

## FINANCIAL INFORMATION

*The following discussion and our analysis should be read in conjunction with our consolidated financial statements included in the Accountant’s Report in Appendix I to this Document, together with the accompanying notes. Our consolidated financial statements have been prepared in accordance with IFRS. The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance. These statements are based on our assumptions and analysis in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, whether actual outcomes and developments will meet our expectations and predictions depends on a number of risks and uncertainties. In evaluating our business, you should carefully consider the information provided in this Document, including but not limited to the sections headed “Risk Factors” and “Business.” For the purposes of this section, unless the context otherwise requires, references to the years of 2023, 2024 and 2025 refer to our fiscal years ended December 31 of such years, respectively.*

### OVERVIEW

We are a driving assistance solutions provider. We distinguish ourselves in this rapidly evolving and future defining industry with comprehensive in-house produced driving assistance solutions that empowers drivers and their vehicles to see more, sense more, and take actions, all while paving the way for a future of safe, comfortable and smart mobility. Currently, our solutions comprise:

- **FT Pro:** Our FT Pro solution covers Level 0 and Level 1 automation. These solutions effectively mitigate potential collision risks through real-time monitoring and warning systems and provide emergency intervention through Automatic Emergency Braking (AEB) to slow down or stop the vehicle to prevent or reduce accidents.
- **FT Max:** Our FT Max solutions, focusing on Level 2 automation, are mainly based on integrated controllers and radar sensors, offering features such as LKA, TJA + ICA, LDW, AEB, ACC, and FCW.
- **FT Ultra:** Our FT Ultra solutions, covering Level 2+ automation, are equipped with an advanced sensor and controller array to enhance safety and driving experience. Our FT Ultra solutions support advanced driving assistance features such as Highway NOA and Urban NOA. In addition to our comprehensive solution packages, we offer a flexible and modular, à la carte menu of solutions tailored to meet the specific needs of OEM customers.

We achieved fast growth during the Track Record Period. As of December 31, 2025, our solutions had been procured by 55 OEMs with over 330 cumulative projects under mass production. In 2024, our driving assistance solutions generated revenue of RMB1,283.3 million, representing a 41.4% year-on-year growth in revenue. In 2025, our driving assistance solutions generated revenue of RMB2,280.2 million, representing a 77.7% year-on-year growth in revenue.

### BASIS OF PREPARATION

Our historical financial information has been prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board. The historical financial information has been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities at fair value, which are carried at fair value.

The preparation of the historical financial information in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying our accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the historical financial information are disclosed in Note 4 to the Accountant’s Report included in Appendix I to this Document.

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### MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATIONS

The success and growth of our business depend on many factors. While each of these factors presents significant opportunities for our business, they also pose important challenges that we must successfully address so as to optimize our results of operations and sustain our growth.

#### **Ability to achieve economies of scale and develop solution portfolio based on customer needs**

Our sustainable growth depends on our ability to achieve economies of scale, which will enable us to further reduce costs and enhance profitability as production volumes increase. As production volumes increase, we expect a more controlled increase in cost and expenses through bulk purchasing and optimized production processes. Our cost of sales primarily consists of raw materials and components used, including electronic components, automotive-grade chips, and PCBs. As we continue to rapidly increase the production volume of our driving assistance solutions, we expect to benefit from improved economies of scale, which is expected to reduce our manufacturing costs as a percentage of total revenue going forward. For example, as our Level 2 FT Max solution scaled up, its gross profit margin improved substantially from 5.6% in 2023 to 20.1% in 2025. This improved cost structure not only boosts profitability but also strengthens our market competitiveness by allowing us to offer more cost-effective solutions to OEM customers. Increased production volumes will allow us to facilitate investment in advanced manufacturing technologies and automation, further streamlining our processes and improving product quality. Our sustainable growth also depends on our ability to meet the varied needs of our OEM customers.

Our results of operations in the foreseeable future therefore will be driven by (i) scalable and cost-efficient production of our solutions, (ii) the development and commercialization stages of our advanced solutions, and (iii) successful development of new solutions catering to new vehicle models, among others. Specifically, our gross margin varies across different levels of solutions, due to a variety of factors including manufacturing costs, technological advancement, pricing power, market demand, and availability of competing solutions, among other things. The solution mix within each of our FT Pro, FT Max and FT Ultra solutions results in differentiated price ranges of each solution (which are determined based on the diversified vehicle models served by these solutions). Any change in solution mix and the price ranges of our solutions would affect our revenue and gross margins.

#### **Ability to deepen existing customer relationships and expand customer base**

We provide comprehensive driving assistance solutions to both new and existing customers with evolving and customized demands. To date, we have established strong relationships with a diversified base of top-tier OEMs. As of December 31, 2025, our solutions had been procured by 55 OEMs with over 330 cumulative projects under mass production.

We will continue to deepen our relationships with existing customers. Our comprehensive proprietary algorithms allow us to assist these leading OEMs in developing customized driving functions tailored to address their differentiated consumer needs. According to CIC, we are currently the 2nd largest domestic 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%.

Our future growth depends on our ability to attract new customers. Specifically, the number of our OEM customers increased from 44 as of December 31, 2023 to 55 as of December 31, 2025. The future growth also depends on our ability to obtain more design wins from the leading OEM customers. During the Track Record Period, the number of design wins increased from 234 as of December 31, 2023 to 334 as of December 31, 2024 and further to 432 as of December 31, 2025. We expect our customer base and design wins to continue to diversify in terms of contributions from our top customers.

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To expand our customer base and deepen existing customer relationships, we plan to manage our selling expenses prudently and effectively. Our selling expenses, primarily consisting of employee benefit expenses, hospitality and travel expenses, amounted to RMB41.1 million, RMB49.6 million, and RMB39.6 million in 2023, 2024 and 2025, respectively, representing 4.5%, 3.9% and 1.7% of our total revenue, respectively. We have taken various measures to manage our selling expenses during the Track Record Period, including streamlining our personnel structure and optimizing our operational efficiencies. Going forward, we will continue to improve the efficacy of our overall selling and marketing spending.

### **Continued, disciplined investments in innovative technologies**

In the rapidly evolving driving assistance industry, our ability to develop new technologies is crucial to our competitiveness and sustainable growth. As an R&D-minded company, we had invested significantly in the R&D of driving assistance technologies before we achieved commercialization at a large scale. Our R&D expenses amounted to RMB561.2 million, RMB446.8 million and RMB540.5 million in 2023, 2024 and 2025, respectively. As of December 31, 2025, we had 459 R&D personnel, representing more than 64.5% of our total employees. We expect our R&D expenses to remain as a substantial part of our operating expenses in the near future, which we believe is critical to our long-term success.

We plan to leverage our *ODIN* architecture to continuously iterate and upgrade our solutions, while reducing R&D expenses as a percentage of our total revenues. The modular design of the *ODIN* architecture enables efficient mass development, testing, customization, and production with effective cost savings. The re-use of certain components and functions across different projects and solutions further enhances our development efficiency, which enhances our ability to provide OEMs with more adaptable solutions at more competitive pricing.

