will expire in one to ten years for offsetting against future taxable profits. Deferred tax assets have not been recognised in respect of these losses as it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

18. INVENTORIES

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Raw materials	64,683	41,444	54,252
Finished goods	23,375	18,448	71,800
Work in progress	4,835	5,627	8,825
Contract costs	3,327	879	671
	96,220	66,398	135,548
Less: Provision for impairment losses on inventories	(10,440)	(12,855)	(12,205)
Net carrying amount	85,780	53,543	123,343

The movements in provision for impairment

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Carrying amount at the beginning of the year	2,438	10,440	12,855
Impairment losses recognised *(note 6)*	9,999	3,870	1,162
Amounts written off	(1,997)	(1,455)	(1,812)
Carrying amount at the end of the year	10,440	12,855	12,205

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Raw materials	2,716	213	2,462
Finished goods	49	205	460
Work in progress	28	79	—
Contract costs	3,327	879	819
	6,120	1,376	3,741
Less: Provision for impairment losses on inventories	—	—	(59)
Net carrying amount	6,120	1,376	3,682

The movements in provision

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Carrying amount at the beginning of the year	1,510	—	—
Impairment losses recognised	—	—	59
Amounts written off	(1,510)	—	—
Carrying amount at the end of the year	—	—	59

19. TRADE AND BILLS RECEIVABLES

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables and commercial bills:			
Trade receivables	182,643	247,835	261,134
Commercial bills	660	—	—
Impairment losses	(4,342)	(11,345)	(9,765)
Net carrying amount	178,961	236,490	251,369
Bills receivables:			
Bills receivables at fair value through other comprehensive income	44,150	29,219	102,875
Bills receivables at amortised cost	1,306	18,988	30,194
Net carrying amount	45,456	48,207	133,069
Total	224,417	284,697	384,438

The Group provides credit terms to certain customers with satisfactory creditworthiness and long-term relationships. The credit period is generally around 30 to 90 days. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk.

As at 31 December 2023, 2024 and 2025, the Group had bills receivables with a carrying amount of nil, RMB8,068,000 and nil which had been already discounted but not yet expire. Due to these bills receivables with the right of recourse, the major risks and rewards associated with these bills receivables have not been transferred. As a result, the Group has not derecognized these discounted undue bills receivables.

The Group did not hold any collateral or other credit enhancements over its trade and bills receivables balances. Trade and bills receivables are non-interest-bearing.

An ageing analysis of the trade and bills receivables as at the end of each of the Relevant Periods, based on the invoice date, is as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	224,417	284,697	384,438

The movements in the impairment losses on trade and commercial bills are as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
At beginning of year	6,296	4,342	11,345
(Reversal)/provision of impairment on financial assets, net	(1,305)	7,003	(1,580)
Amount written off as uncollectible	(649)	—	—
At end of year	4,342	11,345	9,765

The Group applies the simplified approach in calculating ECLs for trade receivables and commercial bills relating to customers not sharing similar credit risk with others are assessed individually for impairment allowance, for instance, customers with known financial difficulties or significant doubt on collection. The remaining trade receivables and commercial bills are grouped and collectively assessed for impairment allowance. An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on past due date of receivables for groups of customers that have similar credit ratings. The calculation reflects the past due of the balances, existence of disputes, recent historical payment patterns, any other available information concerning the creditworthiness of counterparties and influence from macro economy.

The Group's bills receivables aged within one year which were neither past due nor impaired. The relevant banks issuing the bills are reputable financial institution that the credit loss to be minimal.

Set out below is the information about the credit risk exposure on the Group's trade receivables and commercial bills using a provision matrix:

		Past due		
	Current	Within 1 year	Over 1 year	Total
As at 31 December 2023				
On a collective basis:				
Expected credit loss rate	1.72%	4.30%	100.00%	2.37%
Gross carrying amount *(RMB'000)*	172,004	10,358	941	183,303
Expected credit losses *(RMB'000)*	2,955	446	941	4,342
As at 31 December 2024				
On a collective basis:				
Expected credit loss rate	2.72%	10.19%	100.00%	4.58%
Gross carrying amount *(RMB'000)*	221,934	22,921	2,980	247,835
Expected credit losses *(RMB'000)*	6,030	2,335	2,980	11,345
As at 31 December 2025				
On a collective basis:				
Expected credit loss rate	1.71%	7.79%	100.00%	3.74%
Gross carrying amount *(RMB'000)*	221,885	36,097	3,152	261,134
Expected credit losses *(RMB'000)*	3,800	2,813	3,152	9,765

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables and commercial bills:			
Trade receivables	179,877	240,685	250,011
Commercial bills	660	—	—
Impairment losses	(4,280)	(11,057)	(9,574)
Net carrying amount	176,257	229,628	240,437
Bills receivables:			
Bills receivables at fair value through other comprehensive income	43,095	27,934	98,911
Bills receivables at amortised cost	300	18,756	30,194
Net carrying amount	43,395	46,690	129,105
Total	219,652	276,318	369,542

An ageing analysis of the Company's trade and bills receivables as at the end of each of the Relevant Periods, based on the invoice date, is as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	219,652	276,318	369,542

The movements in the loss allowance for impairment of trade receivables and commercial bills are as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
At beginning of year	5,365	4,280	11,057
(Reversal)/provision of impairment on financial assets, net	(1,085)	6,777	(1,483)
At end of year	4,280	11,057	9,574

Set out below is the information about the credit risk exposure on the Company's trade receivables and commercial bills using a provision matrix:

		Past due		
	Current	Within 1 year	Over 1 year	Total
As at 31 December 2023				
On a collective basis:				
Expected credit loss rate	1.72%	4.30%	100.00%	2.37%
Gross carrying amount *(RMB'000)*	169,811	9,785	941	180,537
Expected credit losses *(RMB'000)*	2,918	421	941	4,280
As at 31 December 2024				
On a collective basis:				
Expected credit loss rate	2.72%	10.19%	100.00%	4.59%
Gross carrying amount *(RMB'000)*	216,043	21,662	2,980	240,685
Expected credit losses *(RMB'000)*	5,870	2,207	2,980	11,057
As at 31 December 2025				
On a collective basis:				
Expected credit loss rate	1.71%	7.79%	100.00%	3.83%
Gross carrying amount *(RMB'000)*	210,763	36,096	3,152	250,011
Expected credit losses *(RMB'000)*	3,610	2,812	3,152	9,574

20. FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Structured deposits, at fair value	170,485	394,573	150,616
Wealth management products, at fair value	—	—	112,801
Total	170,485	394,573	263,417

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Structured deposits, at fair value	170,485	353,440	70,193
Wealth management products, at fair value	—	—	31,721
Total	170,485	353,440	101,914

The structured deposits and wealth management products were placed to banks in Chinese Mainland. They were mandatorily classified as financial investments at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

21. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Current:			
Other tax recoverable	—	—	12,444
[REDACTED]	—	—	**[REDACTED]**
Deposits	2,126	2,074	1,736
Prepayments to suppliers	6,110	425	550
Prepaid expenses	1,381	1,512	932
	9,617	4,011	18,622
Non-current:			
Prepayments for long-term assets	1,331	12,728	14,395
Total	**10,948**	**16,739**	**33,017**

At the end of each of the Relevant Periods, the ECLs of the financial assets included in prepayments, other receivables and other assets were measured based on the 12-month expected credit loss if they were not past due and there was no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, they were measured based on the lifetime expected credit loss. An impairment analysis was performed at the end of each of the Relevant Periods.

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Current:			
Other tax recoverable	—	—	2,960
Deposits	1,467	1,257	1,002
Prepayments to suppliers	120	388	15
Prepaid expenses	1,178	1,236	339
	2,765	2,881	4,316
Non-current:			
Prepayments for long-term assets	234	11,693	499
Total	**2,999**	**14,574**	**4,815**

22. CASH AND CASH EQUIVALENTS, PLEDGED DEPOSITS AND RESTRICTED CASH

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Cash and bank balances	115,463	175,600	169,171
Time deposits with original maturity of over three months and will mature within one year	—	—	(10,312)
Time deposits with original maturity of more than one year when acquired	—	(10,004)	(10,258)
Cash and cash equivalents	115,463	165,596	148,601

Cash at banks earns interest at floating rates based on daily bank deposit rates.

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Cash and cash equivalents			
Denominated in RMB	83,939	131,830	114,311
Denominated in USD	31,524	33,766	34,290
Time deposits denominated in RMB	—	10,004	20,570

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Cash and cash equivalents			
Denominated in RMB	82,384	67,699	79,390
Denominated in USD	31,524	33,766	34,290
Total	**113,908**	**101,465**	**113,680**

23. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables as at the end of each of the Relevant Periods, based on the invoice date, is as follows:

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	110,874	188,563	234,261

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	42,441	33,915	18,601

The trade and bills payables are non-interest-bearing, unsecured and repayable within one year.

24. OTHER PAYABLES AND ACCRUALS

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Payroll and welfare payable	13,836	14,074	16,264
Payable for purchases of properties and equipment	10,868	25,355	28,697
Accrued expense	2,309	3,648	763
Other tax payables	1,880	9,551	3,791
[REDACTED]	—	—	**[REDACTED]**
Others	2,625	3,556	3,702
Total	**31,518**	**56,184**	**53,435**

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Payroll and welfare payable	11,007	10,768	1,468
Payable for purchases of properties and equipment	1,547	4,178	8,962
Accrued expense	2,129	3,050	237
Other tax payables	1,665	5,253	2,506
[REDACTED]	—	—	**[REDACTED]**
Others	2,227	2,959	1,191
Total	**18,575**	**26,208**	**14,582**

Other payables were non-interest-bearing and unsecured. Except for payables for purchases of properties and equipment which were repayable within 12 months, all the other payables were repayable on demand.

25. CONTRACT LIABILITIES

The Group and the Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Contract liabilities	1,195	3,052	2,164

26. INTEREST-BEARING BANK BORROWINGS

The Group and the Company

	As at 31 December 2023		
	Effective interest rate (%)	*Maturity*	*RMB'000*
Bank loans — unsecured	2.95	2024	1,001

	As at 31 December 2024		
	Effective interest rate (%)	*Maturity*	*RMB'000*
Discounted bills receivables	0.80	2025	8,068
Bank loans — unsecured	2.95	2025	1,001
Total			**9,069**

	As at 31 December 2025		
	Effective interest rate (%)	*Maturity*	*RMB'000*
Bank loans — unsecured	2.70	2026	1,001

27. DEFERRED INCOME

The Group

Government grants

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Non-current:			
Asset-related grants	25,545	21,626	47,009
Current:			
Asset-related grants	6,392	5,513	6,303
Total	**31,937**	**27,139**	**53,312**

The Company

Government grants

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Non-current:			
Asset-related grants	4,623	3,886	32,436
Current:			
Asset-related grants	3,463	2,330	3,137
Total	**8,086**	**6,216**	**35,573**

The asset-related grants were the subsidies received from the government in relation to the Group's property, plant and equipment. The deferred income is released to profit or loss over the expected useful life of the relevant asset on a straight-line basis.

28. PROVISIONS

The Group and the Company

	Litigation (a)	Warranty (b)	Total
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2023	—	1,384	1,384
Additional	—	2,312	2,312
Amounts utilised during the year	—	(915)	(915)
As at 31 December 2023 and 1 January 2024	—	2,781	2,781
Additional	—	2,633	2,633
Amounts utilised during the year	—	(1,114)	(1,114)
As at 31 December 2024 and 1 January 2025	—	4,300	4,300
Additional	10,000	4,552	14,552
Amounts utilised during the year	—	(2,525)	(2,525)
As at 31 December 2025	10,000	6,327	16,327

(a) Litigation

The Group is currently a defendant in a claim as set out in note 34. The amount of the provision for the litigation is estimated based on the advice from the Group's legal counsel and the estimation basis is reviewed on an ongoing basis and revised where appropriate.

(b) Warranty

Provision was made for estimated warranty claims in respect of products sold that were still within warranty periods at the end of each of the Relevant Periods.

29. REDEMPTION LIABILITIES

The Group and the Company

	Redemption liabilities on equity shares
	RMB'000
At 1 January 2023	1,204,719
Grant of redemption right	15,799
Financial costs associated with redemption liabilities	89,338
As at 31 December 2023 and 1 January 2024	1,309,856
Grant of redemption right	280,000
Financial costs associated with redemption liabilities	99,237
As at 31 December 2024 and 1 January 2025	1,689,093
Grant of redemption right	81,931
Financial costs associated with redemption liabilities	130,558
As at 31 December 2025	1,901,582

Certain registered statutory shareholders of the Company have been granted right to require the Company to redeem their share capital upon the occurrence of any of the following events, including but not limited to:

(i) Company's failure to complete a qualified **[REDACTED]** ("**[REDACTED]**") or a sale of the Company's entire business before 31 December 2027.

(ii) malpractice conducted or non-compliance adhering to virtue of integrity or illegal activities by the Company's key management personnel and major shareholders.

The amount payable by the Company to redeem the aforesaid share capital subject to redemption will be the sum of 100% of the amount originally paid up by those equity holders plus a compound interest of 8% per annum, and any declared but unpaid dividends of the Company.

The redemption obligations give rise to financial liabilities, which are measured at amortised cost.

30. PAID-IN CAPITAL/SHARE CAPITAL

The Group and the Company

Shares

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Paid-in capital/share capital	21,536	29,953	33,587

A summary of movements in the Company's paid-in capital is as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
At beginning of year	21,536	21,536	29,953
Capital paid up/share issued	—	8,417	3,634
At end of year	21,536	29,953	33,587

On 30 November 2024, an aggregate amount of RMB5,338,000 capital was paid up in cash to the Company and credited to the paid-in capital.

On 31 December 2024, an aggregate amount of RMB277,129,000 capital was paid up in cash to the Company, net of share issue expense of RMB2,871,000. The aggregate amounts of RMB3,079,000 and RMB274,050,000 were credited to the Company's paid-in capital and capital reserve, respectively. The foregoing shares issued to investors who were granted redemption right by the Company.

On 31 May 2025, an aggregate amount of RMB2,805,000 capital was paid up in cash to the Company and credited to the paid-in capital.

On 30 September 2025, an aggregate amount of RMB99,764,000 capital was paid up in cash to the Company, net of share issue expense of RMB236,000. The aggregate amounts of RMB829,000 and RMB98,935,000 were credited to the Company's share capital and capital reserve, respectively. The foregoing shares issued to investors were granted redemption right by the Company.

Pursuant to the shareholders' resolution dated 30 July 2025, the shareholders of the Company agreed to convert the Company into a joint stock company with limited liability with registered capital of RMB32,758,000. The net assets of the Company as of the conversion base date were converted into 32,758,000 ordinary shares of RMB1.0 each and issued to the shareholders of the Company in proportion to their then capital contribution to the Company. The difference between the net asset value of the Company and the par value of shares issued was debited to the capital reserve.

31. SHARE-BASED PAYMENTS

To provide incentives and rewards to eligible participants who contribute to the Group's operation, Mr. Tao, Zhe, a founder and shareholder of the Company established and operate several employee incentive platforms through setting up limited partnership entities for the Company to operate a series of employee incentive schemes (the "**Schemes**"). Eligible participants of the Schemes, including members of senior management, mid-level managers and other employees of the Group, were determined by Mr. Tao Zhe of the respective employee incentive platforms and approved by the Company's board of directors.

In 2018, 2023 and 2025, the Company granted 416,682, 986,224 and 613,583 shares of the Company, respectively, to 68 eligible employees at a subscription price from RMB1 to RMB59.14. The fair values of the shares at the dates of grants were determined by an external valuer taking into the terms and conditions upon which the shares were granted. The Group has used the discounted cash flow method to determine the underlying equity fair value of the Company and adopted equity value allocation model to determine the fair value of the underlying shares. Key assumptions, such as discount rate, risk-free interest rate, expected volatility and projections of future performance, are required to be determined by the Group with best estimate. Key assumptions are set as below:

Grant date	2018	2023	2025
Risk-free interest rates	3.1%	2.5%	1.5%
Expected volatility	47.4%	51.2%	40.5%
Dividend yield	0%	0%	0%

The differences between the fair value of shares granted and the subscription prices were recorded in the share-based payment reserve within equity with the corresponding "share-based payment expenses" in profit or loss.

20% of the shares granted to employees shall be vested and become exercisable after the completion of the successful **[REDACTED]** of the Company. The remainder of the shares shall vest and become exercisable when the following conditions are met: (i) after the completion of **[REDACTED]** of the Company; (ii) the expiration of the corresponding service periods. Service conditions are included in assumptions about the number of shares that are expected to vest. After taking into consideration of the best estimation of the date of the **[REDACTED]** and the number of shares that are expected to vest, the vesting period will be reviewed and determined by management and the share-based payment expenses will be amortised during the vesting period.

Movements in the number of shares granted and the respective weighted average grant date fair values were as follows:

	Year ended 31 December					
	2023		2024		2025	
	Weighted average grant date fair value	Number of shares	Weighted average grant date fair value	Number of shares	Weighted average grant date fair value	Number of shares
	RMB per shares		*RMB per shares*		*RMB per shares*	
At beginning of year	46.80	416,682	50.53	1,310,172	56.84	1,286,544
Granted	60.88	986,224	—	—	109.72	613,583
Forfeited	53.64	(92,734)	60.88	(23,628)	60.88	(307,574)
At end of year	50.53	1,310,172	56.84	1,286,544	76.43	1,592,553

Share-based payment expenses relating to employees recognised for the Relevant Periods are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Administrative expenses	1,271	3,255	5,019
Research and development expenses	4,629	6,085	1,577
Selling and marketing expenses	168	184	5,629
Total	**6,068**	**9,524**	**12,225**

32. RESERVES

The Group

The amounts of the Group's reserves and the movements therein for the Relevant Periods are presented in the consolidated statements of changes in equity of the Historical Financial Information.

(i) Capital reserve

The amounts represent the difference between the cash consideration received from the shareholder's contribution and registered paid in capital/par value of shares issued as set out in note 30.

(ii) Share-based payment reserve

The share-based payment reserve represents the equity-settled share awards as set out in note 31 to the Historical Financial Information.

(iii) Other reserve

The amounts in relation to the recognition of the redemption liabilities as set out in note 29 to the Historical Financial Information.

(iv) Special reserve

Pursuant to certain regulations issued by the Ministry of Finance and the State Administration of Work Safety, the Group is required to set aside from retained earnings an amount to a safety production reserve at different rates ranging from 0.25% to 2.35% of the total manufacturing contract revenue recognised for the year. The reserve can be utilised for improvements of safety on the manufacturing work, and the amounts are generally expenses in nature and charged to the consolidated statement of profit or loss as incurred, and the corresponding amounts of the safety production reserve fund were utilised and transferred back to retained earnings until such special reserve was fully utilised.

The Company

	Capital reserve	Share-based payment reserve	Other reserve	Accumulated losses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2023	925,766	22,033	(1,023,601)	(394,928)	(470,730)
Loss and other comprehensive income for the year	—	—	—	(168,810)	(168,810)
Equity-settled share-based payment expense	—	6,068	—	—	6,068
Grant of redemption rights to the equity holders	—	—	(15,799)	—	(15,799)
As at 31 December 2023 and 1 January 2024	925,766	28,101	(1,039,400)	(563,738)	(649,271)
Loss and other comprehensive income for the year	—	—	—	(192,745)	(192,745)
Equity-settled share-based payment expense	—	9,524	—	—	9,524
Grant of redemption rights to the equity holders	—	—	(280,000)	—	(280,000)
Capital paid up	274,050	—	—	—	274,050
As at 31 December 2024 and 1 January 2025	1,199,816	37,625	(1,319,400)	(756,483)	(838,442)
Loss and other comprehensive income for the year	—	—	—	(190,104)	(190,104)
Equity-settled share-based payment expense	—	12,225	—	—	12,225
Grant of redemption rights to the shareholders	—	—	(81,931)	—	(81,931)
Shareholders' capital injection/shares issued	98,935	—	—	—	98,935
Conversion into a joint stock company	(405,767)	—	—	405,767	—
As at 31 December 2025	892,984	49,850	(1,401,331)	(540,820)	(999,317)

33. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Major non-cash transactions

During the years ended 31 December 2023, 2024 and 2025, the Group had non-cash additions and revision of a lease term arising from a change to right-of-use assets and lease liabilities of RMB7,968,000, RMB4,060,000 and RMB10,895,000, respectively, in respect of lease arrangements for plant and properties.

As at 31 December 2023, 2024 and 2025, the bills receivables which the Group endorsed to suppliers for the settlement of accounts payable but not yet expired were nil, RMB1,983,000 and RMB948,000 and did not result in any cash flow.

(b) Changes in liabilities arising from financing activities

	Interest-bearing bank borrowings	Lease liabilities	[REDACTED]	Redemption liabilities
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	5,002	10,528	—	1,204,719
Changes from financing cash flows	(4,521)	(4,516)	—	15,799
New leases	—	580	—	—
Revision of a lease term arising from a change	—	7,388	—	—
Interest expense	520	382	—	—
Lease term termination	—	(1,691)	—	—
Financial costs associated with redemption liabilities	—	—	—	89,338
At 31 December 2023	1,001	12,671	—	1,309,856
Changes from financing cash flows	7,705	(11,117)	—	280,000
Revision of a lease term arising from a change	—	4,060	—	—
Interest expense	363	289	—	—
Financial costs associated with redemption liabilities	—	—	—	99,237
At 31 December 2024	9,069	5,903	—	1,689,093
Changes from financing cash flows	(320)	(3,278)	(2,927)	81,931
Discounted bills receivables	(8,068)	—	—	—
Changes from operating cash flows	—	—	(17,270)	—
[REDACTED] accrual	—	—	**[REDACTED]**	—
Additions	—	7,459	—	—
Revision of a lease term arising from a change	—	3,436	—	—
Interest expense	320	182	—	—
Financial costs associated with redemption liabilities	—	—	—	130,558
At 31 December 2025	1,001	13,702	218	1,901,582

(c) Total cash outflows for leases

The total cash outflows for leases included in the consolidated statements of cash flows is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within operating activities	2,676	2,661	2,298
Within financing activities	4,516	11,117	3,278
Total	**7,192**	**13,778**	**5,576**

34. CONTINGENT LIABILITIES

During the Relevant Periods, the Company had been a defendant in five claims filed by a party alleging that the Company infringed its intellectual property in Chinese Mainland. The Company's directors, after taking the Group's legal counsel advice, believe that the Company has a valid and merit defense against the allegation and, accordingly, the Group has not provided for any claim arising from three of the five claims, other than the related legal and other costs.

On 4 March 2026, the Court dismissed one of the claims, and the remaining four claims are under Court's review.

