OVERVIEW

We are a driving assistance solutions provider, dedicated to delivering safe, comfortable and smart driving experiences for end users through open and deep collaboration with OEM customers. Our driving assistance solutions are built upon what we call the *ODIN* architecture — a self-developed software-hardware integrated driving assistance platform, which is designed to be a scalable, reusable and iterative modular platform, allowing us to provide flexible, diverse solutions with reliable performance at optimal cost and efficiency.

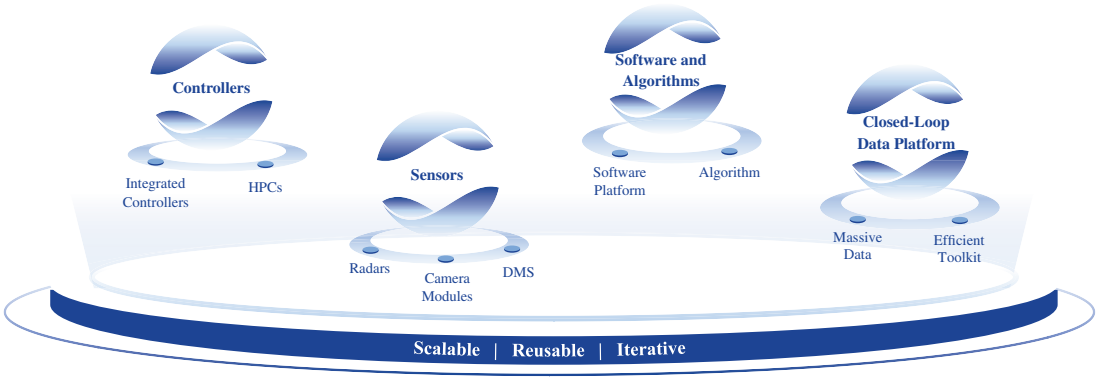
We have become a promoter of the domestic substitution and widespread adoption of driving assistance solutions in China. As of December 31, 2025, we have established business partnerships with 55 OEMs, with 432 cumulative design wins and over 330 cumulative projects under mass production, covering a diversified and growing pipeline of vehicle models. We have become a trusted supplier for many top-tier OEMs, ranking the second among domestic third-party suppliers for Level 0 to Level 2 (including Level 2+) driving assistance solutions in terms of 2025 revenue in China, with a market share of 8.1%, while the largest provider holds a market share of 34.5%, according to CIC.

Our *ODIN* Architecture

Our ability to provide driving assistance solutions is empowered by our in-house *ODIN* architecture that integrates advanced controllers, sophisticated sensors, capable software and algorithms, and a solid closed-loop data platform. This architecture allows us to integrate advanced driving assistance technologies, while leveraging the closed-loop data platform for continuous upgrades and efficient iteration to achieve optimal performance. As a result, we can deliver comprehensive, flexible, and cost-effective solutions to our clients, positioning us to better capitalize on the growing market opportunities for domestic substitution and increasing market penetration of driving assistance solutions.

The following chart provides an overview of our *ODIN* architecture.

Our *ODIN* Architecture



- ***Controllers:*** The controller serves as the brain of the driving assistance solutions, responsible for integrating and processing data from sensors and running advanced perception, fusion, and decision-making algorithms. With our strong hardware development and design capabilities, along with extensive experience in chip integration, we have developed advanced controllers, including integrated controllers and HPCs.

- ***Integrated Controllers:*** Our integrated controller is an integrated system that combines various perception and control functions. It enables an efficient, unified design that supports both low-speed parking maneuvers and high-speed driving, streamlining the vehicle's perception and control architecture for multiple driving scenarios. Our integrated controller can achieve full Level 2 driving assistance functionalities using just a single camera.

- ***HPCs:*** Our HPC is a powerful computing unit used in smart vehicles to process complex data from sensors and systems, enabling advanced driving assistance functions. It manages real-time decision-making and control for safe and efficient vehicle operation, especially in high-demand driving scenarios. Our ADC20 is one of the first domestically mass-produced controllers equipped with integrated driving and parking functionalities, achieving the industry's leading computational efficiency, according to CIC. It integrates both Highway NOA and APA solutions, delivering high performance at relatively low cost and energy consumption.

- ***Sensors***: Sensors are the eyes and ears of the driving assistance solutions, responsible for detecting and gathering information on the vehicle's surroundings, providing precise information on distance, speed, and position. Our advanced sensor suite includes high-resolution camera modules, high-performance forward radars and corner radars. Leveraging our advanced sensor technologies, we introduced an 8-megapixel camera, installed in our integrated controller FVC3.0, which is the first domestically mass-produced controller equipped with an 8-megapixel sensor, according to CIC. Our FVR40 radar is one of the first domestically mass-produced, high-performance, automotive-grade 4D millimeter-wave imaging radars, according to the same source.

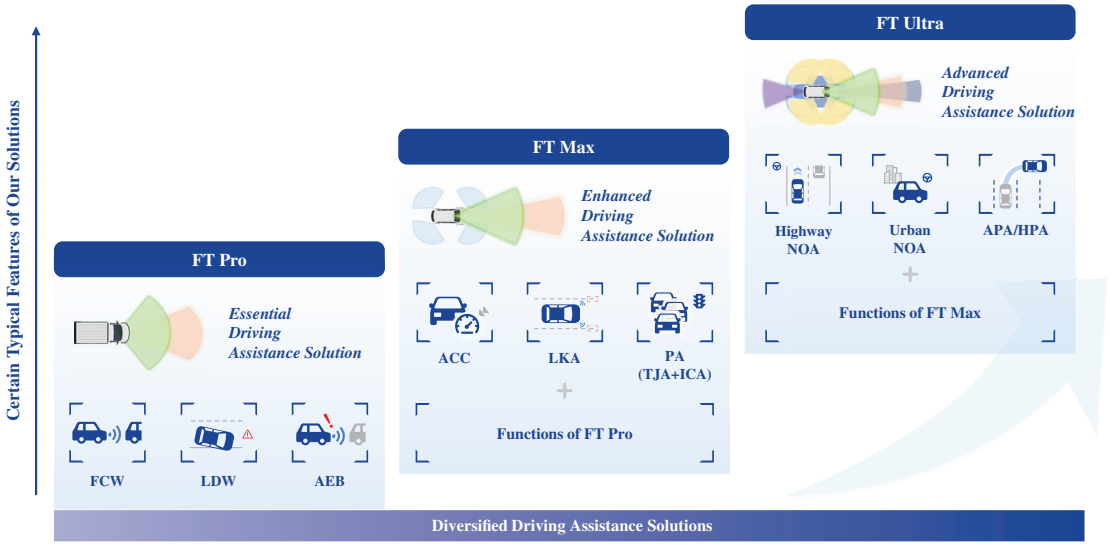
- ***Software and Algorithms***: Software and algorithms are the nervous system of the driving assistance solutions, responsible for interpreting perception and positioning data, predicting and planning routes, and making driving decisions. Fewer than fifteen companies in China, including us, possess in-house development capabilities for driving assistance software and algorithms, covering base tech software, middleware and application algorithms, according to CIC. Our proprietary algorithms are designed to meet the needs of ADAS and ADS functions across various levels of solutions, supporting cross-platform and multi-sensor configurations.

- ***Closed-Loop Data Platform***: The closed-loop data platform acts as the bloodstream of the driving assistance solutions, enabling continuous iteration and improvement through massive amounts of real-world anonymized data. Due to our commercialization of our driving assistance solutions, we are now among a select group of fewer than 10 companies in the industry in China with both extensive mass production experience and the ability to iterate efficiently, according to CIC. Our closed-loop data platform enables a data-driven feedback loop, facilitating rapid development of product functionalities and significantly optimizing the driving experience. This allows us to consistently meet the needs of OEM customers while enhancing the driving experience for end users.

Our Solutions

Leveraging the scalable, reusable and iterative modular functions provided by our *ODIN* architecture, we offer comprehensive software-hardware integrated solutions to OEM customers covering both ADAS and ADS technologies. Our solutions, FT Pro, FT Max, and FT Ultra, are designed to deliver a safe, comfortable, and intelligent driving experience for end users. Our solutions are primarily applied in smart vehicles and offer various levels of driving assistance capabilities across various settings such as highway and urban driving as well as parking.

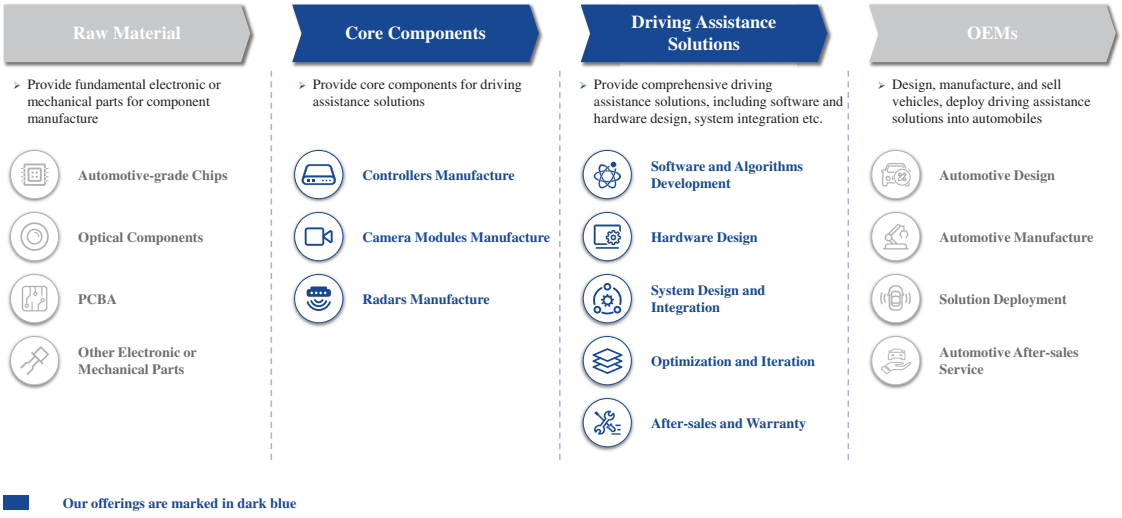
The diagram below illustrates the structure, application scenarios, and key features of our solutions.



For OEM customers, our driving assistance solutions offer the following competitive advantages: (i) *Reliable Performance:* With our deep understanding of driving assistance solutions and the capability to design, develop, and optimize software and hardware collaboratively through the *ODIN* architecture, we deliver outstanding performance. This allows us to provide OEMs with advanced, intelligent, and reliable solutions; (ii) *High Flexibility:* Our platform-based design approach and extensive mass production experience enable us to offer customized solutions for OEM customers, through flexible combination of hardware, base tech software, middleware, and application algorithm modules and quick adaption to meet OEMs' delivery requirements efficiently. This high degree of flexibility has helped expand our OEM customer base and increase our market share; (iii) *Efficient Solution Delivery:* The modular and reusable design of the *ODIN* architecture greatly reduces costs during development and production. This allows for quick adaptation and deployment across different vehicle models for various OEM customers, maximizing production and delivery efficiency. Additionally, our Wuzhen production facility, which began operations in September 2022, is highly scalable and can support the production of millions of units, ensuring reliable delivery as we continue to expand. As of December 31, 2025, the Delivery Cycle for our driving assistance solutions can be as short as eight months, which is significantly shorter than the industry average, which typically takes 12 to 24 months, according to CIC; and (iv) *Cost-Effectiveness:* When designing our algorithms, we take into account the unique characteristics of different computing platforms, utilizing hardware accelerators to optimize computational efficiency. This approach delivers high performance and reliability while reducing the need for additional or excessive computational power, making our solutions more cost-effective. For example, we have implemented advanced integrated driving and parking features, such as Highway NOA and APA, using only 13 TOPS of computational power. This cost-efficiency has sped up the commercialization and wider adoption of our solutions across a growing number of vehicle models.

For end users, our solutions offer a wide range of advanced driving assistance features, including Highway NOA and Urban NOA. In addition, we maintain a leading position in commercialization, which allows us to refine and enhance our solutions through mass production experience and continuous iteration to address user pain points and consistently improve the overall driving experience.

The following diagram illustrates the respective roles of all the stakeholders along the value chain:



We play a critical role as a solution provider across the entire industry value chain, contributing at multiple stages. Upstream, we source essential electronic and mechanical components necessary for component manufacturing, including automotive-grade chips, optical components, PCBA, and other critical materials.

Moving into core components, we develop and produce key elements for driving assistance solutions, such as controllers, camera modules, and radars, which serve as foundational building blocks for advanced system functionality. Leveraging the core components, we essentially deliver comprehensive driving assistance solution offerings that integrate software and algorithm development, hardware and middle ware design, system design and integration, and iterative optimization. The integration enables advanced driving assistance capabilities, which could further enhance vehicle intelligence, improve safety, and provide a superior in-vehicle experience. We also provide after-sales services, including warranties, ensuring continuous system performance and reliability.

Downstream, we collaborate closely with OEMs during the design win stage to tailor and integrate our technologies into their vehicle models as required and specified by the OEMs. We provide end-to-end support throughout the process, encompassing automotive design, manufacturing, solution deployment, and after-sales services. Upon validation of the design win project by the OEMs, we proceed to the mass-production phase. We are able to customize our products as required by the OEMs to integrate with their vehicles and will take into account the relevant expenses in pricing.

As confirmed by CIC, our industry consultant, our driving assistance solutions are not easily replaceable by competitors due to two key factors. First, the development and production of our solutions require close collaboration with OEMs, involving significant resource investments for integration, adjustment, and validation. This makes switching suppliers challenging for OEMs unless there are major quality issues or disputes, as incumbent solutions are typically retained throughout the vehicle model's lifecycle. Second, our comprehensive R&D capabilities are supported by our proprietary *ODIN* architecture. This platform-based approach, combined with strong commercialization capabilities, allows us to provide flexible, cost-effective, and stable solutions, setting us apart in the market and strengthening our competitive edge in securing new projects.

Our Market Opportunities

As the largest automobile market in the world, China provides vast opportunities for the commercialization of driving assistance technologies. The market size of China's driving assistance solutions from Level 0 to Level 2+ is projected to reach RMB294.0 billion by 2030, according to CIC. In recent years, the rapid development and cost reduction of driving assistance technologies have led Chinese OEMs to increase their deployment in Level 2 driving assistance solutions, pushing them to become mainstream. The market size of Level 2 driving assistance solutions in China is expected to grow from RMB49.1 billion in 2025 to RMB60.6 billion in 2030. Meanwhile, the emergence of Highway and Urban NOA features has paved the way for advanced levels of driving assistance solutions, such as Level 2+, which are increasingly integrated into mid- to high-end models and are expected to gradually make their way into more affordable vehicles in the future. The market size of Level 2+ driving assistance solutions in China in terms of revenue is expected to expand from RMB84.8 billion in 2025 to RMB228.1 billion in 2030, according to CIC.

The driving assistance solutions industry in China also faces certain critical challenges. Intense market competition, driven by rapid technological advancements and an influx of new entrants, requires solution providers like us to continually innovate and invest in technology while managing costs to meet the evolving demands of OEMs and consumers. Additionally, potential shortages and price fluctuations of key raw materials, influenced by factors like trade protectionism or supply chain disruptions, create significant obstacles for cost control and supply chain stability. Rising labor costs further compound these challenges, as the industry's need for highly skilled talent demands competitive compensation. These factors collectively test-driving assistance solutions providers' ability to maintain technological leadership, control cost, grow sustainably and compete in the broader global arena. See "Risk Factors — Risks Relating to Our Business and Industry — We operate and compete in highly competitive markets, against both established competitors and new market entrants. We may not be able to compete successfully against our existing or potential competitors."

However, in recent years, China has also been proactively developing policies and regulations at both national and local levels to drive the growth of the driving assistance solutions industry. Nationally, the PRC government has implemented initiatives to support pilot projects, enhance standardization systems, and advance legal and regulatory frameworks. On a local level, cities such as Beijing, Wuhan, Shenzhen, and Guangzhou have introduced policies to accelerate autonomous vehicle testing and promote the commercialization of driving assistance technologies. For details see "Industry Overview — Competitive Landscape of China's Driving Assistance Solutions Industry — Recent Supportive Policies and Standardized Regulations in China's Intelligent Driving and Driving Assistance Solutions Industry".

OUR COMPETITIVE STRENGTHS

We believe the following competitive strengths contributed to our historical success and will drive our future growth.

Competitiveness in Driving Assistance Solutions with Strong Commercialization Capabilities

We are a prominent provider in driving assistance technology, setting ourselves apart with in-house technical expertise and strong commercialization capabilities. According to CIC, we developed a key component of the first domestically self-developed Level 3 solutions in China, which have been successfully designated for new models. This not only demonstrates our technological advancement but also highlights our early mover advantage and market competitiveness in the Level 3 field. It should be noted, however, that Level 3 automation is currently in the stage of road trial and designated area application and has not been widely deployed in passenger vehicles in the PRC. Additionally, we are the first in China to mass produce an 8-megapixel integrated controller FVC3.0 and one of the first in China to mass produce automotive-grade 4D millimeter-wave imaging radar FVR40, according to CIC. These products lead the industry in key parameters such as detection performance, quality, resolution, and complex scene recognition, according to the same source.

We are also a competitive player in the commercialization of driving assistance solutions in the industry, especially on Level 2, Level 2+. In 2025, we generated revenue of RMB2,280.2 million with a year-on-year increase of 77.7%. According to CIC, we are the 2nd largest domestic third-party driving assistance solution provider with a market share of 8.1%, measured by the revenue of Level 0 to Level 2+ solutions in 2025 in China, while the largest provider holds a market share of 34.5%.

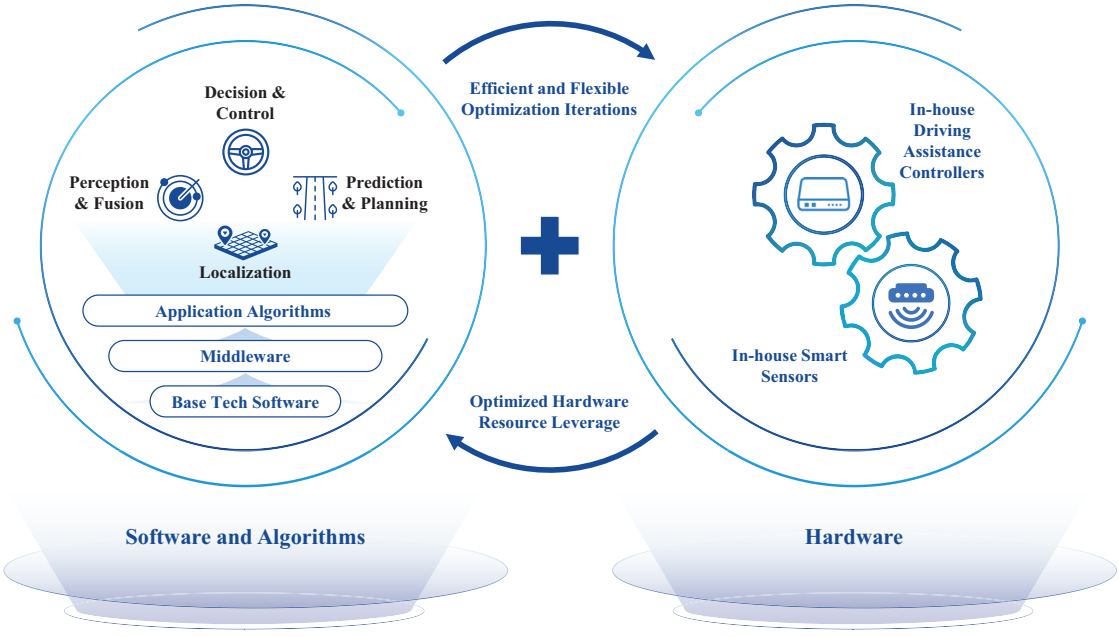
Diverse and Loyal Customer Base Supporting Long-term and Stable Growth

With our efficient solutions and the unique value, we offer to customers, we have achieved rapid market penetration and successfully entered the supply chains of top domestic and overseas vehicle brands, spanning traditional large OEMs and emerging automakers. As of December 31, 2025, we have established partnerships with 55 well-known OEMs. Additionally, we have established business collaborations with overseas OEMs. Our extensive portfolio includes 432 cumulative design wins and over 330 cumulative projects under mass production as of December 31, 2025, demonstrating our significant influence in the industry.

Our outstanding technology capabilities and comprehensive solution portfolio enable efficient customer expansion and significantly enhance our customer bond, providing robust support for our long-term development: (i) *Efficient Customer Expansion*: Levering our *ODIN* architecture, we deliver high-performance driving assistance solutions to customers in a customizable, efficient, iterative, and cost-effective manner. This flexibility empowers us to meet different OEMs' varying needs in hardware architecture, performance parameters, and functional requirements for driving assistance solutions, facilitating our rapid customer base expansion; and (ii) *Strong Customer Bond*: Leveraging our platform-based technical capabilities, we are able to deeply understand customer needs and have built highly synergistic partnerships, forming long-term, stable collaborations with key customers. Through our closed-loop data platform, we continuously optimize functionality and iteratively upgrade driving assistance controllers, sensors, software, and algorithms. This modular upgrade approach allows us to reuse previous development foundations, test only subsequent incremental and variable parts, shortening the development and verification cycle and reduces investment costs. As a result, our customers can seize opportunities in a competitive and rapidly changing market, thereby increasing the loyalty between our customers and us.

Integrated Technology Capabilities Enabling Efficient Delivery

Our expertise in the driving assistance solutions field is rooted in our software-hardware integrated technology capabilities. This differentiates us from traditional Tier 1 suppliers focused on hardware production and software suppliers that are solely dedicated to driving assistance algorithms, according to CIC. By integrating both hardware and software, we optimize system-level performance, while leveraging a closed-loop data platform to enable continuous upgrades and efficient iterations.



At the core of our capabilities is a mass-production-verified *ODIN* architecture, based on reusable technology modules, enabling us to deliver high-performance driving assistance solutions in a customizable, efficient, iterative, and cost-effective manner, and providing us with unique competitive advantages: (i) *Flexible Customized Development*: Our platform-based technology creates an autonomous and open, compatible solution ecosystem. We are able to seize market opportunities by providing complete solutions or modular adaptations to meet diverse customer needs efficiently, helping OEMs build differentiated competitive advantages; (ii) *Efficient Solution Delivery*: Our software-hardware integrated technology reduces production and development costs of designing, calibration and joint testing of driving assistance subsystems, enhancing product development efficiency. As of December 31, 2025, the Delivery Cycle for our driving assistance solutions can be as short as eight months, significantly shorter than the industry average, which typically takes 12 to 24 months, according to CIC. These capabilities enable us to continuously deepen cooperation with OEM customers by helping them shorten their development cycle of new models and respond more quickly to the rapid market changes. Our mass production capability highlights our efficiency in solution delivery; (iii) *Lean Resource Utilization*: Our R&D capabilities greatly improve resource efficiency, reducing reliance on computing power. For example, we can achieve advanced driving assistance functions like Highway NOA and APA with a low computing power consumption of 13 TOPS, showcasing our competitive advantage in algorithm optimization and cost-effectiveness. This fosters "technology equality" in driving assistance, making the technology more sustainable, accessible, and beneficial to society; (iv) *Continuous Upgrade and Iteration*: We optimize hardware and software performance through system-level and iterative upgrades. Our platform allows reuse of previous development foundations, enabling quick and cost-effective upgrades to driving assistance functions, maintaining product edge and appeal. Through our continuously and efficiently upgradeable driving assistance solutions, our OEM customers can quickly and cost-effectively achieve ongoing upgrades to automotive intelligent functions, maintaining the attractiveness of their products; and (v) *Excellent End-User Experience*: We provide customizable, efficient, iterative, and cost-effective driving assistance solutions to our OEM customers. This enables end-users to experience various levels of advanced driving assistance functions at an affordable cost, promoting the popularization of driving assistance vehicles and empowering a future of safe, comfortable and smart mobility.

Comprehensive Solutions Delivering Compelling Value

We offer driving assistance solutions to realize functions of panoramic surround view, Highway NOA and Urban NOA, and APA, etc. The comprehensive solution portfolio enables us to address customer needs more accurately and proactively while enhancing our commercialization expansion efficiency and sustainability: (i) *Exceptional Solution Performance*: Through integrated design, we optimize costs while providing superior technical performance. Our HPCs play a key role in accelerating the adoption and application of advanced driver assistance functions. Our ADC20 HPC enables advanced driving assistance functions such as Highway NOA and APA while maintaining a low computing power consumption of just 13 TOPS. It stands out with superior algorithm optimization and cost-effectiveness. In comparison, most integrated driving and parking HPCs from industry peers require over 30 TOPS of computing power, according to CIC. We were one of the first in China to achieve mass production of advanced automotive-grade products such as 4D millimeter-wave imaging radars and the first in China to achieve mass production of intelligent controllers with 8-megapixel high-resolution cameras, leading the industry in detection performance, resolution, and complex scene recognition, according to CIC. In 2025, the total installation volume of millimeter-wave radars in China reached 47.3 million units, and we ranked fourth among domestic providers, holding a 1.0% market share in terms of installation volume, according to the same source; (ii) *Precise Customer Demand Fulfillment*: As a Tier 1 supplier, we directly receive OEM requirements and feedback, gaining deeper insight into customer needs. Our comprehensive solution portfolio for self-developed intelligent controllers and sensors allows us to promptly optimize and iterate product functions and performance parameters based on customer demands, accurately and proactively addressing their pain points and aligning with product development trends; (iii) *Higher Sales Expansion Efficiency and Sustainability*: Our flexible configuration of our solutions of self-developed intelligent controllers and sensors allows us to use a single product as an entry point to enter the new customer's supply chain. As customers gain

further understanding and recognition of our products and solutions, we increase sales of other products and enhance the value per vehicle with ongoing system iterations and functional complexity. Additionally, we provide a holistic and integrated after-sales service to OEMs, offering a high-quality product experience. We believe this product strategy enhances our customer expansion efficiency and sales sustainability, laying a solid foundation for greater commercial success and better financial performance.

Established Large-scale Automated Production

Our mass production and delivery capabilities ensure large-scale delivery capacity of millions of units to our OEM customers. We have established a highly automated production facility in Wuzhen, Zhejiang. With meticulous capacity planning, robust supply chain resources, advanced automated production lines, and extensive mass production project experience, we are able to stably and reliably meet our customers' large-scale order demands: (i) *Smart Production Facility:* We utilize highly automated and advanced production lines, including active alignment (AA) camera automated production lines, fully automated ultrasonic cleaning systems, rapid prototyping technology for fixtures and jigs and laser welding processes. Such extent of automation reduces labor costs while improving production efficiency, product reliability, and consistency, ensuring high product quality. This provides a solid foundation for the smooth delivery of our existing mass production projects and quick response to new projects; (ii) *Supply Chain System:* We have established strategic partnerships with certain renowned driving assistance components suppliers and formed direct procurement relationship with a global semiconductor company. These collaborations greatly enhance the stability, security, and responsiveness of our supply chain; (iii) *Production Management:* Members of our production management team have decades of experience in production management, implementing a comprehensive manufacturing execution system to track and record process data at various production stages in real-time. This system allows for real-time monitoring and data analysis of the production process, helping us to fully meet the automotive-grade high standards required by OEM customers.