### **Ability to manage operating costs and enhance operating efficiency**

Our future profitability depends on our ability to manage our operating expenses. Apart from having better control of our R&D and selling expenses, we have managed to improve our operating efficiency in corporate management. Our administrative expenses accounted for 10.1%, 7.8%, and 4.8% of our total revenue in 2023, 2024 and 2025, respectively. With our prudent cost control measures, we expect to continue optimizing our operating efficiency going forward.

Additionally, we plan to continually leverage our smart manufacturing process and apply new digital automation enterprises technologies to optimize our operating efficiency and cost structure by monitoring procurement and production activities on a timelier basis. By effectively managing these costs and enhancing efficiency, we aim to improve our overall profitability in the long run.

### **Seasonality**

Our results of operations are affected by seasonal fluctuations in demand for our solutions, which are primarily driven by the seasonal nature of the automotive industry. For example, given our OEMs customers usually deliver more of their vehicle models to their consumers in the second half of the year, it can have an impact on our delivery of driving assistance solutions accordingly, which will affect our revenues and financial results. As a result, our delivery of relevant solutions typically increases in the second half of the year, in concert with the overall trends in the Chinese automobile industry, according to CIC. These fluctuations are seasonal, and therefore, quarterly or semi-annual results may not be indicative of our full-year performance. To effectively mitigate the impact of seasonality, we proactively manage stock levels by aligning inventory with OEM customers’ demand and predefined thresholds, ensuring optimal supply during peak periods while aiming to minimize excess inventory. We also actively adjust payment cycles as supply volumes increase, negotiate favorable terms with suppliers, and implement flexible payment methods to maintain efficient cash flow and support operational stability throughout seasonal fluctuations. For relevant risks, see “Risk Factors — Risks Relating to Our Business and Industry — Our operations are subject to seasonal fluctuations.”

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### CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Some of our accounting policies require us to apply estimates, assumptions, and complex judgments related to accounting items. These estimates, assumptions and judgments have a significant impact on our financial position and results of operations. Our management continuously evaluates such estimates, assumptions, and judgments based on past experience, industry practices, and expectations of future events that are deemed reasonable under the circumstances. During the Track Record Period, there has not been any material deviation from our management’s estimates or assumptions and actual results, and we have not made any material changes to these estimates or assumptions. We do not expect any material changes to these estimates and assumptions in the foreseeable future. For a better understanding of our financial condition and results of operations, we have set forth our material accounting policy information and significant accounting judgment and estimates in Note 4 to the Accountant’s Report included in Appendix I to this Document.

### CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

The following table sets forth a summary of our consolidated statements of profit or loss for the years indicated.

	For the year ended December 31,					
	2023		2024		2025	
	<i>RMB</i>	%	<i>RMB</i>	%	<i>RMB</i>	%
	<i>(in thousands, except percentages)</i>					
Revenue . . . . .	907,632	100.0	1,283,266	100.0	2,280,205	100.0
Cost of sales . . . . .	(841,796)	(92.7)	(1,139,865)	(88.8)	(1,914,866)	(84.0)
<b>Gross profit . . . . .</b>	<b>65,836</b>	<b>7.3</b>	<b>143,401</b>	<b>11.2</b>	<b>365,339</b>	<b>16.0</b>
Selling expenses . . . . .	(41,130)	(4.5)	(49,587)	(3.9)	(39,616)	(1.7)
Administrative expenses . . . . .	(91,236)	(10.1)	(100,075)	(7.8)	(110,472)	(4.8)
Research and development expenses . . . . .	(561,232)	(61.8)	(446,775)	(34.8)	(540,510)	(23.7)
Net impairment gains on financial assets . . . . .	26,625	2.9	8,435	0.7	3,500	0.2
Other income . . . . .	15,978	1.8	23,410	1.8	30,889	1.4
Other losses – net . . . . .	(2,557)	(0.3)	(2,581)	(0.2)	(1,049)	(0.0)
<b>Operating loss . . . . .</b>	<b>(587,716)</b>	<b>(64.8)</b>	<b>(423,772)</b>	<b>(33.0)</b>	<b>(291,919)</b>	<b>(12.8)</b>
Finance income . . . . .	569	0.1	2,088	0.2	3,085	0.1
Finance costs . . . . .	(142,657)	(15.7)	(102,862)	(8.0)	(68,650)	(3.0)
<b>Finance costs – net . . . . .</b>	<b>(142,088)</b>	<b>(15.7)</b>	<b>(100,774)</b>	<b>(7.9)</b>	<b>(65,565)</b>	<b>(2.9)</b>
Share of net loss of associates accounted for using the equity method . . . . .	(6,345)	(0.7)	(1,872)	(0.1)	(581)	(0.0)
<b>Loss before income tax . . . . .</b>	<b>(736,149)</b>	<b>(81.1)</b>	<b>(526,418)</b>	<b>(41.0)</b>	<b>(358,065)</b>	<b>(15.7)</b>
Income tax expense . . . . .	(1,952)	(0.2)	(1,331)	(0.1)	(93)	(0.0)
<b>Loss for the year . . . . .</b>	<b>(738,101)</b>	<b>(81.3)</b>	<b>(527,749)</b>	<b>(41.1)</b>	<b>(358,158)</b>	<b>(15.7)</b>
Loss for the year attributable to: Owners of the Company . . . . .	(738,101)	(81.3)	(527,749)	(41.1)	(358,158)	(15.7)

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### Non-IFRS Measure

To supplement our consolidated financial statements, we also use adjusted net loss (non-IFRS measure) as additional financial measure, which is not required by, or presented in accordance with IFRS. We believe this non-IFRS measure facilitates comparisons of operating performance from year to year and provides useful information to [REDACTED] and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, our presentation of adjusted net loss (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of this non-IFRS measure as an analytical tool has limitations, and you should not consider it in isolation from, or as a substitute for an analysis of, our results of operations or financial condition as reported under IFRS.

We define adjusted net loss (non-IFRS measure) as loss for the year adjusted by adding back interest expenses on redemption liabilities and share-based payment. The following table reconciles our adjusted net loss (non-IFRS measure) for the years presented in accordance with IFRS, which is loss for the year.

	For the year ended December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
<b>Reconciliation of net loss to adjusted net loss</b>			
<b>(non-IFRS measure)</b>			
Loss for the year	(738,101)	(527,749)	(358,158)
Add:			
Interest expenses on redemption liabilities <sup>(1)</sup>	96,904	49,676	–
Share-based payment <sup>(2)</sup>	13,791	33,264	28,043
<b>Adjusted net loss</b>			
<b>(non-IFRS measure)</b>	<b><u>(627,406)</u></b>	<b><u>(444,809)</u></b>	<b><u>(330,115)</u></b>

*Notes:*

- (1) Interest expenses on redemption liabilities are non-cash expenses arising from the redeemable preferred shares issued in connection with our historical equity investments. Interest expenses on redemption liabilities reduced to nil in 2025, primarily because the preferred rights associated with the preferred shares was terminated in 2024, and therefore the balance of the redemption liabilities was recorded as equity.
- (2) Share-based payment is a non-cash expense arising from granting share-based awards to selected employees. Share-based payment is not expected to result in future cash payments. Share-based payment is recorded under our selling expenses, general and administrative expenses, and research and development expenses; and the share-based payment in the above table represents the sum of that recorded under each type of such expenses.