35. COMMITMENTS

The Group had the following capital commitments at the end of each of the Relevant Periods:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Contracted, but not provided for:			
Properties, plant and equipment	64,737	31,477	94,509

36. RELATED PARTY TRANSACTIONS

(a) Name and relationship:

Name of related parties	Relationship with the Group
啓東乾朔電子有限公司 Qidong Linkconn Electronics Co., Ltd.	A Company's director is also a director of this company
河南乾德精密技術有限公司 Henan Qiande Precision Technology Co., Ltd.	A Company's director is also a director of this company

(b) Transactions with related parties:

The Group

The Group had the following transactions with related parties during the Relevant Periods:

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Purchase of goods or services			
Henan Qiande Precision Technology Co., Ltd.	2,822	2,771	3,165
Qidong Linkconn Electronics Co., Ltd.	1,932	3,012	10,016
Total	**4,754**	**5,783**	**13,181**

These transactions were carried out in accordance with the terms and conditions mutually agreed by the parties involved.

(c) Outstanding balances with related parties:

The Group

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Due to related companies:			
Trade-related			
Henan Qiande Precision Technology Co., Ltd.	880	842	3,028
Qidong Linkconn Electronics Co., Ltd.	1,690	1,002	3,484
Total	**2,570**	**1,844**	**6,512**

The balances due to related companies are non-interest-bearing, unsecured and repayable on demand.

(d) Compensation of key management personnel of the Group

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Fees	—	—	—
Salaries, bonuses, allowances and benefits in kind	5,863	5,983	5,952
Performance related bonuses*	878	894	1,126
Share-based payments	3,178	3,682	(447)
Pension scheme contributions and social welfare	673	657	798
Total compensation paid to key management personnel	10,592	11,216	7,429

Further details of the directors', chief executive's and supervisor's emoluments are included in note 8 to the Historical Financial Information.

37. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of each of the Relevant Periods are as follows:

The Group

Financial assets

As at 31 December 2023

	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Financial assets at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade and bills receivables	—	44,150	180,267	224,417
Financial investments at fair value through profit or loss	170,485	—	—	170,485
Financial assets included in prepayments, other receivables and other assets	—	—	2,126	2,126
Cash and cash equivalents	—	—	115,463	115,463
Total	**170,485**	**44,150**	**297,856**	**512,491**

As at 31 December 2024

	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Financial assets at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade and bills receivables	—	29,219	255,478	284,697
Financial investments at fair value through profit or loss	394,573	—	—	394,573
Financial assets included in prepayments, other receivables and other assets	—	—	2,074	2,074
Time deposits	—	—	10,004	10,004
Cash and cash equivalents	—	—	165,596	165,596
Total	**394,573**	**29,219**	**433,152**	**856,944**

As at 31 December 2025

	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Financial assets at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade and bills receivables	—	102,875	281,563	384,438
Financial investments at fair value through profit or loss	263,417	—	—	263,417
Financial assets included in prepayments, other receivables and other assets	—	—	1,736	1,736
Time deposits	—	—	20,570	20,570
Cash and cash equivalents	—	—	148,601	148,601
Total	**263,417**	**102,875**	**452,470**	**818,762**

Financial liabilities

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Financial liabilities at amortised cost			
Trade and bills payables	110,874	188,563	234,261
Financial liabilities included in other payables and accruals	15,802	32,559	33,380
Due to related companies	2,570	1,844	6,512
Interest-bearing bank borrowings	1,001	9,069	1,001
Redemption liabilities	1,309,856	1,689,093	1,901,582
Total	**1,440,103**	**1,921,128**	**2,176,736**

38. TRANSFERS OF FINANCIAL ASSETS

Transferred financial assets that are not derecognised in their entirety

As at 31 December 2023, 2024 and 2025, the Group discounted certain bills receivable accepted by banks in the Chinese Mainland (the "**Discounted Bills**") with a carrying amount of nil, RMB8,068,000 and nil, respectively (the "**Discounting**"). In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to such Discounted Bills, and accordingly, it continued to recognise the full carrying amounts of the Discounted Bills and the recognised bank borrowings. Subsequent to the Discounting, the Group did not retain any rights on the use of the Discounted Bills, including the sale, transfer or pledge of the Discounted Bills to any other third party. The aggregate carrying amount of the bank borrowings settled by the Discounted Bills during the Relevant Periods were nil, RMB8,068,000 and nil, respectively.

Transferred financial assets that are derecognised in their entirety

As at 31 December 2023, 2024 and 2025, the book values of derecognised bills (the "**Derecognised Bills**") which the Group endorsed to suppliers for the settlement of accounts payable but not yet expired was nil, RMB1,983,000 and RMB948,000, respectively. The Derecognised Bills had a maturity of 1 to 12 months at the end of each of the Relevant Periods. In accordance with the Law of Negotiable Instruments of Chinese Mainland, the holders of the Derecognised Bills may exercise the right of recourse against any, several or all of the persons, including the Group, liable for the Derecognised Bills regardless of the order of precedence (the "**Continuing Involvement**"). In the opinion of the Company's directors, the Group has transferred substantially all the risks and rewards relating to the Derecognised Bills. Accordingly, the Group has derecognised the full carrying amounts of the Derecognised Bills and the associated trade payables. The maximum exposure to loss from the Group's continuing involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills is equal to their carrying amounts. In the opinion of the Company's directors, the fair values of the Group's continuing involvement in the Derecognised Bills are not significant.

39. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, the current portion of time deposits, pledged deposits, trade and bills receivables, financial assets included in prepayments, other receivables and other assets, trade payables, financial liabilities included in other payables and accruals, due to related companies, interest-bearing bank borrowings and redemption liabilities approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair values of the non-current portion of time deposits have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk for time deposits as at the end of each of Relevant Periods were assessed to be insignificant.

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the chief financial officer. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Group invests in financial investments at fair value through profit or loss, which represent structured deposits and wealth management products issued by banks in Chinese Mainland. The Group has estimated the fair value of these structured deposits and wealth management products by using discounted cash flow valuation models with reference to observable inputs including fluctuations of market prices or valuation models with reference rates.

The Group has bills receivables issued by banks in Chinese Mainland measured at fair value through other comprehensive income. The Group has estimated the fair value of these bills receivables by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value

As at 31 December 2023

	Fair value measurement using			
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
	Level 1	Level 2	Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial investments at fair value through other comprehensive income	—	44,150	—	44,150
Financial investments at fair value through profit or loss	—	170,485	—	170,485
Total	**—**	**214,635**	**—**	**214,635**

As at 31 December 2024

	Fair value measurement using			
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
	Level 1	Level 2	Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial investments at fair value through other comprehensive income	—	29,219	—	29,219
Financial investments at fair value through profit or loss	—	394,573	—	394,573
Total	**—**	**423,792**	**—**	**423,792**

As at 31 December 2025

	Fair value measurement using			
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
	Level 1	Level 2	Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial investments at fair value through other comprehensive income	—	102,875	—	102,875
Financial investments at fair value through profit or loss	—	263,417	—	263,417
Total	—	366,292	—	366,292

During each of the Relevant Periods, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities.

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise redemption liabilities, interest-bearing bank borrowings, and cash and short term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade and bills receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's bank borrowings.

The Group's policy is to manage its interest cost using a mix of fixed and variable rate debts. As at 31 December 2023, 2024 and 2025, none of the Group's interest-bearing borrowings bore interest at floating rates. Accordingly, as at the end of each of the Relevant Periods, the Group did not have any significant exposure to the interest rate risk in the cash flows.

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis. For transactions that are not denominated in the functional currency of the relevant operating unit, the Group does not offer credit terms without specific verification procedures.

As at the end of each of the Relevant Periods, the Group had certain concentrations of credit risk as 61.22%, 71.81%, and 48.37% of the Group's trade receivables were due from the Group's largest debtor, respectively.

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification.

The amounts presented are gross carrying amounts for financial assets.

As at 31 December 2023

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and bills receivables*	—	—	—	228,759	228,759
Financial assets included in prepayments, other receivables and other assets					
— Normal**	2,126	—	—	—	2,126
Cash and cash equivalents					
— Not yet past due	115,463	—	—	—	115,463
Total	**117,589**	**—**	**—**	**228,759**	**346,348**

As at 31 December 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and bills receivables*	—	—	—	296,042	296,042
Financial assets included in prepayments, other receivables and other assets					
— Normal**	2,074	—	—	—	2,074
Time deposits					
— Not yet past due	10,004	—	—	—	10,004
Cash and cash equivalents					
— Not yet past due	165,596	—	—	—	165,596
Total	**177,674**	**—**	**—**	**296,042**	**473,716**

As at 31 December 2025

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and bills receivables*	—	—	—	394,203	394,203
Financial assets included in prepayments, other receivables and other assets					
— Normal**	1,736	—	—	—	1,736
Time deposits					
— Not yet past due	20,570	—	—	—	20,570
Cash and cash equivalents					
— Not yet past due	148,601	—	—	—	148,601
Total	**170,907**	**—**	**—**	**394,203**	**565,110**

* For trade and bills receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 19.

** The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

Liquidity risk

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management of the Group to finance the operations and mitigate the effects of fluctuations of cash flows.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of interest-bearing bank borrowings and lease liabilities.

The maturity profile of the Group's financial liabilities as at the end of each of the Relevant Periods, based on the contractual undiscounted payments, is as follows:

	Less than 1 year	Between 1 and 2 years	Total
	RMB'000	*RMB'000*	*RMB'000*
31 December 2023			
Lease liabilities	11,118	2,370	13,488
Trade and bills payables	110,874	—	110,874
Financial liabilities included in other payables and accruals	15,802	—	15,802
Due to related companies	2,570	—	2,570
Interest-bearing bank borrowings	1,020	—	1,020
Redemption liabilities	1,309,856	—	1,309,856
Total	**1,451,240**	**2,370**	**1,453,610**

	Less than 1 year
	RMB'000
31 December 2024	
Lease liabilities	6,533
Trade and bills payables	188,563
Financial liabilities included in other payables and accruals	32,559
Due to related companies	1,844
Interest-bearing bank borrowings	9,089
Redemption liabilities	1,689,093
Total	**1,927,681**

	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 31 December 2025				
Lease liabilities	10,180	2,548	1,312	14,040
Trade and bills payables	234,261	—	—	234,261
Financial liabilities included in other payables and accruals	33,380	—	—	33,380
Due to related companies	6,512	—	—	6,512
Interest-bearing bank borrowings	1,028	—	—	1,028
Redemption liabilities	1,901,582	—	—	1,901,582
Total	**2,186,943**	**2,548**	**1,312**	**2,190,803**

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

41. EVENTS AFTER THE RELEVANT PERIODS

There were no significant events after the end of the year ended 31 December 2025 that require additional disclosure or adjustments.

42. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any of the subsidiaries of the Group in respect of any period subsequent to 31 December 2025.

The following information does not form part of the Accountants' Report from Ernst & Young, Certified Public Accountants, Hong Kong, the Company's reporting accountants, as set out in Appendix I to this document, and is included herein for information purposes only. The unaudited **[REDACTED]** *financial information should be read in conjunction with "Financial Information" and the Accountants' Report set out in Appendix I to this document.*

A. UNAUDITED [REDACTED] ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

The following unaudited **[REDACTED]** adjusted consolidated net tangible assets attributable to the owners of the Company has been prepared in accordance with Rule 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and with reference to Accounting Guideline 7 Preparation of Pro Forma Financial Information for inclusion in Investment Circulars issued by the Hong Kong Institute of Certified Public Accountants to illustrate the effect of the **[REDACTED]** on our consolidated net tangible assets attributable to owners of the Company as at 31 December 2025 as if the **[REDACTED]** had taken place on 31 December 2025.

The unaudited **[REDACTED]** statement of adjusted consolidated net tangible assets attributable to owners of the Company has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the financial position of the Group as at 31 December 2025 or any future dates following the **[REDACTED]**.

	Consolidated net tangible liabilities of the Group attributable to owners of the Company as at 31 December 2025	Estimated net [REDACTED] from the [REDACTED]	Estimated impact related to the reclassification of redemption liabilities	Unaudited [REDACTED] adjusted consolidated net tangible assets	Unaudited [REDACTED] adjusted consolidated net tangible assets attributable to owners of the Company per share	
	RMB'000 (Note 1)	*RMB'000* (Note 2)	*RMB'000* (Note 3)	*RMB'000* (Note 4)	*RMB*	*HK$* (Note 5)
Based on an **[REDACTED]** Of HK$**[REDACTED]** per Share . .	(1,063,689)	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Based on an **[REDACTED]** Of HK$**[REDACTED]** per Share . .	(1,063,689)	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Based on an **[REDACTED]** Of HK$**[REDACTED]** per Share . .	(1,063,689)	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**

Notes:

(1) The consolidated net tangible liabilities attributable to owners of the parent as at 31 December 2025 is arrived at after deducting intangible assets of RMB0.14 million from the consolidated net liabilities attributable to owners of the parent of RMB1,064 million as at 31 December 2025, as shown in Accountants' Report set out in Appendix I to this document.

(2) The estimated net **[REDACTED]** from the **[REDACTED]** are based on the **[REDACTED]** of HK$**[REDACTED]** per share or HK$**[REDACTED]** per share or HK$**[REDACTED]** per share, after deduction of the **[REDACTED]** and other related expenses payable by the Company (excluding the **[REDACTED]** that have been charged to profit or loss during the Track Relevant Period) and does not take into account of any shares which may be **[REDACTED]** upon the exercise of the **[REDACTED]**. The estimated net **[REDACTED]** from the **[REDACTED]** are converted from Hong Kong dollars into Renminbi at an exchange rate of HK$1.0 to RMB[0.9130].

(3) The liabilities associated with the redemption rights related to the ordinary shares(as set out in Note 29 of Appendix I to this document) will be terminated upon the completion of **[REDACTED]** and the carrying amount of the redemption liabilities as at 31 December 2025 as shown in the Accountants' Report will be transferred to equity.

(4) The unaudited **[REDACTED]** adjusted consolidated net tangible assets per share is calculated based on total **[REDACTED]** shares in **[REDACTED]** assuming the **[REDACTED]** had been completed on 31 December 2025 and does not take into account of any Shares which may be **[REDACTED]** upon the exercise of the **[REDACTED]**.

(5) For the purpose of this unaudited **[REDACTED]** statement of adjusted consolidated net tangible assets, the balances stated in Renminbi are converted into Hong Kong dollars at an exchange rate of HK$1.0 to RMB[0.9130]. No representation is made that the Hong Kong dollar amounts have been, could have been or may be converted to Renminbi, or vice versa, at that rate or any other rates or at all.

(6) Except disclosed above, no adjustment has been made to reflect any trading result or other transactions of the Group entered into subsequent to 31 December 2025.

[REDACTED]

[REDACTED]

[REDACTED]

1. TAXATION FOR SECURITIES HOLDERS

The income tax and capital gains tax for holders of H Shares are subject to the laws and practices of the PRC and the jurisdiction where the holders of H Shares are resident for tax purposes or are otherwise subject to tax. The following summary of certain relevant tax regulations is based on current laws and practices, does not take into account any expected changes or amendments to the relevant laws or policies, and does not constitute any opinion or recommendation. This discussion does not purport to cover all tax consequences that may arise from investing in the H Shares, nor does it consider the specific circumstances of any particular investor, some of which may be subject to special rules. You should therefore consult your tax advisors on the tax consequences of investing in the H Shares. This discussion is based on the laws and relevant interpretations in effect as of the date of this document, which are subject to change or adjustment and may have retroactive effect. This discussion does not address any PRC or Hong Kong tax issues other than income tax, capital tax, value-added tax ("**VAT**"), stamp duty and estate duty. Prospective investors should consult their financial advisors on the PRC, Hong Kong and other tax consequences of owning and selling the H Shares.

A. PRC Taxation

Taxation on Dividends

Individual Investors

Pursuant to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得税法》), promulgated by the Standing Committee of the National People's Congress (the "NPC") on 10 September, 1980 and most recently amended on 31 August, 2018, and the Implementation Regulations for the Individual Income Tax Law of the PRC (《中華人民共和國個人所得税法實施條例》), promulgated by the State Council on 28 January, 1994 and most recently amended on 18 December, 2018 (together, the "**IIT Law**"), dividends distributed by PRC enterprises are subject to individual income tax at a flat rate of 20%. Foreign individuals who are not PRC residents are generally subject to individual income tax at a rate of 20% on dividends received from PRC enterprises, unless specifically exempted by the tax authority of the State Council or reduced under a relevant tax treaty.

Corporate Investors

Pursuant to the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得税法》), adopted by the NPC on 16 March, 2007 and most recently amended on 29 December, 2018, and the Regulations on the Implementation of the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得税法實施條例》), promulgated by the State Council on 6 December, 2007 and most recently amended on 6 December, 2024 (together, the "**EIT Law**"), the EIT rate is 25%. A non-resident enterprise which does not have an establishment or place of business in the PRC, or which has an establishment or place of business in the PRC but the income derived from the PRC is not effectively connected with such establishment or place of business, shall generally be subject to EIT at the rate of 10% on its income derived from the PRC (including dividend income derived from PRC resident enterprises). The aforesaid income tax payable by a non-resident enterprise shall be withheld at source, with the payer acting as the withholding agent. The tax shall be withheld by the withholding agent from the amount to be paid.

The Circular of the State Administration of Taxation (the "**SAT**") on Issues Concerning the Withholding of Enterprise Income Tax on Dividends Paid by PRC Resident Enterprises to Non-resident Enterprise Holders of H Shares (《國家税務總局關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得税有關問題的通知》), promulgated and implemented on 6 November, 2008, further clarifies that when a PRC resident enterprise distributes dividends for 2008 and subsequent years to its overseas non-resident enterprise H Share holders, it shall withhold EIT at a uniform rate of 10%. In addition, the Official Reply of the SAT on the Levy of Enterprise Income Tax on Dividends of B-shares and Other Stocks Obtained by Non-resident Enterprises (《國家税務總局關於非居民企業取得B股等股票股息徵收企業所得税問題的批復》), promulgated by the SAT on 24 July, 2009, further provides that any PRC resident enterprise whose shares are listed on an overseas securities exchange shall, when distributing dividends for 2008 and subsequent years to non-resident enterprise shareholders, withhold EIT at a rate of 10%. Non-resident enterprise shareholders that wish to enjoy tax treaty benefits shall do so in accordance with the relevant regulations for the implementation of tax treaties.

Pursuant to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵税和防止偷漏税的安排》) (the "**Arrangement**"), promulgated on 21 August, 2006, the Mainland government may tax dividends paid by a PRC resident company to Hong Kong residents (including natural persons and legal entities), but the tax so charged shall not exceed 10% of the gross amount of the dividends payable by the PRC resident company, unless the relevant Hong Kong resident directly holds 25% or more of the equity in the PRC resident company, in which case the tax shall not exceed 5% of the gross amount of the dividends payable by such PRC resident company. The Fifth Protocol to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《<內地和香港特別行政區關於對所得避免雙重徵税和防止偷漏税的安排>第五議定書》), promulgated on 19 July, 2019 and effective from 6 December, 2019, adds eligibility criteria for enjoying the benefits of the Arrangement. Notwithstanding other provisions of the Arrangement, a benefit under this Arrangement shall not be granted in respect of an item of income if it is reasonable to conclude, having regard to all relevant facts and circumstances, that obtaining that benefit was one of the principal purposes of any arrangement or transaction that resulted directly or indirectly in that benefit, unless it is established that granting that benefit in these circumstances would be in accordance with the object and purpose of the relevant provisions of the Arrangement. The implementation of the dividend clauses of tax treaties is subject to the provisions of the Circular of the State Administration of Taxation on Issues concerning the Implementation of Dividend Clauses in Tax Treaties (《國家税務總局關於執行税收協議股息條款有關問題的通知》) and other PRC tax laws and regulations.

Tax Treaties

Non-resident investors residing in jurisdictions that have entered into double taxation avoidance treaties or arrangements with the PRC may be entitled to a reduction in PRC EIT on dividends received from PRC resident companies. The PRC currently has double taxation avoidance treaties or arrangements with various countries and regions, including the Hong Kong Special Administrative Region, the Macao Special Administrative Region, Australia, Canada, France, Germany, Japan, Malaysia, the Netherlands, Singapore, the United Kingdom, and the United States, among others. Non-PRC resident enterprises that are entitled to preferential tax rates under relevant tax treaties or

arrangements must apply to the relevant PRC tax authorities for a refund of any EIT paid in excess of the treaty rate, and such refund application is subject to the approval of the relevant PRC tax authorities.

Taxation on Transfer of Shares

Income Tax

Individual Investors

Pursuant to the IIT Law, gains from the transfer of equity interests in a PRC resident enterprise are subject to a 20% individual income tax. According to the Circular on the Continued Temporary Exemption of Individual Income Tax on Income from the Transfer of Shares (《關於個人轉讓股票所得繼續暫免徵收個人所得税的通知》), promulgated by the Ministry of Finance (the "**MOF**") and the SAT on 30 March, 1998, income derived by individuals from the transfer of shares of listed companies continues to be temporarily exempt from individual income tax, with effect from 1 January, 1997.

On 31 December, 2009, the MOF, the SAT and the China Securities Regulatory Commission (the "**CSRC**") jointly promulgated and implemented the Circular on Issues Concerning the Levy of Individual Income Tax on Income from the Transfer of Restricted Shares of Listed Companies (《關於個人轉讓上市公司限售股所得徵收個人所得税有關問題的通知》), which provides that income derived by individuals from the transfer on the Shanghai Stock Exchange and the Shenzhen Stock Exchange of listed shares obtained from public offerings and transfer markets of listed companies will continue to be exempt from individual income tax, except where the relevant shares are restricted shares as defined in the Supplementary Circular on Issues Concerning the Levy of Individual Income Tax on Income from the Transfer of Restricted Shares of Listed Companies (《關於個人轉讓上市公司限售股所得徵收個人所得税有關問題的補充通知》), jointly promulgated and implemented by the MOF, the SAT and the CSRC on 10 November, 2010. As of the Latest Practicable Date, the aforesaid provisions have not expressly stipulated whether to levy individual income tax on the transfer of shares of PRC resident enterprises listed on overseas securities exchanges by non-PRC resident individuals.

Corporate Investors

Pursuant to the EIT Law, a non-resident enterprise which does not have an establishment or place of business in the PRC, or which has an establishment or place of business in the PRC but the income derived from the PRC is not effectively connected with such establishment or place of business, shall generally be subject to EIT at a rate of 10% on its income derived from the PRC (including gains from the sale of equity in a PRC resident enterprise). The relevant income tax payable by a non-resident enterprise is subject to withholding at source. The payer, as the withholding agent, shall withhold the tax from the amount payable. Such tax may be reduced or exempted under relevant tax treaties or double taxation avoidance arrangements.

Stamp Duty

Pursuant to the Stamp Duty Law of the PRC (《中華人民共和國印花税法》), promulgated on 10 June, 2021 and effective from 1 July, 2022, entities and individuals who execute taxable vouchers or conduct securities trading within the territory of the PRC are taxpayers for stamp duty and are required to pay stamp duty. Therefore, the stamp duty provisions levied on the transfer of shares of PRC listed companies do not apply to the transfer and sale of H Shares by non-PRC investors outside the PRC.

Estate Duty

The PRC does not currently impose any estate duty.