Advanced Closed-Loop Data Platform Empowering Continuous Update

Neural network-based driving assistance models require extensive data to update and fine-tune algorithms, making data essential for competitive advantage. Establishing a closed-loop data platform requires substantial data accumulation and a comprehensive closed-loop data toolkit. Fewer than ten providers in the industry, including ourselves, possess both of these capabilities, according to CIC.

We have designed an advanced data feedback mechanism with designated triggers that efficiently receive valuable anonymized corner cases from OEMs to enhance the performance of driving assistance models. To date, we have utilized a large volume of anonymized real-world cases to provide robust data support for algorithm iteration and product innovation. With our fully self-developed data processing toolchain, we can efficiently process and utilize vast amounts of data, driving the rapid optimization and iteration of our solutions, significantly accelerating product performance improvements and technological advancements.

This approach enables us to develop reliable, high-performance, cost-effective and iterative driving assistance solutions, shifting driving assistance functions from "usable" to "frequently used" and "love to use" and increasing the attractiveness of OEM's models to end customers. This mutually beneficial partnership helps us further enhance our cooperation bond with OEM customers and promotes the commercial implementation of advanced driving assistance solutions.

Experienced Management Team and Strong Shareholder Base

Dr. Zhang Lin and management team possess strong backgrounds, blending R&D expertise with mass production experience and extensive industry connections with domestic and international OEMs, component suppliers, and tech firms. Our chief executive officer Dr. Zhang Lin, with 30 years of experience in automotive technology R&D, manufacturing, and corporate management — including key roles at DaimlerChrysler, Chery Automobile, and Geely — has

strategically guided us to become a comprehensive driving assistance solutions provider. Under Dr. Zhang Lin's leadership, we achieved a breakthrough in mass production with the development of our proprietary *ODIN* architecture, solidifying our leadership in the driving assistance solutions industry.

Our chief scientist Dr. Shen Junqiang, with abundant research experience, joined a leading international automotive company in 1999 and became a pioneer in vehicle safety systems, specializing in both active safety and driving assistance technologies. Our R&D team, accounting for over 64.5% of our staff, is highly qualified, with approximately 49.9% holding a master's degree or above, as of December 31, 2025. Core team members come from renowned companies and bring valuable experience and cutting-edge technical expertise.

Moreover, since our establishment, we have received recognition and support from numerous distinguished shareholders. Our shareholder base includes government industrial funds, well-known professional investment institutions and several strategic industry partners such as Geely, SAIC, BAIC, Dongfeng and Shaanxi Automobile. This diverse shareholder background provides comprehensive support for our business development, achieving synergies in capital investment, market channels, and technology development.

OUR GROWTH STRATEGIES

Diversifying Solution Portfolio and Driving Commercialization

As a market-leading provider of driving assistance technology and solutions in China, we are committed to continuous innovation, promoting the mass production and further commercialization of advanced driving assistance solutions. We will closely follow market demands, accelerating the iteration and update of technology to achieve comprehensive performance enhancement and optimization. We aim to build a robust matrix of driving assistance solutions covering entry level to advanced levels, with stronger functionality and more comprehensive application scenarios, enabling OEMs to better meet the growing demands and expectations of end-users for driving assistance. On one hand, we aim to strengthen competitive advantage of our FT Max solutions and continue to promote the widespread adoption of driving assistance solutions in diversified market applications within this category. On the other hand, for our FT Ultra solutions, we plan to support more comprehensive and advanced driving assistance functions and complex application scenarios through iterations of key modules, which is expected to enable the mass production and broad application of advanced features.

We are dedicated to advancing driving assistance through our software-hardware integration, refining solutions and enabling advanced functions tailored to OEM requirements and market trends. By leveraging our first-mover advantage, pioneering design win projects, robust customer network, and enhanced mass production capabilities, we strive to expand market share and drive profitability.

We plan to use approximately [**REDACTED**]% of the net [**REDACTED**] from the [**REDACTED**], or approximately HK$[**REDACTED**], for expanding and upgrading our driving assistance solution and product portfolio. We aim to achieve the following advancements in next three years: (1) the next-generation front-view integrated controller, which will have stronger perception capabilities, integrate new functions, and feature a higher level of functional safety; (2) the next-generation 4D imaging radar, which will offer longer detection range, greater precision, and higher resolution, providing redundancy for visual perception and meeting the perception requirements of Level 3 solutions; and (3) the next-generation integrated driving and parking solution, offering a better experience for highway, urban driving, and parking scenarios, especially addressing complex urban driving modes and enhancing autonomous valet parking capabilities. See "Future Plans and Use of [**REDACTED**]."

Promoting Technology Innovation

We are committed to driving technology innovation and upgrades to enhance our software-hardware integrated *ODIN* architecture. We plan to continuously enhance the innovation and engineering capabilities, expanding into higher-level in-house development, more comprehensive functions, and more diverse application scenarios. Our key investments will focus on: (1) building and upgrading the simulation capabilities of software-hardware integrated systems; and (2) enhancing data mining capabilities and end-to-end large language model training. By focusing on R&D and the collaborative core technologies design, we aim to achieve smooth integration and optimized performance. Continuous upgrades to our closed-loop data platform will improve data processing efficiency and quality, while ensuring our technology remains scalable, reusable and iterative to meet evolving market demands. Leveraging our platform strengths and mass production experience, we strive to drive continuous innovation and deliver safer, smarter, and more comfortable driving experiences for the automotive industry and society at large: (i) *Software and Algorithm:* We will optimize self-developed algorithms for more efficient deployment and improve the closed-loop data platform's processing efficiency. By unlocking data value, we can provide precise solutions for complex scenarios and develop advanced driving assistance solutions tailored for safer and smarter driving experiences; and (ii) *Hardware:* We plan to continuously enhance the mass production capabilities and innovation capacity of our core components, constantly expanding towards higher-level self-developed R&D, more comprehensive functional configurations, and a wider range of application scenarios. In particular, we plan to use our net [**REDACTED**] in (1) expanding new automated production lines and purchasing testing equipment to increase our production capacity in order to meet the growing demand from customers; and (2) expanding new production sites and facilities domestically, including the renovation of new production workshops and corresponding supporting infrastructure.

We plan to use approximately [**REDACTED**]% of the net [**REDACTED**] from the [**REDACTED**], or approximately HK$[**REDACTED**], in the next three years to further develop the *ODIN* architecture, reinforcing our competitive edge in R&D and product delivery capabilities, integrating both software and hardware. We also plan to use approximately [**REDACTED**]% of the net [**REDACTED**] from the [**REDACTED**], or approximately HK$[**REDACTED**], in the next three years to enhance our mass production and delivery capabilities. See "Future Plans and Use of [**REDACTED**]."

Deepening Industry Collaboration

As driving assistance technology advances, collaboration across the industry chain has become crucial for maintaining long-term competitiveness. We plan to integrate supply chain resources and deepen cooperation with OEMs to promote innovation and iteration. Our goal is to build an open and compatible ecosystem: (i) *Supply chain:* We have established strategic partnerships with leading chip suppliers, aligning our capabilities to promote high-performance driving assistance products. We will continue strengthening these partnerships to ensure chip supply stability and technological innovation, accommodating more chip companies and enhancing modular development and mass production efficiency. We plan to use approximately [[**REDACTED**]%] of the net [**REDACTED**], or approximately HK$[**REDACTED**], over the next three years for the iteration and upgrade of the intelligent manufacturing system, which is expected to significantly improve the management capabilities of the entire value chain from order to delivery within the manufacturing and supply chain system. We expect that the iteration and upgrade will effectively enhance inventory turnovers and working capital efficiency; (ii) *Customer base:* We have deep cooperation with leading domestic OEMs. We plan to expand our driving assistance solutions across various models and regions, providing advanced solutions and superior services. By establishing a faster response mechanism and offering localized services, we aim to meet the diverse demands for driving assistance solutions in passenger and commercial vehicle sectors, both domestically and internationally, achieving broader market coverage. We plan to further expand market coverage by partnering with domestic and international OEMs to unlock the value of mass production data and collaboratively drive improvements in the functionality and performance of driving assistance solutions.

Advancing International Expansion

We aim to seize substantial opportunities in overseas markets. According to CIC, the global market for driving assistance solutions from Level 0 to Level 2+ in terms of revenue is expected to grow from RMB406.5 billion in 2025 to RMB776.8 billion in 2030, with a CAGR of 13.8%. Our management team has extensive international market experience and vision in the automotive and driving assistance industries. We plan to expand our international business, promoting mass production practices and seizing market opportunities from the rapid development of Chinese smart vehicles abroad.

We will continue to expand our footprint and cooperation network in overseas markets, including Europe (i.e. Germany), Southeast Asia (i.e. Thailand, Malaysia and Indonesia) and South America (i.e. Brazil). We intend to deepen our collaboration with domestic OEMs on international projects and jointly explore overseas markets with these partners. Additionally, we are advancing partnerships with overseas OEMs to strengthen local market connections and enhance our localization capabilities.

We plan to use approximately [**REDACTED**]% of the net [**REDACTED**], or around HK$[**REDACTED**], over the next three years to expand our sales and service network, with a strategic focus on the above-mentioned key overseas markets.

To support this expansion, we plan to hire experienced service professionals for overseas sales, customer service, and business support roles. We intend to establish local offices and develop regional marketing and technical service branches to strengthen our presence in these markets. Additionally, we aim to build a globally experienced sales and customer service team to enhance engagement with overseas customers.

Our efforts will also include targeted customer outreach initiatives and expanded marketing activities, such as advertising, market promotion, and brand-building campaigns. Furthermore, we plan to establish strategic partnerships and localized distribution channels to accelerate market penetration and enhance service capabilities in these regions. See "Future Plans and Use of [**REDACTED**]."

We believe our international expansion is both strategically sound and operationally feasible, and it plays a key role in our long-term growth strategy. This view is supported by the following factors: (i) *Supporting Chinese OEMs Going Global:* Many of our domestic OEM customers are actively expanding overseas. Our efforts not only support their international operations but also raises our visibility among global OEMs who are increasingly recognizing the competitiveness of Chinese driving assistance technologies; (ii) *Lower Competition and Higher Margins:* Compared to highly domestic competitive market, overseas markets — particularly in Southeast Asia and South America — are less saturated. Our main competitors in these regions are traditional international Tier 1 suppliers, leaving room for newer players offering more cost-effective solutions; (iii) *Reuse of Existing Platforms:* Benefit from our *ODIN* architecture, we can efficiently expand overseas by adapting our existing domestic product platforms, which reduces the need for significant new investment while still allowing for effective localization and deployment.

We plan to adopt a number of measures to manage risks associated with international expansion: (i) *China-Based Development and Settlement Models*: Many international OEMs have set up procurement centers in China and follow development models similar to those in the domestic market, including paying development fees. This reduces political and operational risks and helps secure our development investments; (ii) *Prepayment Terms*: For overseas customers, we typically require a significant portion of payment as prepayments, helping to reduce financial and credit risk before product delivery; (iii) *Minimal Tariff Exposure*: We do not currently plan to enter the North American market, where tariff tensions remain elevated. As the majority of our materials are sourced domestically or from non-U.S. regions, our exposure to tariffs and trade restrictions is limited.

Executing Comprehensive Talent Strategy

We believe attracting global talent is crucial for driving innovation and competitiveness. Our open and inclusive culture aims to attract top engineers from the driving assistance and automotive industries, as well as experts in data science and computer science to enhance our R&D capabilities. We also seek market experts with international experience to expand our OEM network and advance our global strategy.

We prioritize talent management and incentives, implementing equity plans and performance rewards to create a comprehensive system. We will improve our team's professional level and industry experience through internal training and external projects, focusing on diverse and long-term development opportunities. We will continue to prioritize building a strong R&D team and encourage exploratory research and development to promote new technologies and solutions.

We plan to allocate approximately [[**REDACTED**]%] of the net [**REDACTED**] from the [**REDACTED**], or approximately HK$[**REDACTED**], to execute our comprehensive talent strategy by recruiting and retaining top talent from the global driving assistance and automotive industries, as well as experts in data science and computer science, to strengthen our development capabilities and drive innovation. Specifically, we aim to achieve breakthroughs in advanced driving assistance technologies, enhance the scalability, efficiency, and effectiveness of our R&D activities, and further optimize and enrich our solutions portfolio. See "Future Plans and Use of [**REDACTED**]."

OUR BUSINESS MODEL

We offer comprehensive driving assistance solutions mainly to various OEMs, including major traditional OEMs and emerging car manufacturers.

The foundation of our driving assistance solutions is our *ODIN* architecture, which consists of four key technology modules — (i) advanced controllers, (ii) sophisticated sensors, (iii) capable software and algorithms, and (iv) a closed-loop data platform. Together, these four modules empower smooth system integration and exceptional scalability.

Our driving assistance solutions offerings currently comprise FT Pro, FT Max and FT Ultra, spanning Level 0 to Level 2+ capabilities, and featuring a wide range of functions that enhance automotive intelligence and safety. They also demonstrate high compatibility with different vehicle models, "System-on-Chip" (SoC) platforms, and other key automotive components, supporting integration with a wide array of vehicle models, catering to diversified customer needs.

We develop our driving assistance solutions through a comprehensive, vertically integrated approach, ensuring that every stage of the process — from concept to production — is closely managed and optimized. Our involvement includes hardware design, where we create custom components tailored to the specific requirements of driving assistance systems, ensuring performance, reliability, and scalability. On the software and algorithm development front, we engineer advanced machine learning algorithms and real-time processing software to enable features such as precise perception and highly automated decision-making and control. Our expertise in system integration ensures smooth functionality between hardware and software, delivering a cohesive solution that meets stringent automotive industry standards. Finally, our manufacturing capabilities allow us to oversee production quality, ensuring that the final products are durable and compliant with regulatory standards. By managing these processes mostly in-house, we maintain control over quality, efficiency, and innovation, providing our customers with advanced driving assistance solutions.

Our Comprehensive Driving Assistance Solution Offerings

Our driving assistance solutions are designed to enhance vehicular safety while reducing the need for manual control. Our driving solutions range from Level 0 and Level 1 driving assistance solutions (FT Pro) for enhanced safety and convenience, to Level 2 driving assistance solutions (FT Max) with features like LKA and ACC requiring periodic human intervention. We also offer

advanced Level 2+ and above driving assistance solutions (FT Ultra), including Highway NOA and Urban NOA, which allow for minimal human input. Additionally, we provide flexible and modular solutions tailored to the specific needs of OEM customers under FT Ultra solution.

The below illustration provides an overview of the driving assistance solutions we currently offer. For a detailed discussion of definition and classification for the levels of driving assistance, see "Industry Overview."

FT Pro — Our Essential Driving Assistance Solution

Our FT Pro solutions, covering Level 0 and Level 1 automation, is primarily applied in commercial vehicles, which we believe enable foundational yet crucial solutions for enhancing safety, efficiency, and driver convenience.

- ***Configurations:*** Vehicles equipped with our FT Pro solution feature an integrated controller and a front radar (optional), providing essential environment monitoring.
- ***Advantages of FT Pro:*** The solution provides strong safety and warning capabilities tailored to meet the rigorous demands of commercial vehicle operations. Our solutions are effective, reliable and well received by our OEM customers, where we have achieved a significant market share in China based on the total number of commercial vehicles equipped with AEB function in China in 2025, according to CIC.

FT Max — Our Enhanced Driving Assistance Solution

Our FT Max solutions, focusing on Level 2 automation, is equipped with a sophisticated controller and sensor setup to ensure safety and performance and is primarily applied in passenger vehicles.

- ***Configurations:*** Our FT Max solution features advanced integrated controllers that deliver superior performance for driving assistance. FT Max provides a combination of sensors from 1V (single camera), 1V1R (single camera, single front radar) to 1V5R (single camera, five radars) options. These sensors are critical for accurately detecting and interpreting road conditions and obstacles, thereby enhancing the vehicle's ability to react to dynamic driving environments.

- ***Advantages of FT Max:*** FT Max supports a comprehensive suite of functions designed to improve road safety and driving comfort. The advantages of FT Max are particularly notable in terms of functionality and cost efficiency for our OEM customers, especially as we gradually achieve economies of scale. It supports full Level 2 automation capabilities with fewer required components, such as separate radars or cameras. These features significantly reduce the driver's workload, thereby improving the overall driving experience and cost efficiency for both OEMs and end customers.

FT Ultra — Our Advanced Driving Assistance Solution

Our advanced FT Ultra solutions, covering Level 2+ automation, are equipped with an advanced sensor and controller array to enhance safety and driving experience and is primarily applied in passenger vehicles.

- ***Configurations:*** The vehicles integrated with FT Ultra are equipped with HPCs, which are engineered with advanced chip configurations and comprehensive robust sensor interfaces, including high-resolution cameras, radars, LiDARs. FT Ultra can support up to three LiDAR sensors and a variety of sensor combinations from 1V5R to 11V5R, i.e. up to eleven cameras, five radars and one HPC on a single vehicle. These units together support functions from basic AEB and ACC to advanced driving assistance features such as Highway NOA and Urban NOA.

- ***Advantages of FT Ultra:*** Working in harmony with the front radars and cameras, our Level 2+ solution ensures that data flows smoothly between sensors and systems. This integrated approach enhances the vehicle's ability to consistently detect and adapt to diverse environmental conditions, thus reinforcing the overall efficacy of our Level 2+ solution by adding multiple layers of detection and safety for a more secure and dependable driving experience. The advantages of our Level 2+ solutions are ideally aligned with the requirements of high-end vehicle installations and are designed to conform to the future trends of electronic and electrical architectures (safety domain architecture). Additionally, our approach integrates BEV sensing, multi-sensor fusion, end to end detection, which allow for unified decision-making. This ensures that our Level 2+ solutions not only meet contemporary high standards but also position ourselves advantageously for future advancements in vehicle technology, enhancing both safety and functionality. By employing a strategy that combines various sensors to collectively process and analyze data, our Level 2+ solutions provide a comprehensive, reliable response mechanism that enhances vehicle intelligence and decision accuracy.

- ***Modular approach to driving assistance:*** in addition to our comprehensive driving assistance solution packages, we offer a flexible and modular à la carte menu of solutions tailored to meet the specific needs of OEM customers. This modular approach allows OEMs to select and integrate individual components and features that best suit their unique requirements and vehicle platforms. This flexibility not only accommodates diverse market demands but also supports incremental adoption and scalability of driving assistance technologies across different vehicle models and configurations. For more details, see the section titled "— Our Technology Foundation — The *ODIN* Architecture."

The following table sets forth details of the main vehicle brands, vehicle types, vehicle energy types and market positioning for which we have achieved mass production or procured design wins of our driving assistance solutions during the Track Record Period. As of the date of this document, all main projects disclosed in the following table have achieved mass production. The major retail location of these vehicles is mainland China.

Main projects in 2023

Brand	Vehicle types	Vehicle energy types	Solutions	Description of the Brand	Market positioning
Brand A (Geely Group) . . .	SUVs	ICE vehicles	FT Ultra	Brand A, founded in 1997, is a well-known domestic vehicle brand in China.	Brand A covers the entry-level to mid-range segments. It offers various models, including sedans, SUVs, MPVs, and pickup trucks.
Brand B (Customer C) . . .	SUVs	EVs	FT Ultra	Brand B was established in 2018 and officially launched in 2020. It is committed to becoming a leading high-end smart electric vehicle brand.	Brand B covers the mid-range to luxury segments. It offers various models, including sedans, SUVs, and MPVs.
Brand C (Customer D) . . .	SUVs	EVs	FT Max	Brand C, founded in 1995, is a leading new energy vehicle brand in China.	Brand C covers multiple segments from entry-level to luxury. It offers various models, including sedans, SUVs, and MPVs.
Brand D (Customer B) . . .	SUVs	ICE vehicles	FT Max	Brand D, founded in 1958, is a well-known domestic high-end vehicle brand in China.	Brand D covers multiple segments from mid-range to luxury. It offers various models, including sedans, SUVs, and MPVs.
Brand E (Customer A) . . .	Sedans	ICE vehicles	FT Max	Brand E, founded in 1862, is a well-known domestic vehicle brand in China.	Brand E covers the entry-level to mid-range segments. It offers various models, including sedans, SUVs, MPVs, and pickup trucks.

Main projects in 2024

Brand	Vehicle types	Vehicle energy types	Solutions	Description of the Brand	Market positioning
Brand F (Geely Group) . . .	SUVs	EVs	FT Ultra	Brand F, founded in 2021, is a fast-growing battery electric vehicle technology company in China.	Brand F covers the mid-range to luxury segments. It offers various models, including sedans, SUVs, and MPVs.
Brand B (Customer C) . . .	SUVs	EVs	FT Ultra	Brand B was established in 2018 and officially launched in 2020. It is committed to becoming a leading high-end smart electric vehicle brand.	Brand B covers the mid-range to luxury segments. It offers various models, including sedans, SUVs, and MPVs.
Brand E (Customer A) . . .	SUVs	ICE vehicles	FT Max	Brand E, founded in 1862, is a well-known domestic vehicle brand in China.	Brand E covers the entry-level to mid-range segments. It offers various models, including sedans, SUVs, MPVs, and pickup trucks.
Brand F (Geely Group) . . .	Sedans	EVs	FT Ultra	Brand F, founded in 2021, is a fast-growing battery electric vehicle technology company in China.	Brand F covers the mid-range to luxury segments. It offers various models, including sedans, SUVs, and MPVs.
Brand E (Customer A) . . .	Sedans	ICE vehicles	FT Max	Brand E, founded in 1862, is a well-known domestic vehicle brand in China.	Brand E covers the entry-level to mid-range segments. It offers various models, including sedans, SUVs, MPVs, and pickup trucks.

Main projects in 2025

Brand	Vehicle types	Vehicle energy types	Solutions	Description of the Brand	Market positioning
Brand F (Geely Group) . . .	SUVs	EVs	FT Ultra	Brand F, founded in 2021, is a fast-growing battery electric vehicle technology company in China.	Brand F covers the mid-range to luxury segments. It offers various models, including sedans, SUVs, and MPVs.
Brand G (Geely Group) . . .	Sedans	EVs	FT Ultra	Brand G, founded in 2023, committed to becoming a leading premium new energy vehicle brand.	Brand G covers the mid-range and high-end segments. It offers various models, including sedans, SUVs, MPVs.
Brand E (Customer A) . . .	SUVs	ICE vehicles	FT Max	Brand E, founded in 1862, is a well-known domestic vehicle brand in China.	Brand E covers the entry-level to mid-range segments. It offers various models, including sedans, SUVs, MPVs, and pickup trucks.
Brand B (Customer F) . . .	SUVs	EVs	FT Ultra	Brand B was established in 2018 and officially launched in 2020. It is committed to becoming a leading high-end smart electric vehicle brand.	Brand B covers the mid-range to luxury segments. It offers various models, including sedans, SUVs, and MPVs.
Brand D (Customer B) . . .	SUVs	ICE vehicles	FT Max	Brand D, founded in 1958, is a well-known domestic high-end vehicle brand in China.	Brand D covers multiple segments from mid-range to luxury. It offers various models, including sedans, SUVs, and MPVs.

OUR TECHNOLOGY FOUNDATION — THE *ODIN* ARCHITECTURE

Our proprietary *ODIN* architecture includes streamlined software-hardware co-design, advanced software development techniques, capable algorithms and powerful closed-loop data analytics. We leverage our self-developed middleware to integrate these elements into fully functional driving assistance systems that can be tailored to diverse computational needs and application scenarios. This integration ensures our products are versatile and adaptable, enhancing their operational efficiency.

Our *ODIN* architecture is designed to provide significant advantages to the solutions developed from it, leveraging core strengths such as rapid development, end-to-end flexibility, complete coverage and full lifecycle update: (i) *Rapid Development:* The development process is highly efficient, leveraging platform-based development which utilizes standardized modular. This strategy significantly reduces the time needed for development by streamlining the integration of these components into various applications; (ii) *End-to-end Flexibility:* The solutions are designed with a decoupled software-hardware architecture empowered by *ODIN* that allows for flexible delivery of solutions tailored to specific needs, including the provision of base tech software capabilities and core algorithms; (iii) *Complete Coverage:* The solutions designed based on the *ODIN* architecture platform extend across a broad spectrum, ensuring they can meet varying levels of requirements from different OEMs. They are designed to serve a broad range of market demands, thereby ensuring that they can be applied to a wide range of driving assistance applications and user needs; (iv) *Full Lifecycle Update:* Our solutions support full lifecycle iteration, where algorithms are updated based on closed-loop data platform, effectively addressing the challenges of continuous innovation throughout the vehicle's full lifecycle.

Advanced Controllers

Controllers are mission-critical components of driving assistance, serving as the brain of these advanced systems. They fuse and process data from the vehicle's sensors to make driving assistance decisions and trigger vehicle actuators. Our controllers for driving assistance integrate data from various sensors to construct real-time environmental models, ensuring precise and timely decision-making.

We offer a wide range of advanced controllers, including both integrated controllers and stand-alone HPCs, and have constantly introduced iterative development of such components that resulted in significant performance breakthroughs. Leveraging our understanding of the performance features and benefits of each type of SoC, our controllers are compatible with a range of SoCs and computing capacities. The embedded software and proprietary algorithms within the controllers then collectively determine the appropriate actions for the vehicle, planning routes and guiding it to designated locations safely.

Integrated Controllers

Leveraging our understanding of the performance features and benefits of each type of SoC, we have developed our integrated controllers without the need of stand-alone HPCs to achieve full Level 2 automation. These units are characterized by their high level of integration, dense configurations, and extensive interfaces.

Our proprietary integrated controllers have evolved from the first generation FVC1.0 to the third generation FVC3.0 model. Our first mass-produced integrated controller, FVC1.0, had met overall benchmark standards of certain global leading OEMs, according to CIC. Our FVC2.0 integrated controller, supporting 2.0 mega pixel resolutions and 100° FOV, can achieve full Level 2 functions without requiring additional radars or HPCs, providing a cost-effective solution for our OEM customers. Our FVC3.0 integrated controller further enhances performance, supporting higher resolutions of 8.0 megapixels and a wider FOV of 120°, with only a marginal increase in computing power requirement of 5 TOPS. According to CIC, FVC3.0 was the first 8-megapixel integrated controller in the China market to achieve mass production.

HPCs

Our HPC offering encompasses a progressive suite of automotive systems that are redefining vehicular control and autonomy for Level 2+ and above intelligence driving. Each unit is engineered with advanced chip configurations and comprehensive sensor interfaces, including cameras, radars, LiDARs and DMS. They empower vehicles with a spectrum of capabilities, from AEB and ACC to intelligent parking and advanced driving assistance functions, such as Highway NOA, Urban NOA and Closed Scene AVP. With a keen focus on safety, reliability, and forward compatibility, our HPCs are designed to meet the challenges of today's road conditions and the demands of tomorrow's driving assistance landscape.