## DESCRIPTION OF MAJOR COMPONENTS OF OUR RESULTS OF OPERATIONS

### Revenue

During the Track Record Period, we derived revenue mainly from the sales of driving assistance products and solutions to OEMs. We develop driving assistance products and solutions designed for OEMs and developed based on our *ODIN* architecture. We generated substantially all of our revenue from the PRC during the Track Record Period. Revenue is measured based on consideration, less value-added tax, specified in a contract with a customer, and as adjusted for variable consideration (i.e., rebate or annual price adjustments) based on contract terms and historical patterns. The amount of rebate is typically stipulated in the contracts. In 2023, 2024 and 2025, the rebate accounted for RMB4.1 million, RMB19.1 million, and RMB50.5 million, respectively. There are no specific contractual terms outlining the annual price adjustments, which are instead determined by comparing the pricing in contracts signed across consecutive years. During the Track Record Period, the average annual price adjustments was approximately 5%.

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Our driving assistance solutions can be classified into three categories, namely FT Pro, FT Max and FT Ultra, based on their levels of intelligence. For detailed discussion of these solutions, see “Business — Our Business Model — Our Comprehensive Driving Assistance Solution Offerings.” The following table sets forth the breakdown of our revenue 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	
	<i>RMB</i>	%	<i>RMB</i>	%	<i>RMB</i>	%
	<i>(in thousands, except percentages)</i>					
FT Pro .....	173,531	19.1	110,744	8.6	118,070	5.2
FT Max .....	290,398	32.0	558,117	43.5	728,566	31.9
FT Ultra .....	443,703	48.9	614,405	47.9	1,433,569	62.9
<b>Total</b> .....	<b>907,632</b>	<b>100.0</b>	<b>1,283,266</b>	<b>100.0</b>	<b>2,280,205</b>	<b>100.0</b>

The decreasing revenue contribution of FT Pro from RMB173.5 million in 2023 to RMB118.1 million in 2025 was primarily due to our strategic resource optimization. Specifically, we strategically shifted focus to FT Max and FT Ultra, which typically have higher margin and advanced technology profiles, and proactively reduced the volume of FT Pro. This adjustment in product mix was made to accommodate an increasing customer base for advanced Level 2 solutions and realigning solutions offerings to meet evolving market demands. Similarly, the fluctuations in revenue contribution from FT Ultra solutions during the Track Record Period were mainly driven by the varying demand from OEM customers for driving assistance solutions at Level 2+ and above, as these solutions progressed through stages from validation to commercialization. As a result, the sales of FT Max and FT Ultra increased during the Track Record Period, with revenue generated from sales of FT Max increased from RMB290.4 million in 2023 to RMB558.1 million in 2024, and further to RMB728.6 million in 2025 and FT Ultra from RMB443.7 million in 2023 to RMB614.4 million in 2024, and further to RMB1,433.6 million in 2025.

### *Revenue Growth and Composition of Revenue*

The significant revenue growth in 2023, 2024 and 2025 was primarily driven by our strategic alignment with the ongoing trends in the automotive sector, specifically in driving assistance vehicle technologies. The growth reflects the increasing demand for advanced solutions. Additionally, the shift towards more complex and high-margin products has contributed to the expansion of our revenue base.

In 2024, we experience robust growth, particularly in the FT Max and FT Ultra solutions. The FT Max integrated controllers increased significantly to RMB544.0 million, driven by the growing demand for advanced controller solutions for ADAS. Meanwhile, the FT Ultra HPCs further expanded to RMB561.6 million, reflecting sustained demand for more advanced driving assistance solutions in next-generation vehicles. Across our FT solution lines, we do not offer hardware components as standalone products; rather, our solutions are delivered as integrated system packages that align with OEMs’ vehicle architecture and technical specifications.

In 2025, we continue to replicate our success in 2024 with increased revenue generated from sales of FT Max integrated controllers from RMB544.0 million in 2024 to RMB705.5 million in 2025 and FT Ultra solution’s HPCs from RMB561.6 million in 2024 to RMB1,393.4 million in 2025.

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### *Changes in Revenue Composition*

Throughout the Track Record Period, we saw a marked shift in the composition of our revenue. A growing proportion of our revenue is now derived from higher-valued, more technologically advanced solutions, particularly in our controllers. The FT Ultra solution’s HPCs experienced substantial growth, from RMB377.4 million in 2023 to RMB561.6 million in 2024, and further to RMB1,393.4 million in 2025. This reflects the industry’s increasing acceptance of high-performance computing systems for driving assistance, which are more complex and carries more functionalities and higher margin than conventional controllers.

This shift towards higher-margin solutions with our long-term strategic direction of focusing on more complex, value-added technologies. While sensor solutions remain essential, controllers and other advanced systems are becoming key drivers of our revenue growth. In 2023, 2024 and 2025, the revenue contribution from FT Ultra and FT Max, particularly in the controller solutions, outpaced the growth of more traditional product lines, further reflecting the market’s transition toward more automated solutions.

The increased proportion of revenue from higher-margin products is a key factor in improving our overall profitability and gross margin. By prioritizing the development of cutting-edge technologies such as more advanced controllers, we are not only meeting the rising demand in the automotive market but also capturing a larger share of the value created by these advancements.

### *Solution Mix Strategy*

Our solution mix strategy is built around capitalizing on the demand for advanced, higher-valued solutions, particularly controllers and other high-performance computing solutions, which are essential to driving assistance systems. As the industry continues to evolve towards more electrified and autonomous vehicles, we have aligned our solution offerings to meet these emerging demands, particularly in the areas of driving assistance and high-performance computing.

In parallel, we have also strengthened our position in Level 2 solutions, particularly within the FT Max integrated controller solutions. Revenue from FT Max integrated controllers grew from RMB253.8 million in 2023 to RMB544.0 million in 2024 and further to RMB705.1 million in 2025. Our integrated controllers is critical for the growing adoption of Level 2 ADAS, which more and more new energy vehicles come with L2 solutions as standard equipment. By continuous offering and promoting these product categories, we are ensuring that we remain well-positioned to serve the growing demand for driving assistance technologies.

Through our ongoing investments in both high-performance and high-margin solutions, we are continuing to enhance our solution portfolio to address the evolving needs of the driving assistance market. Our focus on advanced technologies, particularly HPC and integrated controller solutions for driving assistance, positions us for continued growth and strengthens our competitive advantage in the rapidly evolving automotive sector.

### **Cost of Sales**

The following table sets forth a breakdown of our cost of sales by the nature, in an absolute amount and as a percentage of our total cost of sales, for the years indicated.

	For the year ended December 31,					
	2023		2024		2025	
	<i>RMB</i>	%	<i>RMB</i>	%	<i>RMB</i>	%
	<i>(in thousands, except percentages)</i>					
Raw materials and consumables used . . .	741,632	88.1	1,070,291	93.9	1,845,513	96.4
Impairment losses on assets . . . . .	47,389	5.6	22,561	2.0	15,847	0.8

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	For the year ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
	<i>(in thousands, except percentages)</i>					
Depreciation and amortization expenses	21,384	2.5	20,991	1.8	16,863	0.9
Employee benefit expenses	20,990	2.5	19,262	1.7	22,927	1.2
Others	10,401	1.3	6,760	0.6	13,716	0.7
<b>Total</b>	<b>841,796</b>	<b>100.0</b>	<b>1,139,865</b>	<b>100.0</b>	<b>1,914,866</b>	<b>100.0</b>

Our costs of raw materials and consumables used increased from RMB741.6 million in 2023 to RMB1,083.9 million in 2024, and further to RMB1,845.0 million in 2025, which was primarily driven by the growth of our business.