B. Hong Kong Taxation

Tax on Dividends

Under the current practice of the Inland Revenue Department of Hong Kong, no tax is payable in Hong Kong in respect of dividends paid by us.

Capital Gains and Profit Tax

No tax is imposed in Hong Kong in respect of capital gains from the sale of H shares. However, trading gains from the sale of the H shares by persons carrying on a trade, profession or business in Hong Kong, where such gains are derived from or arise in Hong Kong from such trade, profession or business will be subject to Hong Kong profits tax, which is currently imposed at the maximum rate of 16.5% on corporations and at the maximum rate of 15% on unincorporated businesses. Certain categories of taxpayers are likely to be regarded as deriving trading gains rather than capital gains (for example, financial institutions, insurance companies and securities dealers) unless these taxpayers can prove that the investment securities are held for long-term investment purposes.

Trading gains from sales of the H shares effected on the Hong Kong Stock Exchange will be considered to be derived from or arise in Hong Kong. Liability for Hong Kong profits tax would thus arise in respect of trading gains from sales of H shares effected on the Hong Kong Stock Exchange realized by persons carrying on a business of trading or dealing in securities in Hong Kong.

Stamp Duty

Hong Kong stamp duty, currently charged at the ad valorem rate of 0.1% on the higher of the consideration for or the market value of the H shares, will be payable by the purchaser on every purchase and by the seller on every sale of any Hong Kong securities, including H shares (in other words, a total of 0.2% is currently payable on a typical sale and purchase transaction involving H Shares). In addition, a fixed duty of HK$5.00 is currently payable on any instrument of transfer of H Shares. Where one of the parties is a resident outside Hong Kong and does not pay the ad valorem duty due by it, the duty not paid will be assessed on the instrument of transfer (if any) and will be payable by the transferee. If no stamp duty is paid on or before the due date, a penalty of up to 10 times the duty payable may be imposed.

Estate Duty

The Revenue (Abolition of Estate Duty) Ordinance 2005 (《2005年收入(取消遺產税)條例》) came into effect on February 11, 2006 in Hong Kong, pursuant to which no Hong Kong estate duty is payable and no estate duty clearance papers are needed for an application of a grant of representation in respect of holders of H Shares whose deaths occur on or after February 11, 2006.

2. MAJOR TAXES OF OUR COMPANY IN THE PRC

Please refer to the section headed "Regulatory Overview" in this document.

3. FOREIGN EXCHANGE

Renminbi is the legal tender in the PRC and is currently subject to foreign exchange controls and is not freely convertible into foreign currencies. The State Administration of Foreign Exchange (the "**SAFE**"), under the People's Bank of China (the "**PBOC**"), is responsible for the administration of all matters relating to foreign exchange, including the implementation of foreign exchange control regulations.

The Regulations of the PRC on Foreign Exchange Administration (《中華人民共和國外匯管理條例》), promulgated by the State Council on 29 January, 1996 and most recently amended on 5 August, 2008, is currently the main regulation governing foreign exchange administration in the PRC. This regulation applies to the foreign exchange receipts and payments and foreign exchange business of institutions and individuals in the PRC, and to the foreign exchange receipts and payments and foreign exchange business of institutions and individuals outside the PRC. Under this regulation, the Renminbi is generally freely convertible for current account items (such as trade in goods, trade in services and payment of earnings), but not freely convertible for capital account items (such as equity investments, loans, and securities investments), unless prior approval or registration is obtained.

According to the Announcement on Reforming the Renminbi Exchange Rate Regime (《關於完善人民幣匯率形成機制改革的公告》), promulgated and implemented by the PBOC on 21 July, 2005, the PRC began to implement a managed floating exchange rate system based on market supply and demand with reference to a basket of currencies starting from 21 July, 2005. Therefore, the Renminbi is no longer pegged to the U.S. dollar. After the market closes on each business day, the PBOC announces the closing price of the Renminbi against trading currencies such as the U.S. dollar in the inter-bank foreign exchange market, which serves as the central parity rate for the trading of such currency pairs against the Renminbi on the following business day.

According to the Circular of the SAFE on Further Simplifying and Improving Foreign Exchange Administration Policies for Direct Investment (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》), promulgated by the SAFE on 13 February, 2015, effective from 1 June, 2015 and partially invalidated on 30 December, 2019, the approval for foreign exchange registration under domestic direct investment and outbound direct investment is directly reviewed and handled by banks. The SAFE and its branches shall implement indirect supervision over foreign exchange registration for direct investment through banks.

Pursuant to the Notice of the People's Bank of China and the SAFE on Issues Concerning the Administration of Funds of Domestic Enterprises Listed Overseas (《關於境內企業境外上市資金管理有關問題的通知》), which is issued on 24 December, 2025 and became effective on 1 April, 2026, domestic enterprises listed overseas shall, within 30 working days from the first trading day of their overseas listing or upon the completion of the over-allotment, apply to a bank within the provincial/sub-provincial city region of its place of registration to handle its overseas listing registration.In principle, the funds raised by domestic enterprises through overseas listing shall be repatriated to China in a timely manner. If the funds are to be retained offshore for businesses such as outbound direct investment, overseas securities investment, or outbound lending, approval or filing documents must be obtained from the competent business authorities before the completion of the overseas listing and issuance or the over-allotment, and the relevant regulations on cross-border fund management shall be complied with.

This Appendix sets out a summary of the laws and regulations of the PRC in relation to companies and securities, and additional regulatory provisions of the Stock Exchange relating to joint stock limited companies incorporated in the PRC. The main purpose of this summary is to provide potential investors with an overview of the principal laws and regulations applicable to our Company. This summary is not intended to include all information that may be material to potential investors. For a discussion of the laws and regulations specifically governing the business of our Company, please refer to the section headed "Regulatory Overview" in this document.

PRC LAWS AND REGULATIONS

The PRC Legal System

The PRC legal system is based on the Constitution of the People's Republic of China (the "**Constitution**"), and consists of written laws, administrative regulations, local regulations, separate regulations, autonomous regulations, departmental rules, local government rules, international treaties to which the PRC is a party, and other normative documents. Court judgments do not have binding precedential effect, but serve as judicial reference and guidance.

According to the Constitution and the Legislation Law of the People's Republic of China (2023 Revision) (《中華人民共和國立法法(2023修正)》) (the "**Legislation Law**"), the National People's Congress (the "**NPC**") and its Standing Committee (the "**NPCSC**") are empowered to exercise the legislative power of the state. The NPC has the power to formulate and amend basic laws governing civil matters, criminal matters, State organs and other matters. The NPCSC has the power to enact and amend laws other than those that shall be enacted by the NPC. When the NPC is not in session, it may partially supplement and amend laws enacted by the NPC, provided that such supplement and amendment shall not contravene the basic principles of such laws.

The State Council is China's highest administrative organ and has the power to formulate administrative regulations in accordance with the Constitution and laws.

The people's congresses of provinces, autonomous regions and municipalities directly under the central government and their standing committees, based on the specific circumstances and actual needs of their administrative regions, may formulate local regulations, provided that they do not contravene any provisions of the Constitution, laws or administrative regulations.

The various ministries and commissions of the State Council, the People's Bank of China, the National Audit Office, and other directly affiliated agencies with administrative functions may, in accordance with laws and the administrative regulations, decisions and orders of the State Council, formulate rules within the scope of their respective authorities.

The people's congresses of cities divided into districts and their standing committees, in light of the specific circumstances and actual needs of their cities, may formulate local regulations on matters such as urban and rural development and management, ecological civilization construction, historical and cultural protection, and grassroots governance, provided that such regulations do not contravene the Constitution, laws, administrative regulations, and the relevant local regulations of their provinces or autonomous regions; such local regulations shall take effect after being reported to and approved by the standing committees of the people's congresses of the relevant provinces or autonomous regions. The

people's congresses of national autonomous regions have the power to enact autonomous regulations and separate regulations in accordance with the political, economic, and cultural characteristics of the local nationalities.

The people's governments of provinces, autonomous regions, municipalities directly under the central government, and cities where districts or autonomous prefectures are established may formulate rules in accordance with laws, administrative regulations, and the local regulations of their respective provinces, autonomous regions, or municipalities directly under the central government.

The Constitution has the highest legal effect, and all laws, administrative regulations, local regulations, autonomous regulations or separate regulations shall not contravene the Constitution. The authority of laws is higher than that of administrative regulations, local regulations and rules. The authority of administrative regulations is higher than that of local regulations and rules. The authority of local regulations is higher than that of local government rules at the same or lower levels. The authority of rules formulated by the people's governments of provinces or autonomous regions is higher than that of rules formulated by the people's governments of cities divided into districts or cities of autonomous prefectures within their respective administrative areas.

The NPC has the power to alter or annul inappropriate laws enacted by its Standing Committee, and has the power to annul any autonomous regulations or separate regulations approved by its Standing Committee that contravene the Constitution or the Legislation Law. The NPCSC has the power to annul any administrative regulations that contravene the Constitution and laws, the power to annul any local regulations that contravene the Constitution, laws or administrative regulations, and the power to annul any autonomous regulations or local regulations approved by the standing committees of the people's congresses of provinces, autonomous regions or municipalities directly under the central government that contravene the Constitution and the Legislation Law. The State Council has the power to alter or annul any inappropriate departmental rules and local government rules. The people's congresses of provinces, autonomous regions or municipalities directly under the central government have the power to alter or annul inappropriate local regulations formulated or approved by their respective standing committees. The people's governments of provinces and autonomous regions have the power to alter or annul any inappropriate rules formulated by the people's governments at lower levels.

According to the Constitution and the Legislation Law, the power of interpretation of laws belongs to the NPCSC. According to the Resolution of the Standing Committee of the National People's Congress on Strengthening the Work of Interpretation of Laws (《全國人民代表大會常務委員會關於加強法律解釋工作的決議》), adopted on 10 June, 1981, any questions concerning the specific application of laws and decrees in the judicial work of the courts shall be interpreted in a general manner by the Supreme People's Court of the People's Republic of China (the "**Supreme People's Court**"). The State Council and its various ministries and commissions also have the power to interpret the administrative regulations and departmental rules they have promulgated. At the local level, the power to interpret local regulations and administrative rules belongs to the local legislative and administrative bodies that promulgated the relevant regulations and rules.

The PRC Judicial System

According to the Constitution and the Organic Law of the People's Courts of the People's Republic of China (2018 Revision) (《中華人民共和國人民法院組織法(2018修訂)》), the PRC judicial system is composed of the Supreme People's Court, the local people's courts at all levels and the special people's courts.

The local people's courts are divided into basic people's courts, intermediate people's courts and higher people's courts. Higher people's courts supervise the basic people's courts and intermediate people's courts. The People's Procuratorates also have the power to exercise legal supervision over civil proceedings of the people's courts at the same and lower levels. The Supreme People's Court is the highest judicial organ of China and supervises the judicial work of the people's courts at all levels.

The PRC Civil Procedure Law (2023 Revision) (《中華人民共和國民事訴訟法(2023修正)》) (the "**PRC Civil Procedure Law**"), adopted in 1991 and amended in 2007, 2012, 2017, 2021 and 2023, provides for the filing of civil lawsuits, the jurisdiction of the people's courts, the procedures to be followed in civil proceedings and the enforcement procedures for civil judgments or rulings. All parties to civil proceedings within the territory of the PRC must comply with the PRC Civil Procedure Law. Generally, a civil case is first heard by a local court in the province or municipality where the defendant is located. The parties to a contract may, by written agreement, choose to have a civil lawsuit brought under the jurisdiction of a people's court in the place of domicile of the plaintiff or defendant, the place of contract conclusion or performance, or the location of the subject matter, provided that this does not violate the provisions of this law on hierarchical and exclusive jurisdiction.

Foreign nationals or foreign enterprises have the same litigation rights and obligations as PRC citizens or legal persons. Where the judicial system of a foreign court imposes restrictions on the civil litigation rights of PRC citizens and enterprises, the PRC courts shall apply the principle of reciprocity to the citizens and enterprises of that country within the PRC.

Where a party refuses to comply with a civil judgment or ruling made by a people's court or an award made by a PRC arbitral institution, the other party may apply to the people's court for enforcement. The period for applying for enforcement is two years. If a party fails to enforce a court judgment within the specified time, the court may, upon application by any party, enforce the judgment in accordance with the law.

With respect to a judgment or ruling made by a people's court, if the person subject to enforcement or their property is not within the territory of the PRC, the party requesting enforcement may apply to a foreign court with jurisdiction for recognition and enforcement. A legally effective judgment or ruling made by a foreign court that requires recognition and enforcement by a people's court of the People's Republic of China may, after review by the foreign court in accordance with the provisions of an international treaty concluded or acceded to by that country and the PRC, or in accordance with the principle of reciprocity, be requested to be recognized and enforced by the people's court in accordance with the enforcement procedures of the People's Republic of China. If a people's court finds that the recognition and enforcement of the relevant judgment or ruling violates the basic principles of the laws of the People's Republic of China or national sovereignty, security, or social and public interests, it shall not grant recognition and enforcement.

THE COMPANY LAW, THE TRIAL MEASURES FOR OVERSEAS LISTING AND THE ARTICLES OF ASSOCIATION GUIDELINES

A joint stock limited company incorporated in the PRC and seeking a listing on the Stock Exchange is primarily subject to the following laws and regulations within the PRC:

- the Company Law of the People's Republic of China (2023 Revision) (《中華人民共和國公司法(2023修訂)》), promulgated by the Standing Committee of the National People's Congress on 29 December, 1993 and effective from 1 July, 1994, and subsequently amended on 25 December, 1999 and 28 August, 2004, revised on 27 October, 2005, amended on 28 December, 2013 and 26 October, 2018, and revised on 29 December, 2023, with the latest revision to be implemented on 1 July, 2024;

- the Trial Administrative Measures for Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the "**Trial Measures for Overseas Listing**") and five supporting guidelines, promulgated by the CSRC on 17 February, 2023 pursuant to the Securities Law of the People's Republic of China (《中華人民共和國證券法》), which took effect on 31 March, 2023 and apply to direct and indirect overseas share offerings and listings by domestic companies; and

- the Guidelines for the Articles of Association of Listed Companies (《上市公司章程指引》) (the "**Articles of Association Guidelines**"), as most recently revised by the CSRC and effective from 28 March, 2025. The relevant Articles of Association Guidelines are set out in the Articles of Association of our Company, a summary of which is set out in the section "Appendix V – Summary of the Articles of Association" in this document.

Set out below is a summary of the principal provisions of the Company Law, the Trial Measures for Overseas Listing and the Articles of Association Guidelines applicable to our Company.

General Matters

A joint stock limited company refers to a corporate legal person established in accordance with the Company Law, whose shareholders' liability is limited to the shares they have subscribed for, and the company is liable for its debts with all its assets.

A joint stock limited company shall comply with laws and regulations when engaging in business activities. A company may invest in other limited liability companies and joint stock limited companies, and its liability in respect of such invested enterprises shall be limited to the amount of its investment. Where the law provides that a company shall not become an investor that bears joint and several liability for the debts of the enterprise it invests in, such provisions shall prevail.

Incorporation

A joint stock limited company may be established by way of promotion or by way of public offer.

To establish a joint stock limited company, there shall be not less than one but not more than two hundred promoters, more than half of whom shall have a domicile within the territory of the People's Republic of China. The promoters of a joint stock limited company established by way of public offer

shall convene an inaugural meeting within thirty days from the date on which the subscription monies for the shares to be issued at the time of the company's establishment are fully paid. The promoters shall notify each subscriber of the date of the inaugural meeting or make a public announcement fifteen days prior to the convening of the meeting. The inaugural meeting may be held only if it is attended by subscribers representing more than half of the voting rights. The procedures for convening and voting at the inaugural meeting of a joint stock limited company established by way of promotion shall be stipulated by the articles of association or the promoters' agreement. Matters to be dealt with at the inaugural meeting include the adoption of the articles of association and the election of directors and supervisors. All resolutions of the meeting shall be passed by more than half of the voting rights held by the subscribers present at the meeting.

The board of directors shall authorise a representative to apply to the company registration authority for establishment registration within thirty days after the conclusion of the inaugural meeting of the Company. Upon the issuance of a business license by the relevant registration authority, the company is formally established and possesses legal person status. A company that publicly offers shares to the public shall register with and announce the document through the securities regulatory authority under the State Council.

If the shares to be issued at the time of the company's establishment are not fully subscribed, or if the promoters fail to convene the inaugural meeting within thirty days after the subscription monies for the issued shares are fully paid, the subscribers may demand the promoters to refund the subscription monies paid plus interest calculated at the bank deposit rate for the same period.

Share Capital

The promoters of a company may make capital contributions in currency, or in non-monetary assets that can be valued in monetary terms and transferred according to law, such as physical objects, intellectual property, land use rights, equity and creditor's rights.

If capital is contributed in forms other than currency, such assets must be valued, verified and converted into shares.

Shares issued by a company shall be registered shares.

The Trial Measures for Overseas Listing provide that domestic enterprises that issue and list securities overseas may raise funds and distribute dividends in foreign currencies or in Renminbi.

According to the Trial Measures for Overseas Listing, where a domestic enterprise directly issues and lists securities overseas, shareholders holding its domestic unlisted shares who apply to convert their domestic unlisted shares into overseas listed shares for listing and circulation on an overseas trading venue shall comply with the relevant provisions of the CSRC and entrust the domestic enterprise to file with the CSRC. The domestic unlisted shares referred to in the preceding paragraph mean shares that have been issued by a domestic enterprise but are not listed or traded on a domestic trading venue. Domestic unlisted shares shall be centrally registered and deposited with a domestic securities depository and clearing institution. The registration, clearing and settlement arrangements for overseas listed shares shall be subject to the regulations of the place of such overseas listing.

The issue price of shares with par value may be at par value or above par value, but shall not be below par value.

The transfer of shares by a shareholder shall be conducted on a legally established securities trading venue or in other ways prescribed by the State Council. The transfer of shares shall be conducted by the shareholder by way of endorsement or by other means stipulated by laws and administrative regulations.

Shares issued by the Company prior to its public offering shall not be transferred within one year from the date on which the Company's shares commence trading on a stock exchange. Where laws, administrative regulations, or the securities regulatory authority under the State Council provide otherwise for the transfer of the Company's shares held by shareholders and de facto controllers of a listed company, such provisions shall prevail. During their term of office, the directors, supervisors and senior management of the Company shall not transfer more than 25% of the total number of the Company's shares they hold each year; the shares they hold in the Company shall not be transferred within one year from the date on which the Company's shares are listed and traded. Within six months after their departure, the aforementioned persons shall not transfer the shares they hold in the Company. The Company Law does not impose any restrictive provisions on the shareholding ratio of a single shareholder.

The register of shareholders shall not be altered within twenty days prior to the convening of a general meeting or within five days prior to the record date for the company's decision to distribute dividends. Where laws, administrative regulations or the securities regulatory authority under the State Council have other provisions on the register of shareholders of a listed company, such provisions shall prevail.

Allotment and Issue of Shares

The capital of the Company is divided into shares. All shares of the company shall be either par value shares or no-par value shares, as specified in the articles of association. If par value shares are adopted, each share shall have the same par value. A company may, in accordance with the provisions of its articles of association, convert all its issued par value shares into no-par value shares or convert all its no-par value shares into par value shares. If no-par value shares are adopted, more than one-half of the proceeds from the share issue shall be credited to the registered capital.

The issue of shares of a joint stock limited company shall adhere to the principles of fairness and justice, and each share of the same class shall carry the same rights. Shares of the same class issued at the same time shall have the same issue conditions and price. The issue price of shares with par value may be at par value or above par value, but shall not be below par value.

A domestic enterprise that issues and lists securities overseas shall, in accordance with the Trial Measures for Overseas Listing, file with the CSRC, submit the filing report, legal opinion and other relevant materials, and truthfully, accurately and completely state shareholder information and other circumstances. Where a domestic enterprise directly issues and lists securities overseas, the issuer shall file with the CSRC. Where a domestic enterprise indirectly issues and lists securities overseas, the issuer shall designate a major domestic operating entity as the domestic responsible person to file with the CSRC.

Registered Shares

According to the Company Law, shareholders may make capital contributions in currency, or in non-monetary assets that can be valued in monetary terms and transferred according to law, such as physical objects, intellectual property, land use rights, equity and creditor's rights. According to the Trial Measures for Overseas Listing, domestic enterprises that issue and list securities overseas may raise funds and distribute dividends in foreign currencies or in Renminbi.

According to the Company Law, a joint stock limited company shall prepare and maintain a register of shareholders at the company, which shall record the following particulars:

- the name and domicile of each shareholder;
- the class and number of shares subscribed for by each shareholder;
- for shares issued in paper form, the serial number of the share certificates; and
- the date on which each shareholder acquired the shares.

Increase in Share Capital

According to the Company Law, when a joint stock limited company issues new shares, the general meeting shall pass resolutions on the class and number of new shares, the issue price of new shares, the start and end dates for the issue of new shares, the class and number of new shares to be issued to existing shareholders, and the amount of proceeds from the issue of new shares to be credited to the registered capital (if no-par value shares are issued). A company that publicly offers shares to the public shall register with and announce the document through the securities regulatory authority under the State Council. After a company has fully collected the subscription monies for its new share issue, it shall make a public announcement.

Reduction of Share Capital

A company may reduce its registered capital in accordance with the following procedures stipulated in the Company Law:

- the company shall prepare a balance sheet and a list of assets;
- the reduction of registered capital shall be subject to a resolution of the general meeting;
- the company shall notify its creditors within ten days from the date of the general meeting's resolution to reduce the registered capital, and make a public announcement in a newspaper or on the National Enterprise Credit Information Publicity System within thirty days;
- creditors shall, within thirty days from the date of receiving the notice, or for those who have not received the notice, within forty-five days from the date of the public announcement, have the right to demand the company to repay its debts or provide a corresponding guarantee.

When a company reduces its registered capital, it shall apply for registration of the change with the company registration authority in accordance with the law.

Repurchase of Shares

According to the Company Law, a joint stock limited company shall not acquire its own shares. However, the following circumstances shall be exceptions: (i) to reduce the company's registered capital; (ii) to merge with another company that holds shares in the Company; (iii) to use the shares for employee stock ownership plans or equity incentives; (iv) where a shareholder objects to a resolution of the general meeting on the merger or division of the Company and requests that the Company acquire his/her/its shares; (v) to use the shares for the conversion of corporate bonds issued by the Company that are convertible into shares; and (vi) where it is necessary for a listed company to safeguard its value and the rights and interests of its shareholders.

Where the Company acquires its own shares under the circumstances stipulated in items (i) and (ii) of the preceding paragraph, a resolution shall be passed at a general meeting; Where the Company acquires its own shares under the circumstances stipulated in items (iii), (v) and (vi) of the preceding paragraph, it may do so, in accordance with the provisions of the articles of association or as authorized by the general meeting, by a resolution passed at a Board meeting attended by more than two-thirds of the directors.