Our HPCs have evolved over several generations. The ADC20 entered mass production in 2022, delivers full Level 2+ functionality while emphasizing relatively low computational power consumption, thus ensuring high cost-effectiveness for our customers. Our ADC20 HPC is one of the first mass-produced lightweight integrated driving and parking HPCs in China, offering "Highway NOA +APA" integrated solution with computing power of 13TOPS, according to CIC. We are also developing next-generation HPC aimed at achieving a more advanced level of automation using domestically developed operating systems and chips, which is currently unprecedented in the market.

Sophisticated Sensors

Sensors are critical components of driving assistance solutions. Our sensors, built on a sophisticated network of software technology and algorithms, function as the eyes and ears of the system, providing crucial vision and perception capabilities. They form the hardware foundation for environmental perception, supplying essential data for driving assistance decision-making.

With our R&D and manufacturing capabilities, we have developed a range of sensors for driving assistance — radars (including 4D millimeter-wave imaging radars), DMS and camera modules. These sensors feature unique designs in both hardware and software, adhere to automotive-grade standards, offer enhanced compatibility, and integrate smoothly with the overall solution.

Radars

Designed to meet the expansive needs of both passenger vehicles and commercial vehicles, we believe our radar systems stand at the forefront of automotive safety technology with our comprehensive radar product offerings. Our front view radars are a testament to mature and reliable engineering, offering enhanced performance with angular measurement accuracy down to 0.3° and a resolution of 3.5°. Our corner radars exemplify advanced and dependable engineering, delivering enhanced performance with angle accuracy of ±1° and range measurement accuracy of 0.09 meters. With a suite of products designed to support Level 2+ and above solutions, our radar portfolio ensures that vehicles are equipped with leading-edge safety features. These advanced systems are engineered for smooth integration and are recognized for their remarkable capabilities, evidenced by the wide adoptions by OEMs.

Millimeter wave imaging radar technology has gone through several generations of development at our Company with distinct advantages that are particularly prominent in the domestic market. Millimeter-wave imaging radar is an advanced sensor technology with the advantage of being all-weather, unaffected by fog or rain. Given the limitations of visual systems, radar plays a pivotal role in ensuring safe driving.

Our FVR40 is a high-performance automotive-grade 4D millimeter-wave imaging radar, distinguished by its unique waveform design and perception algorithms, enabling precise 4D target detection with target height measurement capability. It delivers high resolution, low false detection and miss detection rates, and robust anti-interference capabilities, with the ability to output 30,000 points per second in point cloud data.

Our FVR40 radar excels in core perception performance, featuring an ultra-long point cloud detection range of 350 meters. It offers superior azimuth resolution, allowing it to distinguish targets in adjacent lanes at distances of over 200 meters, and high elevation angle resolution for identifying stationary targets under flyovers and billboards. According to CIC, the typical elevation resolution of 3D millimeter-wave radar is around 10°, while our FVR40 can achieve an elevation resolution of less than 1°, offering superior elevation detection capability compared to traditional radar. Furthermore, our FVR40 provides high-precision close-range modeling with high-density point clouds, effectively identifying small targets such as curbs, walls and columns.

We expect the technology behind millimeter wave imaging radars will continue to evolve. The future direction points toward increasingly powerful imaging capabilities, including extended detection range and denser point clouds, while also maintaining a cost advantage. Additionally, imaging radar is moving towards integration with HPCs. Currently, the imaging capabilities of radar are limited by the computational power on the radar chip. Future imaging methods are expected to shift computing to central HPCs, with radar serving primarily as a simple sensor. Our solution portfolio is highly aligned with these trends, designed to adapt to centralized computing and advanced imaging requirements. We remain committed to further advancing our radar technology, continuously innovating to enhance our competitive edge and meet the evolving needs of the automotive industry.

Camera Modules

Camera modules are key components in driving assistance solutions. They provide clear views of a vehicle's surroundings to support driving assistance and improve the safety of the vehicle and the passengers in it.

Our range of camera modules are designed to be compatible with both integrated controllers and HPCs, aiming to enhance the capabilities of driving assistance systems by providing high-resolution imaging and robust performance. These camera modules are integral to our driving assistance solutions, providing key road traffic data to enhance vehicle perception and decision-making processes.

DMS

DMS is a technology designed to continuously monitor and analyze the driver's behavior and condition. It uses cameras to detect signs of driver fatigue, distraction, or inattention, and can provide alerts or take corrective actions to ensure safety. The DMS is designed to enhance the overall effectiveness of advanced driver-assistance systems by ensuring the driver remains attentive and capable of taking control. We currently offer DMS10, our first generation DMS, which went into mass production in the fourth quarter of 2022. We are also working on the development of more advanced OMS20 and MS30 to meet the anticipated growing market demand.

Software and Algorithms

The software platform is another critical module of our *ODIN* architecture. Our software platform mainly consists of algorithms and software-middleware-hardware co-design capabilities. At the heart of our driving assistance capabilities are our proprietary algorithms, which are critical to the performance of our solutions. These algorithms empower advanced controllers to efficiently process sensor data, providing reliable functions in perception, fusion, localization, prediction, planning, decision and control that are essential for driving assistance.

Advanced Algorithm Capabilities

Our algorithms encompass a comprehensive chain of capabilities that ensure the performance and reliability of our solutions remain at the forefront of the industry, offering advanced and specialized functionalities across different aspects of driving assistance technologies.

Perception and Fusion:

- ***Visual perception/SLAM algorithms:*** These algorithms leverage camera feeds to perform functions crucial for navigating and understanding dynamic environments. They process visual data to detect and track static and moving objects, enabling the vehicle to map its surroundings accurately while adjusting to new obstacles and changes in real-time.

- ***LiDAR perception/SLAM algorithms:*** Utilizing laser-based sensors, these algorithms provide high-resolution, three-dimensional information about the vehicle's environment. The accuracy across the detection range of LiDAR enhances object detection, classification, and tracking, especially under varied weather and lighting conditions, thus significantly contributing to the vehicle's robust perception capabilities.

- ***Multi-sensor pre-fusion algorithms:*** By combining data from various sensors such as cameras, radar, and LiDAR, these algorithms pre-process information to mitigate discrepancies before deeper analysis. This preliminary analysis enhances the accuracy and consistency of the data fed into more complex processing algorithms.

- ***Deep fusion algorithms:*** These sophisticated algorithms integrate and analyze the pre-processed data from multiple sensors to create a comprehensive, unified perception of the environment. This deep analysis supports critical functionalities such as obstacle detection, scenario assessment, and complex decision-making, ensuring higher reliability and performance in dynamic driving conditions.

Localization:

- ***Visual map service algorithms:*** These algorithms integrate high-resolution images with pre-existing map data to offer enhanced localization that supports precise navigation. This integration helps in identifying landmarks and aligning real-time visual data with map features, thereby improving the accuracy of the vehicle's positioning system.

- ***Target localization algorithms:*** These algorithms are designed to accurately identify and locate other vehicles, pedestrians, and significant objects around the vehicle. By precisely determining the distance and orientation of these objects, the system can make more informed decisions about maneuvering and path planning.

Prediction and Planning:

- ***Target prediction algorithms:*** Essential for anticipatory driving, these algorithms predict the future states and movements of nearby objects and actors. Understanding potential future trajectories helps in planning safer and more efficient paths, especially in dense urban traffic.

- ***Global path planning algorithms:*** These algorithms compute the optimal path from the current location to the desired destination, taking into account static obstacles, road conditions, and traffic regulations. They ensure the vehicle adheres to safe and legal driving practices while optimizing travel time.

- ***Trajectory planning algorithms:*** Focusing on the short-term path of the vehicle, these algorithms dynamically adjust the driving path in response to immediate conditions and obstacles. They provide continuous, real-time adjustments to the vehicle's trajectory, crucial for navigating through sudden changes in the environment.

Decision and Control:

- ***Behavioral decision algorithms:*** These algorithms evaluate multiple potential actions in real-time, selecting the optimal behavior based on current traffic conditions, environmental context, and the vehicle's strategic goals. This capability is key to adaptive driving, allowing the vehicle to respond effectively to both predictable patterns and unexpected situations.

- ***Vehicle control algorithms:*** Focused on executing the chosen actions safely and efficiently, these algorithms control the vehicle's steering, acceleration, and braking. They translate the strategic decisions into smooth operational commands, ensuring that the vehicle adheres closely to the planned path while maintaining comfort and safety for the occupants.

Robustness

Our suite of algorithms not only emphasizes advanced functionality and safety but also robustness, ensuring reliable operation under a variety of challenging conditions. This robustness is particularly evident in our ability to handle sensor imperfections and environmental variables seamlessly: (i) *Pre-fusion algorithms for cameras and radars:* Our proprietary pre-fusion algorithms for cameras and radars further maximize the potential of each sensor to deliver more robust perception capabilities at a lower cost. By synergistically combining the broad, high-resolution visual coverage of cameras with the depth sensing and adverse weather capabilities of radar, our system extracts more detailed and reliable data from the environment. The pre-fusion algorithms enhance the vehicle's ability to detect and react to its surroundings more accurately, particularly in complex and dynamic scenarios; (ii) *LiDAR dynamic hot-plugging for fusion perception:* Unlike systems heavily reliant on LiDAR, where sensor malfunctioning can lead to a complete failure of fusion perception, our LiDAR dynamic hot-plugging for fusion perception technology supports dynamic plugging and unplugging of LiDAR. This means that in cases where the LiDAR is obstructed or malfunctioning, our system can degrade gracefully without significant loss of functionality and system performance. This is achieved by leveraging other sensors that compensate for the lack of LiDAR data, maintaining reliable perception under adverse conditions; (iii) *Support for mixed-mode navigation and high-definition maps:* Our algorithms support integration of standard navigation maps and high-definition maps. This hybrid mode allows for smooth transitions between different types of map data without user awareness, enhancing navigation accuracy and reliability. The ability to integrate these diverse sources of mapping data enables more precise localization and path planning, crucial for advanced driving applications.

These robust algorithmic capabilities reflect our commitment to providing adaptive, resilient, and dependable automotive solutions, ensuring optimal performance even under more challenging conditions.

High Efficiency

Our approach to algorithm development prioritizes efficiency, ensuring that our systems deliver exceptional performance with controlled costs and resources. This efficiency is reflected in our commitment to smart, streamlined models and algorithms, our integration with chip architecture, and our low computing power solutions; (i) *Smart model development:* Our focus is on creating streamlined models and algorithms that deliver high performance with reduced computational demand. This approach allows us to avoid the challenges associated with models that require extensive computing power and energy. By optimizing our algorithms, we aim to achieve the same functionalities while using minimal resources, ensuring our technology is both efficient and environmentally friendly; (ii) *Algorithm design tailored to chip capabilities:* Our algorithm development goes beyond just considering neural network structures; we also deeply integrate the computational platforms and specific features of the chips on which these algorithms will run. This tailored approach significantly enhances the deployment efficiency of our algorithms, ensuring they operate optimally within the specific hardware constraints; (iii) *Optimized computing power for equivalent driving assistance functions:* We have released products such as ADC20, which operates at 13 TOPS yet supports Highway NOA and APA functionalities. We will continue to apply this competitive strategy as we further upgrade and enhance our driving assistance features, maintaining efficiency without compromising capability.

By implementing these strategies, we aim to ensure that our driving assistance solutions are not only powerful, robust and effective but also lead the industry in energy efficiency and cost-effectiveness, setting new standards in the development of sustainable automotive technologies.

Software Platform with Co-Design Capabilities

In addition to our algorithm, we have developed advanced software-middleware-hardware co-design techniques that enable us to deliver comprehensive driving assistance solutions to OEMs. Our extensive experience in designing and series production sensors and advanced controllers deepens our understanding of how driving assistance software and hardware interact. As we develop our solutions, we carefully select components that best align with our software architecture and core algorithms, maximizing effectiveness while minimizing costs.

Our proprietary software platform comprises a suite of technologies that support the development, testing, and deployment of software across vehicle systems. Key components include:

SoC Application & Base Software: We develop software for system-on-chip (SoC) architectures, supported by a foundational software layer including drivers, operating systems, and hardware abstraction layers. This enables efficient integration of hardware with advanced applications such as sensor processing and decision-making algorithms.

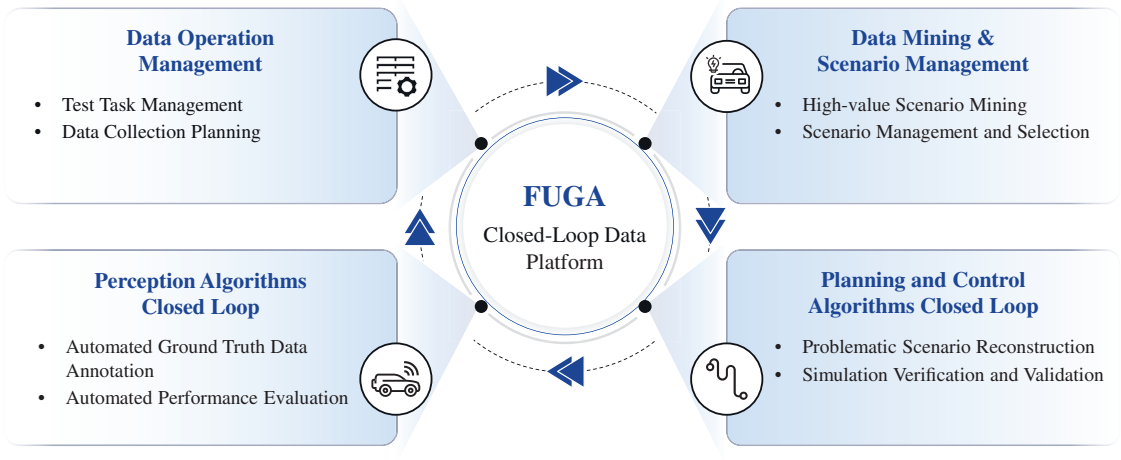
MCU Middleware & Applications: Our MCU middleware bridges low-level hardware and higher-level applications, providing essential services for device, task, and communication management within the driving assistance system.

Architecture & Middleware Platform: Our structured architecture and middleware platform enable seamless integration between applications and operating systems. It supports efficient deployment across different SoC models, allowing our solutions to be scaled across vehicle models with minimal incremental cost, while providing APIs and robust data handling capabilities.

Simulation Test Bench: We use a virtual testing environment to simulate diverse driving scenarios, enabling validation of driving assistance functionalities prior to real-world deployment, thereby improving safety and development efficiency.

Data Platform — Closed-loop Data Analytics

Building on our mass production data, our closed-loop data analytics capacity exemplifies how continuous data integration and advanced analytics form a robust moat around our technology.



Data in the Loop

Our closed-loop data analytics platform, FUGA, enables a continuous data-driven feedback loop that accelerates product development and enhances driving performance. Through ongoing data collection, analysis, and updates, our solutions continuously evolve and improve, strengthening usability, reliability, and competitiveness for OEM models integrating our systems.

Data Acquisition with Real-World Insights: We provide OEMs with toolkits to collect high-value anonymized data, particularly focusing on corner cases that reveal performance under diverse conditions. Our advanced nVnR solutions support multi-sensor data capture, including cameras, radar, LiDAR, ultrasonic sensors, and GPS, enabling comprehensive insights into vehicle positioning, surroundings, and road environments.

Scenario Library Integration: We maintain a comprehensive scenario library that serves as a core dataset for training and refining our algorithms, enabling them to handle a wide range of real-world driving conditions with precision.

Data Resimulation: We reprocess and replay real-world data to simulate diverse scenarios and refine algorithms without the need for physical testing. Leveraging large-scale OEM data, along with data augmentation and synthetic scenario generation, we replicate complex driving conditions (e.g., varied weather and lighting) to continuously improve system accuracy and robustness.

Cloud-Based Model Training: Utilizing scalable cloud infrastructure, we process and train models efficiently using large volumes of data. Advanced indexing and query capabilities enable rapid retrieval of relevant data, supporting timely development, diagnostics, and continuous algorithm improvement.

Rapid Deployment of Updates: Enhanced models are quickly deployed back to vehicles through an iterative testing and validation process. By simulating rare or high-risk scenarios in virtual environments, we improve safety and system reliability, ensuring our solutions remain adaptive, high-performing, and responsive to evolving driving conditions.

Data Integrity and Cybersecurity

At the core of our closed-loop data platform is a steadfast commitment to data integrity and cybersecurity. We recognize that the safety and reliability of our solutions depend on the meticulous handling and protection of data. By implementing robust cybersecurity protocols and rigorous data integrity measures, we strive to ensure that every piece of information collected and processed is anonymized, accurate, secure, and protected from unauthorized access. Our dedication to these principles not only safeguards the functionality and trustworthiness of our driving assistance technologies but also reinforces our commitment to delivering secure, safe and reliable driving experiences for our OEM customers and end-users. For detailed discussion on our data security measures, please see "— Data Privacy and Security."

RESEARCH AND DEVELOPMENT OF OUR PRODUCTS AND SOLUTIONS

Our success depends significantly on our R&D capabilities, which include the development of new technologies and products, and the enhancement of existing offerings.

R&D Academy

We have established a dedicated in-house R&D academy, which serves as the cornerstone of our ongoing achievements. Our R&D academy is headquartered in Hangzhou with another two R&D centers located in Shanghai and Wuzhen. Our R&D academy comprises highly skilled professionals with extensive industry knowledge, dedicated to the development and commercialization of our products and solutions. As of December 31, 2025, our R&D academy consisted of 459 members, representing 64.5% of the total employees as of the same date. Among our R&D members, 47.5% held a bachelor's degree and 49.9% held a master's degree or above, as of December 31, 2025. We have implemented comprehensive internal policies and processes to enhance our R&D capabilities through efficient management. We regularly review these policies to ensure they incentivize employees to consistently contribute to the improvement of our R&D capabilities.

R&D Process

We follow a five-year product R&D roadmap, which is regularly updated to reflect market developments. Our R&D process is structured into three phases prior to series production: concept, development, and validation. In the concept stage, we focus on product research, including proof-of-concept prototypes and feasibility assessments for new driving assistance products. We work closely with OEMs to refine designs while they conduct supplier evaluations, which may lead to nomination letters confirming collaboration. In the development stage, our R&D and business development teams collaborate to align with customer requirements and refine products to meet specified performance and quality standards. In the validation stage, we verify product reliability and readiness for mass production through rigorous testing in both simulated and real-world conditions. Following each product cycle, we incorporate accumulated insights into our core technologies, enabling faster and more efficient development of future driving assistance products.

Collaborative Research Projects

Our R&D team collaborates with external academic institutions to advance our technological capabilities. From 2021 to 2023, we partnered with a leading academic institution on forward and surround perception technologies, with several outcomes successfully integrated into our mass production projects. We are also exploring collaboration with another research institution in algorithms and robotics, focusing on (i) developing a 4D millimeter-wave imaging radar dataset and fusion detection algorithm to enhance perception accuracy and reliability, and (ii) advancing perception and localization algorithms without reliance on HD maps. We select partners based on their industry or academic leadership. Under our collaboration model, all resulting intellectual property is owned by us, allowing us to leverage external expertise while maintaining full control over innovations and sustaining our technological edge.

RIGOROUS TESTING OF OUR DRIVING ASSISTANCE SOLUTIONS

Our commitment to providing reliable and effective driving assistance solutions is underscored by our comprehensive and rigorous testing protocols. At the heart of these efforts is our intelligent and connected vehicle test ground located in Wuzhen, Zhejiang. This facility features a dedicated testing area specifically designed for intelligent and connected vehicles, allowing for advanced trials in a controlled yet realistic environment. This test ground plays a crucial role in conducting thorough end-to-end testing of our connected driving assistance solutions, ensuring their operation within the extensive ecosystem of vehicle driving assistance technologies.

Advanced Test Center Facilities

Our test center is equipped with specialized laboratories designed to test and refine our driving assistance technologies. The environmental reliability lab focuses on testing the durability and robustness of our systems under a variety of environmental conditions, ensuring that they perform reliably in extreme weather and varying temperatures. Our camera lab is dedicated to optimizing the performance and accuracy of the cameras used in our driving assistance, crucial for features like pedestrian detection and lane detection. The millimeter wave radar lab specializes in refining our radar systems to enhance range and range rate measurement capabilities, which are vital for functions such as adaptive cruise control and collision avoidance. Lastly, our simulation test lab employs advanced computer simulations to predict and analyze system behaviors under diverse driving scenarios, allowing us to troubleshoot and enhance the software before it ever hits the road.

Road Test Capabilities

To ensure our systems perform seamlessly in real-world conditions, we have developed extensive road test capabilities. Our road test facility includes a multiple lanes environment, which mimics complex traffic environments to test our systems' responsiveness and accuracy in real-time traffic conditions. Most NCAP test scenarios can be conducted in this test facility. This facility is

also equipped with various traffic signs for testing, enabling us to ensure that our systems recognize and respond appropriately to various traffic signals and signs. Additionally, our testing vehicles are specially refitted and maintained for high-performance testing, which is critical for achieving reliable test results.

Furthermore, the data acquisition and camera system play a pivotal role in our driving assistance testing and development framework, harnessing the power of advanced data acquisition tools alongside high-resolution cameras. This comprehensive setup is designed to collect a wide array of data, simulate various signal types, and achieve precise digital synchronization of these inputs with video footage. The integration and synchronization of data and video are essential for the accurate verification and validation of our driving assistance technologies, as it provides a holistic view of the vehicle's operational environment during tests.

Through these rigorous testing facilities and tools, we aim to ensure that each of our driving assistance solution provides drivers with safety and performance. This commitment to quality testing and continuous improvement sets us apart in the development of advanced automotive technologies.

SCALABLE MANUFACTURING CAPABILITIES

Our manufacturing facility located in Wuzhen, Zhejiang produces and assembles our proprietary controllers and sensors using a range of raw materials and components. Key components such as mechanical parts, automotive-grade chips, and electronics parts are sourced from trusted third-party suppliers. Leveraging our internal manufacturing and testing capabilities, along with rigorous quality control protocols, we aim to ensure the superior performance and reliability of our products.

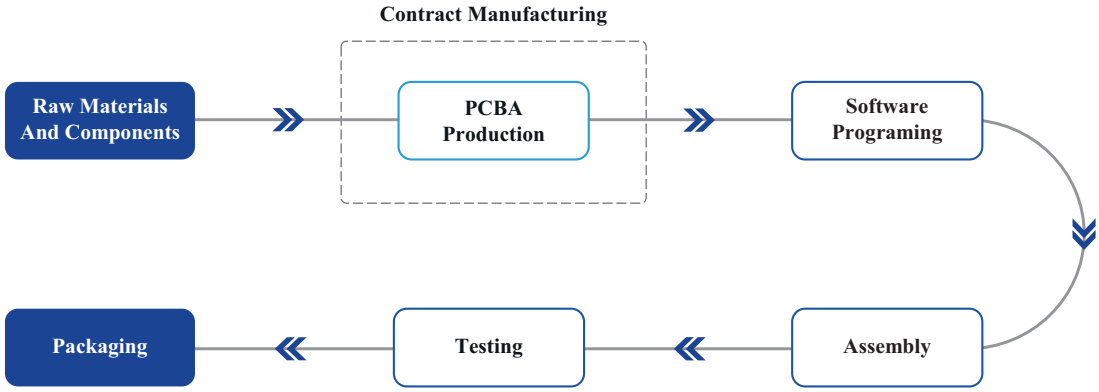
Our Production Plants

Our current manufacturing facility is located in Wuzhen, Zhejiang, a historical water town also known as "International Internet Town". Our manufacturing facility spans an area of 15,334 square meters, providing ample space for extensive manufacturing operations and potential future expansion. The utilisation rate of our current manufacturing facility was 74.7%, 79.6% and 82.2% in 2023, 2024 and 2025, respectively. We have independent production lines for different types of hardware components, which are not interchangeable. Before commencing operations at our current Wuzhen production facility in September 2022, we primarily operated out of a leased facility in Tongxiang City, Jiaxing, Zhejiang, from September 2019 to September 2022. This Tongxiang facility, with a building area of around 3,000 square meters, functioned as our initial production site. It was equipped with advanced production lines and testing systems, supporting the manufacturing of controllers, cameras, millimeter-wave radar, and other solutions. In September 2022, we transitioned our production to the current Wuzhen facility. In 2025, the annual production capacity of this facility reached approximately 2.2 million product units, with a utilization rate of around 80% for the year.

Our manufacturing operations are overseen by our production department, which aims to enhance the performance of our driving assistance products, reduce production costs, and increase the automation of component manufacturing. We have a dedicated production team comprising experienced staff. Our production team has adopted a suite of management strategies and practices, aiming to enhance production efficiency and advance the automation of our manufacturing procedures. We also strive to provide a safe working environment for our employees. See "— Environmental, Social and Governance (ESG) — Social Responsibility — Occupational Health and Safety."

Our Production Process

Our production process is crafted to uphold high-quality standards while maintaining the agility to swiftly meet customer demands. Our mass production capabilities, combined with stringent quality control measures, ensure the high performance and reliability of our solutions. The duration of the key steps involved in the production process is typically three days. The production process consists of the following:



- ***PCBA Production***: The production process of printed circuit board assembly (PCBA) involves the assembling of electronic components onto the bare printed circuit board (PCB). We procure PCBA production services from our business partners, following specific product specifications provide by us.

  During the Track Record Period, we have collaborated with five independent third-party manufacturers to outsource the production of PCBA to these third parties. In order to strengthen quality control and ensure that our strict standards are consistently upheld, since April 2024 we have collaborated with an independent third-party contractor to subcontract the PCBA production process to be conducted on-site within the same manufacturing facilities. We share production plans with the PCBA manufacturer, who then conducts production activities at our facility. These activities encompass production scheduling, work order issuance, SMT (surface-mount technology) processes, testing, packaging, and warehousing. To support their operations, we have designated a specific area within our facility for their processing needs. By integrating this process within our existing operations, we can closely monitor production in real-time, streamline communication between teams, and promptly address any issues that may arise, ultimately ensuring higher precision and efficiency throughout the entire manufacturing workflow. As our operations expanded rapidly during the Track Record Period, particularly with increased volume in customer deliveries and mass production projects, the overall demand for PCBA components rose accordingly. In 2023, 2024 and 2025, the procurement amount from the independent third-party PCBA production contractors amounted to RMB35.2 million, RMB103.1 million and RMB109.2 million, respectively, in line with the our growing order volume and mass production project base. In addition to volume growth, our solution offerings became more sophisticated, with a shift toward higher-end driving assistance solutions such as FT Max and FT Ultra. These solutions incorporate more advanced sensor fusion, computing capabilities, and functional integration, which in turn require more complex and higher-value PCBA components. This rise in technical complexity directly contributed to an increase in unit production cost and total procurement amount from such PCBA production contractors.

- ***Production***: We manufacture and produce certain critical components, such as camera modules, in-house to ensure the highest quality and reliability. We have dedicated manufacturing lines specifically for these components, allowing us to maintain strict quality control and streamline the production process.

- ***Software Programing***: Once we received the PCBA, we burn the pre-program software on it according to the specific requirements of our OEM customers, ensuring that our solutions are precisely tailored to meet their requirements.