To better understand the potential financial impact of raw material price fluctuations, we have conducted a sensitivity analysis on our net loss, which considers historical price changes in key raw materials. Based on this analysis, a 1% increase in raw material prices could lead to a net loss fluctuation of approximately 0.3% to 1.8%.

The following table sets forth a breakdown of our cost of sales, in an absolute amount and as a percentage of our total cost of sales, for the years indicated.

	For the year ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
	<i>(in thousands, except percentages)</i>					
FT Pro	151,820	18.0	98,035	8.6	100,303	5.2
FT Max	274,177	32.6	478,263	42.0	582,014	30.4
FT Ultra	415,799	49.4	563,567	49.4	1,232,549	64.4
<b>Total</b>	<b>841,796</b>	<b>100.0</b>	<b>1,139,865</b>	<b>100.0</b>	<b>1,914,866</b>	<b>100.0</b>

### Gross Profit and Gross Profit Margin

As a result of our proven economies of scale, our gross profit margin for FT Max solutions increased significantly from 5.6% in 2023 to 14.3% in 2024, and further to 20.1% in 2025. As a solution at early commercialization stage, our FT Ultra solutions experienced fluctuations in gross profit margin during the Track Record Period, which we expect to normalize and improve over time with a trajectory similar to that of FT Max solutions as production of our FT Ultra solutions continue to ramp up with improved economies of scale.

The gross profit margin of our three solutions showed an overall increasing trajectory, primarily because (i) in sales, we place greater emphasis on gross margin in our project selection process, (ii) in R&D, we strengthen a centralized platform to improve transparency and avoid redundancy, as well as increase the reusability of components and materials across different projects, (iii) in production, we optimize production process. For example, we optimized the end-of-line (“EOL”) testing equipment of our forward-view camera production line, which resulted in a 13% reduction in testing time. Through the introduction of a quick response quality control (“QRQC”) mechanism and daily review meetings for key issues, we further improved the product yield rate by 1.29%.

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The following table sets forth a breakdown of our gross profit and gross profit margin by products and solutions for the years indicated.

	For the year ended December 31,					
	2023		2024		2025	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	<i>RMB</i>	%	<i>RMB</i>	%	<i>RMB</i>	%
	<i>(in thousands, except percentages)</i>					
FT Pro . . . . .	21,711	12.5	12,709	11.5	17,768	15.0
FT Max . . . . .	16,221	5.6	79,854	14.3	146,552	20.1
FT Ultra . . . . .	27,904	6.3	50,838	8.3	201,019	14.0
<b>Total . . . . .</b>	<b>65,836</b>	<b>7.3</b>	<b>143,401</b>	<b>11.2</b>	<b>365,339</b>	<b>16.0</b>

### Selling Expenses

The following table sets forth a breakdown of our selling expenses, in an absolute amount and as a percentage of our total selling expenses, for the years indicated.

	For the year ended December 31,					
	2023		2024		2025	
	<i>RMB</i>	%	<i>RMB</i>	%	<i>RMB</i>	%
	<i>(in thousands, except percentages)</i>					
Employee benefit expenses . . . . .	28,316	68.8	34,836	70.3	26,249	66.3
Hospitality and travel expenses . . . . .	7,290	17.7	6,251	12.6	5,994	15.1
Share-based payments . . . . .	1,897	4.6	3,969	8.0	3,383	8.5
Advertising and publicity expenses . . . . .	1,310	3.2	1,457	2.9	1,697	4.3
Others . . . . .	2,317	5.7	3,074	6.2	2,293	5.8
<b>Total . . . . .</b>	<b>41,130</b>	<b>100.0</b>	<b>49,587</b>	<b>100.0</b>	<b>39,616</b>	<b>100.0</b>

### Administrative Expenses

The following table sets forth a breakdown of the components of our administrative expenses, in an absolute amount and as a percentage of our total administrative expenses, for the years indicated.

	For the year ended December 31,					
	2023		2024		2025	
	<i>RMB</i>	%	<i>RMB</i>	%	<i>RMB</i>	%
	<i>(in thousands, except percentages)</i>					
Employee benefit expenses . . . . .	55,710	61.1	46,884	46.8	48,098	43.6
Professional fees . . . . .	11,991	13.1	9,051	9.0	17,664	16.0
Depreciation and amortization expenses . . . . .	7,500	8.2	6,017	6.0	7,101	6.4
Office expenses . . . . .	6,454	7.1	4,785	4.8	6,965	6.3
Share-based payments . . . . .	3,800	4.2	12,329	12.3	10,471	9.5
Hospitality and travel expenses . . . . .	2,053	2.3	1,560	1.6	2,119	1.9

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	For the year ended December 31,					
	2023		2024		2025	
	<i>RMB</i>	%	<i>RMB</i>	%	<i>RMB</i>	%
	<i>(in thousands, except percentages)</i>					
[REDACTED] expenses . . . . .	–	–	14,991	15.0	12,418	11.2
Others . . . . .	3,728	4.0	4,458	4.5	5,636	5.1
<b>Total . . . . .</b>	<b>91,236</b>	<b>100.0</b>	<b>100,075</b>	<b>100.0</b>	<b>110,472</b>	<b>100.0</b>

### Research and Development Expenses

We do not capitalize R&D expenses nor allocate them by solutions. The following table sets forth the breakdown of our research and development expenses, in an absolute amount and as a percentage of our total research and development expenses, for the years indicated.

	For the year ended December 31,					
	2023		2024		2025	
	<i>RMB</i>	%	<i>RMB</i>	%	<i>RMB</i>	%
	<i>(in thousands, except percentages)</i>					
Employee benefit expenses	317,007	56.5	205,778	46.1	247,690	45.9
Technology development expenses . . . . .	118,066	21.0	114,457	25.6	150,265	27.8
Depreciation and amortization expenses . . . . .	102,265	18.2	96,837	21.7	115,352	21.3
Share-based payments . . . . .	7,786	1.4	16,965	3.8	14,189	2.6
Others . . . . .	16,108	2.9	12,738	2.9	13,014	2.4
<b>Total . . . . .</b>	<b>561,232</b>	<b>100.0</b>	<b>446,775</b>	<b>100.0</b>	<b>540,510</b>	<b>100.0</b>

### Net Impairment Gains on Financial Assets

Our net impairment gains on financial assets represent the expected credit losses on our trade and notes receivables and other receivables. For details, see Note 3.1 to the Accountant’s Report included in Appendix I to this Document. We recorded net impairment gains on financial assets of RMB26.6 million, RMB8.4 million and RMB3.5 million in 2023, 2024 and 2025, respectively.

### Other Income

The following table sets forth the breakdown of our other income for the years indicated.