After the Company acquires its own shares in accordance with the provisions, if the acquisition falls under item (i), the shares shall be cancelled within ten days from the date of acquisition; if it falls under items (ii) and (iv), the shares shall be transferred or cancelled within six months; if it falls under items (iii), (v) and (vi), the total number of the Company's shares held by the Company shall not exceed 10% of the total number of issued shares of the Company, and such shares shall be transferred or cancelled within three years.

A listed company that acquires its own shares shall perform its information disclosure obligations in accordance with the provisions of the Securities Law of the People's Republic of China. Where a listed company acquires its own shares under the circumstances stipulated in items (iii), (v) and (vi), such acquisition shall be conducted through public centralized trading.

Transfer of Shares

Shares held by shareholders of a joint stock limited company may be transferred to other shareholders or to persons other than shareholders; where the articles of association impose restrictions on the transfer of shares, the transfer shall be carried out in accordance with the provisions of the articles of association. According to the Company Law, the transfer of shares by a shareholder shall be conducted on a legally established securities trading venue or in other ways prescribed by the State Council. The register of shareholders shall not be altered within twenty days prior to the convening of a general meeting or within five days prior to the record date for the company's decision to distribute dividends. Where laws, administrative regulations or the securities regulatory authority under the State Council have other provisions on changes to the register of shareholders of a listed company, such provisions shall prevail.

According to the Company Law, shares issued by a company before its public offering shall not be transferred within one year from the date on which the company's shares are listed and traded on a stock exchange. Where laws, administrative regulations, or the securities regulatory authority under the State Council provide otherwise for the transfer of the Company's shares held by shareholders and de facto controllers of a listed company, such provisions shall prevail. During their term of office, the directors, supervisors and senior management of the Company shall not transfer more than 25% of the total number of the Company's shares they hold each year; the shares they hold in the Company shall not be transferred within one year from the date on which the Company's shares are listed and traded. Within six months after their departure, the aforementioned persons shall not transfer the shares they hold in the Company.

SHAREHOLDERS

According to the Company Law and the Articles of Association Guidelines, holders of ordinary shares of a joint stock limited company shall have the following rights:

- to attend or appoint a proxy to attend general meetings and to exercise corresponding voting rights;
- to transfer the shares they hold in accordance with the provisions of laws, administrative regulations and the articles of association;
- to inspect the articles of association, register of shareholders, minutes of general meetings, resolutions of the board of directors, resolutions of the board of supervisors and financial and accounting reports, and to make suggestions or inquiries regarding the company's operations;
- if the content of a resolution of the company's general meeting or board of directors violates the articles of association, shareholders have the right to request a people's court to declare it invalid;
- to receive dividends and other forms of profit distribution in proportion to their shareholdings; upon the termination or liquidation of the Company, to participate in the distribution of the Company's remaining assets in proportion to their shareholdings; and
- other rights stipulated by laws, administrative regulations, departmental rules or the Articles of Association.

The obligations of the company's shareholders include complying with the company's articles of association, paying for the shares subscribed for in accordance with the subscription method, bearing liability for the company to the extent of the shares subscribed for, and other obligations stipulated in the articles of association.

General Meeting

The general meeting is the organ of power of a company and shall exercise its functions and powers in accordance with the Company Law.

According to the Company Law, the general meeting shall exercise the following principal functions and powers:

- to elect and replace directors and to decide on matters concerning their remuneration;
- to consider and approve the reports of the Board of Directors;
- to consider and approve the Company's profit distribution plans and loss make-up plans;
- to pass resolutions on the increase or decrease of the Company's registered capital;
- to pass resolutions on the issue of corporate bonds;
- to pass resolutions on the merger, division, dissolution, liquidation or change of the Company's form;
- to amend the Articles of Association; and
- other powers and functions stipulated by the articles of association.

The general meeting shall hold an annual general meeting once a year. According to the Company Law, an extraordinary general meeting shall be convened within two months under any of the following circumstances:

- when the number of directors is less than the number required by law or two-thirds of the number specified in the articles of association;
- when the company's unrecovered losses reach one-third of the total share capital;
- upon the request of a shareholder or shareholders holding, individually or jointly, 10% or more of the Company's shares to convene an extraordinary general meeting;
- when the board of directors deems it necessary;
- when the audit committee proposes to convene one; or
- other circumstances stipulated by the articles of association.

According to the Company Law, a general meeting shall be convened by the board of directors and presided over by the chairman of the Board. if the chairman is unable or fails to perform his duties, the meeting shall be presided over by the vice chairman; if the vice chairman is unable or fails to perform his duties, the meeting shall be presided over by a director jointly elected by more than half of the directors.

If the board of directors is unable or fails to perform its duty of convening a general meeting, the audit committee shall convene and preside over the meeting in a timely manner; if the audit committee does not convene and preside over the meeting, a shareholder or shareholders holding, individually or jointly, 10% or more of the company's shares for 90 consecutive days or more may convene and preside

over the meeting on their own. If shareholders holding individually or jointly 10% or more of the company's shares request to convene an extraordinary general meeting, the board of directors shall, within ten days of receiving the request, make a decision on whether to convene the meeting and reply to the shareholders in writing. If the audit committee agrees to convene an extraordinary general meeting, it shall issue a notice of the general meeting within five days of receiving the request; failure to do so shall be deemed as the audit committee not convening and presiding over the general meeting.

According to the Company Law, for a general meeting, the time, place and matters to be considered at the meeting shall be notified to all shareholders twenty days before the meeting is held; for an extraordinary general meeting, all shareholders shall be notified fifteen days before the meeting is held. According to the Articles of Association Guidelines, after the notice of a general meeting has been issued, the meeting shall not be postponed or cancelled without a valid reason, and the proposals listed in the notice of the general meeting shall not be cancelled. In the event of a postponement or cancellation, the convener shall make an announcement and explain the reasons at least 2 working days before the originally scheduled date of the meeting.

The Company Law does not specify a quorum for general meetings. According to the Articles of Association Guidelines, the board of directors and the secretary to the board of directors shall cooperate with the audit committee or shareholders in convening a general meeting. The Board of Directors will provide the register of shareholders for the record date. If the general meeting requires directors and senior management to attend the meeting, they shall attend and accept inquiries from shareholders.

According to the Articles of Association Guidelines, a shareholder or shareholders holding, individually or jointly, 1% or more of the Company's shares (including preferred shares with restored voting rights, etc.) may submit an extraordinary proposal in writing to the convener 10 days before the general meeting is held. The convener shall, within 2 days of receiving the proposal, issue a supplementary notice of the general meeting to announce the content of the extraordinary proposal.

According to the Company Law, each share held by a shareholder attending a general meeting shall have one vote, save for shareholders of class shares. Shares of the Company held by the Company itself have no voting rights.

When a general meeting elects directors or supervisors, a cumulative voting system may be implemented in accordance with the provisions of the articles of association or a resolution of the general meeting. Under the cumulative voting system, when a general meeting elects directors or supervisors, each share shall carry voting rights equal in number to the directors or supervisors to be elected, and the voting rights held by shareholders may be used cumulatively.

According to the Company Law and the Articles of Association Guidelines, a resolution of the general meeting shall be passed by more than half of the voting rights held by the shareholders present at the meeting. However, a resolution of the general meeting on the following matters shall be passed by more than two-thirds of the voting rights held by the shareholders present at the meeting: (i) to amend the articles of association; (ii) to increase or decrease the registered capital; (iii) an equity incentive plan; (iv) any purchase or sale of material assets or provision of guarantee to others by the Company within one year where the amount exceeds thirty percent of the Company's latest audited total assets; (v) division, spin-off, merger, dissolution and liquidation of the Company; (vi) other matters

required by laws, administrative regulations or the articles of association, and other matters that are considered by the general meeting by an ordinary resolution to have a significant impact on the Company and require a special resolution.

According to the Company Law, minutes shall be taken of the decisions on matters discussed at a general meeting, and the chairperson and the directors present at the meeting shall sign the minutes. The minutes shall be kept together with the attendance register of shareholders and the proxies for attendance by proxy.

Board of Directors

According to the Company Law, a joint stock limited company shall establish a board of directors, which shall be composed of three or more members. The members of the board of directors may include representatives of the company's employees. The employee representatives on the board of directors shall be democratically elected by the company's employees through the employee representative congress, the employee assembly or other forms. The term of office of a director shall be stipulated in the articles of association, but each term shall not exceed three years. Upon the expiration of a director's term of office, he/she is eligible for re-election. If a director is not re-elected in a timely manner upon the expiration of his/her term of office, or if the resignation of a director during his/her term of office causes the number of board members to fall below the statutory number, the original director shall continue to perform his/her duties as a director in accordance with the provisions of laws, administrative regulations and the articles of association until the newly elected director takes office. A director who resigns shall notify the Company in writing, and the resignation shall take effect on the date the Company receives the notice. However, if the circumstances stipulated in the preceding paragraph exist, the director shall continue to perform his/her duties.

According to the Company Law, the Board of Directors shall mainly exercise the following powers and functions:

- to convene general meetings and to report on its work to the general meetings;
- to implement the resolutions of the general meeting;
- to decide on the Company's business plans and investment proposals;
- to formulate the Company's profit distribution plans and loss make-up plans;
- to formulate plans for increasing or decreasing the Company's registered capital and for issuing corporate bonds;
- to formulate plans for the Company's merger, division, dissolution or change of corporate form;
- to decide on the establishment of the Company's internal management structure;

- to decide on the appointment or dismissal of the Company's general manager and matters concerning his/her remuneration, and, based on the nomination of the general manager, to decide on the appointment or dismissal of the Company's deputy general manager(s) and chief financial officer and matters concerning their remuneration;

- to formulate the basic management system of the Company; and

- to exercise other powers and functions stipulated in the articles of association or granted by the general meeting.

Board Meetings

According to the Company Law, the board of directors of a joint stock limited company shall hold at least two meetings each year, and all directors and supervisors shall be notified of each meeting ten days before it is held. Shareholders representing one-tenth or more of the voting rights, one-third or more of the Directors, or the board of supervisors, may propose to convene an extraordinary Board meeting. The chairman of the Board shall convene and preside over a Board meeting within ten days of receiving the proposal. A meeting of the board of directors may be convened only if more than half of all directors are present. A resolution of the Board of Directors shall be passed by more than half of all the directors. Voting on resolutions of the Board of Directors shall be conducted on the basis of one vote per person. Meetings of the Board of Directors shall be attended by the directors in person; If a director is unable to attend a meeting for any reason, he/she may entrust another director in writing to attend on his/her behalf, and the power of attorney shall specify the scope of authorization.

If a resolution of the board of directors violates laws, administrative regulations, the articles of association, or resolutions of the general meeting, causing serious losses to the Company, the directors who participated in the resolution shall be liable to the Company for compensation; A director who is proven to have expressed his/her dissent at the time of voting and such dissent is recorded in the minutes of the meeting may be exempted from liability.

Chairman of the Board

According to the Company Law, the Board of Directors shall have one chairman, and may have a vice chairman. The chairman and vice chairman of the Board shall be elected by the Board of Directors with the affirmative vote of more than half of all directors. The chairman of the Board convenes and presides over meetings of the Board of Directors and inspects the implementation of resolutions of the Board of Directors. The vice chairman shall assist the chairman of the Board. If the chairman is unable or fails to perform his/her duties, the vice chairman shall perform such duties; if the vice chairman is unable or fails to perform his/her duties, a director jointly elected by more than half of the directors shall perform such duties.

Qualification of Directors

The Company Law provides that the following persons shall not serve as a director:

- a person with no or limited capacity for civil conduct;

- persons who have been sentenced to criminal penalties for corruption, bribery, embezzlement of property, misappropriation of property or disruption of the socialist market economic order, or have been deprived of political rights for committing a crime, where not more than five years have elapsed since the expiry of the enforcement period, or who have been given a suspended sentence, where not more than two years have elapsed since the expiry of the probation period;

- persons who served as a director or factory manager or general manager of a company or an enterprise which is under bankruptcy liquidation and are personally liable for the bankruptcy of such company or enterprise, where not more than three years have elapsed since the completion of the bankruptcy liquidation of such company or enterprise;

- persons who served as the legal representative of a company or an enterprise whose business license was revoked or which was ordered to close down for violation of law, and are personally liable therefor, where not more than three years have elapsed since the date of such revocation or closing down; or

- a person who has an overdue and outstanding personal debt of a substantial amount and has been listed as a person subject to enforcement for breach of trust by a People's Court.

Other circumstances in which a person is not qualified to serve as a director are set out in the Articles of Association Guidelines.

Board of Supervisors or Audit Committee

A joint stock limited company may, in accordance with the provisions of its articles of association, establish an audit committee within the board of directors composed of directors to exercise the powers and functions of the board of supervisors as stipulated in the Company Law, and not establish a board of supervisors or supervisors. The audit committee shall have three or more members, and more than half of the members shall not hold any position in the Company other than director, and shall not have any relationship with the Company that may affect their independent and objective judgment. The employee representative among the members of the Company's board of directors may be a member of the audit committee. A resolution of the audit committee shall be passed by more than half of the members of the audit committee. Voting at meetings of the audit committee shall be conducted on the basis of one vote per person.

A joint stock limited company shall establish a board of supervisors, which shall be composed of three or more members. The board of supervisors shall include shareholder representatives and an appropriate proportion of representatives of the company's employees, of which the proportion of employee representatives shall not be less than one-third, with the specific proportion to be stipulated by the articles of association. The employee representatives on the board of supervisors shall be democratically elected by the company's employees through the employee representative congress, the employee assembly or other forms. Directors and senior management shall not concurrently serve as supervisors.

The board of supervisors shall have one chairman, and may have a vice chairman. The chairman and vice chairman of the board of supervisors shall be elected by more than half of all supervisors. The chairman of the board of supervisors shall convene and preside over meetings of the board of

supervisors; if the chairman of the board of supervisors is unable or fails to perform his/her duties, the vice chairman of the board of supervisors shall convene and preside over meetings of the board of supervisors; if the vice chairman of the board of supervisors is unable or fails to perform his/her duties, a supervisor jointly elected by more than half of the supervisors shall convene and preside over meetings of the board of supervisors.

The term of office of a supervisor shall be three years for each term. Upon the expiration of a supervisor's term of office, he/she is eligible for re-election. If a supervisor is not re-elected in a timely manner upon the expiration of his/her term of office, or if the resignation of a supervisor during his/her term of office causes the number of members of the board of supervisors to fall below the statutory number, the original supervisor shall continue to perform his/her duties as a supervisor in accordance with the provisions of laws, administrative regulations and the articles of association until the newly elected supervisor takes office.

The board of supervisors of the Company shall hold at least one meeting every six months. According to the PRC Company Law, a resolution of the board of supervisors shall be passed by more than half of all supervisors.

The board of supervisors shall exercise the following powers and functions:

- to inspect the Company's financial affairs;
- to supervise the conduct of directors and senior management in the performance of their duties, and to propose the removal of directors and senior management who violate laws, administrative regulations, the articles of association or resolutions of the general meeting;
- to require directors and senior management to rectify their conduct when it harms the interests of the Company;
- to propose the convening of an extraordinary general meeting and to convene and preside over a general meeting when the board of directors fails to perform its duties of convening and presiding over general meetings as prescribed by the said law;
- to submit proposals to the general meeting;
- to initiate legal proceedings against directors and senior management;
- other powers and functions stipulated in the articles of association; and
- supervisors may attend meetings of the board of directors as non-voting attendees and raise inquiries or make suggestions on matters subject to resolutions of the board of directors. The board of supervisors may conduct investigations if it finds any abnormalities in the Company's operations; if necessary, it may engage professional firms such as accounting firms to assist in its work, with the expenses to be borne by the Company.

General Manager and Senior Management

According to the Company Law, a company may have a general manager, who shall be appointed or dismissed by the board of directors. The general manager shall be responsible to the board of directors and shall exercise his/her powers and functions in accordance with the provisions of the articles of association or as authorized by the board of directors. The general manager shall attend meetings of the Board of Directors as a non-voting member.

According to the Company Law, senior management refers to the Company's general manager, deputy general manager(s), chief financial officer, secretary to the board of directors of a listed company and other personnel stipulated in the articles of association.

Duties of Directors, Supervisors and Senior Management

According to the Company Law, directors, supervisors and senior management of the Company shall abide by laws, administrative regulations and the articles of association. Directors, supervisors and senior management owe a duty of diligence to the Company, and shall, in the performance of their duties, exercise the reasonable care ordinarily expected of a manager for the best interests of the Company. Directors, supervisors and senior management shall not engage in the following acts:

- to misappropriate the Company's property or embezzle the Company's funds;
- to deposit the Company's funds in an account opened in their own name or in the name of another individual;
- to use their positions to solicit bribes or receive other illegal income;
- to accept for their own benefit any commission from a transaction of the Company with others;
- to disclose the Company's secrets without authorization; or
- other acts in violation of the duty of loyalty to the Company.

Where a director, supervisor or senior management member, in performing his/her duties, violates the provisions of laws, administrative regulations or the articles of association and thereby causes losses to the Company, he/she shall be liable for compensation.

Finance and Accounting

According to the Company Law, a company shall establish its financial and accounting systems in accordance with the provisions of laws, administrative regulations and the requirements of the finance organs under the State Council. The company shall prepare a financial and accounting report at the end of each fiscal year, which shall be audited by an accounting firm in accordance with the law. The financial and accounting reports shall be prepared in accordance with the provisions of laws, administrative regulations and the requirements of the finance organs under the State Council.

According to the Company Law, a company shall send the financial and accounting report to each shareholder within the time limit stipulated in its articles of association. The company's financial and accounting report shall be made available at the company for shareholders' inspection twenty days before the annual general meeting is held. A joint stock limited company that publicly issues shares shall announce its financial and accounting reports.

When distributing its after-tax profits for the current year, the Company shall set aside 10% of its profits for the Company's statutory reserve fund. If the accumulated amount of the Company's statutory reserve fund is more than 50% of the Company's registered capital, no further appropriation may be made.

If the Company's statutory reserve fund is not sufficient to make up for the losses of previous years, the profits of the current year shall first be used to make up for the losses before the statutory reserve fund is appropriated in accordance with the preceding paragraph.

After appropriating the statutory reserve fund from its after-tax profits, the Company may, upon a resolution of the general meeting, also appropriate a discretionary reserve fund from its after-tax profits.

The after-tax profit of the Company remaining after making up for losses and making appropriations to the reserve fund shall be distributed by a joint stock limited company to its shareholders in proportion to their respective shareholdings, unless otherwise provided for in its articles of association. The shares of the Company held by the Company itself shall not participate in profit distribution.

The premium on the issue price of shares issued by a company in excess of their par value, the amount of the proceeds from the issue of non-par value shares not credited to the registered capital, and other items required by the finance organs under the State Council to be included in the capital reserve shall be recorded as the company's capital reserve.

The Company's reserve fund shall be used to make up for the Company's losses, expand the Company's production and operation, or be converted into an increase in the Company's registered capital. To make up for the Company's losses with the reserve fund, the discretionary reserve fund and the statutory reserve fund shall be used first; if they are still insufficient, the capital reserve may be used in accordance with the regulations. When the statutory reserve fund is converted to increase the registered capital, the remaining amount of such reserve fund shall not be less than 25% of the company's registered capital before the conversion.

The Company shall not maintain any accounting books other than the statutory ones. The funds of the Company shall not be deposited in an account opened in the name of any individual.

Appointment and Removal of Accounting Firms

According to the Company Law, the appointment and removal of an accounting firm engaged to undertake the Company's audit business shall be decided by the general meeting, the board of directors or the board of supervisors in accordance with the provisions of the articles of association. When the general meeting, board of directors or board of supervisors votes on the removal of an accounting firm, the accounting firm shall be allowed to state its opinions. The Company shall provide the engaged

accounting firm with truthful and complete accounting vouchers, accounting books, financial and accounting reports and other accounting materials, and shall not refuse, conceal or make false statements.

The Articles of Association Guidelines provide that the Company shall ensure that it provides the engaged accounting firm with truthful and complete accounting vouchers, accounting books, financial and accounting reports and other accounting materials, and shall not refuse, conceal or make false statements. The audit fees of the accounting firm shall be decided by the general meeting.

PROFIT DISTRIBUTION

According to the Company Law, a company shall not distribute any profits before offsetting its losses and making appropriations to the statutory reserve fund.

Amendments to the Articles of Association

A company may amend its articles of association in accordance with the procedures stipulated in its articles of association. If it involves matters subject to company registration, the change of registration shall be effected.

DISSOLUTION AND LIQUIDATION

According to the Company Law, a company shall be dissolved for the following reasons:

(i) the term of operation stipulated in the articles of association expires or other grounds for dissolution stipulated in the articles of association arise; (ii) a resolution for dissolution is passed by the general meeting; (iii) dissolution is required due to a merger or division of the Company; (iv) its business license is revoked, it is ordered to close down or it is cancelled in accordance with the law; or (v) if the Company encounters serious difficulties in its operation and management, and its continued existence will cause substantial losses to the shareholders' interests, which cannot be resolved through other means, shareholders holding 10% or more of the voting rights of the Company may request a people's court to dissolve the Company.

Where the Company is subject to the circumstances described in items (i) and (ii) above, and has not yet distributed its assets to the shareholders, it may continue to exist by amending the articles of association or through a resolution of the general meeting. Amendment of the articles of association or passing a resolution by the general meeting in accordance with the preceding paragraph shall require approval by more than two-thirds of the voting rights held by the shareholders of a joint stock limited company present at the general meeting.

If the Company is dissolved due to the provisions of items (i), (ii), (iv) and (v) above, it shall be liquidated. The directors are the persons responsible for the liquidation of the Company and shall form a liquidation panel to commence liquidation within fifteen days from the date on which the grounds for dissolution arise.

The liquidation panel shall be composed of directors, unless otherwise provided in the articles of association or other persons are elected by a resolution of the general meeting. If a liquidation panel is not formed within the time limit or if the formed liquidation panel fails to conduct liquidation, an

interested party may apply to a people's court to designate relevant personnel to form a liquidation panel to conduct the liquidation. The people's court shall accept the application and promptly organize a liquidation panel to conduct the liquidation.

The liquidation panel shall exercise the following powers during the liquidation period:

- to clear up the Company's assets and prepare a balance sheet and a list of assets;
- to notify and make public announcements to creditors;
- to deal with the unfinished business of the Company related to the liquidation;
- to pay off the taxes owed and the taxes incurred during the liquidation process;
- to clear up claims and debts;
- to distribute the remaining assets of the Company after repaying its debts; and
- to represent the Company in civil litigation activities.

The liquidation panel shall, within ten days from the date of its establishment, notify the creditors, and shall, within sixty days, make a public announcement in a newspaper or on the National Enterprise Credit Information Publicity System. Creditors shall, within 30 days from the date of receiving the notice, or for those who have not received the notice, within 45 days from the date of the public announcement, declare their claims to the liquidation panel. When declaring their claims, creditors shall explain the relevant matters of the claims and provide supporting materials. The liquidation panel shall register the claims. During the period for declaration of claims, the liquidation panel shall not make repayments to creditors.