- ***Assembly:*** We then assemble crucial components, including PCBA, camera modules, radars, connectors, and other mechanical parts, to construct the core body of our driving assistance solutions. We conduct functionality tests on these components to ensure their reliability.

- ***Testing:*** Following assembly, we perform extensive testing to verify that the driving assistance products operate as intended. This includes end-of-line testing before the products leave the production line, which evaluates the overall functionality of our products under simulated driving conditions and monitors their responses.

- ***Packaging:*** Once testing is completed, the driving assistance products are packaged and sent to storage in our warehouses. After packaging, the products are delivered to our OEM customers, who then install them on vehicles during the final assembly stage.

Significant efforts have been made to streamline and automate our production process. We have developed automated assembly and testing procedures that not only bolster quality control but also enhance production efficiency and scalability. Each product assembled in our facility undergoes rigorous testing at automated stations to ensure its reliability. These improvements across our production line have strengthened our capacity to deliver high-quality, reliable driving assistance solutions efficiently.

We typically establish framework agreements with our contract manufacturers, including PCBA contract manufacturers, outlining the general terms and conditions of cooperation. Specific purchase orders are then issued separately. Key terms of these agreements are generally as follows: (i) *Production Orders and Forecasts*: Each month, we provide a one-month production order along with a five-month rolling forecast to assist contract manufacturers in preparing their production schedules. (ii) *Payment and Delivery*: Payments are generally due after receiving an invoice. Contract manufacturers are responsible for delivering products as specified by us. (iii) *Inspection of Deliverables*: Upon receiving the products, we have three business days to inspect them and verify compliance with our specifications, quantities, and other manufacturing requirements. (iv) *Warranty*: Contract manufacturers guarantee that all products will materially comply with our specifications. We separately enter into quality agreements with contract manufacturers to specify the warranty requirement. (v) *Confidentiality*: All confidential information shared between the parties is restricted to use for the purposes of the agreements and cannot be disclosed to third parties without prior consent. (vi) *Duration*: These agreements generally have a term ranging from two to five years.

Logistics and Warehouse

We primarily engage certified third-party logistics providers to transport our products. Our self-owned warehouse, located in Wuzhen, Zhejiang Province, and our leased warehouses together serve as the storage sites for our completed driving assistance products. Once products have successfully undergone quality checks, they are moved to the warehouse, where we implement stringent inventory management and control protocols. The products are then shipped to destinations designated by our OEM customers, ensuring a streamlined distribution process.

PRODUCTION QUALITY CONTROL

We serve top-tier customers with a focus on high-performance products, consistent quality, and reliability, supported by an experienced quality control team. We apply stringent quality standards across manufacturing and inventory processes. Materials and components are tested at multiple stages to ensure compliance with specifications. Our driving assistance products undergo rigorous OEM-standard reliability tests, including mechanical shock, high-temperature degradation, thermal shock, and salt spray, to ensure stable performance under adverse conditions. We also

monitor key operational metrics to maintain production efficiency. Our Wuzhen, Zhejiang facility is certified under IATF 16949 and ISO 14001, reflecting our commitment to quality and environmental management. Our development processes are supported by industry-recognized certifications, including ASPICE Level 2, ISO 26262 ASIL D, and ISO/SAC 21434, demonstrating strong capabilities in software process maturity, functional safety, and cybersecurity. In supplier selection, our supply chain and R&D teams jointly evaluate potential suppliers, with quality as a core criterion. Our supplier quality management system includes strict selection and rating processes, annual audits, monthly quality assessments, and OTS and PPAP checks to ensure components meet specifications prior to mass production.

SALES AND MARKETING

Our sales operations are led by an in-house team with deep expertise in driving assistance solutions. The team focuses on both sales execution and brand building, working closely with OEMs to understand customer needs and collaborating with R&D to deliver tailored solutions. We support these efforts through a multi-channel marketing strategy. Digitally, we maintain an updated website showcasing our products for OEM customers. Offline, we enhance market visibility through product launches, exhibitions, and industry forums, while also proactively engaging potential enterprise customers through demonstrations and trials. Our pricing strategy is flexible and market-driven, taking into account factors such as raw material costs, customer demand, business expansion, and expected sales volumes. We continuously monitor market conditions to ensure our pricing remains competitive.

OUR CUSTOMERS

Our customer base primarily consists of OEMs that integrate our driving assistance solutions into their vehicles. Our revenue derived from our solutions provided within the PRC in each year during the Track Record Period accounted for 97.2%, 98.6% and 99.1% of our total revenue for each respective year. In some instances, OEMs procure our driving assistance solutions via their affiliated entities. For the years ended December 31, 2023, 2024 and 2025, revenues from our top five customers in each year represented 76.4%, 91.2%, and 94.6% of our total revenues for each respective year. Additionally, revenues from our single largest customer during each year accounted for 43.3%, 59.4%, and 78.9% of total revenues, respectively. This substantial revenue concentration from our major customers aligns with industry norms, as noted by CIC. Throughout the Track Record Period and up to the Latest Practicable Date, none of our customers have terminated their contracts with us. The demand for popular mass-produced vehicle models has significantly boosted our sales figures with these major customers.

The composition of our major customers fluctuates over time due to several key factors, primarily driven by market demand, regulatory policies, and the lifecycle of mass production projects associated with specific vehicle models. Our driving assistance solutions are broadly categorized into three levels of driving assistance technologies, each catering to different segments of the automotive market. The demand for these solutions is inherently influenced by macroeconomic trends, regulatory changes, and shifts in consumer preferences. For example, in 2023, the commercial vehicle segment experienced steady growth, leading to increased demand for driving assistance solutions tailored to commercial vehicles. However, starting in 2024, market demand for commercial vehicles began to decline, which in turn affected the revenue contribution from customers whose businesses are heavily reliant on this sector. Meanwhile, design win projects for passenger vehicles have progressed into mass production, generating substantial revenues. This has further reduced the relative contribution of OEM customers focused on commercial vehicles, leading to the departure of certain customers from the top five customers list.

Additionally, due to the competitive nature of the smart vehicles market, OEM customers continuously adjust their order volumes of our driving assistance solutions in response to evolving market demands on their vehicle models. The success and popularity of individual vehicle models directly impact the sales volume of our solutions, leading to variations in our major customer composition over different years.

Besides, our company serves a diverse base of OEM customers, and our revenue from each OEM is largely determined by the mass production cycles of specific vehicle models incorporating our driving assistance solutions. As new vehicle models enter production and older models phase out, the revenue contribution from particular OEMs naturally fluctuates. Overall, these industry dynamics — market demand shifts, regulatory influences, and OEM production cycles — collectively drive the evolution of our customer mix. We remain committed to adapting to market trends and expanding our partnerships across diverse automotive segments to maintain a balanced and sustainable revenue portfolio.

Looking forward, we aim to expand the reach of our design wins and focus more the market demands, which we believe will drive our market success. For risks relating to our major customers, see "Risk Factors — Risks Relating to Our Business and Industry — We derived a significant portion of our revenue from a limited number of customers, including Geely Holding Group, and the loss of, or a significant reduction in, business from any major customer could materially and adversely affect our business, financial condition and results of operations."

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

Customer	Revenue	% of total revenue in same year	Services/goods provided	Credit terms	Commencement of business relationship
	(RMB'000)				
For the year ended December 31, 2023					
Geely Holding Group[(1)]	393,138	43.3	FT Pro FT Max FT Ultra	75 days	2019
Customer A[(2)]	88,745	9.8	FT Max	90 days	2021
Customer B[(3)]	81,145	8.9	FT Max FT Ultra	60 days	2021
Customer C[(4)]	69,095	7.6	FT Ultra	60 days	2022
Customer D[(5)]	61,552	6.8	FT Max	60 days	2022
Total	693,675	76.4			

Customer	Revenue	% of total revenue in same year	Services/goods provided	Credit terms	Commencement of business relationship
	(RMB'000)				
For the year ended December 31, 2024					
Geely Holding Group[(1)]	762,484	59.4	FT Pro, FT Max, FT Ultra	75 days	2019
Customer A[(2)]	242,003	18.9	FT Max	90 days	2021
Customer C[(4)]	71,511	5.6	FT Ultra	60 days	2022
Customer B[(3)]	61,565	4.8	FT Max, FT Ultra	60 days	2021
Customer E[(6)]	31,569	2.5	FT Max	60 days	2021
Total	1,169,132	91.2			

Customer	Revenue	% of total revenue in same year	Services/goods provided	Credit terms	Commencement of business relationship
	(RMB'000)				
For the year ended December 31, 2025					
Geely Holding Group[(1)]	1,798,124	78.9	FT Pro, FT Max, FT Ultra	30 days	2019
Customer A[(2)]	150,185	6.6	FT Max	60 days	2021
Customer F[(7)]	102,080	4.5	FT Pro, FT Max, FT Ultra	60 days	2021
Customer B[(3)]	65,623	2.9	FT Pro, FT Max	60 days	2021
Customer G[(8)]	39,651	1.7	FT Max	90 days	2019
Total	2,155,663	94.6			

Notes:

(1) Zhejiang Geely Holding Group Company Limited (浙江吉利控股集團有限公司) and its subsidiaries.

(2) A public company in Chongqing founded in 1996 that engages in the sales of automobiles with paid-up share capital of RMB9,917.3 million. It recorded revenue of RMB164.0 billion in 2025 and had approximately 58,274 employees as of December 31, 2025.

(3) A private company in Jilin Province founded in 1953 that engages in the sales of automobiles with paid-up share capital of RMB35,400 million. It recorded revenue of RMB541.6 billion in 2025.

(4) A public company in Beijing founded in 2000 that engages in the development of driving assistance solutions. It recorded revenue of RMB129.1 billion and had approximately 33,500 employees as of December 31, 2025.

(5) A public company in Guangdong Province founded in 1995 that engages in the sales of automobiles with paid-up share capital of RMB3,039.1 million. It recorded revenue of RMB804.0 billion and had approximately 869,622 employees as of December 31, 2025.

(6) A public company in Shanghai founded in 1984 that engages in the sales of automobiles with paid-up share capital of RMB11,575.3 million. It recorded revenue of RMB656.2 billion and had approximately 179,797 employees as of December 31, 2025.

(7) A private company in Wuhan founded in 2001 that engages in the sales of automobiles with registered capital of RMB8.7 billion. It recorded revenue of RMB131.6 billion in 2025 and had approximately 119,000 employees.

(8) A listed company in Beijing founded in 1996 that engages in the sales of automobiles with registered capital of RMB8.0 billion. It recorded revenue of RMB61.2 billion in 2025 and had approximately 22,724 employees.

To the best of our knowledge, other than our connected person as disclosed in the section titled "Connected Transactions", all of our five largest customers in each year during the Track Record Period are independent third parties. None of our Directors, their respective associates or any shareholder who, to the knowledge of our Directors, owned more than 5% of our issued share capital as of the Latest Practicable Date, had any interest in any of our five largest customers, other than our connected person as disclosed in the section titled "Connected Transactions", in each year during the Track Record Period.

The following table sets forth the number of design wins and mass-production projects attributable to each of the top five customers in each year during the Track Record Period.

Rank	Customer	Number of Design wins[(1)]	Number of Mass-Production Projects[(1)]
For the year ended December 31, 2023			
1	Geely Holding Group	60	34
2	Customer D	11	8
3	Customer E	21	9
4	Customer F	1	1
5	Customer G	2	2

Rank	Customer	Number of Design wins[1]	Number of Mass-Production Projects[1]
For the year ended December 31, 2024			
1	Geely Holding Group	86	62
2	Customer D	17	13
3	Customer E	34	23
4	Customer F	1	1
5	Customer H	15	14

Rank	Customer	Number of Design wins[1]	Number of Mass-Production Projects[1]
For the year ended December 31, 2025			
1	Geely Holding Group	108	93
2	Customer D	19	18
3	Customer I	44	30
4	Customer E	44	30
5	Customer B	40	35

Note:

(1) Excluding the completed projects in the preceding years.

The following table sets forth the movement of order backlogs by product type (in terms of number of mass-production projects) during each year of the Track Record Period and up to the Latest Practicable Date. The order backlog represents the number of mass production projects that remained ongoing and had not yet been completed as of the end of the respective year.

Year	Solutions	Opening Backlog	New Backlog	Completed	Closing Backlog
2023	FT Pro	35	54	0	89
	FT Max	15	20	9	26
	FT Ultra	3	10	1	12
2024	FT Pro	89	68	7	150
	FT Max	26	41	6	61
	FT Ultra	12	11	2	21
2025	FT Pro	150	27	0	177
	FT Max	61	36	6	91
	FT Ultra	21	14	1	34
January 1, 2026 – Latest Practicable Date	FT Pro	177	4	0	181
	FT Max	91	5	0	96
	FT Ultra	34	6	0	40

The total revenue generated during the respective years by mass-production projects was RMB788.3 million, RMB1,229.1 million and RMB2,159.7 million in 2023, 2024 and 2025, respectively, representing 86.9%, 95.8% and 94.7% of total revenues, respectively. Such revenue was not based on the order or contract backlogs, but rather represents actual sales of driving assistance products and solutions delivered under various mass production projects during the respective year. The remaining revenue is attributable to our driving assistance-related R&D services. Our driving assistance-related R&D services involve the developing, testing, validation,

adaption of our driving assistance solutions, and integrating with the OEM customers' vehicle models, to ensure the solutions we developed can be integrated into the vehicle models of our OEM customers. We work closely with OEMs to customize intelligent solutions as a prototype based on their specific requirements and integrate into their vehicles. For newly engaged design-win projects, OEMs typically collaborate with us on upfront R&D services on project-by-project basis to assess the feasibility of the proposed design-win. Accordingly, these R&D services fall into the respective solution types based on the level of intelligence involved in each respective design-win project. In 2023, 2024 and 2025, we recorded revenue of RMB119.3 million, RMB54.2 million and RMB120.5 million, from driving assistance-related R&D services, representing 13.1%, 4.2% and 5.3% of total revenues, respectively.

The following table sets forth breakdowns by solution type of our revenue from driving assistance-related R&D services in absolute amount and percentage of total revenues for the years indicated.

	For the year ended December 31,					
	2023		2024		2025	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*
	(in thousands, except percentages)					
FT Pro	16,294	1.8	13,484	1.1	10,013	0.4
FT Max	32,999	3.6	27,121	2.1	43,931	1.9
FT Ultra	69,987	7.7	13,595	1.0	66,559	3.0
Total	**119,280**	**13.1**	**54,200**	**4.2**	**120,503**	**5.3**

The salient terms of the agreements with our customers are generally set forth below: (i) *Product Specifications.* We engage with our customers to offer sales of driving assistance solutions, which we will test for our customers' specified vehicle models. Product specifications will be set forth under separate purchase order or purchase agreement; (ii) *Payment.* For our sales of driving assistance solutions, our customers are generally required to pay upon inspection of our delivery of products and solutions; (iii) *Product liability and safety.* We are generally responsible for the quality and safety of the products and solutions provided by us. We provide standard product warranty and are required to indemnify our customers with respect to the third-party claims raising from the quality and/or safety of our solutions. During the Track Record Period and up to the Latest Practicable Date, we have not been involved in any product liability or indemnity claims; (iv) *Warranty.* We typically offer a standard product warranty to customers of our products. See "— Customer Services and Warranty." (v) *Indemnification.* We shall, in general, indemnify our customers for any loss or damage resulted from us, and there is no contractual limitation on such indemnification obligation. However, parties may, in good faith, attempt to reach an agreement concerning whether it is appropriate under the circumstances to apportion such indemnified costs; (vi) *Outsourcing.* We are permitted to outsource certain non-critical parts to third-party suppliers. We are not permitted to outsource critical process, which has significant or critical impact on product qualities, to third-party suppliers; (vii) *Transfer of ownership.* The ownership. and therefore, the risk. is transferred to our customers when our solutions are assembled on the customers' assemble line and meets the inspection standards; (viii) *Intellectual property ownership.* The intellectual property shall remain the property of the respective owner of such rights. Any new intellectual property, know-how and technical information arising from the development of customers' project shall be the property of such customer; (ix) *Amendments.* Amendments of the specification can only be made upon written agreement between our customer and us; (x) *Termination.* Customers generally are entitled to change or cancel orders placed under the purchase order. We will engage good faith discussion with customers on an equitable price adjustment or change in delivery or shipment conditions upon change or cancellation of certain orders. The framework agreement typically does not provide for specific provisions regarding its duration or renewal.

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

Pricing Policy

Our pricing strategies are designed to balance competitiveness and financial sustainability. We establish baseline prices to ensure the financial stability of our operations, informed by a detailed assessment of our cost structure and a commitment to maintaining high-quality standards. Key cost drivers include raw materials, components, production expenses, and R&D investments, with the complexity and customization of our solutions also playing a significant role. Building on these baseline prices, our sales and marketing team ensures our pricing remains competitive among our peers. We also conduct regular market assessments and closely monitoring industry trends. Pricing is dynamically adjusted based on factors such as the market positioning of our solutions, customer profiles, and anticipated order volumes. To address variations in raw material costs, logistics expenses, and exchange rates, we maintain open and transparent discussions with our OEM customers. This collaborative approach allows both parties to negotiate fair pricing adjustments that reflect evolving cost structures while fostering strong, long-term partnerships.

Design Win Conversion Process

Once we secure a design win, we collaborate with our OEM customers to initiate and manage the associated design win project. This process typically involves the following steps, which, according to CIC, align with automotive industry standards:

Understanding Specification Requirements: We work closely with OEM customers to gain a thorough understanding of the project's specifications and milestones through detailed communication. This is essential because driving assistance solutions vary significantly in terms of functionality and complexity, and achieving these functions often requires different combinations of hardware components. A single set of functional requirements — such as object detection, lane keeping, or adaptive cruise control — can be realized through multiple hardware configurations, and selecting the most appropriate one depends on a nuanced understanding of the customer's technical and commercial priorities.

For instance, our FT Max solutions support a range of sensor combinations from 1V (single camera) to 1V1R (single camera and front radar) and 1V5R (single camera and five radars), depending on the functional goals of each project. In these configurations, the camera and processor are integrated into our FVC 3.0. For higher-end applications, our FT Ultra solutions incorporate HPCs that support even more complex sensor architectures, including up to three LiDARs and combinations ranging from 1V5R to 11V5R — i.e., up to eleven cameras and five radars on a single vehicle. These configurations enable support for functions ranging from basic AEB and ACC to advanced driving assistance features such as Highway NOA and Urban NOA. Given the wide range of possible configurations to achieve varying levels of driving assistance, a deep understanding of specification requirements is critical to designing optimal, cost-effective, and high-performance solutions tailored to each design win project.

Prototype Development and Optimization: Based on the project specifications, we commence R&D activities to develop prototypes. Through iterative modeling and refinement, we ensure the final deliverables align with customer expectations.

Testing and Validation: As project milestones are achieved, we perform rigorous testing and validation processes. These include sample testing, vehicle model testing, and third-party verification to confirm compliance with industry standards and customer requirements.

Project Completion and Delivery: Upon customer approval of the deliverables, the design win project is deemed complete, enabling us to transition to mass production. Additionally, we may provide training for customer personnel and offer ongoing maintenance services as needed.

The following table sets forth our design win projects, mass production projects and associated conversion rate:

As of or for	Solutions	Number of accumulated design win projects[(1)]	Number of mass production projects[(2)]	Rate of conversion from design-win to mass production[(3)]
The year ended December 31, 2023	FT Pro	48	90	65.2%
	FT Max	34	37	52.1%
	FT Ultra	11	14	56.0%
The year ended December 31, 2024	FT Pro	28	158	84.9%
	FT Max	28	78	73.6%
	FT Ultra	17	25	59.5%
The year ended December 31, 2025	FT Pro	46	185	80.1%
	FT Max	27	114	80.9%
	FT Ultra	21	39	65.0%
January 1, 2026 – Latest Practicable Date	FT Pro	55	189	77.5%
	FT Max	33	119	78.3%
	FT Ultra	21	45	68.2%

Notes:

(1) Refers to the number of design wins as of the end of the relevant year, calculated by adding newly secured design wins and deducting design wins converted to mass production projects during the relevant year.

(2) Refers to the number of cumulative mass production projects as of the end of the relevant year. The number of mass production projects grew steadily throughout the Track Record Period.

(3) The rate of conversion in 2023, 2024 and 2025 is calculated by dividing the number of mass production projects as of December 31 of respective year by the sum of number of accumulated design win projects and the number of mass production projects as of December 31 of respective year. The rate of conversion from January 1, 2026 till the Latest Practicable Date is calculated by dividing the number of mass production projects converted from design wins obtained during such period as of the Latest Practicable Date by the sum of number of accumulated design win projects and the number of mass production projects as of the Latest Practicable Date.

Compared with 2023, the overall higher conversion rate from design wins to mass production in 2024 and up to the Latest Practicable Date was largely driven by the advancement of our *ODIN* architecture standardization efforts, which began in 2023 and saw substantial progress in 2024. Through these efforts, we successfully platformized our foundational software, middleware, and driving assistance algorithms, leveraging technical assets accumulated from previous projects. As a result, these components are now broadly reusable across future project developments.

For instance, the FT Max solutions — built on the *ODIN* platform — has been widely adopted by major OEM customers. Even for new design-win projects that involve customization, only marginal R&D efforts are required for vehicle-specific calibration and testing. There is no longer a need for extensive redevelopment of software, hardware, or algorithms, as the underlying technologies and experience from existing deployments can be readily applied.

OUR SUPPLIERS

Our suppliers primarily consist of raw materials and components suppliers, including those for automotive-grade chips, optical components, and other electronic or mechanical parts. For the years ended December 31, 2023, 2024 and 2025, purchases from our five largest suppliers in each year in aggregate accounted for 49.8%, 61.1%, and 70.1% of our total purchases, respectively, and purchases from our single largest supplier in each year accounted for 13.3%, 39.5%, and 39.4% of our total purchases, respectively.

We have a specialized team tasked with sourcing components and raw materials necessary for manufacturing our driving assistance products. Essential to our production are automotive-grade chips, electronic units, printed circuit boards (PCBs), mechanical parts, fasteners, packaging materials and consumables. We source these materials and components from a diverse pool of suppliers both within China and internationally, subject to varying cost conditions.

Our procurement strategy emphasizes direct engagement with key material and component suppliers to establish long-term, collaborative relationships. We have specific agreements with some suppliers that allow for the negotiation of tailored requirements. Under these agreements, we issue individual purchase orders with negotiated terms for pricing and volume. To minimize the risk of holding obsolete inventory, we adopt a rolling approach to placing orders. Initially, we gather demand forecasts from OEMs, followed by a non-binding annual purchase forecast to our suppliers, reflecting our customers' demand forecasts. Purchase orders are then placed on a weekly or monthly basis to align with the actual demand of our customers. This collaborative approach reduces our inventory risks and enhances our negotiating power. See "Risk Factors — Risks Relating to Our Business and Industry — If we fail to manage our inventories effectively, our results of operations, financial condition and liquidity may be materially and adversely affected." In the event of quality issues with raw materials, we generally have the right to exchange or return the goods. The agreements typically have a term of nine months to five years, which may be extended for one year if not terminated in writing by either party.

We believe we have sufficient alternative suppliers for raw materials and components that can provide us with substitutes of comparable quality and prices. During the Track Record Period, we did not experience any disruption to our business as a result of any significant shortage or delay in supply of the products we sourced from our suppliers.

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

Supplier	Purchase	% of total purchases in same year	Services/goods purchased	Credit terms	Commencement of business relationship
	(RMB'000)				
For the year ended December 31, 2023					
Supplier A[(1)]	130,906	13.3	Chips	30 days	2019
Supplier B[(2)]	123,036	12.5	Electronic devices	45 days	2023
Supplier C[(3)]	105,152	10.7	Chips and other electronic devices	60 days	2018
Supplier D[(4)]	88,961	9.1	Chips	30 days	2022
Supplier E[(5)]	41,504	4.2	Camera modules	30 days	2021
Total	489,558	49.8			

Supplier	Purchase	% of total purchases in same year	Services/goods purchased	Credit terms	Commencement of business relationship
	(RMB'000)				
For the year ended December 31, 2024					
Geely Holding Group[6]	535,867	39.4	Chips and other electronic devices	75 days	2024
Supplier C[3]	89,364	6.6	Chips and other electronic devices	60 days	2018
Supplier E[5]	86,442	6.3	Camera modules	60 days	2021
Supplier F[7]	64,339	4.7	Chips and other electronic devices	45 days	2024
Supplier A[1]	52,739	3.9	Chips	30 days	2019
Total	828,751	60.9			

Supplier	Purchase	% of total purchases in same year	Services/goods purchased	Credit terms	Commencement of business relationship
	(RMB'000)				
For the year ended December 31, 2025					
Geely Holding Group[6]	965,141	39.4	Chips and other electronic devices	30 days	2024
Supplier A[1]	528,283	21.6	Chips and other electronic devices	30 days	2019
Supplier C[3]	107,778	4.4	Chips and other electronic devices	60 days	2018
Supplier E[5]	66,903	2.7	Camera modules	60 days	2021
Supplier G[8]	49,310	2.0	Chips and other electronic devices	60 days	2024
Total	1,717,415	70.1			

Notes:

(1) A public company in Beijing founded in 2015 that engages in the advanced assisted driving and advanced driving assistance solutions with paid-up share capital of RMB5,111.0 million. It recorded revenue of RMB3.8 billion and had approximately 2,391 employees as of December 31, 2025.

(2) A private company in Zhejiang Province founded in 2003 that engages in the production of electronic devices with paid-up share capital of RMB200.0 million.

(3) A private company in Guangdong Province founded in 2007 that engages in the supply chain management services with paid-up share capital of RMB50.0 million. We procure chips and other electronic devices directly from Supplier C, rather than ultimate overseas suppliers.

(4) A private company in Hong Kong founded in 2015 that engages in the design, manufacture, test and sales of semiconductors.

(5) A private company in Zhejiang Province founded in 2015 that engages in the design, R&D, production and sales of optics and optics-related products with paid-up share capital of RMB483.5 million. It had approximately 700 employees.

(6) Zhejiang Geely Holding Group Company Limited (浙江吉利控股集團有限公司) and its subsidiaries.

(7) A private company in Shanghai founded in 2000 that engages in the design, manufacture, test and sales of semiconductors with paid-up share capital of RMB160.8 million.

(8) A private company in Beijing founded in 2001 that engages in semiconductor product sales and promotion and provides AI technology solutions, with registered capital of RMB10.0 million. It had approximately 100 employees.

To the best of our knowledge, other than Geely Group (in its capacity as a supplier), all of our five largest suppliers in each year during the Track Record Period are independent third parties and none of our Directors, their respective associates or any shareholder who, to the knowledge of such Directors, owned more than 5% of our issued share capital as of the Latest Practicable Date, has any interest in any of our top five suppliers in each year during the Track Record Period.