	For the year ended December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Government grants . . . . .	8,524	18,490	16,092
Additional VAT input deduction . . . . .	6,949	3,392	14,233
Interest income on loans to related parties . . . . .	–	1,049	–
Others . . . . .	505	479	564
<b>Total . . . . .</b>	<b>15,978</b>	<b>23,410</b>	<b>30,889</b>

The government grants mainly include government subsidies for the Group’s research and development expenditure and the Group’s involvement of digital economy as well as the amortization of deferred government grants.

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### Other Losses — Net

The following table sets forth the breakdown of our other losses — net for the years indicated.

	For the year ended December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Net fair value gains on financial assets at fair value through profit or loss . . . . .	–	–	322
Net loss on disposal of property, plant and equipment . . . . .	(128)	(253)	(94)
Net foreign exchange (losses)/gains . . . . .	(700)	(707)	(1,135)
Others . . . . .	(1,729)	(1,621)	(142)
<b>Total</b> . . . . .	<b>(2,557)</b>	<b>(2,581)</b>	<b>(1,049)</b>

### Finance Costs — Net

The following table sets forth the breakdown of our finance costs — net for the years indicated.

	For the year ended December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
<b>Finance income:</b>			
Interest income on bank deposits . . . . .	569	2,088	3,085
<b>Finance costs:</b>			
Interest expenses on borrowings . . . . .	(45,285)	(52,328)	(68,241)
Interest expenses on lease liabilities . . . . .	(468)	(858)	(409)
Interest expenses on redemption liabilities . . . . .	(96,904)	(49,676)	–
	(142,657)	(102,862)	(68,650)
<b>Finance costs – net</b> . . . . .	<b>(142,088)</b>	<b>(100,774)</b>	<b>(65,565)</b>

### Share of Net Loss of Associates Accounted for Using the Equity Method

Our share of net loss of associates accounted for using the equity method relates to our equity investment to joint ventures. For details, see Note 17 to the Accountant’s Report included in Appendix I to this Document. We recorded share of net loss of associates accounted for using the equity method in the amount of RMB6.3 million, RMB1.9 million and RMB0.6 million in 2023, 2024 and 2025, respectively. The movement of share of net loss of associates for using the equity method during the Track Record Period was primarily attributed to the business performances and financial results of the associates.

### Income Tax Expense

Income tax expense primarily represents income tax payable by us in accordance with the EIT Law and its corresponding implementation regulations. This income tax expense comprises both current income tax and deferred income tax.

Entities located in the PRC are subject to a statutory income tax rate of 25.0%. During the Track Record Period, certain subsidiaries within our Group were eligible for preferential income tax rates pursuant to the relevant tax regulations.

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We recorded income tax expense of RMB2.0 million, RMB1.3 million and RMB0.1 million in 2023, 2024 and 2025, respectively, and our effective tax rate (calculated as income tax expense divided by loss before income tax) was 0.3%, 0.5% and nil, respectively, in 2023, 2024 and 2025.

During the Track Record Period and as of the Latest Practicable Date, we had fulfilled all our tax obligations and did not have any unresolved tax disputes.

### DISCUSSION OF HISTORICAL OPERATING RESULTS

#### Year Ended December 31, 2025 Compared to Year Ended December 31, 2024

##### *Revenue*

Our revenue increased by 77.7% from RMB1,283.3 million in the 2024 to RMB2,280.2 million in 2025. Such increase was attributed primarily to the increased revenue generated from sales of our FT Max solutions by 30.5% from RMB558.1 million in 2024 to RMB728.6 million in 2025 and FT Ultra solutions by 133.3% from RMB614.4 million in 2024 to RMB1,433.6 million in 2025. The increased sales of these two solutions were driven by the mass production of FT Max and FT Ultra solution commenced in the second half of 2024 and 2025, respectively, which led to growing shipments volume. The increase was further attributable to the continued diversification of vehicle models and customer base driven by the increasing end-user market demand for smart vehicle upgrades and technology iterations. Revenue generated from sales of our FT Pro solutions increased slightly from RMB110.7 million in 2024 to RMB118.1 million in 2025.

##### *Cost of sales*

Our cost of sales rose by 68.0% from RMB1,139.9 million in 2024 to RMB1,914.9 million in 2025, which was in line with the increase in production and deliveries of our driving assistance products and solutions particularly with respect to the more advanced FT Max and FT Ultra solutions.

Specifically, such increase was attributed primarily to the increased cost of sales incurred by our FT Max solutions by 21.7% from RMB478.3 million in 2024 to RMB582.0 million in 2025, and our FT Ultra solutions by 118.7% from RMB563.6 million in 2024 to RMB1,232.5 million in 2025, both of which were consistent with the growth of revenue of the respective solutions. Cost of sales of FT Pro solutions increased slightly from RMB98.0 million in 2024 to RMB100.3 million in 2025.

##### *Gross profit and gross profit margin*

As a result of the foregoing, our gross profit increased by 154.8% from RMB143.4 million in 2024 to RMB365.3 million in 2025. Our gross profit margin was 11.2% and 16.0% in 2024 and 2025, respectively.

The increase in our overall gross profit margin was primarily driven by (i) the increase in the gross profit margin for sales of our FT Max solutions, which represented a significant contributor to our revenue in 2025, increased from 14.3% in 2024 to 20.1% in 2025, primarily attributed to controlled growth of costs compared to relatively fast growth of revenue as a result of our improved economies of scale, as well as (ii) the increase in the gross profit margin for sales of our FT Ultra solutions, which increased from 8.3% in 2024 to 14.0% in 2025, primarily due to the increased sales of FT Ultra solutions as the result of entering into mass production phase and the improved economies of scale.

The increase in our gross profit margin was also contributed by the increase of gross profit margin for sales of our FT Pro solutions, which increased from 11.5% in 2024 to 15.0% in 2025, as product mix shifted toward a higher-margin mix under this solution.

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## FINANCIAL INFORMATION

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### *Selling expenses*

Our selling expenses decreased by 20.1% from RMB49.6 million in 2024 to RMB39.6 million in 2025. The decrease was mainly driven by a decrease in employee benefit expenses of RMB8.6 million due to the optimization of our human capital as a result of our improved efficiencies.

### *Administrative expenses*

Our administrative expenses increased by 10.4% from RMB100.1 million in 2024 to RMB110.5 million in 2025. This increase was mainly driven by the increase in professional fees of RMB8.6 million, the increase in office expenses of RMB2.2 million, and the increase in employee benefit expenses of RMB1.2 million. Despite of the increase of our administrative expenses in the absolute amount, our administrative expenses as percentage of our revenue in 2025 decreased to 4.8% from 7.8% in 2024.

### *Research and development expenses*

Our research and development expenses increased by 21.0% from RMB466.8 million in 2024 to RMB540.5 million in 2025. This increase was mainly driven by the increase in technology development expenses of RMB35.8 million, primarily due to the rise in R&D testing and verification activities related to our technologies and solutions during the corresponding year.

### *Net impairment gains on financial assets*

We recorded net impairment gains on financial assets of RMB8.4 million and RMB3.5 million in 2024 and 2025, respectively, which was attributed to the slightly increase in the amount of trade receivables.