After the liquidation panel has cleared up the Company's assets and prepared the balance sheet and the list of assets, it shall formulate a liquidation plan and submit it to the general meeting or the people's court for confirmation.

The remaining assets of a company, after paying, in sequence, the liquidation expenses, employees' wages, social insurance premiums and statutory compensation, the taxes owed, and repaying the debts, shall be distributed by a joint stock limited company to the shareholders in proportion to their respective shareholdings. During the liquidation period, the company shall continue to exist, but shall not engage in any business activities unrelated to the liquidation. No assets of the Company shall be distributed to shareholders before settlement in accordance with the provisions of the preceding paragraph.

After the liquidation panel has cleared up the Company's assets and prepared the balance sheet and the list of assets, if it discovers that the Company's assets are insufficient to repay its debts, it shall apply to the people's court for bankruptcy liquidation in accordance with the law.

After the people's court has accepted the bankruptcy application, the liquidation panel shall hand over the liquidation affairs to the bankruptcy administrator designated by the people's court.

Upon the conclusion of the company's liquidation, the liquidation panel shall prepare a liquidation report, submit it to the general meeting or the people's court for confirmation, and submit it to the company registration authority to apply for the cancellation of the company's registration. Members of the liquidation panel, in performing their liquidation duties, shall have the duties of loyalty and diligence.

If members of the liquidation panel are negligent in performing their liquidation duties, causing losses to the company, they shall be liable for compensation; if they cause losses to the company or creditors due to intent or gross negligence, they shall be liable for compensation.

OVERSEAS LISTING

According to the Trial Measures for Overseas Listing, an issuer conducting an initial public offering or listing overseas shall file with the CSRC within 3 working days after submitting its application documents for overseas issuance and listing. After an issuer's overseas issuance and listing, if it issues securities in the same overseas market, it shall file with the CSRC within 3 working days after the completion of the issuance. After an issuer's overseas issuance and listing, if it issues and lists in other overseas markets, it shall file for record in accordance with the provisions of the first paragraph of this article. In addition, if the filing materials are complete and comply with the regulations, the CSRC shall complete the filing within 20 working days from the date of receipt of the filing materials and publicize the filing information through its website. If the filing materials are incomplete or do not comply with the regulations, the CSRC shall inform the issuer of the materials that need to be supplemented within 5 working days after receiving the filing materials. The issuer shall supplement the materials within 30 working days.

Loss of Share Certificates

If a share certificate is lost, stolen or destroyed, the shareholder may, in accordance with the relevant provisions of the Civil Procedure Law, request a people's court to declare the share certificate invalid. After the people's court declares the share certificate invalid, the shareholder may apply to the Company for a replacement share certificate.

SUSPENSION AND TERMINATION OF LISTING

The provisions concerning the suspension and termination of listing have been deleted from the Company Law. The Securities Law of the People's Republic of China (2019 Revision) (《中華人民共和國證券法(2019修訂)》) has also deleted the provisions on termination of listing. If a listed security falls under the circumstances for termination of listing as stipulated by a stock exchange, the stock exchange will terminate the listing and trading of such security in accordance with its business rules.

According to the Trial Measures for Overseas Listing, if an issuer voluntarily or mandatorily terminates its listing, it shall report the specific circumstances to the CSRC within 3 working days from the date of the occurrence and announcement of the relevant matter.

Merger and Division

A merger of companies may take the form of a merger by absorption or a merger by new establishment. In a merger by absorption, the absorbed company is dissolved; in a merger by new establishment, the merging parties are dissolved.

Securities Laws and Regulations

The PRC has promulgated a number of regulations concerning the issue and trading of shares and information disclosure. The State Council established the Securities Committee and the CSRC in October 1992. The Securities Committee was responsible for coordinating the drafting of securities regulations, formulating securities-related policies, planning the development of the securities market, guiding, coordinating and supervising all securities-related institutions in the PRC, and managing the CSRC. The CSRC was the regulatory arm of the Securities Committee and was responsible for drafting regulatory provisions for the securities market, supervising securities companies, supervising the public offering of securities by PRC companies at home and abroad, regulating securities trading, compiling securities-related statistics, and conducting relevant research and analysis. The State Council merged the two departments in April 1998, thereby restructuring the CSRC.

The Provisional Regulations on the Administration of the Issuing and Trading of Shares (《股票發行與交易管理暫行條例》) cover the application and approval procedures for the public offering of equity securities, the trading of equity securities, the acquisition of listed companies, the custody, clearing and transfer of listed equity securities, the disclosure of information by listed companies, investigation and penalties, and dispute resolution.

The Securities Law of the People's Republic of China became effective on 1 July, 1999, and was partially amended on 28 August, 2004, 29 June, 2013 and 31 August, 2014, and revised on 27 October, 2005 and 28 December, 2019. It is the first national securities law in the PRC, divided into 14 chapters and 226 articles, regulating, among other things, the issuance and trading of securities, acquisition of listed companies, stock exchanges, securities companies, and the duties and responsibilities of the securities regulatory authority of the State Council. The Securities Law of the People's Republic of China comprehensively regulates the activities of the PRC securities market. Article 224 of the PRC Securities Law provides that where a domestic enterprise lists its shares overseas, it shall comply with the relevant provisions of the State Council. At present, the issuance and trading of shares offered overseas remain primarily subject to the regulations and rules promulgated by the State Council and the CSRC.

Arbitration and Enforcement of Arbitral Awards

The Arbitration Law of the People's Republic of China (2025 Revision) (《中華人民共和國仲裁法(2025修正)》) (the "**Arbitration Law**") was adopted by the NPCSC on 31 August, 1994, became effective on 1 September, 1995, and was amended on 27 August, 2009, 1 September, 2017 and 12 September, 2025. According to the Arbitration Law, before the China Arbitration Association formulates arbitration rules, an arbitration committee may, in accordance with the relevant provisions of the Arbitration Law and the Civil Procedure Law, formulate provisional arbitration rules. Where the parties have reached an arbitration agreement to resolve a dispute and one party institutes legal proceedings in a people's court, the people's court shall not accept the case, unless the arbitration agreement is invalid.

According to the provisions of the Arbitration Law and the Civil Procedure Law, an arbitral award is final and binding on both parties. If one party fails to comply, the other party may apply to a people's court for enforcement. If the arbitration procedure or the composition of the arbitral tribunal violates the statutory procedures, or the matter decided is outside the scope of the arbitration agreement or the arbitration committee has no power to arbitrate, a people's court may refuse to enforce the arbitral award made by the arbitration committee.

For a legally effective arbitral award made by a PRC arbitral tribunal, if the person against whom enforcement is sought or his/her property is not within the territory of the People's Republic of China, the party requesting enforcement may directly apply to a foreign court with jurisdiction for enforcement. Similarly, a legally effective arbitral award made by a foreign-related arbitration institution may also be recognized and enforced by a PRC court in accordance with the principle of reciprocity or the provisions of an international treaty to which the People's Republic of China is a party or signatory. The PRC recognized the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (《承認及執行外國仲裁裁決公約》), adopted on 10 June, 1958 (the "**New York Convention**"), pursuant to a resolution of the NPCSC passed on 2 December, 1986. The New York Convention provides that all arbitral awards made in a contracting state to the New York Convention are recognized and enforced by all other contracting states, but that in certain circumstances, a contracting state has the right to refuse enforcement, including where the enforcement of the arbitral award would be contrary to the public policy of the country in which enforcement is sought. The NPCSC, upon China's accession to the New York Convention, declared that: (i) China will only recognize and enforce foreign arbitral awards on the basis of the principle of reciprocity and (ii) China will only apply the New York Convention to disputes arising from contractual and non-contractual commercial legal relationships as defined under PRC law.

An arrangement has been reached between Hong Kong and the Supreme People's Court on the mutual enforcement of arbitral awards. On 18 June, 1999, the Supreme People's Court adopted the Arrangement of the Supreme People's Court on Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區相互執行仲裁裁決的安排》), which became effective on 1 February, 2000, and was amended by the Supplemental Arrangement of the Supreme People's Court on Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region (2021) (《最高人民法院關於內地與香港特別行政區相互執行仲裁裁決的補充安排(2021)》). According to this arrangement, awards made by PRC arbitration institutions in accordance with the Arbitration Law may be enforced in Hong Kong, and Hong Kong arbitral awards may also be enforced in the PRC.

Judicial Judgments and their Enforcement

According to the Arrangement on Mutual Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements between Parties Concerned (《最高人民法院關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排》), promulgated by the Supreme People's Court on 3 July, 2008 and effective from 1 August, 2008 (the "**Arrangement**"), where a final and enforceable judgment requiring the payment of money is made by a PRC court or a court of the Hong Kong SAR in a civil or commercial case in which there is a written choice of court agreement, a party may apply to a PRC People's Court or a court of the Hong Kong SAR for recognition and enforcement in accordance with this Arrangement. A "written choice of court agreement" refers to an agreement in which the parties, for the purpose of resolving a dispute that has arisen or may arise in connection with a specific legal relationship, expressly agree in writing that a

PRC People's Court or a court of the Hong Kong SAR has sole jurisdiction. Accordingly, a final judgment of the Mainland or Hong Kong that meets certain conditions of the aforesaid regulations may be recognized and enforced by a Mainland court or a court of the Hong Kong SAR upon application by a party.

On 18 January, 2019, the Supreme People's Court of the PRC and the Government of the Hong Kong SAR signed the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (《關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) (the "**New Arrangement**"), which aims to establish a clearer and more certain mechanism for the reciprocal recognition and enforcement of a wider range of judgments in civil and commercial matters between Hong Kong and the Mainland. The New Arrangement came into effect on 29 January, 2024, after the promulgation of a judicial interpretation by the Supreme People's Court and the completion of the relevant legislative procedures in Hong Kong. The New Arrangement superseded the Arrangement upon its entry into force.

Shanghai-Hong Kong Stock Connect

On 10 April, 2014, the CSRC and the SFC issued a "Joint Announcement" on the implementation details of the pilot programme for the establishment of mutual stock market access between Shanghai and Hong Kong, approving in principle the launch of the pilot programme for the establishment of mutual stock market access between the Shanghai Stock Exchange ("**SSE**"), the Stock Exchange, China Securities Depository and Clearing Corporation Limited ("**CSDC**") and HKSCC (the "**Shanghai-Hong Kong Stock Connect**"). The Shanghai-Hong Kong Stock Connect consists of two parts, the Northbound Trading Link and the Southbound Trading Link. The Southbound Trading Link refers to the arrangement whereby PRC investors entrust PRC securities companies to declare to the Stock Exchange through a securities trading service company established by the SSE to buy and sell stocks listed on the Stock Exchange within a prescribed scope. In the initial stage of the pilot programme, the scope of eligible stocks for the Southbound Trading Link are the constituent stocks of the Hang Seng Composite LargeCap Index and the Hang Seng Composite MidCap Index of the Stock Exchange, and the stocks of A+H share companies listed on both the Stock Exchange and the SSE. The aggregate quota for the Southbound Trading Link is RMB250 billion, and the daily quota is RMB10.5 billion. In the initial stage of the pilot programme, the SFC requires that PRC investors participating in the Southbound Trading Link be limited to institutional investors and individual investors with a total balance of not less than RMB500,000 in their securities accounts and capital accounts.

On 10 November, 2014, the CSRC and the SFC issued a "Joint Announcement" approving the official launch of the Shanghai-Hong Kong Stock Connect by the SSE, the Stock Exchange, CSDC and HKSCC. According to the "Joint Announcement", stock trading under the Shanghai-Hong Kong Stock Connect commenced on 17 November, 2014.

30 September, 2016, the CSRC revised the Provisions on the Filing of Rights Issues by Hong Kong Listed Companies to Original Mainland Shareholders under the Southbound Trading Link (《關於港股通下香港上市公司向境內原股東配售股份的備案規定》), which became effective on the same day. The act of a Hong Kong listed company conducting a rights issue to its original Mainland shareholders under the Southbound Trading Link shall be filed with the CSRC. After obtaining approval from the Stock Exchange for its rights issue application, a Hong Kong listed company shall submit the application materials and approval documents to the CSRC. The CSRC conducts supervision based on the approval opinions and conclusions of the Hong Kong side.

1. OVERVIEW

This appendix contains a summary of the principal provisions of the Articles of Association. The Articles of Association of the Company will become effective on the date of listing of the H Shares on The Stock Exchange of Hong Kong Limited. The main purpose of this appendix is to provide potential investors with an overview of the Company's Articles of Association, and it may not contain all information that is important to potential investors.

2. SHARES

(1) Issue of Shares

The shares of the Company shall be in the form of registered shares. The shares issued by the Company are denominated with a nominal value of RMB0.0625 per share.

Each share of the same class shall carry the same rights. Shares of the same class issued at the same time shall be issued on the same terms and at the same price.

The Company may, upon approval, issue different classes of shares. Holders of different classes of shares are class shareholders. Different classes of shares may carry different special rights.

(2) Increase, Reduction and Repurchase of Shares

The Company may, in light of its operational and development needs and in accordance with the provisions of laws, regulations, and the securities regulatory rules of the place where the Company's shares are listed, increase its capital in the following ways, upon a resolution passed at a general meeting:

i. issuing shares to the public;

ii. issuing shares to specified parties;

iii. placing new shares to existing shareholders;

iv. making a bonus issue of new shares to existing shareholders;

v. capitalising reserves into share capital;

vi. other methods permitted by laws, administrative regulations, the China Securities Regulatory Commission (the "CSRC") and the securities regulatory authorities of the place where the Company's shares are listed.

The Company may reduce its registered capital. To reduce its registered capital, the Company shall follow the procedures stipulated in the PRC Company Law (《中華人民共和國公司法》), other relevant regulations, the Articles of Association and the securities regulatory rules of the place where the Company's shares are listed.

The Company shall not acquire its own shares, except under the following circumstances:

i. to reduce the Company's registered capital;

ii. to merge with another company that holds shares in the Company;

iii. to use the shares for employee share ownership schemes or equity incentive schemes;

iv. where a shareholder objects to a resolution of the general meeting on the merger or division of the Company and requests that the Company acquire his/her/its shares;

v. to use the shares for the conversion of corporate bonds issued by the Company that are convertible into shares;

vi. where it is necessary for the Company to safeguard its value and the rights and interests of its shareholders;

vii. other circumstances permitted by laws, administrative regulations, and the securities regulatory rules of the place where the Company's shares are listed.

After its listing, any acquisition by the Company of its own shares shall, in accordance with the requirements of relevant laws and regulations and the securities regulatory rules of the place where the Company's shares are listed, be conducted through on-market purchases, or by other means approved by laws, administrative regulations, the CSRC and The Stock Exchange of Hong Kong Limited. Where the Company acquires its own shares under the circumstances stipulated in items (i) and (ii) of the preceding paragraph, a resolution shall be passed at a general meeting. Where the Company acquires its own shares under the circumstances stipulated in items (iii), (v) and (vi) of the preceding paragraph, it may do so in accordance with the provisions of the Articles of Association or as authorized by the general meeting, by a resolution of a Board meeting attended by more than 2/3 of the directors. If laws, regulations and the securities regulatory rules of the place where the Company's shares are listed provide otherwise on matters related to share repurchase, such provisions shall prevail.

(3) Transfer of Shares

Shares issued by the Company before its public offering shall not be transferred within one year from the date on which the Company's shares are listed and traded on a stock exchange.

Directors and senior management of the Company shall declare to the Company the shares they hold in the Company and any changes thereto. During their term of office, the number of shares transferred by them annually shall not exceed 25% of the total number of shares they hold in the Company; the shares they hold in the Company shall not be transferred within one year from the date on which the Company's shares are listed and traded. Within six months after their departure, the aforementioned persons shall not transfer the shares they hold in the Company.

3. RIGHTS AND OBLIGATIONS OF SHAREHOLDERS

Shareholders shall enjoy rights and assume obligations according to the class of shares they hold; Shareholders holding shares of the same class shall enjoy the same rights and assume the same obligations.

Shareholders of the Company shall enjoy the following rights:

i. to receive dividends and other forms of profit distribution in proportion to their shareholdings;

ii. to request, convene, preside over, attend or appoint a shareholder's proxy to attend a general meeting in accordance with the law, and to exercise the corresponding voting rights;

iii. to supervise the Company's operations and to make suggestions or inquiries;

iv. to transfer, gift or pledge the shares they hold in accordance with the provisions of laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association;

v. to inspect and copy the Articles of Association, the register of shareholders, minutes of general meetings, resolutions of Board meetings, and financial and accounting reports, and shareholders who have, individually or jointly, held 3% or more of the Company's shares for 180 consecutive days or more may inspect the Company's accounting books and accounting vouchers;

vi. upon the termination or liquidation of the Company, to participate in the distribution of the Company's remaining assets in proportion to their shareholdings;

vii. to demand that the Company acquire his/her/its shares if he/she/it objects to a resolution of the general meeting on the merger or division of the Company;

viii. other rights stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

Shareholders who request to inspect and copy relevant materials of the Company shall provide the Company with written documents proving the class and number of shares they hold in the Company, and shall comply with the provisions of the PRC Company Law, the Securities Law, and other laws, administrative regulations and the securities regulatory rules of the place where the Company's shares are listed.

Shareholders of the Company shall undertake the following obligations:

i. to abide by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association;

ii. to pay for the shares subscribed for in accordance with the subscription and contribution method;

iii. not to withdraw their share capital, except in circumstances stipulated by laws and regulations;

iv. not to abuse their shareholder rights to the detriment of the interests of the Company or other shareholders; not to abuse the Company's independent legal personality and the limited liability of shareholders to the detriment of the interests of the Company's creditors;

v. to perform other obligations to be undertaken as stipulated by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

If a Company shareholder abuses their shareholder rights and causes losses to the Company or other shareholders, they shall be liable for compensation in accordance with the law. If a Company shareholder abuses the Company's independent legal personality and the limited liability of shareholders to evade debts and seriously harms the interests of the Company's creditors, they shall bear joint and several liability for the Company's debts.

4. RESTRICTIONS ON THE RIGHTS OF CONTROLLING SHAREHOLDERS

The Company's controlling shareholders shall exercise their rights and perform their obligations in accordance with laws, administrative regulations, the provisions of the CSRC and the securities regulatory rules of the place where the Company's shares are listed, and safeguard the interests of the Company.

Personnel of the Company's controlling shareholder who hold administrative positions other than director or supervisor shall not serve as senior management of the Company. The senior management of the Company shall only receive remuneration from the Company and shall not have their salaries paid by the controlling shareholder.

5. RULES OF GENERAL MEETINGS

(1) General Provisions for General Meetings

The Company's general meeting shall be composed of all shareholders. The general meeting is the organ of authority of the Company and shall exercise the following powers in accordance with the law:

i. to elect and replace directors and to decide on matters concerning their remuneration;

ii. to consider and approve the reports of the Board of Directors;

iii. to consider and approve the Company's profit distribution plans and loss recovery plans;

iv. to pass resolutions on the increase or decrease of the Company's registered capital;

v. to pass resolutions on the issue of corporate bonds;

vi. to pass resolutions on the merger, division, dissolution, liquidation (including voluntary liquidation) or change of the Company's form;

vii. to amend the Articles of Association;

viii. to pass resolutions on the appointment or dismissal of the accounting firm that undertakes the Company's audit business;

ix. to consider and approve guarantee matters stipulated in the Articles of Association;

x. to consider and approve matters concerning changes in the use of proceeds;

xi. to consider matters relating to the purchase or sale of material assets by the Company within one year that exceeds 30% of the Company's latest audited total assets;

xii. to consider employee equity incentive schemes and share ownership schemes;

xiii. to consider other matters that are required to be decided by the general meeting as stipulated by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

General meetings are divided into annual general meetings (i.e. AGM) and extraordinary general meetings. An annual general meeting shall be held once a year and within six months after the end of the previous financial year.

The Company shall convene an extraordinary general meeting within 2 months from the date of the occurrence of any of the following circumstances:

i. when the number of directors is less than the number required by the PRC Company Law or 2/3 of the number specified in the Articles of Association;

ii. when the Company's unrecovered losses amount to 1/3 of the total share capital;

iii. upon the request of a shareholder or shareholders holding, individually or jointly, 10% or more of the Company's shares;

iv. when the Board of Directors deems it necessary;

v. when the Audit Committee proposes to convene a meeting;

vi. other circumstances stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

(2) Convening of General Meetings

The Board of Directors shall convene the general meeting on time within the prescribed period.

With the consent of more than half of all independent non-executive directors, the independent non-executive directors have the right to propose to the Board of Directors that an extraordinary general meeting be convened. In response to a proposal from independent non-executive directors to convene an extraordinary general meeting, the Board of Directors shall, in accordance with the provisions of laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, provide a written response agreeing or

disagreeing to convene the extraordinary general meeting within 10 days of receiving the proposal. If the Board of Directors agrees to convene an extraordinary general meeting, it shall issue a notice of the general meeting within 5 days of the Board's resolution; if the Board of Directors disagrees to convene an extraordinary general meeting, it shall explain the reasons.

The Audit Committee has the right to propose to the Board of Directors to convene an extraordinary general meeting, and shall submit such proposal to the Board of Directors in writing. The Board of Directors shall, in accordance with the provisions of laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, provide a written response agreeing or disagreeing to convene an extraordinary general meeting within 10 days of receiving the proposal. If the Board of Directors agrees to convene an extraordinary general meeting, it shall issue a notice of the general meeting within 5 days of the Board's resolution, and any changes to the original proposal in the notice shall be subject to the consent of the Audit Committee. If the Board of Directors disagrees to convene an extraordinary general meeting, or fails to respond within 10 days of receiving the proposal, the Board of Directors shall be deemed unable or failing to perform its duty to convene the general meeting, and the Audit Committee may convene and preside over the meeting on its own.

A shareholder or shareholders holding, individually or jointly, 10% or more of the Company's shares have the right to request the Board of Directors to convene an extraordinary general meeting, and shall submit such request to the Board of Directors in writing. The Board of Directors shall, in accordance with the provisions of laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, provide a written response agreeing or disagreeing to convene an extraordinary general meeting within 10 days of receiving the request. If the Board of Directors agrees to convene an extraordinary general meeting, it shall issue a notice of the general meeting within 5 days of the Board's resolution, and any changes to the original request in the notice shall be subject to the consent of the relevant shareholders. If the Board of Directors disagrees to convene an extraordinary general meeting, or fails to respond within 10 days of receiving the request, a shareholder or shareholders holding, individually or jointly, 10% or more of the Company's shares have the right to propose to the Audit Committee that an extraordinary general meeting be convened, and shall submit the request to the Audit Committee in writing. If the Audit Committee agrees to convene an extraordinary general meeting, it shall issue a notice of the general meeting within 5 days of receiving the request, and any changes to the original request in the notice shall be subject to the consent of the relevant shareholders. If the Audit Committee fails to issue a notice of the general meeting within the prescribed period, it shall be deemed that the Audit Committee will not convene and preside over the general meeting, and a shareholder or shareholders holding, individually or jointly, 10% or more of the Company's shares for 90 consecutive days or more may convene and preside over the meeting on their own.