In the second half of 2024 and up to the Latest Practicable Date, we made certain discrete purchases from Geely Holding Group (in its capacity as a supplier) in relation to a design-win project scheduled to enter mass production in the second half of 2024. Following a last-minute change by an OEM under Geely Holding Group that is separately listed on a stock exchange in the designated automotive-grade chip, the project required an accelerated development and production schedule. After assessing various suppliers, we determined that Geely Holding Group (in its capacity as a supplier) was uniquely positioned to meet the revised chip requirements within the required timeframe and volume, leveraging its established procurement channels.

Procurement through Geely Holding Group (in its capacity as a supplier) aligns with industry practice and was commercially necessary to support this time-sensitive project. All transactions with Geely Holding Group (in its capacity as a supplier) were conducted on an arm's length basis and on normal commercial terms. We are currently in active discussions with other qualified potential suppliers to diversify our sourcing channels and have received positive feedback from such potential suppliers, we therefore expect to complete supplier transitions prior to the completion of the [**REDACTED**]. In addition, we believe that our operations are not overly dependent on any single supplier or contract manufacturer, given that (i) our practice of maintaining multiple suppliers for key materials during the Track Record Period, with two to three suppliers typically engaged for each type of chip; (ii) the availability of suitable substitute suppliers offering comparable pricing and terms; and (iii) access to a diverse supplier base, as confirmed by CIC, providing us with flexibility to identify alternative suppliers that meet our procurement requirements under commercially reasonable terms. Accordingly, we expect we will be able to procure the automotive-grade chips that we previously sourced from Geely Holding Group in 2024 from alternative suppliers with comparable quality and terms. We, therefore, do not expect Geely Holding Group (in its capacity as a supplier) to be a primary or recurring supplier going forward and are in the process of expanding our supplier base for automotive-grade chips. We do not anticipate any continuing connected transactions with Geely Holding Group (in its capacity as a supplier) following the [**REDACTED**].

Overlapping Supplier and Customer

During the Track Record Period, to the best knowledge of our Directors, Supplier A, one of our five largest suppliers in 2023, 2024 and 2025, was also a customer. For the years ended December 31, 2023, 2024 and 2025, our revenue generated from Supplier A amounted to nil, nil and RMB7.0 million, accounting for nil, nil and 0.3% of our total revenue, respectively. In each year during the Track Record Period, to the best knowledge of our Directors, Geely Holding Group, one of our five largest customers in each year during 2023, 2024 and 2025, respectively, was also a supplier. For the years ended December 31, 2023, 2024 and 2025, our purchases from Geely Holding Group amounted to RMB1.6 million, RMB535.9 million and RMB965.1 million,

accounting for 0.2%, 39.5% and 39.4% of our total purchases, respectively. In addition, in each year during the Track Record Period, to the best knowledge of our Directors, Customer G, one of our five largest customers in 2025, was also a supplier. For the years ended December 31, 2023, 2024 and 2025, our purchases from Customer G amounted to RMB2.4 million, RMB1.4 million and RMB2.3 million, accounting for 0.3%, 0.1% and 0.1% of our total purchases, respectively.

Except for Supplier A, Geely Holding Group and Customer G, for the years ended December 31, 2023, 2024 and 2025, none of our five largest suppliers/customers in each year was also our customer/supplier in the same year.

Our Directors confirmed that all aforementioned transactions including the procurement transactions with Geely Holding Group (in its capacity as a supplier) and the sales transactions with Geely Holding Group (in its capacity as a customer) were conducted in the ordinary course of business under normal commercial terms and on arm's length basis.

Supply of Raw Materials and Components

Our procurement process is generally based on our customized production plans and strategic internal inventory management. A dedicated team oversees the sourcing of raw materials and components to meet the specific requirements of our solutions. Key materials used in our production include automotive-grade chips, electronic components, PCBs, and camera modules. The following table sets forth the split of our automotive-grade chips designed by domestic and overseas companies for the years indicated:

	Year ended December 31,		
	2023	2024	2025
		(Percentage %)	
China	36	32	34
United States	35	37	41
Overseas (ex-U.S.)*	29	31	24
Total	100	100	100

Note:

* Overseas (ex-U.S.) mainly includes Japan, Korea, Germany, Netherlands and Switzerland.

To ensure a stable supply of raw materials and components, we implement several measures, such as avoiding exclusive supply agreements, prioritizing alternative suppliers, and enforcing stringent supplier admission standards. We actively monitor raw material inventory levels and adjust stock quantities as needed to mitigate risks associated with price fluctuations. We believe that our operations are not overly dependent on any single supplier or contract manufacturer, given that (i) our practice of maintaining multiple suppliers for key materials during the Track Record Period, with two to three suppliers typically engaged for each type of chip; (ii) the availability of suitable substitute suppliers offering comparable pricing and terms; and (iii) access to a diverse supplier base, as confirmed by CIC, providing us with flexibility to identify alternative suppliers that meet our procurement requirements under commercially reasonable terms.

For the procurement side, upon the assessment by our Legal Advisor as to international regulatory matters, from the U.S. export control perspective, no license from the BIS is required for items purchased by us. It should be noted that an item subject to the EAR does not mean that a license is required to transfer it to China. Whether an item can be transferred to China without a license should be further determined on the assessment based on the item's Export Control Classification Number ("ECCN", ECCN is a five-character alphanumeric code used by the U.S. Department of Commerce to classify items subject to export controls) and its downstream user and destination. Specifically, for items (including commodities, technologies, and software) purchased by us and used in the course of daily production, research and development, the ECCNs of these items include EAR99, 3A992, 3D991, 5A991, 5A992.c, 5B991, and 5D992 (collectively, the

"Involved ECCNs"). Upon assessment, the restrictions associated with the Involved ECCNs do not apply to exports destined for China. Thus, though some of the items purchased by us are subject to the EAR, transferring these items into China do not need a license. Therefore, the Group's procurement of items from the U.S. has not been restricted by the U.S. export control regulations currently. Further, it should be noted that these items subject to the EAR are only used in the design, test or development process, but not used as raw materials. Based on the opinion from the Company's Legal Advisor as to international regulatory matters and the analysis above, nothing has come to the attention of the Joint Sponsors that would cause them to cast reasonable doubt on the assessment above.

For the sales side: according to §734.3 of the EAR, the following items (including commodities, technology, and software) are deemed as items subject to the EAR: a) All items in the United States, including in a U.S. Foreign Trade Zone or moving in transit through the United States from one non-U.S. country to another; b) All U.S. origin items wherever located; c) Non-U.S.-made commodities that incorporate controlled U.S.-origin commodities, non-U.S.-made commodities that are 'bundled' with controlled U.S.-origin software, non-U.S.-made software that is commingled with controlled U.S.-origin software, and non-U.S.-made technology that is commingled with controlled U.S.-origin technology which exceeds a certain threshold ("De minimis Rule"); d) Certain non-U.S.-produced "direct products" of specified "technology" and "software"; and certain non-U.S.-produced products of a complete plant or any major component of a plant that is a "direct product" of specified "technology" or "software" ("Foreign Direct Product Rule, FDP rule").

For the sales side, based on the following, our Legal Advisor as to international regulatory matters concludes that the export control risk associated with our business is remote, as none of the products we sell are subject to the EAR. Specifically, our products (i) are manufactured in the PRC without any presence in the U.S.; (ii) do not incorporate or bundle any U.S.-origin controlled items (i.e., U.S.-origin commodities or software) into our end products (while our products incorporate chips designed by U.S. companies classified under ECCN 5A992, and some of the items we purchase are of U.S. origin with Involved ECCNs, these Involved ECCNs do not impose export restrictions to China. Therefore, under the EAR, these items are not considered U.S.-origin controlled items for export to China); and (iii) are not sold to any end-users or destinations that would trigger the applicability of any FDP rules under the EAR. It should be noted that FDP rule is limited to certain scope of end users and destinations. Based on the screening of our customers, none of our current existing downstream customers fall within the scope of it. Our Directors are also of the view that the restrictions imposed by the EAR, including the BIS IFRs, has not had any material adverse impact on our operations or financial performance as of the Latest Practicable Date. In addition, as we have established a preliminary export control compliance program, which includes procedures such as client blacklist screening, item classification for export control status, and risk assessments. We are also continuously enhancing our compliance program to further prevent the occurrence of unauthorized transactions related to export control. Our Directors are of the view that the restrictions imposed under the EAR, including the IFRs, will not have any material adverse impact — whether direct or indirect — on our operations, financial performance, or expansion plans in the near to midterm. This assessment takes into consideration, among other factors, our supply sources, the geographic distribution of our customer base, and the grade of chips we use.

On such basis and having taken into account the view and analysis of the Company's Legal Advisor as to international regulatory matters, nothing has come to the attention of the Joint Sponsors as a non-legal expert that would cause the Joint Sponsors to disagree with the Directors' view above.

With respect to the impacts from tariff, as of the date of this Document, the U.S. administration has cumulatively imposed additional 10% baseline tariff on all imports, including imports from China, and China's counter-tariff is currently 10%. In addition, the EU imposed countervailing duties of 17% to 35.3% (except for Tesla, which has been assigned a countervailing duty of 7.8%) on EVs from China for five years starting October 30, 2024 on top of the EU's standard 10% car import duty.

From the U.S. tariffs perspective, to the best of our knowledge, during the Track Record Period and as of the Latest Practicable Date, we have no direct or indirect exports (i.e. re-sale of our products by our OEM customers) to the U.S. (specifically, no export sales to the U.S. and E.U. and imports from the U.S. and E.U. accounted for less than 0.5% of total procurement value in each year during the Track Record Period). To the best of our knowledge, during the Track Record Period and as of the Latest Practicable Date, our solutions are not installed in vehicles manufactured in the PRC which are subsequently sold in the U.S. Therefore, our Legal Advisor as to international regulatory matters and our Directors are of the view that the U.S. tariffs in force have no material and immediate impact on our business during the Track Record Period and as of the Latest Practicable Date. According to CIC, the proportion of vehicles exported from China to the U.S. remained below 2.5% of China's total vehicle export volume in each year between 2023 and 2025. Given the limited export of China-made vehicles to the U.S. market, even if U.S. tariffs were to cause fluctuations in export volumes, the overall impact of rising U.S. tariffs on China's automotive export market would be limited. Given that our current international expansion does not include the U.S. market, our Directors are of the view that the rising U.S. tariffs are not expected to have any material adverse impact — whether direct or indirect — on our operations, financial performance, or expansion plans in the near to mid term. This assessment takes into account factors such as our supply sources, the geographic location of our customers, and the grade of chips we procure. However, we may face at least 10% additional tariffs if we plan to export its products to the U.S. in the near future.

From the E.U. tariffs perspective, given we had no export to E.U. market as of the Latest Practicable Date, our Directors are of the view that the E.U. tariffs have no material impact on our business during the Track Record Period. In addition, our Legal Advisor as to international regulatory matters advises that our products will not face E.U. countervailing duty if imported to the E.U. under the current tariff regime because no additional countervailing duty will be imposed on ADAS or ADS products imported from the PRC by the E.U. as of the Latest Practicable Date. In addition, there are only limited export and import activities during the Track Record Period, and OEM's main sales are also in China. Therefore, currently there is no direct or indirect impact on our business. As such, our Directors are of the view that the new E.U. tariffs are not expected to have any material adverse impact — whether direct or indirect — on our operations, financial performance, or expansion plans in the near to mid term. This assessment takes into account factors such as our supply sources, the geographic location of our customers, and the grade of chips we procure. Specifically, for the supply sources, only a small portion of the goods (the U.S. and E.U. accounted for less than 0.5% of total procurement) involved in research and development are procured from the U.S. and the Chinese counter-tariff rate on U.S. imports is only 10%. Most of the raw materials, etc. are procured from countries or regions outside the U.S., and therefore the risk of the supply sources portion is remote. For the customer locations, most of the direct or indirect sales of the Company's products are to countries or regions outside the U.S. or E.U., thus the direct or indirect impact of tariffs on the Company is remote. For the chip grades, only approximately 1.0% of our total procurement value of the automotive-grade chips are procured from the U.S., and because the China's counter-tariff rate on the U.S. goods is only 10% and the Company can source automotive-grade chips from suppliers outside the U.S., the related risk is also remote. Based on the independent due diligence performed by the Joint Sponsors and the Company's analysis above, nothing material has come to the attention of the Joint Sponsors to cast reasonable doubt on the Directors' view above.

We also believe that neither COVID-19 pandemic nor the global shortage of semiconductor chips had any material adverse impact on our operations and financial performance during the Track Record Period and up to the Latest Practicable Date. This was primarily due to the following factors: (i) we experienced no difficulties in securing sufficient and timely chip supplies, (ii) we were able to pass the increased costs of chip procurements to our customers during the global shortage of semiconductor chip, (iii) neither our facilities nor those of our contract manufacturers experienced production suspensions due to COVID-19, and (iv) we did not face any significant labor shortages resulting from the pandemic or the chip supply crunch.

In response to the potential fluctuation on the prices of major raw materials and components, we leverage the annual price negotiation mechanism with our suppliers to manage such fluctuation. We follow a systematic and commercially focused approach to annual price negotiations with our

key component suppliers, including chip manufacturers. At the beginning of each year, we propose targeted price reduction objectives aligned with our internal cost control initiatives and prevailing market dynamics. In turn, suppliers — particularly chip vendors — evaluate a combination of factors during the negotiation process, such as our historical purchase volumes, the growth rate of our procurement year-over-year, our market share, recent design wins involving their components, and expected future order volumes. Final pricing is agreed through direct commercial discussions, reflecting a balance between long-term strategic collaboration and short-term cost efficiency. This negotiation framework has helped us effectively manage cost pressures, maintain stable supplier relationships, and support improvements in our gross profit margin.

Although we have access to sufficient alternative suppliers for all raw materials and components, certain materials may occasionally face industry-wide shortages, significant price fluctuations, or extended supply cycles. For further details, see "Risk Factors — Risks Relating to Our Business and Industry — We have a limited number of key third-party suppliers. Failure to effectively maintain business relationships with third-party suppliers, control the stability, reliability and quality of our procurement, as well as any delays or interruptions in delivery, can disrupt our supply chain and pose a risk to our ability to deliver solutions to customers."

We do not anticipate any issues with inventory obsolescence, even as we continue to introduce more advanced solutions. According to CIC, based on the development and product release timelines of major automotive chip manufacturers, the update and replacement cycle for automotive chips typically ranges from 1 to 4 years. During the Track Record Period, our raw materials and parts turnover days decreased from 91.2 days in 2023 to 58.3 days in 2024, and remained relatively stable at 60.7 days in 2025. Raw materials and parts turnover days are based on the average balance of raw materials and parts divided by cost of sales for the relevant year and multiplied by the number of days in the relevant year. Average balance is calculated as the average of the beginning balance and ending balance of a given year. The number of days for the years ended December 31 is 360 days.

OUR RELATIONSHIP WITH GEELY HOLDING GROUP

Non-Exclusive Business Collaboration with Geely Holding Group

We have been engaged by Geely Holding Group as a non-exclusive supplier to develop driving assistance products and solutions deployed on its vehicles since 2019. Our driving assistance products and solutions span across a variety of Geely Holding Group's vehicle brand and models, including Geely, Zeekr, Lotus, Lynk & Co, Geometry, Smart, Geely commercial vehicles, and RADAR. In 2023, 2024 and 2025, Geely Holding Group was one of our top five customers in each year during the Track Record Period. For the years ended December 31, 2023, 2024 and 2025, 43.3%, 59.4%, and 78.9%, respectively, of our revenue were generated from Geely Holding Group relating to sales of driving assistance products and solutions.

The following table sets forth the breakdown of our revenue contribution from Geely Holding Group by products and solutions, in an absolute amount and as a percentage of our total revenue, for the years indicated.

	For the year ended December 31,					
	2023		2024		2025	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*
	(in thousands, except percentages)					
FT Pro	54,834	6.0	39,944	3.1	21,465	0.9
FT Max	35,392	3.9	197,852	15.4	412,470	18.1
FT Ultra	302,912	33.4	524,688	40.9	1,364,189	59.9
Total Revenue from Geely Holding Group	**393,138**	**43.3**	**762,484**	**59.4**	**1,798,124**	**78.9**

The increase of our revenue contribution from Geely was primarily driven by an increase in Geely's overall sales volume, particularly in 2025, when sales grew by 26.0% compared to 2024, outpacing the industry average of 9.4%.

The significant contribution of Geely Holding Group to our total revenue was a natural outcome of Geely Holding Group's dominant position in the smart vehicle market, rather than an indication of any undue reliance. According to CIC, Geely Holding Group ranked as the third-largest OEM in the smart vehicle market in 2025 by sales volume. Given its scale and influence, it is expected that leading Tier 1 suppliers, such as our Company, would establish substantial collaborations with Geely Holding Group across the value chain. Importantly, while Geely Holding Group contributed meaningfully to our overall revenue, the penetration of our driving assistance solutions in Geely Holding Group's smart vehicle fleet remained moderate across different levels of automation. Specifically, in 2025, the proportion of Geely Holding Group's passenger vehicles equipped with our driving assistance solutions was 8.4% for Level 0-Level 1, 55.6% for Level 2, and 44.3% for Level 2+, resulting in an overall penetration rate of 39.4%.

Mitigating Customer Concentration Risk: Diversification Beyond Geely Holding Group

Our Directors believe that we have implemented effective measures to mitigate our reliance on Geely Holding Group by expanding our customer base and increasing project diversification. While Geely Holding Group remains one of our important customers, we have implemented a series of strategic measures to mitigate our reliance on any single customer and diversify our revenue base. These measures have yielded tangible results during the Track Record Period and up to the Latest Practicable Date, as evidenced by the increasing number of design wins and mass production projects secured from customers other than Geely Holding Group.

Specifically, to mitigate customer concentration risk, we have undertaken the following initiatives: (i) *Deepening cooperation with other top-tier customers*. We have increased the scale and penetration of our business with other major OEM customers in our top ten customer group, resulting in greater shipment volumes and revenue contribution from such customers. For example, during the Track Record Period, the number of design-wins attributable to our top five customers other than Geely Group increased from to 35 in 2023 to 67 in 2024, and further to 147 in 2025, demonstrating strong pipeline from other major customers. This has strengthened our business stability and broadened our revenue base; (ii) *Expanding customer coverage across a wider range of domestic OEM brands*. We actively explore cooperation opportunities with a broader pool of domestic passenger and commercial vehicle OEMs to increase the market share of our driving assistance solutions. As part of this strategy, we aim to reduce reliance on any single OEM and strengthen our overall competitive position in the market. As a result of our efforts, the number of our OEM customers increased from 44 as of December 31, 2023 to 55 as of December 31, 2025. Specifically, we added 11 new OEM customers in 2023, 5 in 2024 and 6 in 2025. In addition, the number of mass-production projects attributed to Non-Geely Customers amounted to 103, 185 and 216 in 2023, 2024 and 2025, respectively. Revenues from customers other than Geely Holding Group ("Non-Geely Customers") amounted to RMB514.5 million, RMB520.8 million and RMB482.1 million in 2023, 2024 and 2025, respectively. The decrease in 2025 was primarily due to a decrease in delivered solutions to Non-Geely Customers. We expect the revenue contribution from Non-Geely customers to increase in a long term, driven by an increase in the number of design win projects from 170 in 2023 to 295 in 2025, and an increase in the number of mass-production projects from 103 in 2023 to 216 in 2025; (iii) *Prudently accelerating our overseas expansion.* We are leveraging the export vehicle models of Chinese OEMs to build product maturity and reliability in international settings. These efforts have already led to breakthroughs with some global OEM customers. Specifically, we generated RMB25.0 million, RMB18.5 million and RMB17.1 million in revenue from an overseas OEM customer in Thailand, accounting for 2.8%, 1.4% and 0.7% of our total revenue in 2023, 2024 and 2025, respectively. This overseas customer is a publicly listed company headquartered in Aichi, Japan, established in 1937 and primarily engaged in automobile

sales. In 2024, it recorded revenue of RMB2,067.5 billion and employed approximately 71,500 people as of December 31, 2024. These achievements serve as a foundation for securing direct supply relationships with overseas OEMs and enhancing our global presence over time.

The effectiveness of these measures is demonstrated by the following table, which summarizes the number of design win projects and number of mass-production projects attributable to Geely Holding Group and other customers during the Track Record Period and up to the Latest Practicable Date.

Year	Customers	Number of Design Win Projects[1]	Number of Mass-Production Projects[1]
2023	Geely Holding Group	60	34
	Other Customers	170	103
	Subtotal	**230**	**137**
2024	Geely Holding Group	86	62
	Other Customers	234	185
	Subtotal	**320**	**247**
2025	Geely Holding Group	108	93
	Other Customers	295	216
	Subtotal	**403**	**309**
January 1, 2026 – Latest Practicable Date	Geely Holding Group	116	99
	Other Customers	310	218
	Subtotal	**426**	**317**

Note:

(1) Excluding the completed projects in the preceding years.

Notably, in 2025, the number of design win projects from Non-Geely Customers accounted for approximately 73.2% of our total design win projects (i.e. 295 out of 403); and the number of mass production projects from Non-Geely Customers accounted for approximately 69.9% of our total mass production projects (i.e. 216 out of 309). In 2024, the number of design win projects from Non-Geely Customers accounted for approximately 73.1% of our total design win projects (i.e. 234 out of 320); and the number of mass production projects from Non-Geely Customers accounted for approximately 74.9% of our total mass production projects (i.e. 185 out of 247).

These figures reflect our continuous efforts to diversify our customer base and mitigate concentration risks associated with Geely Holding Group, with the majority of our design and production pipeline now coming from customers other than Geely Holding Group. Our Directors believe that our continued efforts to expand and deepen relationships with a broader set of domestic and international OEMs, combined with our ability to deliver customized and competitive product solutions across platforms, will enable us to further reduce customer concentration risk and support the long-term sustainability of our business.

Technological Excellence and Diversified Client Base: A Foundation Beyond Reliance

While Geely Holding Group, as one of the largest OEMs in China and globally, represents an inevitable collaboration opportunity for upper stream suppliers like us, the significant financial contributions from Geely Holding Group during the Track Record Period should not be misconstrued as simple reliance on a single business relationship. Instead, these contributions are the natural outcome of our solid technological foundation and strong commercial execution capabilities. Geely Holding Group's global stature necessitates partnerships with leading suppliers

to maintain its competitive edge, and our proven ability to deliver consistent, scalable solutions has made us a preferred business partner. This success reflects not only Geely Holding Group's influence but also our ability to meet the rigorous demands of one of the industry's most prominent players.

Furthermore, our technological platforms and solutions have been successfully adopted by a diverse range of OEMs, demonstrating the scalability, versatility, and competitiveness of our driving assistance solutions offerings. As of December 31, 2025, we have established business partnerships with 55 OEMs. This widespread adoption across the industry highlights our ability to generate significant value beyond our partnership with Geely. In essence, the substantial financial contribution from Geely Holding Group is a testament to our superior driving assistance products and solutions and capabilities, rather than a dependency on a single client.

Likelihood of Termination or Material Change of Business Relationship with Geely Holding Group

During the Track Record Period and up to the Latest Practicable Date, we maintained a stable relationship with Geely Holding Group and there was no material interruption or dispute in respect of our cooperation with Geely Holding Group.

Our Directors believe that the likelihood of Geely Holding Group terminating or materially altering its business relationship with us, particularly in relation to the use of our driving assistance solutions in its existing vehicle models, is low. This assessment is based on the following commercial and technical considerations:

First, our driving assistance solutions are a well-established and highly mature driving assistance solutions, having undergone extensive safety testing and real-world validation across multiple vehicle models. Its robust performance and safety track record underpin Geely Holding Group's continued confidence in the solution.

Second, our driving assistance solutions are one of fewer than ten commercially available solutions in the market that covers from Level 0 to Level 2+ driving assistance functions, making it challenging for OEMs, including Geely Holding Group, to quickly identify and implement suitable alternatives without disrupting the production timeline of current vehicle models. Replacing such a core system mid-lifecycle involves significant cost, time, and engineering complexity.

Third, according to CIC, it is an established industry practice that OEMs, including Geely Holding Group, typically retain the same driving assistance solution provider throughout the lifecycle of a specific vehicle model, unless there are material quality issues or serious disputes. It is uncommon for OEMs to replace driving assistance solutions once integrated into a vehicle model due to the high switching costs and required revalidation processes.

While it is acknowledged that OEMs, including Geely Holding Group, may evaluate next-generation solutions over time in response to technological advancement, such decisions are driven by long-term market and product strategy considerations, rather than short-term supplier substitution. In this regard, our long-standing and successful partnership with Geely Holding Group positions us favorably for continued collaboration on future vehicle platforms.

Moreover, as the driving assistance solution industry continues to evolve, we remain highly engaged in ongoing technical dialogue with our upstream partners and Geely Holding Group to explore other development opportunities, including collaboration of new design-win projects.

Taken together, our technological maturity, proven track record, and entrenched integration within Geely Holding Group's product development and vehicle architecture support our Directors' view that our business relationship is stable, and that the risk of termination or material change in the near to medium term is low. However, we cannot guarantee that Geely Holding Group will continue to partner with us or will not reduce its business with us. In recent years, Geely Holding

Group has started developing its various in-house autonomous driving capabilities for its vehicle models, and it is also collaborating with other suppliers to develop autonomous driving solutions. Given our substantial revenue concentration on Geely Holding Group, if Geely Holding Group decides to terminate or decrease the level of its cooperation with us in the future, it may result in a material and adverse effect on our business, financial condition and results of operations. For details, see "Risk Factors — Risks Relating to Our Business and Industry — We derive a significant portion of our revenue from a limited number of customers, including Geely Holding Group, and the loss of, or a significant reduction in, business from any major customer could materially and adversely affect our business, financial condition and results of operations."

The Enduring Value of Tier-1 Suppliers in an Era of Industrial Specialization

OEMs and automakers' in-house R&D efforts are increasingly shaped by evolving market trends and consumer demands. We understand that integrating advanced driving assistance features into vehicles is a powerful strategy for the OEMs and automakers to establish and enhance brand positioning. These features signal OEMs and automakers' technological leadership, innovation, and a commitment to staying ahead in a competitive market. For OEMs and automakers, this differentiation is critical to appealing to a discerning customer base and standing out among competitors. We, as a supplier of driving assistance solutions, are prepared that certain of our top customers, including Geely Holding Group, may initiate their own in-house R&D efforts in driving assistance solutions to further strengthen their offerings. However, in today's highly competitive and industrialized automotive market, characterized by increasing specialization and refined divisions of labor, our solutions hold a strong market position despite the growing emphasis on OEMs and automakers' in-house R&D efforts.

As a Tier-1 supplier, we have achieved platform-based product development, enabling the creation of scalable and rapidly replicable solutions. This approach not only ensures effective control of investment and maximization of output but also delivers significant economies of scale. Such scalability and cost-efficiency are challenging for OEMs and automakers' in-house R&D teams to replicate, especially with competing demands for resources within OEM organizations.

Moreover, our large-scale deployment of our solutions across various OEMs and vehicle models generates a wealth of diverse and valuable mass-production experience. This experience is systematically fed back into our iterative product development process, enabling continuous optimization and innovation. This virtuous cycle — where solutions improve with each iteration — ensures our offerings remain competitive. Our driving assistance solutions are widely adopted across the nation, further strengthening this feedback loop.