### *Other income*

Our other income increased by 32.0% from RMB23.4 million in 2024 to RMB30.9 million in 2025. This was primarily due to the increase in additional VAT input deduction as result of our increased sales revenue.

### *Other losses — net*

We recorded other losses — net of RMB2.6 million in 2024, mainly due to interest expenses incurred in connection with the discount of trade receivable notes. We recorded other losses of RMB1.0 million in 2025, mainly due to net foreign exchange losses of RMB1.1 million.

### *Finance costs — net*

Our finance costs — net decreased by 34.9% from RMB100.8 million in 2024 to RMB65.6 million in 2025. The decrease was primarily attributed to interest expenses on redemption liabilities of RMB49.7 million in 2024 associated with our preferred shares. We did not incur such expenses in 2025 as such preferred shares were converted to ordinary shares in May 2024.

### **Share of net loss of associates accounted for using the equity method**

We recorded share of net loss of associates accounted for using the equity method in the amount of RMB1.9 million in 2024 and share of net gain of associates accounted for using the equity method in the amount of RMB0.6 million in 2025, which was primarily attributable to our equity investee’s improved financial conditions.

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### *Income tax expense*

We recorded income tax expense of RMB1.3 million and RMB0.1 million in 2024 and 2025, respectively.

### *Loss for the year*

As a result of the foregoing, our loss for the year decreased by 32.1% from RMB527.7 million in 2024 to RMB358.2 million in 2025.

### **Year Ended December 31, 2024 Compared to Year Ended December 31, 2023**

#### *Revenue*

Our revenue increased by 41.4% from RMB907.6 million in 2023 to RMB1,283.3 million in 2024. Such increase was attributed primarily to the increased revenue generated from sales of our FT Max solutions from RMB290.4 million in 2023 to RMB558.1 million in 2024 and FT Ultra solutions from RMB443.7 million in 2023 to RMB614.4 million in 2024. The increased sales of these two solutions were further attributable to the continued diversification of vehicle models and customer base driven by the increasing end-user market demand for smart vehicle upgrades and technology iterations.

Such increase was partially offset by the decreased revenue generated from sales of our FT Pro solutions from RMB173.5 million in 2023 to RMB110.7 million in 2024, consistent with our overall strategy to prioritize advanced driving assistance solutions over basic ones and to adjust our product offerings in response to changing market needs.

#### *Cost of sales*

Our cost of sales rose by 35.4% from RMB841.8 million in 2023 to RMB1,139.9 million in 2024, which was in line with the increase in production and deliveries of our driving assistance products and solutions particularly with respect to the more advanced FT Max and FT Ultra solutions.

Specifically, such increase was attributed primarily to the increased cost of sales incurred by our FT Max solutions by 74.4% from RMB274.2 million in 2023 to RMB478.3 million in 2024, and our FT Ultra solutions by 35.5% from RMB415.8 million in 2023 to RMB563.6 million in 2024, both of which were consistent with the growth of revenue of the respective solutions. Such increase was partially offset by the decreased cost of sales incurred by our FT Pro solutions from RMB151.8 million in 2023 to RMB98.0 million in 2024, consistent with the scale-down of sales of our FT Pro solutions as part of our strategic resource optimization, representing our adjustment in product mix to proactively reduce the volume of FT Pro, based on the anticipated market demands.

#### *Gross profit and gross profit margin*

As a result of the foregoing, our gross profit increased by 117.8% from RMB65.8 million in 2023 to RMB143.4 million in 2024. Our gross profit margin was 7.3% and 11.2% in the 2023 and 2024, respectively.

The increase in our overall gross profit margin was primarily driven by (i) the increase in the gross profit margin for sales of our FT Max solutions, which represented a significant contributor to our revenue in 2024, increased from 5.6% in 2023 to 14.3% in 2024, primarily attributed to controlled growth of costs compared to relatively fast growth of revenue as a result of our improved economies of scale, as well as (ii) the increase in the gross profit margin for sales of our FT Ultra solutions, which increased from 6.3% in 2023 to 8.3% in 2024, primarily due to the increased sales of FT Ultra solutions as the result of entering into mass production phase and the improved economies of scale.

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The increase in our gross profit margin was partially offset by the decreased gross profit margin for sales of our FT Pro solutions, which decreased from 12.5% in 2023 to 11.5% in 2024, which we chose to prioritize advanced driving assistance solutions over basic ones and to adjust our product offerings in response to changing market needs.

### *Gross Profit Margin Improvement in the Second Half of 2024*

We recorded a significant improvement in gross profit margins in the second half of 2024, with gross profit margin increasing to 12.8% for the second half of 2024, compared to 6.0% in the first half of the year. This trend of stronger gross margin performance in the second half has also been observed in previous years and reflects several underlying drivers.

Sales and production volumes were notably higher in the latter half of the year due to seasonal demand patterns. In 2023 and 2024, revenue generated in the second half accounted for approximately 74.3% and 75.7% of full-year revenue, respectively. The larger scale of operations during this period allowed us to achieve greater production efficiency and better absorption of fixed manufacturing overheads, leading to a 47% reduction in per-unit manufacturing costs compared to the first half of 2024.

In addition, higher production volume supported greater procurement scale. Through close coordination between our R&D and procurement teams and the adoption of a platform-based hardware design strategy, we streamlined component selection and concentrated our sourcing of key parts such as power management chips, memory chips, and passive components. This approach strengthened our bargaining power with suppliers. As historical inventory was gradually consumed in the second half of the year, the benefits of reduced procurement costs became more evident.

We also continued to optimize the cost structure of our products. Leveraging domestic supply chain capabilities, we were the first Tier 1 supplier in China to launch a self-developed and in-house manufactured camera module based on domestically produced image sensors, according to CIC. This was made possible through strategic cooperation with a local image sensor supplier. The initiative resulted in a 20% reduction in the cost of the camera module, without compromising product quality or reliability.

These improvements reflect the scaling potential of our operations, the effectiveness of our cost optimization measures, and our continued supply chain and product design enhancements.

### *Selling expenses*

Our selling expenses increased by 20.6% from RMB41.1 million in 2023 to RMB49.6 million in 2024. This increase was mainly driven by a rise in employee benefit expenses of RMB6.5 million due to the increase of compensation level to support our growing business. To a lesser extent, the increased selling expenses were also attributed to the increase in share-based payments of RMB2.1 million. Accordingly, our selling expenses accounted for 4.5% and 3.9% of our revenue in 2023 and 2024, respectively. We expect our selling expenses to remain stable in the near future.

### *Administrative expenses*

Our administrative expenses increased by 9.7% from RMB91.2 million in 2023 to RMB100.1 million in 2024. This increase was mainly driven by an increase in (i) [REDACTED] expenses of RMB15.0 million in relation to the [REDACTED] and (ii) share-based payments of RMB8.5 million in connection with the grant of share incentive awards to our employees due to our expansion, partial offset by the decrease of employee benefit expenses of RMB8.8 million. Despite of the slight increase of our administrative expenses in the absolute amount, our administrative expenses as percentage of our revenue in 2024 decreased to 7.8% from 10.1% in 2023.