(3) Proposals for General Meetings

When the Company convenes a general meeting, the Board of Directors, the Audit Committee, and shareholders holding, individually or jointly, 1% or more of the Company's shares have the right to submit proposals to the Company.

A shareholder or shareholders holding, individually or jointly, 1% or more of the Company's voting shares may submit an extraordinary proposal in writing to the convener 10 days before the general meeting is held. The convener shall, within 2 days of receiving the proposal, issue a supplementary notice of the general meeting to announce the content of the extraordinary proposal and

submit such extraordinary proposal to the general meeting for consideration. However, this does not apply if the extraordinary proposal violates the provisions of laws, administrative regulations, or the Articles of Association, or if it falls outside the scope of the general meeting's powers.

Except in the circumstances stipulated in the preceding paragraph, the convener shall not amend the proposals already listed in the notice of the general meeting or add new proposals after issuing the notice of the general meeting.

(4) Notice of General Meetings

The Company shall give all registered shareholders at least 20 days' written notice for an annual general meeting and at least 15 days' written notice for an extraordinary general meeting, informing them of the matters to be considered at the meeting and the date and place of the meeting. Where the securities regulatory authorities of the place where the Company's shares are listed provide otherwise, such provisions shall prevail. When calculating the notice period, the Company shall not include the day on which the meeting is to be held.

The notice of a general meeting shall include the following:

i. the time, place and duration of the meeting;

ii. the matters and proposals to be considered at the meeting;

iii. a clear statement that all ordinary shareholders have the right to attend the general meeting and may appoint a proxy in writing to attend the meeting and vote, and that such proxy need not be a shareholder of the Company;

iv. the share registration date for shareholders entitled to attend the general meeting;

v. the name and telephone number of the permanent contact person for meeting affairs;

vi. the time and procedures for voting by network or other means;

vii. other information required to be disclosed by the Listing Rules.

After the notice of a general meeting has been issued, the meeting shall not be postponed or cancelled without a valid reason, and the proposals listed in the notice of the general meeting shall not be cancelled. In the event of a postponement or cancellation, the convener shall make an announcement and explain the reasons at least 2 working days before the originally scheduled date of the meeting. Where the securities regulatory rules of the place where the Company's shares are listed have special provisions on the procedures for postponing or cancelling a general meeting, such provisions shall prevail, provided that they do not violate domestic regulatory requirements.

(5) Convening of General Meetings

All shareholders registered on the share registration date or their proxies are entitled to attend the general meeting and to exercise their voting rights and right to speak in accordance with relevant laws, regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, unless an individual shareholder is required by the securities regulatory rules of the place where the Company's shares are listed to abstain from voting on a particular matter.

A shareholder may attend the general meeting in person or entrust a proxy (who need not be a shareholder of the Company) to attend and vote on their behalf. If a shareholder is a recognized clearing house (or its nominee), such shareholder may authorize its corporate representative or one or more persons as it thinks fit to act as its proxy at any general meeting.

A power of attorney issued by a shareholder authorising another person to attend a general meeting shall specify the following:

i. the name of the principal, and the class and number of shares held in the Company;

ii. the name of the proxy;

iii. the shareholder's specific instructions, including instructions to vote for, against or abstain on each matter on the agenda of the general meeting;

iv. the date of issue and the period of validity of the power of attorney;

v. signature (or seal) of the principal. If the principal is a corporate shareholder, it shall be signed by its duly authorized person or affixed with the seal of the corporate entity.

If the proxy form is signed by a person authorized by the principal, the power of attorney or other authorization documents for such signature shall be notarized. The notarized power of attorney or other authorization documents, and the proxy form for voting must be lodged at the Company's domicile or other places specified in the notice convening the meeting 24 hours before the relevant meeting is held, or 24 hours before the designated voting time.

A clearing house as defined in the Listing Rules is entitled to appoint an individual representative or a corporate representative to attend the Company's general meetings and creditors' meetings, and such individual or corporate representatives shall enjoy the same statutory rights as other shareholders, including the right to speak and vote.

(6) Resolutions of General Meetings

Resolutions of the general meeting are classified into ordinary resolutions and special resolutions. An ordinary resolution of the general meeting shall be passed by more than half of the voting rights held by the shareholders present at the general meeting. A special resolution of the general meeting shall be passed by two-thirds or more of the voting rights held by the shareholders present at the general meeting.

The following matters shall be passed by an ordinary resolution at a general meeting:

i. the work report of the Board of Directors;

ii. the profit distribution plans and loss recovery plans proposed by the Board of Directors;

iii. the appointment and removal of members of the Board of Directors and their remuneration and payment methods;

iv. the appointment or dismissal of the accounting firm;

v. other matters that are not required to be passed by a special resolution by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

The following matters shall be passed by a special resolution at a general meeting:

i. increase or reduction of the Company's registered capital, and issuance of any class of shares, warrants and other similar securities;

ii. issuance of corporate bonds;

iii. the division, merger, dissolution and liquidation (including voluntary liquidation) or change of corporate form of the Company;

iv. to amend the Articles of Association;

v. any purchase or sale of material assets by the Company or provision of guarantee to others within one year where the amount exceeds 30% of the Company's latest audited total assets;

vi. share incentive schemes;

vii. other matters that are required to be passed by a special resolution as stipulated by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association, as well as those matters determined by the general meeting by an ordinary resolution to have a material impact on the Company.

If the content of a resolution of the Company's general meeting or Board of Directors violates laws or administrative regulations, shareholders have the right to request a people's court to declare it invalid.

If the convening procedures or voting methods of a general meeting or Board meeting violate laws, administrative regulations or the Articles of Association, or if the content of a resolution violates the Articles of Association, shareholders have the right, within 60 days from the date the resolution is made, to request a people's court to set it aside. However, this does not apply if the convening procedures or voting methods of the general meeting or Board meeting have only minor flaws that do not have a substantial impact on the resolution.

6. DIRECTORS AND THE BOARD OF DIRECTORS

(1) Appointment, Resignation and Removal of Directors

The Board of Directors shall be composed of 9 Directors, including at least 3 Independent Non-executive Directors (inclusive), and at least one of the Independent Non-executive Directors shall possess appropriate professional qualifications that meet regulatory requirements, or appropriate accounting or relevant financial management expertise). The Board of Directors shall have one chairman (also known as the "Chairman of the Board"), who shall be elected by the affirmative vote of more than half of all Directors.

Directors not being employee representatives shall be elected or replaced by the general meeting, and may be removed by an ordinary resolution of the general meeting before the expiration of their term of office (provided that such removal is without prejudice to any claim for damages such director may have under any contract). The term of office for a director is 3 years, and a director may be re-elected upon expiration of the term.

Directors may concurrently hold positions as senior management personnel, but the aggregate number of directors who also serve as senior management personnel and directors who are employee representatives shall not exceed 1/2 of the total number of directors of the Company. The Board of Directors shall not have any employee representative director.

Directors of the Company shall be natural persons. No one shall serve as a director of the Company if any of the following circumstances exists:

i. a person with no or limited capacity for civil conduct;

ii. having been sentenced to criminal penalties for bribery, embezzlement of property, misappropriation of property or for disrupting the order of the socialist market economy, or having been deprived of political rights for a crime, where not more than 5 years have elapsed since the expiry of the enforcement period, or having been given a suspended sentence where not more than two years have elapsed since the expiry of the probation period;

iii. a person who served as a director, factory manager or general manager of a company or enterprise which is under bankruptcy liquidation and was personally liable for the bankruptcy of such company or enterprise, where not more than 3 years have elapsed since the completion of the bankruptcy liquidation of such company or enterprise;

iv. a person who served as the legal representative of a company or enterprise whose business license was revoked or which was ordered to close down for violation of law, and was personally liable therefor, where not more than 3 years have elapsed since the date of such revocation or closing down;

v. a person who has an overdue and outstanding personal debt of a substantial amount and has been listed as a person subject to enforcement for breach of trust by a People's Court;

vi. having been subject to a securities market entry ban imposed by the CSRC, where the term of the ban has not yet expired;

vii. having been publicly identified by a stock exchange as unsuitable to serve as a director or senior management of a company, where the term of such identification has not expired;

viii. other contents stipulated by laws, administrative regulations, departmental rules or the securities regulatory rules of the place where the Company's shares are listed.

If a director is elected or appointed in violation of this article, such election, appointment or engagement shall be invalid. If a director falls under any of the circumstances stipulated in this article during his/her term of office, the Company shall remove him/her from his/her position and terminate his/her duties.

(2) Remuneration of Directors

The appointment and removal of members of the Board of Directors and their remuneration and payment methods shall be approved by an ordinary resolution of the general meeting.

(3) Duties of Directors

Directors shall comply with the provisions of laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, owe a duty of loyalty to the Company, shall take measures to avoid conflicts between their own interests and the interests of the Company, and shall not use their position to seek improper benefits. A director owes the following duties of loyalty to the Company:

i. shall not misappropriate the Company's property or embezzle the Company's funds;

ii. shall not deposit the Company's funds in an account opened in his/her own name or in the name of another individual;

iii. shall not use his/her position to solicit bribes or receive other illegal income;

iv. shall not, without reporting to the Board of Directors or the general meeting and obtaining approval by a resolution of the Board of Directors or the general meeting in accordance with the provisions of the Articles of Association, directly or indirectly enter into a contract or conduct a transaction with the Company;

v. shall not take advantage of his/her position to seek for himself or for others any business opportunity that should belong to the Company, except where he has reported to the Board of Directors or the general meeting and the matter has been passed by a resolution of the general meeting, or where the Company is unable to take advantage of such business opportunity in accordance with laws, administrative regulations or the Articles of Association;

vi. shall not, without reporting to the Board of Directors or the general meeting and having the matter passed by a resolution of the general meeting, engage in for his/her own account or for another person any business of the same type as that of the Company;

vii. shall not accept for his/her own benefit any commission from a transaction of the Company with others;

viii. shall not disclose the Company's secrets without authorization;

ix. shall not use their connected relationships to harm the Company's interests;

x. other duties of loyalty stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Any income obtained by a director in violation of this article shall belong to the Company; if any loss is caused to the Company, he shall be liable for compensation.

Directors shall comply with the provisions of laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association and owe the following duties of diligence to the Company:

i. shall exercise the rights granted by the Company prudently, conscientiously and diligently to ensure that the Company's business conduct complies with the requirements of national laws, administrative regulations and various national economic policies, and that its business activities do not exceed the scope of business specified in its business license;

ii. shall treat all shareholders fairly;

iii. shall keep abreast of the Company's business operations and management status;

iv. shall sign a written confirmation on the Company's periodic reports to ensure that the information disclosed by the Company is true, accurate and complete;

v. shall provide relevant information and materials to the Audit Committee truthfully and shall not obstruct the Audit Committee from exercising its powers and functions;

vi. other duties of diligence stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

When a director's resignation takes effect or their term of office expires, they shall complete all handover procedures with the Board of Directors. Their duty of loyalty to the Company and its shareholders is not automatically discharged upon the end of their term and shall remain in effect for a reasonable period as stipulated in the Articles of Association. The liability a director bears for actions taken in the performance of their duties during their term of office shall not be exempted or terminated upon their departure from office. A director's duty to maintain the confidentiality of the Company's trade secrets shall remain in effect after their term of office ends, until such secrets become public information; The duration of a director's other duties of loyalty to the Company shall be determined based on the principle of fairness, depending on the length of time between the occurrence of the event and their departure, and the circumstances and conditions under which the relationship with the Company ends, but shall in no case be less than 2 years.

(4) Functions and Powers of the Board of Directors

The Board of Directors shall exercise the following powers and functions:

i. to convene general meetings and to report on its work to the general meetings;

ii. to implement the resolutions of the general meetings;

iii. to decide on the Company's business plans and investment proposals;

iv. to decide on the Company's annual financial budget plans and final accounts plans;

v. to approve the Company's annual report;

vi. to formulate the Company's profit distribution plans and loss recovery plans;

vii. to formulate the Company's debt and financial policies, proposals for increasing or reducing registered capital, proposals for issuing bonds or other securities, and listing proposals;

viii. to decide on the issue of new shares in accordance with the Articles of Association or as authorized by the general meeting;

ix. to formulate proposals for major acquisitions, repurchase of the Company's shares, or merger, division, dissolution and change of corporate form of the Company;

x. to decide on the establishment of the Company's internal management structure;

xi. to appoint or dismiss the Company's general manager; based on the nomination of the general manager, to appoint or dismiss the Company's deputy general managers, chief financial officer and other senior management personnel, and to decide on their remuneration, rewards and penalties;

xii. to formulate proposals for amendments to the Articles of Association;

xiii. to consider and approve other external guarantee matters except for those that shall be approved by the general meeting;

xiv. to consider and approve other Major Transactions except for those that shall be approved by the general meeting;

xv. to formulate the Company's basic management system;

xvi. to approve the appointment or replacement of directors and shareholder representative supervisors of the Company's wholly-owned subsidiaries; to appoint, replace or recommend shareholder representatives, directors (candidates), and shareholder representative supervisors (candidates) for the Company's holding subsidiaries or associate companies;

xvii. to propose to the general meeting the appointment or replacement of the accounting firm for the Company's audit;

xviii. to manage the Company's information disclosure matters;

xix. to acquire the Company's own shares under the circumstances stipulated in items (iii), (v) and (vi) of the first paragraph of Article 24 of the Articles of Association;

xx. to hear the work reports of the Company's general manager and to inspect the general manager's work;

xxi. other powers granted by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

Matters exceeding the scope of authorization granted by the general meeting shall be submitted to the general meeting for deliberation.

Subject to the provisions of the Articles of Association, resolutions of the Board of Directors on the matters in the preceding paragraph shall be passed by an affirmative vote of more than half of the directors, with the exception of items (vii), (viii), (ix), (xii), (xiii) and (xix), which shall require the affirmative vote of more than two-thirds of the directors. Where the securities regulatory rules of the place where the Company's shares are listed provide otherwise in this regard, such provisions shall prevail.

(5) Board meetings

The Board of Directors shall hold at least four meetings each year, to be convened by the chairman, with at least 10 days' prior written notice given to all directors. With the unanimous consent of all directors of the Company, the notice period for convening a regular Board meeting as mentioned above may be shortened or waived.

The Board of Directors shall convene an extraordinary meeting under any of the following circumstances:

i. upon the proposal of a shareholder or shareholders representing 1/10 or more of the voting rights;

ii. upon the proposal of 1/3 or more of the directors;

iii. upon the proposal of the Audit Committee;

iv. when the chairman of the Board deems it necessary;

v. upon the proposal of more than half of the independent non-executive directors;

vi. upon the proposal of the general manager;

vii. under other circumstances stipulated in the Articles of Association, an extraordinary meeting of the Board of Directors may be proposed.

A meeting of the Board of Directors may be held only if more than half of the directors are present. Voting on resolutions of the Board of Directors shall be conducted on the basis of one vote per person.

If a director has a related (connected) relationship with an enterprise or individual involved in a matter to be resolved at a Board meeting, the director shall promptly report this to the Board in writing. A related (connected) director shall not exercise voting rights on such resolution, nor shall he act as a proxy for other directors to exercise voting rights. Such Board meeting may be held if attended by more than half of the non-related (connected) directors, and any resolution made at the Board meeting must be passed by more than half of the non-related (connected) directors. If the number of non-connected directors attending a Board meeting is less than 3, the matter shall be submitted to the general meeting for deliberation.

Meetings of the Board of Directors shall be attended by the directors in person; If a director is unable to attend for any reason, he/she may entrust another director in writing to attend on his/her behalf. The power of attorney shall specify the name of the proxy, the matters to be proxied, the scope of authority and the period of validity, and shall be signed or sealed by the principal. A director attending a meeting on behalf of another shall exercise the rights of a director within the scope of the authorization. A director who neither attends a Board meeting nor appoints a representative to attend shall be deemed to have waived his/her voting right at that meeting.

(6) Independent Non-executive Directors

The Board of Directors shall be composed of 9 Directors, including at least 3 Independent Non-executive Directors (inclusive), and at least one of the Independent Non-executive Directors shall possess appropriate professional qualifications that meet regulatory requirements, or appropriate accounting or relevant financial management expertise).

Independent non-executive directors shall exercise the following special powers:

i. to independently engage intermediary agencies to audit, consult or investigate specific matters of the Company;

ii. to propose to the Board of Directors to convene an extraordinary general meeting;

iii. to propose to convene a Board meeting;

iv. to publicly solicit shareholder rights from shareholders in accordance with the law;

v. to express independent opinions on matters that may harm the rights and interests of the Company or minority and small shareholders;

vi. other powers stipulated by laws, administrative regulations, the provisions of the CSRC, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

The exercise by independent non-executive directors of the powers listed in items (i) to (iii) of the preceding paragraph shall be subject to the consent of more than half of all independent non-executive directors.

(7) Specialised Committees of the Board of Directors

The Company's Board of Directors shall establish an Audit Committee which shall exercise the powers and functions of a board of supervisors as stipulated in the PRC Company Law. The Audit Committee shall consist of 3 members, who shall be non-executive directors, of which at least 2 shall be independent non-executive directors, and the convener shall be an independent non-executive director.

The Audit Committee shall hold a meeting at least once every quarter. An extraordinary meeting may be convened upon the proposal of two or more members, or when the convener deems it necessary. A meeting of the Audit Committee may be held only if more than 2/3 of its members are present. The agenda for meetings of the Audit Committee shall be drawn up in advance, and the Company shall, in principle, provide the relevant materials and information no later than 3 days prior to the date of the meeting. The Audit Committee may request directors, senior management, internal and external audit personnel and others to attend meetings of the Audit Committee to answer questions of concern. A resolution of the Audit Committee shall be passed by more than half of the members of the Audit Committee. Voting on resolutions of the Audit Committee shall be conducted on the basis of one vote per person.

In addition to the Audit Committee, the Company's Board of Directors may establish other specialised committees such as a nomination committee and a remuneration and appraisal committee. Such specialised committees shall be accountable to the Board of Directors, perform their duties in accordance with the Articles of Association and as authorized by the Board, and their proposals shall be submitted to the Board for deliberation and decision. All members of the specialised committees shall be directors, and their composition shall comply with the relevant requirements of laws, administrative regulations, and the securities regulatory rules of the place where the Company's shares are listed. The Board of Directors is responsible for formulating the working rules of the specialised committees to regulate their operation.

7. GENERAL MANAGER

The Company shall have one general manager, who shall be appointed or dismissed by the Board of Directors. The Company shall have a number of deputy general managers, who shall be responsible for assisting the general manager in his/her work and shall be nominated by the general manager and appointed or dismissed by the Board of Directors.

The Company's general manager is responsible to the Board of Directors and exercises the following powers:

i. to preside over the production, operation and management of the Company, to organise and implement the resolutions of the Board of Directors, and to report to the Board of Directors on their work;

ii. to organise and implement the Company's annual business plans and investment proposals;

iii. to formulate proposals for the establishment of the Company's internal management structure;

iv. to formulate the Company's basic management system;

v. to formulate the Company's specific rules and regulations;

vi. to propose to the Board of Directors the appointment or dismissal of the Company's deputy general managers and chief financial officer;

vii. to decide on the appointment or dismissal of management personnel other than those who should be appointed or dismissed by the Board of Directors;

viii. to decide on other transactions except for those that shall be approved by the general meeting or the Board of Directors;

ix. other powers granted by the Articles of Association or the Board of Directors.

8. ACCOUNTING AND AUDIT

(1) Financial and Accounting Policies

The Company shall formulate its financial and accounting system in accordance with laws, administrative regulations and the provisions of relevant state departments.

The Company's financial year shall run from January 1 to December 31 of the Gregorian calendar.

The Company shall not keep any other accounting books in addition to the statutory accounting books. The funds of the Company shall not be deposited in an account opened in the name of any individual.

(2) Appointment and Dismissal of Auditors

The Company shall engage an accounting firm that meets the requirements of the Securities Law to conduct business such as auditing financial statements, verifying net assets, and providing other related consulting services. The term of appointment is 1 year and is renewable.

The appointment and dismissal of an accounting firm by the Company shall be decided by the general meeting by way of an ordinary resolution. The Board of Directors shall not appoint an accounting firm before a decision is made by the general meeting.

The Company guarantees to provide the engaged accounting firm with true and complete accounting vouchers, accounting books, financial and accounting reports and other accounting information, and shall not refuse, conceal or misrepresent them.

When the Company dismisses or does not re-engage an accounting firm, it shall give 15 days' prior notice to the accounting firm. When the Company's general meeting votes on the dismissal of the accounting firm, the accounting firm shall be allowed to state its opinion. The dismissal of an accounting firm shall be decided by the general meeting by way of an ordinary resolution. If an accounting firm proposes to resign, it shall explain to the general meeting whether there are any improprieties on the part of the Company.

9. DIVIDENDS AND OTHER METHODS OF DISTRIBUTION

The Company implements the following profit distribution policy:

i. Principles of profit distribution: The Company attaches great importance to providing reasonable investment returns to investors, while also taking into account the overall interests of all shareholders, as well as the long-term interests and sustainable development of the Company. Profit distribution shall be based on the profit available for distribution to shareholders as shown in the Company's consolidated financial statements. The profit distribution policy shall maintain continuity and stability, and adhere to the principles of distributing profits in the statutory order and of equal rights and equal dividends for shares of the same class.

ii. Forms of profit distribution: The Company may distribute dividends in cash or in a combination of cash and shares, with priority given to cash dividends. Where the conditions for cash dividends are met, profit distribution shall be made in the form of cash dividends. If stock dividends are used for profit distribution, there shall be genuine and reasonable factors such as the Company's growth potential and the dilution of net assets per share. The Company's profit distribution shall not exceed the scope of accumulated profits available for distribution to shareholders and shall not impair the Company's ability to operate as a going concern.

iii. Interval of profit distribution: The Company may decide whether to distribute dividends each year based on factors such as its financial position and future development plans. The Company's Board of Directors may propose an interim dividend distribution based on the current profit scale, cash flow status, development stage and funding needs.

After the Company's general meeting passes a resolution on a profit distribution plan, the Board of Directors shall complete the distribution of dividends (or shares) within 2 months after the general meeting is held.

10. DISSOLUTION AND LIQUIDATION

The Company shall be dissolved for the following reasons:

i. the term of operation stipulated in the Articles of Association expires or other grounds for dissolution stipulated in the Articles of Association arise;

ii. a resolution for dissolution is passed by the general meeting;

iii. dissolution is required due to a merger or division of the Company;

iv. its business license is revoked, it is ordered to close down or it is cancelled in accordance with the law;

v. the Company encounters serious difficulties in its operation and management, and its continued existence will cause substantial losses to the shareholders' interests, which cannot be resolved through other means, shareholders holding 10% or more of the voting rights of the Company may request a people's court to dissolve the Company.