Additionally, our progressive development strategy, from solutions like FT Pro to the advanced FT Ultra, highlights our ability to incrementally mature and refine our technology. These advanced capabilities, developed through years of specialization and large-scale deployment, are challenging for OEMs and automakers to duplicate through in-house efforts alone.

While OEMs and automakers may pursue in-house R&D to develop specific functionalities, our expertise in scalable solutions, continuous innovation, and iterative improvements ensures that our offerings provide unique and enduring value. The complexity and specialization required to achieve economies of scale and continuous enhancement make our solutions suitable in the broader automotive ecosystem.

Mutually Beneficial Relationship Underpinned by Technological Complementarity and Shared Long-term Strategic Interests

In addition to the scale and maturity of our technical offerings, our Directors believe our partnership with Geely Holding Group is underpinned by a high degree of strategic alignment and complementary capabilities, which collectively support the stability and longevity of our business relationship.

While Geely Holding Group may continue to invest in internal R&D to enhance its driving assistance capabilities, we believe this does not represent a competitive threat but rather reflects a broader industry trend toward integrated innovation between OEMs and specialized Tier-1 suppliers. Our role within this framework is not easily substitutable, as we contribute not only proven technological solutions but also cross-platform deployment expertise, software and hardware integration know-how, and system-level optimization grounded in extensive production experience.

In practice, the successful integration of driving assistance solutions into a vehicle model requires close coordination between the OEM and its suppliers across engineering, validation, and production cycles. Over the years, we have built a strong foundation of collaboration with Geely Holding Group's engineering and product teams, which has led to deep technical familiarity, operational trust, and jointly developed workflows that lower switching costs and increase the mutual benefits of sustained cooperation.

Moreover, our ability to continuously upgrade solutions through modular architecture enables Geely Holding Group to benefit from rapid iteration and cost-effective system evolution across product lifecycles — something that is challenging to replicate within the constrained R&D bandwidth of a single OEM. This flexibility allows us to support Geely Holding Group's evolving product strategies and market positioning without the need for disruptive system changes.

Ultimately, our relationship with Geely Holding Group is characterized by shared incentives — we both aim to deliver safe, advanced, and competitive driving assistance features to end consumers while optimizing development costs and time-to-market. Our Directors believe these aligned interests, coupled with the technical and operational synergies we have cultivated and delivered, reinforce the mutual beneficially relationship between Geely Holding Group and ourselves.

Expected Continuing Connected Transactions

Apart from the business collaboration, both (i) Mr. Li, the chairman of the board of directors and an executive director of Geely Listco, and the ultimate beneficial owner of Geely Holdco, the associates of which includes the Geely Listed Group, and (ii) Geely Holdco and its associates are expected to be the connected person of our Company following the [**REDACTED**]. We have been in business cooperation with Geely Holdco and its associates since our inception. Geely Holdco and its associates has been purchasing the Relevant Products and Services from us in view of the applicability, quality and reliability of such products and services provided by us. The provision of Relevant Products and Services to Geely Holdco and its associates will provide sources of recurring revenues to the Group as the business of Geely Holdco and its associates expands.

We consider that it is beneficial to enter into the Products and Services Sales Framework Agreement to regulate the continuing connected transactions contemplated thereunder as such transactions will continue to facilitate the operation and growth of the Group's business as a whole.

As such, the Company proposes to set the annual caps for the provision of Relevant Products and Services under the Products and Services Sales Framework Agreement at RMB1,811.0 million and RMB1,890.3 million for the years ending December 31, 2026 and 2027, respectively. For details, see "Connected Transactions."

BUSINESS SUSTAINABILITY

We achieved sustained business growth but had been loss-making during the Track Record Period.

Throughout the Track Record Period, we executed several growth initiatives including technological advancements, enhancement of our manufacturing and supply chain processes, customer base expansion, and improvements in talent acquisition and retention. These strategies have generally contributed positively to our operational and financial results. Throughout the Track

Record Period, we observed significant improvements in our operational metrics: (i) *Business Growth:* Our customer base, mass production projects, and design win projects have all shown consistent growth. Specifically, the number of our OEM customers increased from 44 as of December 31, 2023 to 55 as of December 31, 2025; the number of cumulative design wins increased from more than 230 projects as of December 31, 2023 to over 330 projects as of December 31, 2024 and further to 432 project as of December 31, 2025; and the number of cumulative mass-production projects reached more than 330 projects as of December 31, 2025. This reflects the quality and sustainability of our business model; (ii) *Revenue Growth:* The growth in the number of customer base and mass-production projects led to a robust increase in our revenue. Our revenue has experienced rapid growth, growing by 41.4% from RMB907.6 million in 2023 to RMB1,283.3 million in 2024 and further increased by 77.7% to RMB2,280.2 million in 2025. Additionally, our strong pipeline of design win projects is expected to contribute continued growth in future revenues and positions us well for sustained future revenue expansion; and (iii) *Decreased Net Loss:* While we recorded net losses during the Track Record Period, it is important to note that our net losses are narrowing. The net loss in 2024 decreased by approximately 28.5% compared to our net loss in 2023 and decreased by 32.1% in 2025 compared to our net loss in 2024.

However, our revenue growth had yet been able to fully cover the various costs and expenses incurred during the Track Record Period.

Specifically, we have recorded the following loss-making positions during the Track Record Period.

	For the Year Ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Net loss	(738,101)	(527,749)	(358,158)
Operating loss	(587,716)	(423,772)	(291,919)
Accumulated Losses[(1)]	(2,591,999)	(2,606,754)	(2,964,912)
Adjusted net losses (non-IFRS measure)	(627,406)	(444,809)	(330,115)
Net cash used in operating activities	(498,115)	(152,694)	(412,755)

Note (1): As of December 31, 2023, 2024 and 2025 respectively.

In 2023, 2024 and 2025, we had net losses of RMB738.1 million, RMB527.7 million and RMB358.2 million, respectively. Our net loss decreased from RMB738.1 million in 2023 to RMB527.7 million in 2024, primarily due to (i) the improved gross profit margin benefiting from reduced procurement costs and economies of scale coupled with increased sales volume, (ii) the improved operational efficiency resulted in a reduction of operating expenses, and (iii) reduced interest expenses on redemption liabilities associated with preferred shares, which was terminated in the first half of 2024.

Net cash used in operating activities was RMB412.8 million in 2025. This amount represented our loss before income tax of RMB358.1 million, adjusted for non-cash and non-operating items, primarily (i) amortization of intangible assets of RMB102.3 million, (ii) finance costs — net of RMB65.6 million, (iii) depreciation of property, plant and equipment of RMB31.5 million, and (iv) share-based payment expenses of RMB28.0 million. The amount was further adjusted by changes in certain working capital accounts, primarily: (i) increase in inventories of RMB288.0 million, (ii) increase in trade and notes receivables of RMB46.3 million, and (iii) increase in restricted cash of RMB46.1 million, partially offset by increase in trade and notes payables of RMB80.6 million.

In 2024, we had net cash used in operating activities of RMB152.7 million. This amount represented our loss before tax of RMB526.4 million, adjusted for non-cash and non-operating items, primarily (i) finance costs of RMB100.8 million, (ii) depreciation of property, plant and

equipment and right-of-use assets of RMB37.2 million, (iii) amortization of intangible assets of RMB86.7 million, (iv) provisions for impairment of inventories of RMB2.0 million and (v) share-based payment expenses of RMB33.3 million. The amount was further adjusted by changes in certain working capital accounts, primarily: (i) an increase of RMB496.0 million in trade and bills payables, primarily due to our increased purchases from suppliers in line with our business expansion; (ii) an increase of RMB156.7 million in inventories, primarily because we stocked more finished goods and raw materials and parts to meet the demand of our rapidly growing business; and (iii) an increase of RMB251.2 million in trade receivables in line with our revenue growth.

In 2023, we had net cash used in operating activities of RMB498.1 million. This amount represented our loss before tax of RMB736.1 million, adjusted for non-cash and non-operating items, primarily (i) finance costs of RMB142.1 million, (ii) depreciation of property, plant and equipment and right-of-use assets of RMB45.9 million, (iii) amortization of intangible assets of RMB85.3 million, (iv) provisions for impairment of inventories of RMB47.4 million and (v) share-based payment expenses of RMB13.8 million. The amount was further adjusted by changes in certain working capital accounts, primarily: (i) an increase of RMB254.0 million in trade and bills payables, primarily due to our increased purchases from suppliers in line with our business expansion; (ii) an increase of RMB77.8 million in inventories, primarily because we stocked more finished goods to meet the demand of our rapidly growing business; and (iii) an increase of RMB275.6 million in trade receivables in line with our revenue growth.

Our net losses occurred primarily because we were still at a ramp-up stage and aim at long-term business success and financial return in the industry of driving assistance solutions, rather than seeking near-term profitability at the expense of long-term market potential. We are not able to predict when we will be able to start generating net profits and net operating cash inflow due to the fast-evolving business environment and competitive landscape. See "Risk Factors — Risks Relating to Our Business and Industry — We have incurred operating losses and net losses during the Track Record Period and may not be able to achieve or subsequently maintain profitability in the future." and "Risk Factors — Risks Relating to Our Business and Industry — We have been and intend to continue investing significantly in R&D. Failure to obtain the desired benefits from our R&D efforts may adversely affect our profitability and operating cash flow, and lead to decrease in the demand for our solutions."

Our loss-making position is primarily as a result of the combination of the following: (i) *In the early stages of expansion and scaling up operations.* We are currently in the early stages of expansion and scaling up our operations, which involves significant investments in product development, market entry, and infrastructure enhancements to support a larger scale of operations. As a result, profitability is in the process of being built and optimized, and the gross margin tends to be lower as expenses related to growth initiatives often outweigh immediate revenues. We believe we are still in the necessary investment phase, which is critical for securing a competitive position in the competitive market and establishing a robust foundation for future profitability; (ii) *Procurement costs of raw materials and consumables.* We incurred significant procurement costs of raw materials and consumables under our cost of sales, which were RMB741.6 million, RMB1,083.9 million and RMB1,845.0 million in 2023, 2024 and 2025, respectively, representing 81.7%, 84.5% and 80.9% of our revenue, during the same years, respectively. Such increases were generally in line with the growth of our business. We believe that as our sales scale increases, our bargaining power over suppliers will be strengthened and cost savings in raw material procurement can be achieved with economies of scale; (iii) *Investments in R&D.* We made significant investments in R&D during the Track Record Period. Our research and development expenses were RMB561.2 million, RMB446.8 million and RMB540.5 million in 2023, 2024 and 2025, respectively, representing 61.8%, 34.8% and 23.7% of our total revenue, during the same years, respectively. We are committed to enhancing our *ODIN* architecture and developing new technologies and solutions through our investment in R&D activities, which we believe will further drive our future revenue growth; (iv) *Investments in attracting and retaining talent.* In order to enhance our operating efficiency, we put substantial efforts into the recruitment and retention of talent, as employee benefit expenses constituted a significant portion of our selling expenses,

administrative expenses, and research and development expenses. Our total employee benefit expenses were RMB435.5 million, RMB340.0 million and RMB373.0 million in 2023, 2024 and 2025, respectively, representing 48.0%, 26.5% and 16.4% of our total revenue, during the same years, respectively. Meanwhile, to incentivize our employees and retain our talent, we had in place share award schemes, and incurred share-based payments of RMB13.8 million, RMB33.3 million and RMB28.0 million in 2023, 2024 and 2025, respectively. See "Financial Information — Description of Major Components of Our Results of Operations."

Despite these challenges, we are confident that our established technological expertise, extensive experience, broad customer base, and strong market recognition — developed since our founding — have laid a robust foundation for sustained profitability. Specifically, we aim to secure long-term financial success by focusing on the following strategies: (i) driving revenue growth; (ii) improving gross profit margin; (iii) enhancing operating leverage; and (iv) solidifying working capital sufficiency.

Driving Revenue Growth

We experienced strong revenue growth during the Track Record Period. Our revenue was RMB907.6 million, RMB1,283.3 million and RMB2,280.2 million in 2023, 2024 and 2025, respectively, representing a CAGR of 58.5% from 2023 to 2025. We expect our revenue to continually grow, driven by the following factors:

Harnessing the Positive Momentum in the Industry

Driven by advancements in software and hardware technologies, increased consumer demand for driving assistance functions, and supportive policies and regulations, the driving assistance solutions industry is expected to experience rapid growth in the future, according to CIC. The market size of driving assistance solutions from Level 0 to Level 2+ in China in terms of revenue increased from RMB21.6 billion in 2020 to RMB141.8 billion in 2025, with a CAGR of 45.7%, and it is expected to reach RMB294.0 billion by 2030, with a CAGR of 15.7% from 2025 to 2030, according to CIC. See "Industry Overview — Analysis of the Global and China Markets in Driving Assistance Solutions — Size of the Global and Major Regional Markets in Driving Assistance Solutions."

Equipped with our in-house R&D and mass production capabilities, we have secured a pioneering position in the driving assistance solutions market. We are the second largest domestic third-party driving assistance solutions provider with a market share of 8.1% based on the revenue of Level 0 to Level 2 (including Level 2+) driving assistance solutions in 2025 in China, while the largest provider holds a market share of 34.5%, according to CIC. We are strategically positioned to harness these industry tailwinds, increase our market share, and drive substantial and sustainable growth, supported by our deep competitive moat.

Deepening Our Relationships with OEM Customers

We aim to deepen our relationships with existing customers while attracting new ones, positioning customer engagement as one of the key growth drivers. In line with this strategy, we added 11, 5 and 6 new OEM customers in 2023, 2024 and 2025, respectively. The 6 new OEM customers secured in 2025 include (i) a PRC subsidiary of a Korea-based automotive distributor established in 1967 and listed on the Korea Exchange, principally engaged in the sales and distribution of automobiles, (ii) a privately-owned automotive distributor established in 1998 in the Jiangsu Province, the PRC, which primarily focuses on domestic automobile sales and distribution, and (iii) a major brand of a large domestic OEM primarily focuses on the R&D production and sales of passenger vehicles. By building on our established relationships with major OEMs, we plan to secure additional design wins for mass-produced vehicle models and deliver customized solutions tailored to their evolving needs. Leveraging our comprehensive in-house algorithms and development capabilities, we are able to quickly respond to customer demands, enhancing long-term loyalty.

Our strategy includes expanding design wins across entire OEM vehicle platforms, streamlining development and reducing costs, thereby improving operational efficiency and accelerating delivery of our solutions. Subsequent to the Track Record Period and up to the Latest Practicable Date, we have secured additional 30 design win projects from our existing leading domestic OEM customers, including four out of five largest customers in 2025 (i.e. Geely Group, Customer A, Customer B, and Customer F). Such 30 newly secured design win projects include 13 FT Pro projects (Level 0-1), 11 FT Max projects (Level 2), and 6 FT Ultra projects (Level 2+), among which 8 design win projects, including 1 FT Pro projects, 3 FT Max projects and 4 FT Ultra projects, were made by Geely Group. For background information of such customers, please see "— Our Customers." As we broaden our product offerings in driving assistance solutions, we expect customers to adopt our technologies in more vehicle models, further boosting revenue.

Additionally, our proven track record in delivering cost-effective, scalable solutions positions us to attract new customers. By offering comprehensive solutions and minimizing hardware requirements through optimized SoC utilization, we help OEMs reduce costs and dependency on external parties. Through press conferences, trade shows, and direct customer engagement, we will continue to increase visibility and grow our customer base.

The following table sets forth the breakdown of movement of our customers during the Track Record Period and up to the Latest Practicable Date.

Year	Solutions	Opening Customers	New Customers	Closing Customers
2023	FT Pro	22	6	28
	FT Max	14	1	15
	FT Ultra	8	5	13
	Subtotal			**56**
2024	FT Pro	28	4	32
	FT Max	15	0	15
	FT Ultra	13	3	16
	Subtotal			**63**
2025	FT Pro	32	4	36
	FT Max	15	4	19
	FT Ultra	16	2	18
	Subtotal			**73**
January 1, 2026 – Latest Practicable Date	FT Pro	36	2	38
	FT Max	19	1	20
	FT Ultra	18	1	19
	Subtotal			**77**

We continue to expand the adoption of our driving assistance solutions across a growing number of vehicle models, as reflected in the steady increase in design win and mass-production projects.

Looking ahead, we expect to secure a significant number of new design win projects, reflecting increasing demand from OEM customers across multiple levels of driving assistance solutions. These new wins will further diversify our project pipeline by solution tier and vehicle platform and form a strong foundation for future mass production and revenue generation.

Following the expansion in design wins, we anticipate a notable increase in mass-production projects, supported by steady progress in customer program transitions. We expect to see growth across all major solution lines, including FT Pro, FT Max, and FT Ultra. This continued ramp-up of mass-production activities positions us well to capture scaling benefits, deepen customer engagement, and drive long-term revenue growth.

In parallel, we plan to accelerate the update and iteration of our next-generation driving assistance solutions. These include new controllers and sensor configurations such as ADC25 and beyond, and FVC4, among other advanced sensing and computing technologies. ADC25 commenced mass production in July 2025. Through these innovations, we aim to further enhance system performance, improve cost-efficiency, and broaden the applicability of our solutions across a wider range of vehicle models and market segments.

No customers have terminated their contracts with us during the Track Record Period and up to the Latest Practicable Date. This reflects the strength of our client relationships and our ability to consistently deliver high-quality intelligent solutions at mass-production scale. It also demonstrates the reliability of our solutions and our commitment to meeting the needs of our customers and building long-term partnerships.

Leveraging Policy Incentives to Boost Sales of the FT Pro Solution

By capitalizing on favorable government policies aimed at advancing driving assistance and automotive innovation, we are strategically positioned to boost the sales of our FT Pro solution and drive substantial revenue growth. Recent PRC regulatory initiatives emphasize the development of essential intelligent vehicle technologies and infrastructure, including mandatory installation of certain intelligent features in commercial vehicles. In April 2025, the PRC government issued the Amendment No. 1 to the "Safety Specification for Commercial Vehicle for Cargos Transportation" (《營運貨車安全技術條件》第1號修改單) and the Amendment No. 1 to the "Safety Specification for Commercial Bus" (《營運客車安全技術條件》第1號修改單), expanding the scope of mandatory installation of AEB solutions to all cargo vehicles, tractors, and commercial buses. With the continuous enhancement of driving safety standards, the sales volume of commercial vehicles equipped with AEB solutions in China is expected to have broad prospects, and is projected to increase from 402.3 thousand units in 2025 to 1,701.4 thousand units in 2030, with a CAGR of 33.4%, according to CIC. These policies create a conducive environment for the adoption of advanced driving assistance solutions, particularly in the commercial vehicle sector, where safety, efficiency, and compliance are key drivers for technology adoption. In order to capture such potential demand, we have commenced and are already in advanced stage negotiations with key commercial vehicle OEM customers. We have completed relevant project applications and required testing with these customers and obtained certification and approval from national designated testing agencies. In the 2025, approximately 49.7 thousand units of driving assistance solutions were installed in commercial vehicles produced by all of the top ten commercial vehicle OEMs in terms of vehicle sales volume in 2025.

Our solutions have been designed with the policy in mind and meets regulatory requirements, so it can be quickly deployed onto customers' vehicle models. Leveraging our first-mover advantage, established customer relationships, and leading position in the Level 0 — Level 1 driving assistance solutions market for commercial vehicles, we believe that we are well-positioned to rapidly capture a considerable share of the incremental demand introduced by the new regulation. By aligning our business offerings with these regulatory trends, our FT Pro solution is well-positioned to become a cornerstone in this market, enabling us to expand our market share and solidify our leadership.

Our strategy to capitalize on these policy-driven opportunities includes actively engaging with OEMs and commercial vehicle manufacturers to tailor our FT Pro solutions to meet compliance requirements and enhance its appeal in the marketplace. Additionally, we plan to invest in marketing and educational initiatives to highlight the benefits of our solution, not only for regulatory compliance but also for improving operational efficiency and safety. By demonstrating the measurable value our technology provides, we aim to accelerate its adoption across a broader client base.

Furthermore, the potential favorable policies will allow us to scale production and improve economies of scale, thereby enhancing our cost efficiency and profitability. Leveraging these advantages, we expect to see not only an increase in sales but also an improvement in our overall financial performance, driven by a stronger market presence in the growing driving assistance solutions industry.

Expanding to New Geographies

Currently, substantially all of our revenue is derived in China; however, we have already made breakthroughs with some global OEM customers. Specifically, we generated RMB25.0 million, RMB18.5 million and RMB17.1 million from overseas OEM customer in Thailand, accounting for 2.8%, 1.4% and 0.7% of our total revenue in 2023, 2024 and 2025, respectively. We are committed to enhancing our overseas sales and marketing efforts and by strengthening strategic partnerships with leading international OEMs and tier-one suppliers. Additionally, our existing relationships with Chinese OEMs and tier-one suppliers present opportunities for global revenue growth as these partners continue to expand internationally.

From the global market perspective, according to CIC, the global market size of driving assistance solutions from Level 0 to Level 2+ in terms of revenue has increased from RMB120.7 billion in 2020 to RMB406.5 billion in 2025, with a CAGR of 27.5%, and it is expected to reach RMB776.8 billion by 2030, with a CAGR of 13.8% from 2025 to 2030. With the increasing global demand for advanced driving automation, we are well-positioned to leverage these opportunities by broadening our international footprint.

Our success in meeting the rigorous standards of our customers in China has laid a strong foundation for expanding our reach to international markets. We aim to continue delivering our acclaimed driving assistance solutions to new regions, further extending our market influence globally.

Accelerating the Update and Iteration of the Next-generation Products

Accelerating the update and iteration of next-generation products is another key driver of our revenue growth. While mass production has been limited by the absence of standardized validation protocols and liability guidelines, recent government initiatives — such as the Notice on Implementing the Pilot Program of Access and On-road Traffic of Intelligent Connected Vehicles (《關於開展智能網聯汽車准入和上路通行試點的通知》) — are accelerating the transition toward commercialization. These supportive policies provide a defined regulatory framework for market access and on-road testing of vehicles equipped with higher-level autonomous technologies, enabling real-world scenario validation and the generation of safety cases critical for automotive-grade certification. These developments serve as a strong catalyst for our future growth. With our established platformization of driving assistance software, middleware, and algorithms, we are well-positioned to capitalize on the increasing demand for Level 3 and Level 4 solutions, once approved. Participation in pilot programs allows us to rapidly iterate and validate our technologies in legally confined environments, further enhancing product maturity and regulatory readiness.

A prime example is the ADC30, our latest HPC, to be introduced for mass production. The ADC30 is selected for a pioneer project to achieve a Level 3 design built with domestically developed operating systems and chips — something unprecedented in the market. As of the Latest Practicable Date, we have secured two FT Ultra pilot projects, which generated revenue during the Track Record Period exclusively from providing driving assistance-related R&D services. These pilot projects do not involve merely upgrading existing models to Level 3 automation, but rather represent *de novo* development efforts aimed at achieving advanced automation capabilities using domestically developed operating systems and chips. We did not recognize revenue from projects related to ADC30 in 2022. Our revenue generated from projects related to ADC30 accounted for 3.0% of our total revenue in 2023, and less than 1% of our total revenue in 2024 and 2025, respectively. As of the date of this document, small-batch vehicle installations have been completed for regulatory testing purposes. While Level 2 currently leads in the domestic market, we see Level 3 as the future direction, and the ADC30 positions us to capitalize on this shift. It should be noted, however, that Level 3 automation is currently in the stage of road trial and designated area application and has not been widely deployed in passenger vehicles in the PRC.

By focusing on next-gen technology, we can meet growing demand for more powerful, scalable solutions, which strengthens our relationships with existing clients and attracts new customers. The ADC30 is an example opens up opportunities for expanded partnerships with OEMs, boosting production volumes and driving higher sales. This continuous product evolution ensures we stay competitive and directly contributes to sustainable revenue growth.

We are also planning to successively roll out new iterations of our FT Max and FT Ultra solution series, powered by internally developed next-generation hardware platforms, including a new intelligent integrated controller, HPCs, and sensor solutions. These product upgrades are designed to enhance our competitiveness in an evolving market while enabling efficient use of R&D resources in the forecast period.

- ***Next-generation integrated controller***: FVC4 supports advanced functionalities such as intent prediction and trajectory planning. It incorporates AI-based visual enhancement techniques to address perception challenges in low-light and high-contrast scenarios (e.g., tunnels, night driving). Solutions built on this platform will offer greater flexibility and performance, supporting broader deployment scenarios.

- ***Next-generation HPCs***: Commenced mass production in July 2025, our new ADC25 support mapless urban NOA and memory parking (HPA) features. It can process high-throughput sensor data from multiple cameras, radars, and LiDARs in real time, using high-compute and fail-operational architectures. With safety redundancy, heterogeneous sensor fusion, and end-to-end prioritized networks, the platform is designed to meet advanced level of automation system architecture requirements and deliver safer, more human-like autonomous driving capabilities.

- ***Next-generation sensors***: Our next-generation front radars (FVR50) and corner radars (CVR50) will support 4D object detection for highway NOA and urban NOA scenarios. In addition, we are developing high-resolution surround radars capable of delivering LiDAR-like 4D imaging at a lower cost, providing a high-performance yet cost-effective sensor solution for OEMs.

Despite an expected decline in overall R&D expenses during the forecast period, our development strategy is focused on platform-level reusability and iteration, enabling us to sustain a high pace of product innovation with improved resource efficiency. This approach ensures that we remain at the forefront of driving assistance technology and supports sustainable long-term revenue growth in a competitive market.

Improving Gross Profit Margin

Our gross profit margin was 7.3%, 11.2% and 16.0% in 2023, 2024 and 2025, respectively. We expect our gross profit margin to further improve with following basis:

Enhancing Economies of Scale

We are committed to leveraging economies of scale to enhance cost management as we grow. Our production relies on essential materials and components such as automotive-grade chips, optical components, and other electronic or mechanical parts. As our production volume increases, we anticipate significant cost reductions through bulk purchasing and more efficient production processes. With increased production, we expect to negotiate more favorable terms for our raw materials and components and select suppliers with more competitive pricing terms, further reducing costs. In addition, along with an increase in our production volume, we began to manufacture certain modules in-house that was previously outsourced. Since our production costs can be amortized across large production volume, we reduces reliance on external suppliers and captures additional value internally. As our production costs was further amortized by increased production volume, our unit production costs decreased by 19.1% in 2025 compared to 2024.

For instance, as our FT Max solution scaled up and achieved greater market penetration, we witnessed a significant improvement in gross profit margin during the Track Record Period. In 2023, 2024 and 2025, our FT Max solutions recorded gross profit margins of 5.6%, 14.3% and 20.1%, respectively.

This improvement is primarily due to economies of scale, where increased production volumes led to lower per-unit costs. Additionally, higher sales volumes allowed us to spread fixed costs over a larger number of units, further enhancing profitability. Optimization of our production processes and supply chain efficiencies also contributed to cost reductions. Consequently, as our FT Max solutions reached critical mass, their gross margin improved, positioning us for stronger financial performance and higher profitability.