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### *Research and development expenses*

Our research and development expenses decreased by 20.4% from RMB561.2 million in 2023 to RMB446.8 million in 2024. This decrease was mainly driven by a decline in employee benefit expenses of RMB111.2 million due to the streamlining of our personnel structure and our efforts to optimize our operational efficiency. As a result, our research and development expenses as percentage of our revenue in 2024 decreased to 34.8% from 61.8% in 2023. With our *ODIN* architecture’s advancement, we expect our research and development expenses to remain stable or even decrease as a percentage of revenue.

### *Net impairment gains on financial assets*

We recorded net impairment gains on financial assets of RMB26.6 million and RMB8.4 million in 2023 and 2024, respectively, which was attributed to the increase in the amount of accounts receivables.

### *Other income*

Our other income increased by 46.5% from RMB16.0 million in 2023 to RMB23.4 million in 2024. This was primarily due to the increase in government grants.

### *Other losses — net*

Our other losses — net remained stable at RMB2.6 million and RMB2.6 million in 2023 and 2024, respectively.

### *Finance costs — net*

Our finance costs — net decreased by 29.1% from RMB142.1 million in 2023 to RMB100.8 million in 2024. The decrease was primarily attributed to the decrease in interest expenses on redemption liabilities from RMB96.9 million in 2023 to RMB49.7 million in 2024, mainly representing the amortized cost of our preferred shares.

### *Share of net loss of associates accounted for using the equity method*

We recorded share of net loss of associates accounted for using the equity method in the amount of RMB6.3 million and RMB1.9 million in 2023 and 2024, respectively, representing the losses recorded by our investees.

### *Income tax expense*

We recorded income tax expense of RMB2.0 million and RMB1.3 million in 2023 and 2024, respectively.

### *Loss for the year*

As a result of the foregoing, our loss for the year decreased by 28.5% from RMB738.1 million in 2023 to RMB527.7 million in 2024.

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### DISCUSSION OF CERTAIN KEY ITEMS FROM OUR CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The table below sets forth the selected information from our consolidated statements of financial position as of the dates indicated, which have been extracted from our audited consolidated financial statements included in Appendix I to this Document.

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Total non-current assets . . . . .	475,904	382,801	393,471
Total current assets . . . . .	1,036,023	2,013,777	2,336,984
<b>Total assets . . . . .</b>	<b>1,511,927</b>	<b>2,396,578</b>	<b>2,730,455</b>
Total non-current liabilities . . . . .	2,040,467	638,329	1,210,508
Total current liabilities . . . . .	1,240,862	1,677,856	1,767,580
<b>Total liabilities . . . . .</b>	<b>3,281,329</b>	<b>2,316,185</b>	<b>2,978,088</b>
<b>Net (liabilities)/assets . . . . .</b>	<b>(1,769,402)</b>	<b>80,393</b>	<b>(247,633)</b>
Paid-in capital . . . . .	805,911	–	–
Share capital . . . . .	–	1,004,466	1,004,466
Treasury stock . . . . .	(1,251,000)	–	–
Reserves . . . . .	1,267,686	1,682,681	1,712,813
Accumulated losses . . . . .	(2,591,999)	(2,606,754)	(2,964,912)
<b>Total (deficit)/equity . . . . .</b>	<b>(1,769,402)</b>	<b>80,393</b>	<b>(247,633)</b>

The following table sets forth our current assets and current liabilities as of the dates indicated.

	As of December 31,			As of
	2023	2024	2025	March 31,
	<i>(RMB in thousands)</i>			2026
<b>Current assets</b>				
Inventories . . . . .	419,193	573,901	846,052	934,109
Trade and notes receivables . . . . .	497,882	735,638	752,796	368,283
Prepayments and other receivables . . . . .	23,541	15,717	50,742	41,095
Financial assets at fair value through other comprehensive income . . . . .	12,958	31,361	5,336	39
Restricted cash . . . . .	22,300	3,000	49,050	302,534
Cash and cash equivalents . . . . .	60,149	654,160	633,008	738,580
Financial assets at fair value through profit or loss . . . . .	–	–	–	50,000
<b>Total current assets . . . . .</b>	<b>1,036,023</b>	<b>2,013,777</b>	<b>2,336,984</b>	<b>2,434,640</b>
<b>Current liabilities</b>				
Trade and notes payables . . . . .	460,441	956,462	1,037,063	1,085,102
Other payables and accruals . . . . .	143,868	172,249	165,557	173,391
Contract liabilities . . . . .	13,725	11,230	17,424	7,758
Borrowings . . . . .	610,102	529,652	540,999	712,670
Lease liabilities . . . . .	12,726	8,263	6,537	7,992
<b>Total current liabilities . . . . .</b>	<b>1,240,862</b>	<b>1,677,856</b>	<b>1,767,580</b>	<b>1,986,913</b>
<b>Net current (liabilities)/assets . . . . .</b>	<b>(204,839)</b>	<b>335,921</b>	<b>569,404</b>	<b>447,727</b>

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Our net current assets decreased from RMB569.4 million as of December 31, 2025 to RMB447.7 million as at March 31, 2026, primarily due to (i) a decrease in trade and notes receivables of RMB384.5 million and (ii) an increase in borrowings of RMB171.1 million, partially offset by (i) an increase of restricted cash of RMB253.5 million, (ii) an increase in cash and cash equivalents of RMB105.6 million, and (iii) an increase in inventories of RMB88.1 million.

Our net current assets increased from RMB335.9 million as of December 31, 2024 to RMB569.4 million as at December 31, 2025, primarily due to (i) an increase in inventories of RMB272.2 million and (ii) an increase in restricted cash of RMB46.1 million, partially offset by (i) an increase of trade and notes payables of RMB80.6 million and (ii) a decrease in financial assets at fair value through other comprehensive income of RMB26.0 million.

We recorded net current assets of RMB335.9 million as of December 31, 2024, as compared to net current liabilities of RMB204.8 million as of December 31, 2023, primarily due to the increases in (i) cash and cash equivalents of RMB594.0 million, (ii) trade and notes receivables of RMB237.8 million, and (iii) inventories of RMB154.7 million, partially offset by the increase in trade and notes payables of RMB496.0 million.

### Inventories

Our inventories primarily consist of (i) raw materials and parts, such as electronic components, automotive-grade chips, PCB and camera modules, (ii) semi-finished goods, mainly representing PCBA, (iii) finished goods, mainly representing driving assistance solutions that are ready for transit at our manufacturing facilities or in transit to fulfill customer orders, and (iv) contract fulfillment costs, mainly representing direct labor, materials and allocations of costs arising from our commitments to carry out contracts related to driving assistance R&D services. The following table sets forth a breakdown of our inventory balances as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Raw materials and parts . . . . .	194,582	204,203	436,612
Semi-finished goods . . . . .	44,742	58,135	48,734
Finished goods . . . . .	141,327	216,501	267,047
Contract fulfillment costs . . . . .	90,843	126,887	123,371
<b>Subtotal</b> . . . . .	<b>471,494</b>	<b>605,726</b>	<b>875,764</b>
Less: provision for inventories . . . . .	(52,301)	(31,825)	(29,712)
<b>Total</b> . . . . .	<b>419,193</b>	<b>573,901</b>	<b>846,052</b>

The increase in our inventories during the Track Record Period was generally in line with our business expansion over time.