If the Company is dissolved under the circumstances set out in items (i), (ii), (iv) and (v) of the preceding paragraph, it shall be liquidated. The directors shall be the liquidation obligors of the Company and shall carry out the liquidation. The directors are the persons responsible for the liquidation of the Company and shall form a liquidation panel to carry out the liquidation within 15 days from the date on which the grounds for dissolution arise. The liquidation panel shall be composed of directors, unless otherwise provided in the Articles of Association or other persons are elected by a resolution of the general meeting. If the persons responsible for liquidation fail to perform their liquidation obligations in a timely manner, causing losses to the Company or its creditors, they shall be liable for compensation.

The liquidation panel shall, within 10 days from the date of its establishment, notify the creditors, and shall, within 60 days, make a public announcement in a provincial or national newspaper or on the National Enterprise Credit Information Publicity System. Creditors shall, within 30 days from the date of receiving the notice, or for those who have not received the notice, within 45 days from the date of the public announcement, declare their claims to the liquidation panel.

After the liquidation panel has cleared up the Company's assets and prepared the balance sheet and the list of assets, it shall formulate a liquidation plan and submit it to the general meeting or the people's court for confirmation. The remaining assets of the Company, after paying, in sequence, the liquidation expenses, employees' wages, social insurance premiums and statutory compensation, the taxes owed, and repaying the Company's debts, shall be distributed by the Company to the shareholders in proportion to their respective shareholdings.

After the liquidation panel has cleared up the Company's assets and prepared the balance sheet and the list of assets, if it discovers that the Company's assets are insufficient to repay its debts, it shall apply to the people's court for bankruptcy liquidation in accordance with the law. After a people's court has accepted a bankruptcy application for the Company, the liquidation panel shall hand over the liquidation affairs to the bankruptcy administrator designated by the people's court.

Upon the conclusion of the Company's liquidation, the liquidation panel shall prepare a liquidation report, submit it to the general meeting or the people's court for confirmation, and submit it to the Company registration authority to apply for cancellation of the Company's registration.

11. AMENDMENT OF THE ARTICLES OF ASSOCIATION

The Company will amend the Articles of Association under any of the following circumstances:

i. after the PRC Company Law or relevant laws, administrative regulations, departmental rules, or the securities regulatory rules of the place where the Company's shares are listed are amended, the matters stipulated in the Articles of Association are in conflict with the provisions of the amended laws, administrative regulations, departmental rules, or securities regulatory rules of the place where the Company's shares are listed;

ii. the circumstances of the Company have changed, such that they are inconsistent with the matters recorded in the Articles of Association;

iii. the general meeting resolves to amend the Articles of Association.

Any amendment to the Articles of Association approved by a resolution of the general meeting that is subject to examination and approval by the competent authorities shall be submitted to the competent authorities for approval; if it involves matters subject to registration by the Company, the change of registration shall be effected in accordance with the law. If matters relating to the amendment of the Articles of Association are information required to be disclosed by laws and regulations, they shall be announced as required.

1. FURTHER INFORMATION ABOUT OUR COMPANY

A. Incorporation

On March 29, 2016, our Company was established under the name of NASN Automotive Electronics Co., Ltd. (上海拿森汽車電子有限公司), as a limited liability company in Shanghai, the PRC, with a registered capital of RMB10,000,000. On July 30, 2025, our Company was converted into a joint stock company with limited liability and was subsequently renamed as NASN Intelligent Tech (Zhejiang) Co., Ltd. (拿森智能科技(浙江)股份有限公司).

Our registered office is at 3/F, Building 1, No. 358 Hongxing Road Economic and Technological Development Zone, Xiaoshan District Hangzhou, Zhejiang, PRC. We have established a place of business in Hong Kong at 40/F, Dah Sing Financial Centre, No. 248 Queen's Road East, Wan Chai, Hong Kong and have been registered as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance on October 17, 2025. Ms. Liu Qian (劉倩) and Ms. Jian Xuegen (簡雪艮) have been appointed as our authorized representatives for the acceptance of services of process and notices on behalf of our Company in Hong Kong. Our address for acceptance of service of process in Hong Kong is the same as the address of our principal place of business in Hong Kong.

As we are incorporated in the PRC, we are subject to the relevant laws and regulations of the PRC. A summary of the relevant aspects of laws and regulations of the PRC and our Articles of Association is set out in "Regulatory Overview" of this Document and Appendix V to this Document.

B. Changes in the Share Capital of our Company

On March 29, 2016, our Company was incorporated with a registered capital of RMB10,000,000.

The following sets forth the alteration in the share capital of our Company during the two years immediately preceding the date of this document:

On November 21, 2024, our registered share capital was increased from RMB29,679,666 to RMB32,757,557, among which Chengdu Juli Zhongchan Equity Investment Fund Partnership (Limited Partnership) (成都聚力重產股權投資基金合夥企業(有限合夥)) subscribed for RMB1,099,247 of the registered share capital, Jiaxing Yunsen Equity Investment Partnership (Limited Partnership) (嘉興鋆森股權投資合夥企業(有限合夥)) subscribed for RMB1,099,247 of the registered share capital, and Advanced Manufacturing Industry Investment Fund Phase II (Limited Partnership) (先進製造產業投資基金二期(有限合夥)) subscribed for RMB879,397 of the registered share capital of our Company.

On September 26, 2025, our registered share capital was increased from RMB32,757,557 to RMB33,586,862, among which Juli Hangshi (Hangzhou) Equity Investment Partnership (Limited Partnership) (聚力杭實(杭州)股權投資合夥企業(有限合夥)) subscribed for RMB331,722 of the registered share capital and Hangzhou Juli No.1 Equity Investment Partnership (Limited Partnership) (杭州聚力壹號股權投資合夥企業(有限合夥)) subscribed for RMB497,583 of the registered share capital of our Company.

On September 30, 2025, our Shareholders resolved, among other things, that prior to the **[REDACTED]**, each issued ordinary Share with a nominal value of RMB1.00 be subdivided into [16] Shares of RMB[0.0625] par value each immediately prior to the **[REDACTED]**.

Upon completion of the Share Subdivision and the **[REDACTED]**, without taking into account any H Shares which may be **[REDACTED]** pursuant to the **[REDACTED]**, our registered share capital will be increased to RMB**[REDACTED]**, comprising **[REDACTED]** H Shares to be **[REDACTED]** and sold under the **[REDACTED]** and **[REDACTED]** H Shares converted from the **[REDACTED]** Shares.

Save as disclosed above, there has been no alteration in the share capital of our Company during the two years immediately preceding the date of this Document.

C. Resolutions Passed by Our Shareholders' General Meeting in relation to the [REDACTED]

On September 30, 2025, the shareholders of our Company passed, among other things, the following resolutions (as supplemented and detailed by Board/persons authorized by the Shareholders):

(a) the **[REDACTED]** by our Company of H Shares of nominal value of RMB0.0625 each and such H Shares be **[REDACTED]** on the Stock Exchange;

(b) the subdivision of our ordinary shares with a nominal value of RMB1.00 each into sixteen Shares with a nominal value of RMB0.0625 each;

(c) the number of H shares to be **[REDACTED]** shall be no more than **[REDACTED]**% of the total issued share capital of our Company as enlarged by the **[REDACTED]** (without taking into consideration the exercise of the **[REDACTED]**), and the grant of the **[REDACTED]** in respect of no more than **[REDACTED]**% of the number of H Shares **[REDACTED]** pursuant to the **[REDACTED]**;

(d) subject to the CSRC's approval, upon completion of the **[REDACTED]**, all the **[REDACTED]** Shares will be converted into H Shares on a one-for-one basis;

(e) authorization of the Board or its authorized individual to handle all matters relating to, among other things, the **[REDACTED]**, the **[REDACTED]** and the **[REDACTED]** of H Shares on the Hong Kong Stock Exchange; and

(f) subject to the completion of the **[REDACTED]**, the conditional adoption of the revised Articles of Association, which shall become effective on the **[REDACTED]**.

D. Conversion

In preparation of the **[REDACTED]**, we underwent the Conversion, details of which are set out in "History, Development and Corporate Structure — Corporate Development — Joint Stock Conversion" in this Document. Our PRC Legal Advisor has confirmed that we have obtained all necessary approvals from relevant PRC regulatory authorities required for the Conversion.

E. Subsidiary of Our Company

(a) Subsidiary

Certain details of our subsidiary are set forth in the Accountant's Report in Appendix I to this Document.

(b) Changes in the share capital of our subsidiary

On December 16, 2024, NASN Automotive Technology (Chengdu) Co., Ltd. (拿森汽車科技(成都)有限公司), a wholly-owned subsidiary of our Company, was established in the PRC with the registered capital of RMB20,000,000;

On January 13, 2025, NASN Automotive Technology (Jiaxing) Co., Ltd. (拿森汽車科技(嘉興)有限公司), a wholly-owned subsidiary of our Company, was established in the PRC with the registered capital of RMB20,000,000;

On February 18, 2025, NASN Automotive Technology (Beijing) Co., Ltd. (拿森汽車科技(北京)有限公司), a wholly-owned subsidiary of our Company, was established in the PRC with the registered capital of RMB20,000,000; and

On November 19, 2025, NASN Intelligent Tech (Hong Kong) Limited, a wholly-owned subsidiary of our Company, was established in Hong Kong with the registered capital of HK$1,000,000.

Save as disclosed above, there has been no alteration in the share capital of the subsidiary of our Company within the two years immediately preceding the date of this Document.

F. Restriction on Share Repurchases

For details of the restrictions on share repurchases by our Company, see the section headed "Appendix V — Summary of Our Articles of Association" section in this Document.

2. FURTHER INFORMATION ABOUT OUR BUSINESS

A. Summary of Our Material Contracts

We have entered into the following contracts (not being contracts entered into in the ordinary course of business within two years preceding the date of this Document which are or may be material, and a copy of each has been published on the Stock Exchange's website and our Company's own website:

(a) the **[REDACTED]**.

B. Our Intellectual Property Rights

(a) Patents

As of the Latest Practicable Date, our Group has the following patents which are considered by us to be or may be material to our business:

No.	Owner	Type	Patent	Patent No.	Application Date	Grant Date
1.	Our Company	Utility	A brake assist device (一種制動助力裝置)	ZL201720229209.4	March 9, 2017	October 10, 2017

No.	Owner	Type	Patent	Patent No.	Application Date	Grant Date
2.	Our Company	Innovation	A calculation method and calculation device for motor speed (一種電機轉速的計算方法及計算裝置)	ZL201910816753.2	August 30, 2019	October 1, 2021
3.	Our Company	Innovation	A rack movement control method and device of electric brake system (一種電動剎車系統的齒條移動控制方法及裝置)	ZL201910854153.5	September 10, 2019	August 6, 2021
4.	Our Company	Innovation	An electric power assist braking method and braking system (一種電動助力制動方法和制動系統)	ZL201910906805.5	September 24, 2019	August 27, 2021
5.	Our Company	Innovation	An electric brake method and an electric brake device (一種電控制動方法和電控制動裝置)	ZL201910960405.2	October 10, 2019	April 1, 2022
6.	Our Company	Innovation	A control method, device and vehicle for an electric power brake system (一種電動助力剎車系統的控制方法、裝置和車輛)	ZL201911400092.1	December 30, 2019	July 20, 2021
7.	Our Company	Innovation	An open circuit diagnostic method and device for motors (一種電機開路診斷方法和裝置)	ZL201911405382.5	December 30, 2019	March 29, 2022
8.	Our Company	Innovation	Hydraulic brake system (液壓剎車系統)	ZL202010269150.8	April 8, 2020	August 23, 2024
9.	Our Company	Innovation	A wheel anti-lock control method, device and vehicle (一種車輪防抱死控制方法、裝置和車輛)	ZL202010852202.4	August 21, 2020	August 9, 2022
10.	Our Company	Innovation	A single-pedal travel control method, device and vehicle (一種單踏板行車控制方法、裝置和車輛)	ZL202010935776.8	September 8, 2020	April 1, 2022
11.	Our Company	Innovation	A braking energy recovery control method and control device (一種制動能量回收控制方法及控制裝置)	ZL202011247853.7	November 10, 2020	April 8, 2022
12.	Our Company	Utility	Hydraulic brake system (液壓剎車系統)	ZL202020499378.1	April 8, 2020	December 15, 2020
13.	Our Company	Utility	An electronic parking redundancy system and vehicle (一種電子駐車冗餘系統及車輛)	ZL202022137078.1	September 25, 2020	June 22, 2021
14.	NASN Hangzhou . .	Innovation	An electric brake method, device and computer storage medium (一種電控制動方法、裝置及計算機存儲介質)	ZL202110916690.5	August 11, 2021	November 30, 2021

No.	Owner	Type	Patent	Patent No.	Application Date	Grant Date
15.	Our Company	Innovation	An automatic parking control method, device, ECU and storage medium of EHB (一種EHB的自動駐車控制方法、裝置、ECU及存儲介質)	ZL202111571066.2	December 21, 2021	October 28, 2022
16.	Our Company	Utility	A power supply controller and vehicle (一種電源控制器及車輛)	ZL202120530665.9	March 12, 2021	November 26, 2021
17.	NASN Hangzhou . .	Utility	A load device for a pedal sense simulator (一種踏板感模擬器的負載裝置)	ZL202122008759.2	August 24, 2021	March 8, 2022
18.	Our Company	Utility	A brake system and vehicle (一種剎車系統及車輛)	ZL202123213665.5	December 20, 2021	May 3, 2022
19.	Our Company	Innovation	A vehicle steering control method and control system (一種車輛轉向控制方法及控制系統)	ZL202210118285.3	February 8, 2022	March 24, 2023
20.	Our Company	Innovation	A zero-position self-learning method and electronic device for the actuator of an electronic booster for automobiles (一種汽車用電子助力器的推杆零位自學習方法、電子設備)	ZL202210984740.8	August 17, 2022	June 25, 2024
21.	Our Company	Utility	Actively build pressure regulation control systems and vehicles (主動建壓調壓控制系統及車輛)	ZL202223597952.5	December 30, 2022	July 18, 2023
22.	Our Company	Innovation	Power supply devices, systems, and vehicles for body stability systems (用于車身穩定系統的功率供電裝置、系統及車輛)	ZL202310100171.0	February 9, 2023	August 27, 2024
23.	Our Company	Innovation	A vehicle fault detection method, device and vehicle (一種車輛故障檢測方法、裝置以及車輛)	ZL202410276298.2	March 11, 2024	September 24, 2024
24.	Our Company	Utility	A kind of brake pedal sensation simulation device for vehicles (一種車用制動踏板感模擬裝置)	ZL202320177679.6	February 3, 2023	July 18, 2023
25.	NASN Hangzhou . .	Utility	Anti-jamming screw screw nut transmission mechanism (防卡滯絲杆絲母傳動機構)	ZL202322358044.9	August 30, 2023	June 4, 2024
26.	Our Company	Utility	Pedal simulator (踏板模擬器)	ZL202322714812.X	October 9, 2023	June 4, 2024
27.	Our Company	Utility	An electronic brake structure (一種電子制動結構)	ZL202421748662.2	July 22, 2024	July 1, 2025

(b) Trademarks

As of the Latest Practicable Date, the following trademarks have been registered in the name of the relevant member of our Group which are considered by us to be or may be material to our business:

No.	Registrant	Trademark	Registration No.	Place of Registration	Class	Valid Period
1.	Our Company		37766689	PRC	12	March 21, 2021 to March 20, 2031
2.	Our Company		64064422	PRC	7	October 7, 2022 to October 6, 2032
3.	Our Company		64062516	PRC	42	October 7, 2022 to October 6, 2032
4.	Our Company		64037525	PRC	9	December 28, 2022 to December 27, 2032
5.	Our Company	拿森	45461464	PRC	42	December 21, 2020 to December 20, 2030
6.	Our Company	拿森	45464723	PRC	7	December 14, 2020 to December 13, 2030
7.	Our Company	拿森	45469207	PRC	9	December 14, 2020 to December 13, 2030
8.	Our Company	拿森	57223071	PRC	12	November 21, 2022 to November 20, 2032
9.	Our Company	拿森科技	58893626	PRC	9	March 14, 2022 to March 13, 2032
10.	Our Company	拿森科技	58912750	PRC	12	November 28, 2022 to November 27, 2032
11.	Our Company	拿森科技	58892152	PRC	7	February 21, 2022 to February 20, 2032
12.	Our Company	拿森科技	58912728	PRC	42	March 7, 2022 to March 6, 2032
13.	Our Company	NBooster	20638930	PRC	12	September 7, 2017 to September 6, 2027
14.	Our Company	NBooster	64061226	PRC	7	October 7, 2022 to October 6, 2032
15.	Our Company	NBooster	64044865	PRC	9	December 14, 2022 to December 13, 2032

No.	Registrant	Trademark	Registration No.	Place of Registration	Class	Valid Period
16.	Our Company	NBC	68711281	PRC	39	August 28, 2023 to August 27, 2033
17.	Our Company	NBC	68707605	PRC	9	August 21, 2023 to August 20, 2033
18.	Our Company	NBC	74670111	PRC	7	July 7, 2024 to July 6, 2034
19.	Our Company	NBC	68700451	PRC	9	August 21, 2023 to August 20, 2033
20.	Our Company	RBC	74661918	PRC	7	July 14, 2024 to July 13, 2034
21.	Our Company	RBC	68707607	PRC	9	November 7, 2023 to November 6, 2033
22.	Our Company	NASN 拿森科技	79960180	PRC	12	January 21, 2025 to January 20, 2035
23.	Our Company	NASN 拿森科技	79957457	PRC	42	January 14, 2025 to January 13, 2035

(c) Software Copyrights

As at the Latest Practicable Date, we have registered the following software copyrights which we consider to be or may be material to our business:

No.	Copyright	Registered Owner	Registration No.	Date of First Publication
1.	NASN Electric Power Brake Controller Software V1.0 (拿森電動助力制動控制器軟件V1.0)	Our Company	2017SR703789	19 December 2017
2.	NASN electric power brake intelligent wire control software V1.0 (拿森電動助力制動智能線控軟件V1.0)	Our Company	2017SR703930	19 December 2017
3.	NASN electric power motor control software V1.0 (拿森電動助力電機控制軟件V1.0)	Our Company	2017SR704210	19 December 2017
4.	NASN CAN signal unpacking and automatic code generation software V1.0 (拿森CAN信號解包打包自動化代碼生成軟件V1.0)	Our Company	2020SR0958032	20 August 2020
5.	NASN Nbooster hydraulic brake precision control software V1.0 (拿森Nbooster液壓制動精準控制軟件V1.0)	Our Company	2020SR0961682	21 August 2020
6.	NASN NVM Auto Configuration Tool Software V1.0 (拿森NVM自動配置工具軟件V1.0)	Our Company	2020SR1078533	10 September 2020

No.	Copyright	Registered Owner	Registration No.	Date of First Publication
7.	NASN Electronic Booster ABS Working Condition Pressure Coordination Software V1.0 (拿森電子助力器ABS工況進行壓力協調軟件V1.0)	Our Company	2021SR0066765	13 January 2021
8.	NASN Driver Emergency Brake Recognition Software V1.0 (拿森駕駛員緊急制動識別軟件V1.0)	Our Company	2021SR0066423	13 January 2021
9.	NASN electronic booster assembly self-learning empty stroke software V1.0 (拿森電子助力器總成自學習空行程軟件V1.0)	Our Company	2021SR0066488	13 January 2021
10.	NASN vehicle basic brake load abnormal identification software V1.0 (拿森車輛基礎制動負載異常識別軟件V1.0)	Our Company	2021SR0069704	13 January 2021
11.	NASN Electronic Booster Thermal Decay Brake Force Compensation Algorithm Software V1.0 (拿森電子助力器熱衰退制動力補償算法軟件V1.0)	Our Company	2021SR0072824	14 January 2021
12.	NASN permanent magnet synchronous motor zero angle calibration software V1.0 (拿森永磁同步電機零位角度標定軟件V1.0)	Our Company	2021SR0074424	14 January 2021
13.	NASN Electronic Booster Energy Recovery Function Software V1.0 (拿森電子助力器能量回收功能軟件V1.0)	Our Company	2021SR0072604	14 January 2021
14.	NASN electronic booster realizes bumpy road hydraulic compensation function software V1.0 (拿森電子助力器實現顛簸路液壓補償功能軟件V1.0)	Our Company	2022SR0521992	25 April 2022
15.	NASN Electronic Booster Software V1.0 for Redundant Electronic Parking (拿森電子助力器實現冗餘電子駐車的軟件V1.0)	Our Company	2022SR1170723	17 August 2022
16.	NASN Electronics booster implements software V1.0 based on pressure closed-loop power control (拿森電子助力器實現基于壓力閉環的助力控制的軟件V1.0)	Our Company	2022SR1164287	17 August 2022
17.	NASN Electronic Booster realizes the software V1.0 for pedal stuck diagnosis (拿森電子助力器實現踏板卡滯診斷的軟件V1.0)	Our Company	2022SR1277901	25 August 2022
18.	NASN Electronic Booster realizes the zero-position self-learning software of the actuator displacement sensor V1.0 (拿森電子助力器實現推杆位移傳感器零位自學習的軟件V1.0)	Our Company	2022SR1277899	25 August 2022

No.	Copyright	Registered Owner	Registration No.	Date of First Publication
19.	NASN Electronic Body Stability System realizes redundant parking function software V1.0 after EPB switch failure (拿森電子車身穩定系統實現EPB開關失效後冗餘駐車功能軟件V1.0).	Our Company	2022SR1293809	26 August 2022
20.	NASN Electronic Booster Automatic Parking Function Software V1.0 (拿森電子助力器自動泊車功能軟件V1.0) .	NASN Hangzhou	2020SR1808757	14 December 2020
21.	NASN Electronic Booster Longitudinal Acceleration and Deceleration Speed Control Function Software V1.0 (拿森電子助力器縱向加減速度控制功能軟件V1.0)	NASN Hangzhou	2020SR1808756	14 December 2020
22.	NASN body stability system wheel anti-lock function software V1.0 (拿森車身穩定系統車輪防抱死功能軟件V1.0).	NASN Hangzhou	2020SR1808569	14 December 2020
23.	NASN Electronic Booster Anti-lock Backup Function Software V1.0 (拿森電子助力器防抱死備份功能軟件V1.0).	NASN Hangzhou	2021SR0096717	19 January 2021
24.	NASN Electronic Booster Master Cylinder Stroke Zero Self-Learning Algorithm Software V1.0 (拿森電子助力器主缸行程零位自學習算法軟件V1.0)	NASN Hangzhou	2021SR0098636	19 January 2021
25.	NASN Electronic Booster Comfortable Parking Function Software V1.0 (拿森電子助力器舒適停車功能軟件V1.0) .	NASN Hangzhou	2021SR0096643	19 January 2021
26.	NASN Electronic Steering System Crosswind Compensation Function Software V1.0 (拿森電子轉向系統側風補償功能軟件V1.0).	NASN Hangzhou	2022SR0480620	18 April 2022
27.	NASN Electronic Steering System Bump Defibrillation Function Software V1.0 (拿森電子轉向系統顛簸除顫功能軟件V1.0).	NASN Hangzhou	2022SR0480773	18 April 2022
28.	NASN's electronic body stability system realizes the tilt road recognition function software V1.0 (拿森電子車身穩定系統實現傾斜路面識別功能軟件V1.0)	NASN Hangzhou	2022SR0481348	18 April 2022
29.	NASN Electronics booster realizes the software V1.0 for split-axis recovery control (拿森電子助力器實現分軸回收控制的軟件V1.0).	NASN Hangzhou	2022SR1164000	17 August 2022
30.	Software V1.0 for rapid voltage compensation control of NASN electronic booster (拿森電子助力器實現快速建壓補償控制的軟件V1.0)	NASN Hangzhou	2022SR1163883	17 August 2022
31.	NASN Electronic Booster realizes the software V1.0 for gliding recovery compensation control (拿森電子助力器實現滑行回收補償控制的軟件V1.0)	NASN Hangzhou	2022SR1163882	17 August 2022

(d) Domain Name

As of the Latest Practicable Date, we have registered the following domain name which we considered to be or may be material to our business:

No.	Domain Name	Name of Registered Proprietor	Validity Period
1.	nasn-auto.com	Our Company	March 17, 2016 – March 17, 2031

3. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUPERVISORS

A. Particulars of Directors' Contracts

Each of our Directors [has entered into] a service contract or appointment letter with our Company. The principal particulars of these service contracts and appointment letters comprise (i) the terms of the service and (ii) termination provisions in accordance with their respective terms. The service contracts and appointment letters may be renewed in accordance with the Articles and the applicable laws, rules and regulations.