The positive impact of economies of scale was particularly evident in our FT Max and FT Ultra solutions, where rapid growth in delivered volumes significantly improved cost efficiency. For FT Max, a substantial increase in shipments — from 327.0 thousand units in 2023 to 1,174.9 thousand in 2025 — contributed to a meaningful reduction in per-unit costs. FT Ultra also experienced similar benefits, with volumes increasing from 118.6 thousand units in 2023 to over 260.3 thousand in 2025. As volumes scaled, we achieved greater purchasing leverage, including a more-than-expected decline in the cost of a core component.

We are confident that as we continue to advance our driving assistance solutions and as our advanced solutions gain greater market acceptance, we will replicate the success of our FT Max solutions. As advanced driving assistance solutions gain greater acceptance among OEM customers in both domestic and international markets, we expect FT Ultra solutions to follow a similar growth trajectory to that of FT Max solutions based on our deep understanding of the market and constant discussion with OEM customers. Subsequent to the Track Record Period and up to the Latest Practicable Date, we have secured additional 30 design win projects from our existing leading domestic OEM customers, including four out of five largest customers in 2025 (i.e. Geely Group, Customer A, Customer B, and Customer F). Such 30 newly secured design win projects include 13 FT Pro projects (Level 0-1), 11 FT Max projects (Level 2), and 6 FT Ultra projects (Level 2+), among which 8 design win projects, including 1 FT Pro projects, 3 FT Max projects and 4 FT Ultra projects, were made by Geely Group. By maximizing economies of scale, we aim to lower unit costs, improve profit margins, and pass on cost savings to our customers, thereby enhancing our competitive edge in the market. This will enable us to improve our overall gross margin, driving enhanced profitability across our entire driving assistance solution portfolio.

Streamlining Cost Structures through Continuous Innovation and Flexible Workforce Management

Our in-house R&D capabilities lay the groundwork for ongoing technological improvements and iterations, thereby boosting our profitability. By consistently introducing advanced technologies, we can swiftly meet the R&D demands of our customers and offer tailored solutions. We will continue to invest in advanced R&D to refine our offerings, dynamically optimizing software development, hardware design, and production processes. This strategic focus allows us to effectively manage the cost structure of our solutions, ultimately enhancing our gross margin performance.

We adopt a flexible workforce strategy to adapt to industry-wide seasonality and project-specific demands. During peak seasons, short-term contractors are swiftly onboarded through flexible workforce platforms to meet production or service requirements. In contrast, during off-peak seasons, the workforce is scaled down to minimize idle labor costs associated with long-term employment. This strategy resulted in an approximate 27.7% year-over-year improvement in per capita productivity in 2024 and 2025, calculated by dividing actual production output by the number of manufacturing employees. Specifically, the increase is derived from the changes of ratio of total production volume to manufacturing headcount during the Track Record Period.

Optimizing Supply Chain Capabilities

We are dedicated to bolstering our supply chain capabilities to ensure stable and cost-effective supplies. We aim to strengthen our supplier relationships through long-term partnerships and diversify our supplier base. By sustaining these strategic partnerships, we secure a reliable supply chain, even in times of demand spikes or supply disruptions, supporting our long-term profitability goals. We also plan to refine our inventory and supply chain management to maintain optimal stock levels aligned with our profitability objectives. This includes implementing advanced inventory management techniques and utilizing data analytics to forecast demand accurately and manage stock efficiently. We aim to enhance the self-production rate of specific components, with a particular focus on camera modules. The self-production rate for these modules has risen from 18% in 2023 to 68% in 2025. By increasing the proportion of in-house production, we can further streamline the production cycle of our camera sensors as we are no longer required to procure large volumes from suppliers externally and wait for delivery, resulting in shorter lead times and improved operational efficiency. We plan to implement a comprehensive cost optimization strategy across raw materials, manufacturing, and scale-driven procurement to reduce product costs at a pace that exceeds average selling price reductions, thereby supporting steady improvement in our gross profit margin.

On the materials side, we have actively adopted domestically developed alternatives to imported hardware components, delivering meaningful cost savings while maintaining quality and reliability. Notably, we are one of the first Tier 1 supplier in China to launch a self-developed, in-house manufactured camera module using domestically produced photosensitive chips, according to CIC, reducing cost of the camera module by approximately 20%.

As our business has scaled, we adopted a platform-based approach to R&D and procurement, standardizing component selection to strengthen supplier negotiations. Centralized procurement of components such as power chips, memory chips, and passive components has yielded significant savings.

To improve manufacturing efficiency, we have set internal performance targets and optimized production cycle times. Specifically, production cycle time refers to the interval between the completion of two consecutive units on the production line. In 2024, system and algorithm upgrades reduced production cycle time by 8% across our production lines. In the first quarter of 2025, we developed a next-generation module production line, delivered a 50% improvement in production cycles times in 2025 compared with 2024. Additional upgrades to our integrated controller line improved production cycle times by 14% in 2024, and further enhancements to FT Ultra product lines have improved production cycle times by up to 50% by the fourth quarter of 2025. These strategies will help us minimize inventory holding costs, reduce lead times, and ensure the timely availability of essential materials and components, ultimately optimizing our supply chain operations.

Enhancing Manufacturing Efficiency with Smart Facilities

In response to anticipated increases in order volumes, we have heavily invested in expanding and upgrading our production facilities to enhance our manufacturing capacity. Initial production stages typically involve low volume and utilization rates, leading to higher costs per unit. However, as we reach mass production for additional design win vehicle models and scale up production, we expect to achieve economies of scale and reduce average manufacturing costs, particularly in labor and overhead expenses such as depreciation and amortization. Furthermore, we plan to increase the automation level in our production bases, including fully automated assembly lines and intelligent packaging systems. This advancement will significantly decrease labor costs and increase efficiency.

We are developing a highly customized Intelligent Manufacturing Management System (iD&MS) to streamline and enhance the efficiency of our manufacturing management processes. This system is designed to support core operations such as planning, production, process

optimization, technology integration, quality control, equipment management, logistics, warehousing, and delivery. Enabled by our iD&MS system, we maintained a flat production headcount in 2025 despite a 41% increase in vehicle installations compared to 2024. We expect to sustain this efficiency as volumes continue to grow in 2026, further enhancing our operating leverage and supporting gross margin expansion. With iD&MS, we expect to further shorten delivery time while reducing inventory levels. Additionally, we have implemented Automated Guided Vehicles (AGVs) in our facilities to further boost operational efficiency. By transitioning from the traditional "manual labor + handcart model" to an AGV-based delivery system, we have significantly improved material delivery efficiency and reduced reliance on logistics personnel. We also plan to optimize the production process for camera manufacturing to improve efficiency as well. Previously, the workflow included SMT placement, PCBA programming and testing, assembly and testing, and packaging. Following improvements, chip programming was introduced as an initial step before SMT placement, followed by PCBA programming and testing, assembly and testing, and packaging. By shifting the chip programming process to occur prior to SMT placement, we are able to program chips while they are still smaller in size, allowing for larger batches to be processed simultaneously. In contrast, programming after SMT placement limits batch size due to increased chip dimensions, thereby extending production time. This adjustment streamlines the PCBA programming and testing stage and is expected to improve overall production efficiency by approximately 60%, based on the optimization of production cycle time. Specifically, production cycle time refers to the interval between the completion of two consecutive units on the production line. Following the adjustment, the time between outputs has been reduced by 60%, allowing for a significantly faster production rhythm and increased throughput. While these investments have increased our capital expenditures in the short term, we believe that in-house production will simplify our supply chain, enhance cost efficiency, and ultimately improve our profitability.

Fostering Strong, Long-term Relationships with Customers

We are devoted to long-term relationships with our customers. We are actively cultivating robust, enduring relationships with our customers, aiming to progressively introduce more advanced driving assistance solutions with premium pricing capabilities. By deeply engaging with our clients and consistently exceeding their expectations through superior product quality and service, we are not only fostering loyalty but also establishing a trusted brand that supports long-term commercial success. In addition to our focus on high-quality solutions, we also prioritize driving customer adoption of cost-reduction solutions. By understanding the operational challenges our clients face, we work closely with them to tailor our products and services to help them optimize efficiency and reduce unnecessary costs. This approach not only improves our clients' profitability but also enhances the value we deliver, making our solutions indispensable to their operations. Our deep understanding of customer needs, derived from these strong relationships, fuels continuous innovation and responsiveness — critical factors in differentiating our products and maintaining pricing power. Over time, this strategy will not only strengthen our brand and market position but also supports gross margin improvement through increased customer stickiness, higher-value solution offerings, and the ability to command strategic premium pricing.

Promoting the Standardization and Platformization of Hardware Component Selection

We are committed to simplifying the selection of hardware components across our product lines, aiming to reduce complexity and eliminate unnecessary variations, which in turn makes procurement and production management more efficient. Bulk purchasing of standardized parts also gives us leverage with our suppliers, allowing for better pricing and reducing overall material costs. With fewer unique customized components, we aim to simplify inventory management and reduce the risk of stockouts or overstocking, ultimately driving down costs.

Additionally, our driving assistance solutions are developed on a shared hardware platform that supports modular reuse across multiple vehicle models. Many components are designed with a high degree of compatibility and standardization, allowing them to be adapted to different OEM platforms with minimal customization. When developing new products, we typically build on

previously designed modules that have been validated in other projects, enabling us to accelerate development timelines without the need to redesign components from the ground up. For example, we developed the FVC2.X series of products based on the *ODIN* architecture, which have already been successfully mass-produced for projects from Geely Group, Customer D, and others. When we deployed FVC2.X solutions across various vehicle models from different customers, we did not need to make additional investments in the development of software, hardware, or algorithms. Instead, we only needed to carry out calibration, adaptation, and testing processes, which incurred only minimal costs. We estimate that this approach reduced development labor hours by approximately 80% for the new FVC2.X projects. This modular and reusable architecture not only reduces R&D costs and improves development efficiency, but also simplifies quality control and testing processes by leveraging components with proven performance and reliability. As a result, we are able to achieve faster product rollout and maintain a competitive advantage in meeting the evolving needs of different vehicle models and OEM customers.

Looking ahead, we expect further improvements in R&D efficiency driven by the continued iteration of the *ODIN* architecture and our growing expertise in AI-based end-to-end large models. For example, we have already achieved modularized development of underlying software and middleware in past mass-production projects. In addition, our self-developed end-to-end driving assistance algorithms are gradually reaching maturity. These modules — comprising underlying software, middleware, and driving assistance algorithms — can be directly and fully reused in the development of more advanced solutions. As a result, we expect that only a portion of the initial R&D investment will be required to develop next-generation advanced driving assistance systems, enabling savings of approximately 70% in development labor hours.

By adopting a unified platform for components, we also enable more flexibility in how we design and scale products. This approach helps reduce dependency on individual components and creates opportunities to consolidate our resources, making production smoother and more cost-effective. We believe over time, this approach will lead to more efficient use of materials, better pricing on parts, and, ultimately, a more streamlined path to higher gross margins.

Enhancing Operating Leverage

During the Track Record Period, we incurred significant operating expenses, including research and development expenses, selling expenses, and administrative expenses. Our operating expenses as a percentage of total revenue decreased from 76.4% in 2023 to 46.5% in 2024 and further to 30.3% in 2025. In particular, our R&D expenses as a percentage of total revenue decreased from 61.8% in 2023 to 34.8% in 2024 and further to 23.7% in 2025, our selling expenses as a percentage of total revenue decreased from 4.5% in 2023 to 3.9% in 2024 and further to 1.7% in 2025, and our administrative expenses as a percentage of total revenue decreased from 10.1% in 2023 to 7.8% in 2024 and further to 4.8% in 2025, primarily attributable to enhancement of our operational efficiencies and the increase of total revenue. In addition, a significant portion of such expenses was related to our employee benefit expenses and share-based payment expenses, which are less likely to increase proportionally along with our revenue growth as we scale up.

Solidifying Working Capital Sufficiency

We have sufficient cash balance to support our business operations and future expansion. As of December 31, 2023, 2024 and 2025, we had cash and cash equivalents of RMB60.1 million, RMB654.2 million and RMB633.0 million, respectively. As of March 31, 2026, we had committed unutilized banking facilities of RMB2,349.8 million. We completed three rounds of equity financing in 2024 and raised gross proceeds of approximately RMB652.9 million. We proactively seek to optimize our liquidity and capital management, including securing more favorable working capital terms with our customers and suppliers. In particular, as we begin to benefit from economies of scale, efforts are underway to improve financial efficiency. Specifically, we are actively negotiating with customers to shorten payment collection cycles, thereby accelerating operating cash inflows. Simultaneously, discussions are being held with suppliers to extend payment terms, which would help manage our outflows more effectively. We expect our profitability to improve and can further

solidify our working capital sufficiency. As such, after taking into account the financial resources available to us, we are of the view that we have, without taking into consideration of [**REDACTED**] raised from this [**REDACTED**], sufficient working capital for our present requirements and at least until December 2026.

The foregoing forward-looking statements on our future revenue and profitability are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Our business growth and long-term profitability is subject to known and unknown risks, uncertainties and other factors, some of which are beyond our control, and they may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements set out above. See "Risk Factors — Risks Relating to Our Business and Industry."

Based on the foregoing, our Directors are of the view, and the Joint Sponsors concur, that the efforts described above have contributed to and are expected to continue to drive and maintain the sustainability of our Group's business.

SEASONALITY

In general, demand for our driving assistance solutions intensifies during the latter half of the calendar year, surpassing the first half, which aligns with the broader automobile industry patterns, according to CIC. According to the China Association of Automobile Manufacturers and CIC, vehicle mass production and sales volumes in China were consistently over 20% higher in the second half of the year compared to the first half between 2020 and 2025. According to CIC, several factors were attributable to this trend: (i) vehicle dealers often organize large-scale promotional events toward the end of the year to meet annual sales targets and earn incentives from OEMs; (ii) consumer demand tends to rise during this period, as many customers receive year-end bonuses and other financial benefits; and (iii) key exhibitions and promotional activities occurs in the second half of the year, which typically boost demand through to the Chinese New Year. Consequently, we anticipate recording higher revenues from our driving assistance solutions in the second half of the year compared to the first half, which is consistent with industry norm, according to CIC. See "Financial Information — Major Factors Affecting Our Results of Operations — Seasonality." However, given our limited operational history, these observed seasonal trends may not reliably predict or reflect future operational outcomes. See "Risk Factors — Risks Relating to Our Business and Industry — Our operations are subject to seasonal fluctuations."

INTELLECTUAL PROPERTY

We regard our patents, trademarks, copyrights, domain names, know-how, proprietary technologies, and similar intellectual property as critical to our success, and we rely on copyright, trademark and patent law and confidentiality, and non-compete agreements with our employees and others to protect our proprietary rights. As of December 31, 2025, we maintained a patent portfolio with a total of 445 issued patents, including 209 inventions, 111 design patents and 125 utility model patents, 247 patent applications, 16 trademarks and 233 software copyrights registered in mainland China. For details, see "Appendix V — Statutory and General Information — 2. Further Information about Our Business — Our Intellectual Property Rights."

We adopt a comprehensive strategy to protect our technology and intellectual property rights, utilizing a blend of know-how, patents, copyrights, and trademark laws, supplemented by internal protocols, policies, and contractual safeguards. We enter into confidentiality and non-disclosure agreements with our employees, suppliers, and other business collaborators to protect our proprietary rights. Employment agreements specify that any patents, software, inventions, developments, works of authorship, and trade secrets generated by employees during their tenure belong to our Company. Additionally, we reinforce the protection of our proprietary rights through internal policies, confidentiality agreements, encryption, and robust data security practices. However, there can be no assurance that our efforts will be successful. Moreover, we may face litigation from third parties either claiming that we infringe on their intellectual property or

asserting their rights to use our intellectual property without infringement. See "Risk Factors — Risks Relating to Our Business and Industry — We may be subject to third-party claims on intellectual property which may incur liabilities including financial penalties or injunctions, resulting in significant cost and materially and adversely impact our business operations."

During the Track Record Period and up to the Latest Practicable Date, we were not aware of any material infringement (i) by us of any intellectual property rights owned by third parties, or (ii) by any third parties of any intellectual property rights owned by us.

CUSTOMER SERVICES AND WARRANTY

Solution Returns and Replacement

We have established a standardized procedure for handling solution returns. When a customer identifies non-conforming solutions and requests a return, they also need to provide a sample of the non-conforming product. Our quality control team will review and approve the return request if the non-conformity is confirmed. Throughout the Track Record Period and up to the Latest Practicable Date, we have not encountered any significant returns or recalls of solutions due to defects.

After-sales and Warranty

We typically offer a standard product warranty to customers of our products. The basic warranty period for our products is typically aligned with the warranty period of the vehicles on which our products are applied (i.e. typically three to five years or 100,000 to 150,000 kilometers). During the warranty period, for any product quality issue with either our software or hardware which is caused by our fault, we will make repair or replacement free of charge under certain conditions. Warranty services are provided differently based on detailed quality issues. For issues with our software, we will provide on-site or remote update to the software at issue. For issues with our hardware, we will provide one-to-one replacement or repairment of components. For product damage caused by the customer's own improper operation, we will provide repair services with charge. In 2023, 2024 and 2025, our warranty expenses amounted to RMB0.6 million, RMB0.7 million and RMB1.1 million, respectively.

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

See "Regulatory Overview — Regulations on Product Liability." If any traffic accident and/or product recall of the OEM customers' vehicles occur as a result of the product defects or malfunction with our products, the OEM customers are entitled to claim against us for losses, including the costs and damages of both OEM customers and end users.

DATA PRIVACY AND SECURITY

Data Privacy

During the Track Record Period, we processed data collected by our customers through cameras, radars, etc., for the purpose of conducting tests and refining our driving assistance algorithms. The data provided by customers had already been processed to remove personal information and other sensitive details.

We do not directly collect any personal data of drivers or process any data collected during the operation of vehicles equipped with our solutions, including data on driving behaviors. We collect and process personal information from selected qualified third-party data providers for DMS research and development purpose.

The data collected and generated during our business operations are stored within mainland China. Specifically, the desensitized image data we collect is kept on our own cloud server, with the server node located in our self-owned private cloud servers and OEM customers' cloud servers and employing a backup function within the same city.

Up to the Latest Practicable Date, and throughout the Track Record Period, we were not aware of any significant incidents of data or personal information leakage.

Data Security

Ensuring the security and protection of our operational data in line with the PRC Cyber Security Law is a top priority for us. We have implemented comprehensive internal policies to protect data privacy and security, aimed at ensuring data integrity, optimizing governance, safeguarding the interests of our OEM customers and end customers, business partners, employees, and other third parties, and maintaining compliance with applicable laws and regulations. These policies include robust internal authentication and authorization systems to restrict access to confidential business data and trade secrets strictly to authorized personnel for authorized purposes.

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.

Key policies include: (i) *Data Security and Personal Information Protection Management Policy*: as our core management policy for data security and personal information protection, this policy applies to our processing and management of data throughout data's life cycle (the overall principles for data processing adopted by us, collection, storage, use, transmission, transfer, disclosure, deletion, etc.), including without limitation the processing of various types of data in product development, business operations and internal management; (ii) *CL-00 Information Security Management System Policy Compilation*: This policy provides requirements on our network configuration security, portable computer security and encryption control; (iii) *MD-00 Information Security Management Manual*: This manual clarifies the objectives and policies of our information security management, as well as the requirements on the construction and operations of our information security management system; (iv) *MP-00 Procedure Document Compilation*: This policy stipulates our internal management procedures in relation to information security, such as security risk management procedures, information security disciplinary management procedures, information security communication management procedures, information system audit management procedures, network security management procedures, information security incident

handling procedures, etc; (v) *Information Security Management Policy*: This policy provides the code of conduct for us, our employees and related third parties with respect to our information management work, and provides guidance on how to mitigate the risks of information leakage, inappropriate use or abuse of information assets, fraud and intrusion.

Legal advisor to our Company as to PRC cybersecurity and data protection law holds the view that, during the Track Record Period and up to the Latest Practicable Date, we had been in compliance in all material respects with all applicable cybersecurity and data protection laws and regulations, for the following reasons: (i) we have adopted comprehensive internal policies and measures on protection of cybersecurity, data and privacy to ensure continuous regulatory compliance; (ii) we have not received any investigation, enquiry, warning, penalty or sanction from governmental authorities (including the Cyberspace Administration of China and its local branches) with regard to the Company's practices in relation to cybersecurity, data and privacy; (iii) we have not been involved in any legal proceedings initiated by governmental authorities or third parties in relation to cybersecurity, data and privacy; and (iv) there has not been any cybersecurity incident or unauthorized misappropriation, leakage or loss of data that had any material adverse impacts on the business operations of the Company. Furthermore, we have not been involved in any legal or regulatory proceedings related to data security that have resulted in a significant adverse effect. As of the Latest Practicable Date, all data collected and generated by its business operations in PRC is stored in PRC, and our current business operations in PRC and business expansion plans do not involve any cross-border transmission of data from PRC to overseas jurisdictions (and vice versa). In case any cross-border transmission of data is involved in our business operations in PRC or expansion plans in the future, we will accordingly take measures to ensure compliant transmission.

COMPETITION

The driving assistance solutions market is dynamic and intensely competitive, with many potential applications currently under development. Despite our belief in possessing market-leading technology, we are facing challenges from existing companies and new or new arrived entrants that also develop driving assistance solutions. Our key competitors predominantly consist of automotive suppliers offering similar driving assistance solutions. Industry practices suggest that, in the absence of major quality issues or significant disputes between OEMs and driving assistance solution providers, incumbent providers for a specific vehicle model typically retain their role throughout the model's lifecycle, another provider can offer solutions with equal or better performance at a lower price, as noted by CIC. Thus, our competition primarily involves other driving assistance solution providers for inclusion in OEMs' new vehicle models. We are confident in our strategic market positioning and our ability to compete effectively. Our confidence is supported by our advanced driving assistance technology, which delivers superior performance, quality, and cost-efficiency, combined with our automotive-grade manufacturing processes and robust research and development capabilities.

IMPACT OF THE COVID-19 PANDEMIC AND THE GLOBAL SHORTAGE OF SEMICONDUCTOR CHIPS

On January 30, 2020, the International Health Regulations Emergency Committee of the World Health Organization (WHO) declared the outbreak of the novel coronavirus disease 2019 ("**COVID-19**") a public health emergency of international concern, followed by the WHO's declaration of the outbreak as a global pandemic on March 11, 2020. The COVID-19 virus continued to spread rapidly across the globe throughout 2022. Additionally, from late 2021 to the second half of 2022, a global supply shortage led to a semiconductor chip crunch. According to CIC, the average selling price of commonly used chips for driving assistance solutions increased from RMB307.9 per unit in 2021 to RMB351.6 per unit in 2022, representing a year-on-year growth of 14.2%. The average selling price decreased by 6.8% to RMB327.8 per unit in 2023, showing a recovery from the impact of the COVID-19 pandemic, according to the same source. In 2024 and 2025, such average selling price was RMB333.0 per unit and RMB344.7 per unit, remain relatively stable.

To mitigate potential disruptions, we proactively procured and maintained a relatively high inventory of semiconductor chips in 2021. By the end of 2025, all of the chips procured in 2021 had been utilized. Neither the COVID-19 pandemic nor the global shortage of semiconductor chips had any material adverse impact on our operations and financial performance during the Track Record Period and up to the Latest Practicable Date. This was primarily due to the following factors: (i) we experienced no difficulties in securing sufficient and timely chip supplies, (ii) we were able to pass the increased costs of chip procurements to our customers during the global shortage of semiconductor chips, (iii) neither our facilities nor those of our contract manufacturers experienced production suspensions due to COVID-19, and (iv) we did not face any significant labor shortages resulting from the pandemic or the chip supply crunch.

Based on their current knowledge and assessment, our Directors do not anticipate any further adverse impact from COVID-19 or the semiconductor chip shortage. Our cost of sales, which primarily comprises procurement costs for raw materials and consumables, accounted for 92.7%, 88.8% and 84.0% of our total revenue in 2023, 2024 and 2025, respectively. As of the Latest Practicable Date, CIC confirmed that the global semiconductor chip supply had returned to normal levels.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

We believe our continued growth rests on integrating social values into our business. We are committed to deeply integrating environmental, social and governance (ESG) principles into our corporate strategy and operations to achieve sustainable growth.

Our Board's Commitment

Our Board takes on the critical role of evaluating and overseeing material ESG matters, and adopts a proactive ESG management approach, integrating environmental, social, and governance considerations into our Company's overall business strategies. Our Board regularly evaluates and manages material ESG-related issues, including material ESG risks and ESG incidents, and reviews and assesses the progress against ESG goals to ensure alignment with business objectives and sustainable growth. The management of our Company is tasked with developing and implementing our ESG strategy, policies, and reporting. This includes the assessment and management of environmental and climate-related risks under the Board's guidance.

Specifically, our management responsibilities include: (i) appointing a designated representative to define the roles and authorities of department heads concerning ESG matters; (ii) approving environmental objectives and employee training programs; (iii) ensuring the availability of adequate resources to develop, implement, and sustain our environmental management system; (iv) regularly evaluating and addressing our ESG risks; and (v) responding proactively to potential environmental incidents.

We also engage external ESG experts to provide professional advice on our ESG work as needed.

Compliance with Regulations

Environmental Laws and Regulations

We are subject to evolving and increasingly stringent environmental, occupational, health and safety laws and regulations, such as the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》), the Energy Conservation Law of the PRC (《中華人民共和國節約能源法》), the Water Law of the PRC (《中華人民共和國水法》), the Water Pollution Prevention and Control Law of the PRC (《中華人民共和國水污染防治法》), and the Law of the PRC on 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》). During the recording period up to the latest practicable date, the Company has complied with applicable environmental laws and regulations. No major environmental accidents, penalties or litigations, nor any other related major accidents, have occurred.

We are also dedicated to reducing environmental impact throughout our production process. We implement various environmental protection-related policies, including monitoring and measuring the discharge of wastes on a regular basis and evaluating the effectiveness of such monitoring and measuring activities on an annual basis.

Social Laws and Regulations

We are committed to fulfilling our social responsibilities and high standards of corporate governance. We are required to comply with various PRC laws and regulations relating to product safety and quality, labor management and occupational health and safety, including, but not limited to, the PRC Product Quality Law (《中華人民共和國產品質量法》), the Cybersecurity Law of the PRC (《中華人民共和國網絡安全法》), the Data Security Law of the PRC (《中華人民共和國數據安全法》), the Personal Information Protection Law (《中華人民共和國個人信息保護法》), the Labor Law of the PRC (《中華人民共和國勞動法》), the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》) and the Production Safety Law of the PRC (《中華人民共和國安全生產法》).

We are also committed to complying with the regulatory requirements in the PRC to prevent and minimize hazards and risks associated with our business. We have put in place various internal systems related to social responsibility with the aim of continuously optimizing our sustainable supply chain to provide safe and reliable products and services to our customers, while ensuring the health and safety of our employees and the surrounding communities.