Save as disclosed above, none of the Directors has or is proposed to have a service contract with any of our Group, other than contracts expiring or determinable by the relevant employer within one year without the payment of compensation (other than statutory compensation).

B. Remuneration of Directors and Supervisors

Save as disclosed in "Directors, Supervisors and Senior Management — Remuneration of Directors, Supervisors and Senior Management" and under Note 8 to the financial information in the Accountant's Report set out in Appendix I, no Director or Supervisor received any other fees, salaries, allowances, share based compensation, pension schemes contribution and other benefits in kind (if applicable) from our Company for the three years ended December 31, 2025.

4. DISCLOSURE OF INTERESTS

A. Substantial Shareholders

Save as disclosed in the section headed "Substantial Shareholders" in this Document, up to the Latest Practicable Date, our Directors or chief executive were not aware of any other person, not being a Director or chief executive of our Company, who had an interest or short position in the Shares and underlying Shares of our Company, which following the completion of the **[REDACTED]**, would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the **[REDACTED]** voting Shares of our Company or any member of our Group.

B. Disclosure of Interests of Directors and Chief Executive

Save as disclosed below and in the section headed "Substantial Shareholders" in this Document, immediately following completion of the **[REDACTED]** (and assuming the **[REDACTED]** is not exercised), none of our Directors or chief executive of our Company has any interest and/or short position in the Shares, underlying Shares and debentures of our Company or any of its associated

corporations (within the meaning of Part XV of the SFO), which will have to be notified to us and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which has been taken or is deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers to be notified to our Company and the Stock Exchange.

C. Disclaimers

Save as disclosed in this Document:

(a) none of our Directors or chief executive of our Company has any interests and short positions in the shares, underlying Shares and debentures of our Company or any associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to us and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies to be notified to us and the Stock Exchange, in each case once our Shares are **[REDACTED]**;

(b) none of our Directors is a director or employee of a company which is expected to have an interest in the Shares falling to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO once our Shares are **[REDACTED]** on the Stock Exchange; (c) none of our Directors nor any of the parties listed in "— 6. Other Information — G. Qualification of Experts" of this Appendix is materially interested in any contract or arrangement subsisting at the date of this Document which is significant in relation to our business;

(c) none of our Directors nor any of the parties listed in "— 6. Other Information — G. Qualification of Experts" of this Appendix is interested in our promotion, or in any assets which have, within two years immediately preceding the **[REDACTED]** of this Document, been acquired or disposed of by or leased to us, or are proposed to be acquired or disposed of by or leased to our Company;

(d) none of the parties listed in the paragraph headed "— 6. Other Information — G. Qualification of Experts" of this Appendix: (i) is interested legally or beneficially in any of our Shares or any shares in any of our subsidiaries; or (ii) has any right (whether legally enforceable or not) to **[REDACTED]** for or to nominate persons to **[REDACTED]** for our securities; and

(e) none of our Directors or their respective associates or any Shareholders of our Company (who to the knowledge of our Directors owns more than 5% of our issued share capital) has any interest in our five largest suppliers or our five largest customers in each year/period during the Track Record Period.

5. SHARE INCENTIVE SCHEME

(a) Background

To establish profit-sharing and risk-sharing mechanism between our Company, our employees and our shareholders, to develop a long-term incentive and restriction mechanism, and to incentivize and retain our key employees, and to achieve sustainable development of the Group, we adopted the share incentive scheme (the "**Share Incentive Scheme**") in November 2018 and amended in January 2022 to grant options and/or restricted shares (the "**Awards**") to the Participants (as defined below). The Share Incentive Scheme is not subject to the provisions of Chapter 17 of the Listing Rules as the Share Incentive Scheme not involve the grant of options by our Company to subscribe for new Shares upon the **[REDACTED]**.

(b) Employee Incentive Platforms

NASN LP and Shanghai Nasheng were established to serve as our Employee Incentive Platforms.

Set out below is the holding structure of NASN LP and Shanghai Nasheng as of the Latest Practicable Date:

- ***NASN LP***: The general partner of NASN LP is Mr. Tao, holding 0.01% partnership interests therein. The remaining 99.9% partnership interests in NASN LP are held by four limited partners whose general partners are Mr. Tao and partnership interests are held by employees of our Group. The largest limited partner of NASN LP holding 54.11% partnership interests therein is Shanghai Nazhi Business Consulting Partnership (Limited Partnership) (上海拿智商務咨詢合夥企業(有限合夥)), whose general partner is Mr. Tao holding as to 85.47% partnership interests therein, and no limited partners holds more than 30% partnership interests therein. Save for Shanghai Nazhi Business Consulting Partnership (Limited Partnership), no other limited partners of NASN LP holds more than 30% partnership interests in NASN LP. Mr. Fan Peng holds 59.52% partnership interests in Shanghai Naheng Business Consulting Partnership (Limited Partnership) (上海拿恆商務咨詢合夥企業(有限合夥)), a limited partner of NASN LP. Mr. Pan Pan holds 14.54% partnership interests in Shanghai Narui Business Consulting Partnership (Limited Partnership) (上海拿瑞商務咨詢合夥企業(有限合夥)) and 6.44% partnership interests in Shanghai Nachen Business Consulting Partnership (Limited Partnership) (上海拿晨商務咨詢合夥企業(有限合夥)), the other two limited partners of NASN LP. Save for the above, none of our Directors, chief executive or connected persons hold partnership interests in NASN LP.

- ***Shanghai Nasheng***: The general partner of Shanghai Nasheng is Ms. Zhou Lijin (周麗金), an employee of the Company holding 5.54% partnership interests therein. Ms. Zhou Lijin exercises the voting rights attached to the Shares held by Shanghai Nasheng on its behalf. The remaining 85.22% partnership interests in Shanghai Nasheng are held by 15 limited partners who are employees of our Group and no limited partner holds more than 30% partnership interests therein. In addition to the Shares held by Shanghai Nasheng pursuant to the Share Incentive Scheme, Mr. Tao holds 9.24% partnership interests in Shanghai Nasheng. Save for the above, none of our Directors, chief executive or connected persons hold partnership interests in Shanghai Nasheng.

(c) Administration

The content and any supplements, modifications, or amendments thereof, any extension, and any early termination of the Share Incentive Scheme shall be reported to the Board. The Share Incentive Scheme shall be implemented and managed by Mr. Tao (the "**Manager**") according to the Share Incentive Scheme.

(d) Participants

The eligible participants under the Share Incentive Scheme (the "**Participant(s)**") shall be (i) employees of the Group, (ii) consultants who provided consulting services to the Group, and (iii) individuals nominated by the Company's general manager as having a significant role or impact on the operation, management, product development, business performance, or future development of the Group. The Manager has the power to decide the Participants under the Share Incentive Scheme.

(e) Number of Underlying Shares subject to the Share Incentive Scheme

As of the Latest Practicable Date, a total of 2,896,616 Shares were held by NASN LP and Shanghai Nasheng for the purpose of the Share Incentive Scheme. Under the Share Incentive Scheme, an aggregate of 2,896,616 underlying Shares are available for granting to eligible Participants (or [46,345,856] Shares immediately following the Share Subdivision), representing approximately **[REDACTED]**% of the total issued Shares of the Company immediately following the completion of the Share Subdivision and the **[REDACTED]** (assuming the **[REDACTED]** is not exercised). All the Awards have been granted prior to the **[REDACTED]**.

(f) Duration

The Share Incentive Scheme shall remain in effect for a term of ten years from its adoption date, unless the Manager decides to extend or terminate the Share Incentive Scheme subject to the approval by the Board.

(g) Rights Attached to the Shares under the Share Incentive Scheme

The Participants are entitled to the property right, dividend right and disposal right attached to the underlying Shares of the Company interested by him or her after (in the case of options) the option has been vested and exercised and/or (in the case of restricted shares) the restricted shares have been awarded, subject to the Manager's consent. The Participants do not enjoy the right to participate in the management of the Company and the voting rights attached to the underlying Shares held by the Employee Incentive Platforms.

(h) Exercise of the Options

In the case that any options are granted to the Participants, the option, to the extent then vested, shall become exercisable upon satisfaction of the following conditions: (i) that the Participant remains as an employee, a consultant or an individual determined by the Company as having a significant role or impact on the operation, management, product development, business performance, or future development of the Group (as the case may be), (ii) that the Lock-up Period (as defined below) has expired, and (iii) any other conditions under the award agreement to be entered into separately (the "**Award Agreement**").

The Participant shall exercise the option by submitting written application to the Company within the exercise period to be determined by the Manager. The Manager can approve the exercise application upon finding certain conditions under the Share Incentive Scheme have been satisfied.

The exercise price shall be determined under the Award Agreement with reference to the then valuation, the net asset, and the registered capital of our Company and the minimum price permitted by the PRC laws and regulations.

(i) Transferability

The Shares held by the Employee Incentive Platforms are subject to the statutory lock-up period as provided under relevant laws and regulations. The Awards are subject to an one- or two-year lock-up period (the "**Lock-up Period**") commencing from the date of public **[REDACTED]** of the Company, during which the Participants shall not in any way transfer, pledge or create encumbrance on any interests held by them in Employee Incentive Platforms. After the expiration of the Lock-up Period, the Participants are entitled to the right to transfer his/her interests in Employee Incentive Platforms in accordance with their Award Agreement.

If, during the Lock-up Period, (i) the Participant breaches or violates the applicable laws, regulations, internal policies, the employment contracts, non-compete agreements, (ii) the Participant resigns, retires, or terminates the employment relationship with the Company or its affiliates by mutual agreement, or (iii) the employment relationship is terminated due to Company layoffs, non-renewal of the labor contract upon expiration, or (iv) the Participant's employment is terminated due to loss of working ability, death, or being officially declared dead, with respect to any restricted shares and shares vested to such Participant, the Manager or a third party designated by the Manager (excluding the Company) shall have the right to repurchase such Shares at the price determined under the Restricted Share Award Agreement; and with respect to the options granted but having not been vested, the options shall be immediately nullified.

(j) Details of the Awards Granted

As of the Latest Practicable Date, 1,584,097 Shares (or [25,345,552] Shares immediately after the Share Subdivision) underlying the Awards had been granted to 51 Participants representing approximately **[REDACTED]**% of the total issued Shares of the Company immediately following the completion of the Share Subdivision and the **[REDACTED]** (assuming the **[REDACTED]** is not exercised), among which all the Awards were granted in the form of restricted shares, and no option had been granted. All the Shares underlying the Awards are subject to the Lock-up Period. No other Awards will be granted under the Share Incentive Scheme after **[REDACTED]**, and all the existing Awards granted before the **[REDACTED]** shall be implemented pursuant to the terms of the Share Incentive Scheme.

Save for those disclosed in "Substantial Shareholders", below are the details of the Awards granted to our Directors, senior management and connected persons:

Name of the Participants	Position	Type of Awards	Address	Lock-up period	Number of Shares underlying the Awards as of the Last Practicable Date	Approximate percentage of shareholding immediately following the completion of the Share Subdivision and the [REDACTED] assuming the [REDACTED] is not exercised
Fan Peng (范鹏) . . .	Chief technology officer	Restricted shares	Room 302, No. 101, Lane 1366, Qinchun Road, Minhang District Shanghai PRC	two years after the [REDACTED]	250,000	[REDACTED]%
Pan Pan (潘盼) . . .	Chief product officer	Restricted shares	No. 113, Yongning Road, Pudong New Area Shanghai PRC	two years after the [REDACTED]	64,412	[REDACTED]%

6. OTHER INFORMATION

A. Estate Duty

We have been advised that no material liability for estate duty under the PRC law is likely to fall upon our Company or any member of our Group.

B. Litigation

Save as disclosed in "Business" and "Risk Factors," as of the Latest Practicable Date, no member of our Group was engaged in any outstanding material litigation, arbitration or administrative proceedings, and so far as our Directors are aware, no such material litigation, arbitration or administrative proceedings are pending or threatened against any member of our Group.

C. Joint Sponsors

Haitong International Capital Limited satisfies the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules.

As of the Latest Practicable Date, Shanghai Yangtze River Delta BOC Capital Equity Investment Fund Partnership (Limited Partnership) (上海長三角中銀資本股權投資基金合夥企業(有限合夥)) ("**BOC Capital**") held approximately 6.63% of the total issued share capital of our Company. BOC Capital is a limited partnership managed by its general partner, Zhongyintou Private Fund Management (Beijing) Co., Ltd., an indirect wholly-owned subsidiary of Bank of China Limited. Bank of China Limited indirectly holds the entire issued shares of BOCI Asia Limited. Therefore, BOCI Asia Limited does not satisfy the independence criteria applicable to sponsors as set out in Rule 3A.07 of the Listing Rules.

The Joint Sponsors have made an **[REDACTED]** on our behalf to the Listing Committee for **[REDACTED]** of, and permission to **[REDACTED]**, our H Shares, including any **[REDACTED]** which may be **[REDACTED]** pursuant to the exercise of the **[REDACTED]**. All necessary arrangements have been made to enable the H Shares to be admitted into **[REDACTED]**.

We have entered into individual engagement agreements with the Joint Sponsors, pursuant to which we agreed to pay an aggregate amount of US$**[REDACTED]** for acting as Joint Sponsors to our Company in the **[REDACTED]**.

D. Compliance Advisor

Our Company has appointed Rainbow Capital (HK) Limited as the compliance advisor upon the **[REDACTED]** in compliance with Rule 3A.19 of the Listing Rules.

E. Preliminary Expenses

As of the Latest Practicable Date, our Company has not incurred material preliminary expenses.

F. Promoters

The promoters of our Company are Mr. Tao, Ms. Liu, Mr. Wang Jianming, Hangzhou Chuangqian Investment Partnership (Limited Partnership) (杭州創乾投資合夥企業(有限合夥)), NASN LP, Shanghai Yangtze River Delta BOC Capital Equity Investment Fund Partnership (Limited Partnership) (上海長三角中銀資本股權投資基金合夥企業(有限合夥)), Future Industry Investment Fund II (Limited Partnership) (先進製造產業投資基金二期(有限合夥)), Suzhou Industrial Park Qiming Rongke Equity Investment Partnership (Limited Partnership) (蘇州工業園區啓明融科股權投資合夥企業(有限合夥)), Suzhou Sushang United Venture Capital Partnership (Limited Partnership) (蘇州蘇商聯合創業投資合夥企業(有限合夥)), Ningbo Meishan Bonded Port Zone Wending Investment Co., Ltd. (寧波梅山保税港區問鼎投資有限公司), Chongqing Changxin Zhiqi Private Equity Investment Fund Partnership (Limited Partnership) (重慶長信智汽私募股權投資基金合夥企業(有限合夥)), Ms. Hou Jiaqiao, Chengdu Juli Zhongchan Equity Investment Fund Partnership (Limited Partnership) (成都聚力重產股權投資基金合夥企業(有限合夥)), Jiaxing Yunsen Equity Investment Partnership (Limited Partnership) (嘉興鋆森股權投資合夥企業(有限合 夥)), Shangrong Baoying (Ningbo) Investment Center (Limited Partnership) (尚融寶盈(寧波)投資中心(有限合夥)), Shangrong Juxin (Ningbo) Venture Capital Center (Limited Partnership) (尚融聚鑫(寧波)創業投資中心(有限合夥)), Shanghai Shangrong Juyuan Equity Investment Center (Limited Partnership) (上海尚融聚源股權投資中心(有限合夥)), QM103 LIMITED, VNTR VI HK Holdings Limited, Suzhou Maison Zhiyuan Venture Capital Enterprise (Limited Partnership) (蘇州麥星致遠創業投資企業(有限合夥)), Shanghai Nasheng, MAUT IV HK Holdings Limited, Chongqing Kexing Sci-Tech Innovation Equity Investment Fund Partnership (Limited Partnership) (重慶科興科創股權投資基金合夥企業(有限合夥)) and Chengdu Qigao Zhihe Venture Capital Partnership (Limited Partnership) (成都啓高致和創業投資合夥企業(有限合夥)).

Save as disclosed in this Document, within the two years immediately preceding the date of this Document, no cash, securities or other interest have been paid, allotted or given to the above promoters in connection with the **[REDACTED]** or related transactions in this Document.

G. Qualification of Experts

The qualifications of the experts, as defined under the Listing Rules, who have given their opinions or advise in this document, are as follows:

Name	Qualification
Haitong International Capital Limited.	A licensed corporation under the SFO to conduct Type 6 (advising on corporate finance) of the regulated activities under the SFO.
BOCI Asia Limited	A licensed corporation under the SFO to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) of the regulated activities under the SFO.
Ernst & Young	Certified public accountants and public interest entity auditors
Brightstone Lawyers	PRC Legal Advisor
China Insights Consultancy	Independent industry consultant
Liu Shen & Associates	Legal Advisor as to PRC intellectual property laws

H. Consents of Experts

Each of the experts as referred to in "— 6. Other Information — G. Qualification of Experts" has given, and has not withdrawn, its respective written consents to the **[REDACTED]** of this Document with the inclusion of its reports and/or letter and/or opinion and/or the references to its name included herein in the form and context in which it is respectively included.

As of the Latest Practicable Date, save as disclosed in the section named "C. Joint Sponsors" above, none of the experts named above has any shareholding interests in any member of our Group or the right (other than the penal provisions) of sections 44A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

I. Taxation of Holders of H Shares

The sale, purchase and transfer of H shares are subject to Hong Kong stamp duty if such sale, purchase and transfer are effected on the H share register of members of our Company, including in circumstances where such transaction is effected on the Stock Exchange. The stamp duty is charged to each of the seller and purchaser at the ad valorem rate of 0.1% of the consideration for, or (if higher) the fair value of the H Shares being sold or transferred. In other words, a total of 0.2% is currently payable on a typical sale and purchase transaction of the H Shares. In addition, a fixed duty of HK$5 is charged on each instrument of transfer (if required). For further information in relation to taxation.

J. No Material and Adverse Change

Our Directors confirm that there has been no material adverse change in our financial or operational position since December 31, 2025, being the end date of our latest audited financial statements, and up to the Latest Practicable Date.

K. Binding Effect

This Document shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

L. Related Party Transactions

Within the two years immediately preceding the date of this Document, we have entered into the related party transactions as described in Note 36 to the financial information in the Accountant's Report set out in Appendix I.

M. Agency Fees or Commissions Paid or Payable

Save as disclosed in this Document, no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any capital of any member of our Group within the two years preceding the date of this Document.

N. Miscellaneous

Save as disclosed in this Document:

(a) within the two years immediately preceding the date of this Document, we have not issued or agreed to issue any share or loan capital fully or partly paid either for cash or for a consideration other than cash;

(b) no share or loan capital of our Group, if any, is under option or is agreed conditionally or unconditionally to be put under option;

(c) we have not issued or agreed to issue any founder shares, management shares or deferred shares;

(d) our Company has no outstanding convertible debt securities or debentures;

(e) there are no restrictions affecting the remittance of profits or repatriation of capital by us into Hong Kong from outside Hong Kong;

(f) within the two years immediately preceding the date of this Document, no commission, discount, brokerage or other special term has been granted in connection with the issue or sale of any capital of our Company;

(g) there is no arrangement under which future dividends are waived or agreed to be waived;

(h) there has been no interruption in our business which may have or have had a significant effect on the financial position in the last 12 months; and

(i) none of the equity and debt securities of our Company, if any, is listed or dealt with in any other stock exchange nor is any listing or permission to deal being or proposed to be sought.

O. Bilingual Document

The English language and Chinese language versions of this Document are being published separately, in reliance upon the exemption provided by section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

1. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to the copy of this document delivered to the Registrar of Companies in Hong Kong for registration were, among other documents:

(a) a copy of each of the material contracts referred to in the section headed "Statutory and General Information — 2. Further Information about Our Business — A. Summary of Our Material Contracts" in Appendix VI to this document; and

(b) the written consents referred to under the paragraph headed "Statutory and General Information — 6. Other Information — H. Consents of experts" in Appendix VI to this Document.

2. DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be published on the website of the Stock Exchange at **www.hkexnews.hk** and our Company's website at **www.nasn-auto.com** up to and including the date which is 14 days from the date of this document:

(a) the Articles of Association in Chinese;

(b) the Accountants' Report of our Group prepared by Ernst & Young, the text of which is set out in Appendix I to this Document;

(c) the audited consolidated financial statements of our Group for the three years ended December 31, 2025;

(d) the report on the unaudited **[REDACTED]** financial information of our Group prepared by Ernst & Young, the text of which is set out in Appendix II to this Document;

(e) the service contracts referred to in the paragraph headed "Statutory and General Information — 3. Further Information about our Directors — A. Particulars of Directors' Contracts" in Appendix VI to this Document;

(f) a copy of each of the material contracts referred to in the section headed "Statutory and General Information — 2. Further Information about Our Business — A. Summary of Our Material Contracts" in Appendix VI to this Document;

(g) the written consents referred to under the paragraph headed "Statutory and General Information — 6. Other Information — H. Consents of experts" in Appendix VI to this Document;

(h) the legal opinions issued by Brightstone Lawyers, our PRC Legal Advisor, in respect of, among other things, the general corporate matters and the property interests of our Group under PRC law;

(i) the industry report issued by China Insights Consultancy, the summary of which is set forth in the section headed "Industry Overview" in this Document;

(j) the PRC Company Law, PRC Securities Law and Overseas Listing Trial Measures together with their unofficial English translations; and

(k) the legal opinion issued by Liu Shen & Associates, our Legal Advisor as to PRC intellectual property laws, in respect of, among other things, certain intellectual property matters of our Group under PRC intellectual property laws.