We may be subject to more stringent compliance requirements and may incur additional costs in the future if there is any change to the existing laws or regulations. Please refer to the sections headed "Regulatory Overview" and "Risk Factors" for more details.

Environmental Protection

We strictly comply with environmental laws and regulations in the local and operating areas. We continuously optimize our environmental and energy management system, which has been certified to ISO 14001:2015, and are actively pursuing ISO 50001 energy management certification. The relevant operating procedures are detailed in the Environmental Management Plan, which has been clearly communicated to all employees and effectively implemented. We conduct a comprehensive review of the management manual annually, update it promptly and notify all employees at all levels. We take environmental protection as a core management responsibility, strive to strike a balance between sustainable development and business growth, continuously reduce resource consumption and waste generation, and improve energy efficiency.

Risk Management and Internal Control

Our risk management framework is structured with clear roles and coordination between all levels. The Board of Directors is responsible for risk decision-making and overseeing the effectiveness of the overall risk management strategy. The risk management leadership team, led by the president, provides unified direction and leadership on all risk management efforts. The internal control department leads and organizes risk management activities, formulates relevant systems, and guides business departments in executing risk control measures. All functional departments are responsible for identifying and reporting risk-related information.

We have established a comprehensive risk management system and formulated the "Risk Management System." Our process follows a structured flow of "risk identification, risk event assessment and response, risk information collection and reporting, and supervision and assessment." By standardizing our daily operations, we ensure that business development and risk management are balanced, with the ultimate goal of supporting the sustainable growth of the enterprise.

We incorporate ESG risks into our overall risk management mechanism, including, energy consumption, water resources management and greenhouse gas emissions. We collect important information related to sustainability KPIs in a timely manner. ESG factors are integrated into our business operations to accommodate management and response in this regard. The Board also conducts regular annual reviews to ensure that ESG risk management resources are adequately budgeted.

Each department is required to report risk events and potential risks on a monthly basis to the internal control team or designated personnel, who will then submit the information in the Risk Information Inventory Filling Form. The internal control team will organize and report this data to the risk management leadership team, which will convene periodic risk assessment meetings to supervise, address, and provide guidance. The committee will also assess and determine appropriate rewards or penalties for responsible departments or individuals.

We have also developed an internal control policy to monitor and respond to a range of operational, financial, legal and market risks that may be or have been identified, which cover substantive ESG issues. We have established a dedicated risk management and internal control team responsible for developing the internal control policy, conducting internal audits to provide internal control advice, and directing any necessary corrective actions.

Recognition of ESG Key Issues

We conduct ESG materiality assessments to identify and prioritize key sustainability issues and enhance our ESG practices. During the Track Record Period, we followed a structured process in line with the HKEX ESG Reporting Code and relevant international standards, including the United Nations Sustainable Development Goals, and considered industry practices, regulatory developments and our business operations. The assessment involved identifying relevant ESG issues, evaluating their significance across our organization with input from internal stakeholders and external insights, and reviewing and approving the results at the management and Board level. Based on this process, our key ESG issues include environmental matters such as climate change, resource use and emissions; social matters such as employee welfare, training and safety, supply chain management, product quality, data privacy, intellectual property protection and business ethics; and governance matters such as corporate governance, risk management, compliance and anti-corruption.

ESG Strategic Objectives and Targets

As a company with a strong sense of social responsibility, our products inherently align with ESG principles. Our driving assistance products not only optimize routes through smart planning and enhance energy efficiency but also reduce the likelihood of traffic accidents through algorithm integration, safeguarding the lives of drivers and passengers.

In alignment with our business operations, we have developed and implemented an environmental target plan, setting clear indicators to monitor progress and make real-time adjustments. The plan ensures the effective implementation of our ESG objectives while aligning with our operational and sustainability goals. Our key ESG targets are summarized as follows: (i) *Occupational Health & Safety Targets*: Zero occupational disease incidents; 100% completion rate of EHS (Environmental, Health, and Safety) education and training; (ii) *Environmental Compliance Targets*: We strive to ensure 100% compliant pollutant disposal. By 2032, we aim to reduce greenhouse gas emission intensity by 5%, achieve 100% green electricity usage for factory production, and decrease energy consumption intensity by 5%.

We remain committed to achieving these targets and will continue to refine our monitoring and control measures to ensure compliance with regulatory requirements and industry best practices.

We keep carrying out dynamic monitoring and information disclosure of greenhouse gas emissions. We have begun accounting for Scope 3 emissions. This includes emissions from fuel and energy-related activities, business travel, and employee commuting, which were previously outside of Scope 1 and Scope 2. The greenhouse gas emissions from our production plants are detailed in the table below. By 2032, we aim to reduce greenhouse gas emission intensity by 5%.

Performance Indicator	Unit	2023	2024	2025
Greenhouse gas emissions	tCO2e	2,055.54	2,019.70	3,456.19
By range:				
Scope 1[1]	tCO2e	277.16	103.12	116.62
Scope 2[2]	tCO2e	945.56	1,072.96	1,841.57
Scope 3[3]	tCO2e	832.82	843.62	1,132.99
Greenhouse gas emissions intensity (Scope 1 + Scope 2)[4]	tCO2e/ million yuan	1.3472	0.9171	0.8588

Notes:

1 Scope 1 of Greenhouse Gas Emissions are primarily generated from our operations, specifically from the use of gasoline.

2 Scope 2 of Greenhouse Gas Emissions are primarily associated with the consumption of purchased electricity used in production plants.

3 Scope 3 of Green Gas Emissions cover mainly fuel and energy-related activities (not included in Scope 1 or Scope 2), travel, and employee commuting. In line with the expenditure approach, hotel accommodation was added to the 2025 carbon inventory, resulting in an increase in Scope 3 greenhouse gas emissions.

4 Greenhouse Gas Emissions Intensity refers to the amount of greenhouse gas emissions generated per unit of our revenue.

Following our [**REDACTED**], we will continue to improve our greenhouse gas emissions data collection system, further expand the scope of our Scope 3 greenhouse gas emissions statistics and continue to optimize our emissions reduction plan. At the same time, we will systematically compare each quantitative goal and target with the previous year's actual performance, underscoring our commitment to transparently tracking progress and ensuring the feasibility of our objectives.

Energy Consumption

As a provider of driving assistance products and services, we are not heavily reliant on non-renewable energy sources. Our primary energy consumption includes fuel for equipment and vehicles, as well as purchased electricity for office and operational use, while our main resource consumption consists of water and office supplies. We manage energy use through annual planning and monitoring processes. Department heads set and oversee energy conservation targets, while the Environment, Health and Safety (EHS) department monitors performance at the company level. We track energy and resource consumption regularly and implement corrective measures where targets are not met. We aim to reduce energy consumption intensity by 5% by 2032 and have established ongoing initiatives to support this goal. For example, in 2024, we advanced the electrification of our test vehicles, reducing reliance on fuel and lowering carbon emissions.

Indicator	Unit	2023	2024	2025
Total energy Consumption	Tons of standard coal	126.96	42.99	41.75
By type				
Diesel	Tons of standard coal	0	0	0
Gasoline	Tons of standard coal	126.96	42.99	41.75
Energy consumption intensity[1]	Tons of standard coal/million yuan	0.1399	0.0335	0.0183
Electricity consumption[2]	kWH	2,516,960	2,783,075	4,459,916
Electricity consumption intensity[3]	kWH/million yuan	2,773.11	2,168.74	1,955.93

Notes:

1 Energy consumption intensity refers to the amount of energy consumed per unit of our revenue.

2 Electricity consumption is the amount of electricity used by our production plants.

3 Consumption density is the amount of electricity consumed per unit of operating revenue.

The energy conservation measures we have implemented include: (i) prioritizing high-efficiency, energy-saving equipment, improving raw material utilization, reducing defect rates, and lowering resource consumption per unit of product; (ii) implementing energy-saving initiatives within manufacturing, including optimizing equipment allocation, phasing out outdated technologies, and enhancing employee awareness through technical training; (iii) requiring all departments to switch off power and equipment after work, with regular checks by energy managers, and ensuring employees turn off devices such as computers and air conditioning when leaving; (iv) adjusting street lighting, air conditioning, and heating based on seasonal needs; and (v) managing test and shared vehicles by setting return locations and mileage limits, with regular monitoring to prevent misuse.

Our operations primarily rely on purchased electricity. To address this, we have made efforts to use green electricity and are planning the installation of self-built distributed photovoltaic (PV) power stations. By the end of 2025, the total power generation from our distributed photovoltaic power stations reached approximately 3.35 million kWh, saving 412.21 tons of standard coal and reducing carbon dioxide emissions by 1,779.63 tons. By 2032, we aim to achieve 100% green electricity usage for factory production.

Water Resources Management

The water resources used in our production and operations are sourced entirely from the municipal water supply. The water consumption and water consumption density for our production plants each year are shown in the table below.

Performance Indicator	Unit	2023	2024	2025
Water consumption	Tons	6,858	17,418	14,804
Water consumption intensity[1]	Tons/million yuan	7.5559	13.5731	6.4924

Note:

1 Water consumption intensity refers to the amount of water consumed per unit of our revenue.

Compared with the 2024 baseline, we aim to reduce water consumption intensity by 5% by 2032.

The water conservation measures implemented by us include: (i) ensuring that the water supply valve is promptly closed after each water operation, with regional heads checking the closure of water supply facilities before leaving work each day; (ii) employees, cleaning staff, security personnel, and landscaping maintenance staff are responsible for turning off faucets and sprinkler irrigation systems after use, and promptly notifying the relevant personnel for repairs when water supply facilities malfunction.

Solid Waste Discharge

Our main non-hazardous waste includes office waste and kitchen waste, while hazardous waste primarily consists of production by-products such as discarded circuit boards, used filters, organic solvent cleaners, and empty chemical containers. We are dedicated to managing the entire waste process, which includes identification, collection, storage, disposal, monitoring, and handling of any abnormal situations, across all operational areas such as office, production, transportation, storage, maintenance, and infrastructure. Ultimately, we entrust waste disposal to a qualified third-party service provider. Our goal is to minimize waste generation, ensure strict sorting and proper disposal, and reduce the environmental impact of our operations. In 2025, the total non-hazardous waste emissions amounted to 16.5 tons, and the non-hazardous waste emission intensity was 0.0007 tons per million yuan. We will keep monitoring the waste emissions going forward. Starting in 2025 and for each year thereafter, we aim to ensure that 100% of solid waste is disposed of in full compliance with applicable regulations. We have not set specific quantitative solid waste discharge reduction targets at this stage, because (i) we operate in an industry that is not characterized by high-intensity solid waste discharges, and the volume of total solid waste discharges generated each year — particularly hazardous waste — is relatively low; (ii) we are currently in a phase of business expansion, and future solid waste discharge will correlate with business growth. However, given the limited amount of solid waste discharge currently generated, such discharges are not expected to have a material impact on the Company's business development; and (iii) we will proactively adopt measures to enhance the recycling and reuse of solid waste in the future, and will also closely manage our solid waste disposal vendors to monitor the compliance and recycling performance of waste treatment processes. The total hazardous waste discharge and discharge density for each year during the reporting years are provided in the table below.

Performance Indicator	Unit	2023	2024	2025
Total hazardous waste discharge	Tons	0.2	0.5	2.6
Hazardous waste discharge intensity[1]	Tons/million yuan	0.0002	0.0004	0.0011

Note:

1 Hazardous waste emission intensity refers to the amount of hazardous waste emitted per unit of our revenue.

Our waste management process covers identification, collection, storage, disposal and monitoring in accordance with applicable regulations. Waste generated from new production activities is classified based on environmental assessments and regulatory requirements. Hazardous waste is securely contained, clearly labeled and stored separately to prevent leakage or contamination, and is handled and disposed of by qualified service providers with proper records maintained. We conduct regular inspections of waste handling and storage, and any identified issues are promptly addressed through corrective and preventive measures.

Social Responsibility

Product Safety and Continuous Improvement

We prioritize the safety of our driving assistance solutions on the road. Our engineering team diligently works to ensure our systems are as secure as possible. Recognizing the complexity of designing inherently secure systems, we engage in close collaboration with OEMs to leverage their vast expertise and diverse perspectives. Together, we implement OTA updates that enhance features and functionality, thereby increasing the intelligence and safety of vehicles equipped with our driving assistance solutions. For details, see "— Customer Services and Warranty."

Employee Management

We have entered into employment contracts with our employees in accordance with applicable PRC laws and regulations, including the Labor Law of the People's Republic of China and the Labor Contract Law of the People's Republic of China, and have established internal policies governing employee management. We recruit based on merit, adhering to principles of lawfulness, fairness, equality, voluntariness, mutual consent, honesty and good faith, and strictly prohibit any use of child labor in our operations. We offer competitive compensation and benefits to attract and retain talent, including employee care programs such as wedding and birth benefits, festival allowances and community activities. We are committed to fostering a diverse and inclusive workplace, ensuring equal and respectful treatment of all employees across hiring, training, wellness, and professional and personal development. We also aim to provide equal career opportunities, promote work-life balance, and maintain a positive working environment.

Occupational Health and Safety

We emphasize the importance of the occupational health and safety of our employees. We are subject to various safety laws and regulations in the jurisdiction in which we operate. Further details on these regulations are provided in the "Regulatory Overview — Regulation on Production Safety."

To ensure the health and safety of our employees, we have implemented a series of measures, including adopting an environment, health, and safety (EHS) system, for which we have obtained necessary certifications. We have already obtained ISO45001 on occupational health and safety. We conduct regular training sessions focused on health, safety, and accident prevention, and provide the required protective equipment to our employees. Our employees are mandated to use and maintain this equipment in accordance with our internal guidelines.

Throughout the Track Record Period and as of the Latest Practicable Date, we have complied with all applicable health and work safety laws and regulations in all material respects, secured all necessary permits and approvals for our operational production bases, and have experienced no safety-related incidents that could materially impact our operations.

Business Ethics

We require all our employees to adhere strictly to the business ethics. Specifically, we have implemented a set of policies to ensure our operations comply with applicable anti-bribery and anti-corruption regulations in jurisdictions where we operate. Relevant policies explicitly prohibit any forms of bribery, corruption and the improper conferment of benefits. Our compliance department is responsible for investigating the reported incidents and taking appropriate measures as necessary. We conduct background check procedures before hiring any third party and ensure that the hiring procedure is implemented fully in accordance with the anti-bribery and anti-corruption policies. We also have regular trainings for employees regarding anti-bribery and anti-corruption policies to facilitate better implementation. During the Track Record Period, we did not receive reporting of material bribery, corruption and other serious violations of business ethics.

Supply Chain Management

Our suppliers primarily consist of raw materials and components suppliers, including those for automotive-grade chips, optical components, and other electronic or mechanical parts. We utilize a supply chain management framework to manage our overall product development, procurement, and production processes. We have a supplier management policy, based on which we evaluate our suppliers carefully according to their historical quality performance and relevant qualifications.

In addition, we also encourage our suppliers to comply with relevant environmental and social regulations. We commit to reducing our environmental footprint. We adhere to the principles of simplicity, high efficiency and convenient use for customers, and expect to collaborate with our suppliers to package the products in a more environment friendly manner. We have also included anti-corruption clauses in our agreements with our suppliers to prevent collusion and corruption.

Board and Management Diversity

We have established a board diversity policy that outlines our approach to achieving a diverse Board. Our company acknowledges the significant benefits of having a diverse Board, which includes enhancing our competitive edge and our ability to attract, retain, and motivate talent from the broadest talent pool. With respect to gender diversity, one of our seven board members is female. We recognize the need for improvement and are dedicated to enhancing gender diversity. Post-[**REDACTED**], our Nomination Committee will implement specific measures, as outlined in our board diversity policy, to strive towards achieving a gender-balanced Board by actively seeking qualified female candidates for board membership. Additionally, the Nomination Committee will periodically review and monitor the effectiveness of our board diversity policy and report on its implementation and the progress towards meeting set objectives annually in our corporate governance report. As we expand our operations and hire additional personnel, we will consider factors such as gender diversity and balance within our workforce.

EMPLOYEES

As of December 31, 2023, 2024 and 2025, we had 896, 795 and 712 full-time employees, respectively, all of whom were based in the PRC. As of December 31, 2025, we had a total of 712 employees, of which 459 employees (64.5%) were engaged in research and development, 107 employees (15.0%) in manufacturing, 45 employees (6.3%) in sales and marketing, and 101 employees (14.2%) in management.

As required by laws and regulations in China, we participate in various employee social security plans that are organized by municipal and provincial governments, including, among other things, pension, medical insurance, unemployment insurance, maternity insurance, on-the-job injury insurance and housing fund plans through a benefit contribution plan. We are required under PRC law to make contributions to employee benefit plans at specified percentages of the salaries, bonuses and certain allowances of our staff, up to a maximum amount specified by the local government from time to time.

We typically enter into standard employment agreements and confidentiality agreements or clauses with our senior management and core personnel. These contracts include a standard non-compete covenant that prohibits the employee from competing with us, directly or indirectly, during his or her employment and for two years after termination of his or her employment. We maintain a good working relationship with our employees, and we have not experienced any material labor disputes.

PROPERTIES

Our corporate headquarters is located in Wuzhen, Zhejiang Province. As of the Latest Practicable Date, we leased eight properties in the PRC with an aggregate gross floor area of approximately 26,873.8 square meters. Our leased properties in the PRC are primarily used for offices and production facilities. The relevant lease agreements expire between 2026 and 2029. 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 December 31, 2025, 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 Listing Rules and section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this Document is exempt from the requirements of section 342(1)(b) of the Companies (Winding up and Miscellaneous Provisions) Ordinance to include all interests in land or buildings in a valuation report as described under paragraph 34(2) of the Third Schedule to the Companies (Winding up and Miscellaneous Provisions) Ordinance.

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. For social security insurance, our coverage is in line with the market practice as we cover all the mandatory social security insurances required by Chinese laws and regulations. For business interruption insurance, our coverage is consistent with the industry's practice, considering that certain companies in the same industry do not maintain any business interruption insurance as well. For product liability insurance, as of the Latest Practicable Date, we were in the process of negotiation with insurance companies to purchase product liability insurance, which are not mandatory under PRC laws. 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. We provide social security insurance, including pension insurance, unemployment insurance, work-related injury insurance, maternity insurance and social health insurance for our employees. We do not maintain any business interruption insurance, which is not mandatory under the relevant laws of the PRC and we believe it is in line with general market practice. We do not maintain key-man life insurance or insurance policies covering damages to our IT infrastructure or information technology systems and we do not carry any product liability insurance contract during the Track Record Period. See "Risk Factors — Risks Relating to Our Business and Industry — Our insurance coverage may not be sufficient to cover all losses or potential claims by our customers which would affect our business, financial condition and results of operations."

LEGAL PROCEEDINGS AND COMPLIANCE

Legal Proceedings

From time to time, we may be subject to legal proceedings, investigations and claims arising in the ordinary course of our business. During the Track Record Period and up to the Latest Practicable Date, we had not been and were not a party to any material legal, arbitral or administrative proceedings, and we were not aware of any pending or threatened legal, arbitral or administrative proceedings against us or our Directors that could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations.

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. Our Directors are of the view that, we had complied, in all material respects, with all relevant laws and regulations during the Track Record Period and up to the Latest Practicable Date.

During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any material product recall.

Compliance with Regulations on the Outbound Investment Rules

On October 28, 2024, the U.S. Department of the Treasury released a final rule to implement the Executive Order 14105 ("**E.O.**"), which became effective on January 2, 2025 (the "**OIR Final Rule**"). See "Regulatory Overview — U.S. Laws and Regulations — Regulations on Outbound Investments." The OIR Final Rule is aimed at exerting greater U.S. government oversight over U.S. direct and indirect investments involving China and may introduce new hurdles and uncertainties for cross-border collaborations, investments, and funding opportunities of China-based issuers including us.

As advised by our Legal Advisor as to international regulatory matters, the OIR Final Rule does not prohibit all investment activity in countries of concern. Instead, the OIR Final Rule is narrowly targeted at certain types of investments in country of concern entities and related to sensitive technologies and products critical for military, intelligence, mass-surveillance, or cyber-enabled capabilities. If no Covered Activity is involved in the transaction, then the transaction shall fall outside the jurisdictional scope of the OIR Final Rule. In addition, an investment by a U.S. person in publicly traded securities is excepted by the OIR Final Rule, regardless of whether we are a person of a country of concern, or whether the underlying activities undertaken by us are Covered Activities. In other words, once our shares become publicly traded, restrictions set out by the OIR Final Rule are inapplicable to investments in relation to such publicly traded securities.

In addition, as advised by our Legal Advisor as to international regulatory matters, the OIR Final Rule shall be inapplicable to the Company and the [**REDACTED**] on the ground that (i) neither the Company nor its subsidiaries is engaging in or intends to engage in any Covered Activities, (ii) the Group has no plan to develop any business or invest in or acquire any entity that engages in any of the Covered Activities; and (iii) Dr. Zhang does not hold any position in any entity that engages in any Covered Activities.

RISK MANAGEMENT AND INTERNAL CONTROL

We are committed to developing and maintaining robust risk management and internal control systems tailored to our business operations, with a continuous focus on enhancing their effectiveness. We continually review the implementation of our risk management and internal control policies and procedures to enhance their effectiveness and sufficiency.

Financial Reporting Risk Management

Our financial reporting risk management includes a comprehensive set of accounting policies. We have established procedures to effectively implement these policies, and our financial department regularly reviews management accounts based on these procedures. Additionally, we provide ongoing training to our finance department employees to ensure they are well-versed in and can effectively apply our financial management and accounting policies in our daily operations.

Internal Control Risk Management

To ensure compliance with applicable regulations and internal standards, we have instituted stringent internal procedures. Our compliance team collaborates closely with the finance and business departments to: (a) perform risk assessments and advise risk management strategies; (b) improve business process efficiency and monitor internal control effectiveness; and (c) promote risk awareness throughout our Company. We maintain rigorous internal procedures to secure all necessary licenses, permits, and approvals for our operations, with regular reviews by our internal control team to monitor the status and effectiveness of these authorizations. Our compliance team also coordinates with relevant departments to secure the necessary governmental approvals or consents for filings with appropriate authorities.

Human Resources Risk Management

We conduct regular and specialized training tailored to the diverse needs of our departments, ensuring that our staff's skills are current and aligned with our customer service objectives. We provide all employees with an employee handbook, approved by management, that outlines internal rules and guidelines on best commercial practices, work ethics, fraud prevention, negligence, and corruption. This handbook also includes resources to help employees understand and implement the guidelines.

Additionally, we have established a code of business conduct and ethics, and an anti-bribery and corruption policy, approved by our board of directors. These guidelines outline best commercial practices and work ethics, providing clear anti-bribery guidance and measures. We maintain an open internal reporting channel for our staff to report any wrongdoing or misconduct, ensuring that all reported incidents and individuals are investigated, with appropriate actions taken based on the findings.

Audit Committee Experience and Qualification and Board Oversight

We have established an audit committee to monitor the implementation of our risk management policies across our Company on an ongoing basis to ensure that our internal control system is effective in identifying, managing, and mitigating risks involved in our business operations. The audit committee consists of three members, namely Mr. Li Gang, Professor Ni Jun, and Mr. Tang Pengfei, of whom Mr. Li Gang and Professor Ni Jun are independent non-executive Directors. For the professional qualifications and experiences of the members of our audit committee, see "Directors and Senior Management — Board Committees."

We also maintain an internal audit department that is responsible for reviewing the effectiveness of internal controls and reporting to the audit committee on any issues identified. Our internal audit department holds regular meetings with the management to discuss any internal control issues we face and the corresponding measures to implement toward resolving such issues.

LICENSES, APPROVALS AND PERMITS

In the opinion of our PRC Legal Advisors, we had obtained all licenses, permits, approvals and certificates that are material to our operations throughout the Track Record Period and up to the Latest Practicable Date.

We renew all such licenses, permits, approvals and certificates from time to time to comply with the relevant PRC laws and regulations. The table below sets forth the relevant details of the material licenses required for our operations:

The following table sets forth a list of our material licenses, permits, approvals and certificates.

No.	Holder	Name of License, Approval and Permit	Expiration Date
1 . . .	Freetech Intelligent	Custom Registration Certificate for Declaration Units of the PRC	N/A
2 . . .	Freetech Intelligent	High and New Technology Enterprises Certificate	December 6, 2027
3 . . .	Fosi (Hangzhou) Intelligent Technology Co., Ltd.	High and New Technology Enterprises Certificate	December 8, 2026
4 . . .	Freetech Intelligent	Registration of Foreign Trade Business Operators	N/A

AWARDS AND RECOGNITIONS

During the Track Record Period, we received awards and recognition in respect of our technologies and products 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 or recognition	Award authority
2026 . . .	2025 Zhejiang Top 500 High-tech Enterprises by Innovation Capability and 2025 Zhejiang Top 200 High-growth National High-tech Enterprises ("2025年浙江省高新技術企業創新能力500強"及"2025年度浙江省國家高新技術企業高成長200強")	Zhejiang Association of High-Tech Enterprises
2026 . . .	2026 Zhejiang Unicorn Enterprise ("2026浙江獨角獸企業")	10th Everything Grows Conference
2025 . . .	Zhejiang New Tech Dragons ("浙江省科技新小龍")	Zhejiang Association of High-Tech Enterprises
2025 . . .	Award for Excellence in Quality Performance ("質量表現優秀獎")	China Automotive Industry Quality Conference
2025 . . .	2025 Zhejiang Unicorn Enterprise ("2025浙江獨角獸企業")	9th Everything Grows Conference
2024 . . .	World Internet Conference Distinguished Contribution Award ("世界互聯網大會傑出貢獻獎")	World Internet Conference
2024 . . .	Best Technical Product Quality Innovation Award ("2024年度最佳技術產品品質創新獎")	International Automotive Quality Standardization Association
2024 . . .	Member of Zhejiang Provincial Enterprise Technology Center & Provincial Enterprise Research Institute ("浙江省企業技術中心及省級企業研究院")	Economy and Information Technology Department of Zhejiang
2023 . . .	Forbes China 2022 New Unicorn ("福布斯中國2022年新晉獨角獸")	Forbes China
2023 . . .	2023 Top 10 Local Suppliers Market Competitiveness Ranking for Advanced Integrated Driving and Parking Systems ("2023年高階行泊一體系統本土供應商市場競爭力TOP10榜單")	Gaogong Intelligent Automobile Research Institute
2023 . . .	Outstanding Core Component Enterprises in the Categories of Autonomous Driving Chips and Domain Controllers in China's Intelligent Connected Vehicle Industry ("中國智能網聯汽車行業自動駕駛芯片與域控制器類別優秀核心零部件企業")	SAE International
2023 . . .	2023 China Auto Parts Industry Award in Mass Production of Intelligent Driving ("2023第八屆鈴軒獎量產智能駕駛類優秀獎")	Auto Business Review
2023 . . .	Third Prize in the 8th "Maker in China" SME Innovation and Entrepreneurship Competition National Finals ("第八屆'創客中國'中小企業創新創業大賽全國總決賽企業組三等獎")	MIIT and MOF