Inventories are stated at the lower of cost and net realizable value as stated in Note 18 to the Accountant’s Report in Appendix I to this document. The net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. During the Track Record Period, we recognized provision for inventories primarily due to (i) global shortage of semiconductor chips which resulted in heightened procurement costs of such components, (ii) relatively low utilization of our inventories due to the lower sales volume of products than anticipated, and (iii) relatively higher production costs for certain products that had yet reached the mass production stage. We had provision for inventories of RMB52.3 million and RMB31.8 million and RMB29.7 million as of December 31, 2023, 2024 and 2025, respectively. The provision for inventories in 2023, 2024 and 2025 was mainly made to net realizable value of our inventories. We believe the provisions for inventories were sufficient as of the end of each year of the Track Record Period, primarily because

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(i) the provision in relation to raw materials and semi-finished goods was made based on the net realizable value of our inventories, having considered the unit selling price of the goods sold less the estimated costs to complete production and sales, which remain in working order and are suitable for the production of our products, and (ii) the provision in relation to finished goods were made to net realizable value of our inventories, having considered the expansion of our product range and the subsequent sales of these products, and (iii) the provision in relation to contract fulfillment costs was made based on the circumstances of each contract, having considered the estimated costs to completion and the estimated costs necessary to make the sale for such services. In light of the increased demand and sales volume, we believe that sufficient provision has been made. We also believe that by maintaining optimal inventory levels, we can meet our customers’ demand and ensure their satisfaction without compromising our liquidity. To this end, we have put in place a set of policies and procedures to manage our inventories.

The following table sets forth an aging analysis of our inventories as of the dates indicated.

	As of December 31,					
	2023		2024		2025	
	<i>RMB</i>	<i>%</i>	<i>RMB</i>	<i>%</i>	<i>RMB</i>	<i>%</i>
	<i>(in thousands, except percentages)</i>					
Within 6 months . . . . .	363,878	77.2	405,158	66.9	667,978	76.4
Between 6 months and 1 year . . . . .	72,331	15.3	105,253	17.4	55,770	6.4
Over 1 year . . . . .	35,285	7.5	95,315	15.7	152,016	17.2
<b>Total . . . . .</b>	<b><u>471,494</u></b>	<b><u>100.0</u></b>	<b><u>605,726</u></b>	<b><u>100.0</u></b>	<b><u>875,764</u></b>	<b><u>100.0</u></b>

Our inventories turnover days subsequently decreased from 173 days in 2023 to 157 days in 2024, and further to 134 days in 2025, primarily due to the significant increase in the sales volume of our driving assistance products and solutions as well as our enhanced inventory management. Inventories turnover days are based on the average balance of inventories 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.

We provided provision for inventories of RMB52.3 million, RMB31.8 million and RMB29.7 million as of December 31, 2023, 2024 and 2025, respectively. See Note 18 to the Accountant’s Report included in Appendix I to this Document for details. We review the condition of our inventories regularly and review recoverability and aging of inventories at the end of each year. Taking into account that (i) our comprehensive solution portfolio requires various hardware in relatively high volume; (ii) we strategically maintain sufficient supply to meet the demand and support our business growth; (iii) a substantial majority of our inventories as of December 31, 2023, 2024 and 2025 aged within one year and were subsequently utilised or expected to be utilised in one year; (iv) we have made provisions for inventories with no explicit usage plan and the remaining inventories remain in working order and suitable for production; (v) we have implemented an effective inventory management system to monitor our inventory levels and recoverability, identify and account for inventory risks and impairment provisions; we also regularly review our inventories to identify items with low sales or usage value and make impairment provisions accordingly and further assess inventories based on the lower of cost or net realizable value to make any additional impairment provisions; and (vi) for inventories over one year, we provided sufficient provision by estimating the net realizable value based on relevant input such as backlog orders, technology obsolescence, quality ratings, recent and expected sales/usage rate, among others; we are of the view that we have made sufficient provision for inventories, including those for over one year, during the Track Record Period and there is no material recoverability issue for our inventories.

As of March 31, 2026, RMB510.3 million, or 58.3% of our inventories outstanding as of December 31, 2025 had been subsequently sold or utilized.

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### Trade and Notes Receivables

Our trade and notes receivables primarily represent (i) trade receivables, consisting mainly of the receivables from customers of our driving assistance products and solutions, and (ii) note receivables, representing bank acceptance notes from customers as payment. The following table sets forth a breakdown of our trade and notes receivables balances as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Trade receivables . . . . .	528,646	778,236	796,163
Note receivables . . . . .	50,617	30,415	26,110
<b>Subtotal</b> . . . . .	<b>579,263</b>	<b>808,651</b>	<b>822,273</b>
Less: allowance for impairment . . . . .	(81,381)	(73,013)	(69,477)
<b>Total</b> . . . . .	<b>497,882</b>	<b>735,638</b>	<b>752,796</b>

Our trade and notes receivables increased from RMB497.9 million as of December 31, 2023 to RMB735.6 million as of December 31, 2024, and further to RMB752.8 million as of December 31, 2025 primarily due to our overall business growth. We recorded allowance for impairment of trade and notes receivables of RMB81.4 million, RMB73.0 million and RMB69.5 million as of December 31, 2023, 2024 and 2025, for the provisions for bad assets based on the expected credit loss rate.

The following table sets forth an aging analysis of our trade and notes receivables as of the dates indicated in both absolute number and as a percentage of total trade and notes receivables.

	As of December 31,					
	2023		2024		2025	
	<i>(in thousands, except percentages)</i>					
	<i>RMB</i>	<i>%</i>	<i>RMB</i>	<i>%</i>	<i>RMB</i>	<i>%</i>
Within 6 months . . . . .	487,459	84.1	761,338	94.1	759,006	92.3
Between 6 months and 1 year . . . . .	58,175	10.0	3,945	0.5	14,880	1.8
1-2 years . . . . .	13,614	2.4	10,255	1.3	9,659	1.2
Over 2 years . . . . .	20,015	3.5	33,113	4.1	38,728	4.7
<b>Total</b> . . . . .	<b>579,263</b>	<b>100.0</b>	<b>808,651</b>	<b>100.0</b>	<b>822,273</b>	<b>100.0</b>

Our trade and notes receivables turnover days increased from 145 days in 2023 to 173 days in 2024, which was primarily due to our overall strong business growth and a stronger seasonality effect in 2024 compared to 2023. With vehicle sales peaking in the second half of 2024, our corresponding year-end trade and notes receivables balance was higher in 2024 than in 2023. Our trade and notes receivables turnover days decreased to 118 days in 2025, primarily due to the collection of outstanding customer payments carried over from the end of 2024 and improved collection efficiency on 2025 sales. Trade receivables turnover days are based on the average balance of trade and notes receivables divided by revenue 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.

It is worth noting, however, that our receivables aging profile has improved. Notably, the proportion of trade and notes receivables aged within six months increased to 94.1% in 2024, compared to 84.1% in 2023, reflecting enhanced collection efficiency. The proportion of trade and notes receivables aged within six months decreased to 92.3% in 2025.

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## FINANCIAL INFORMATION

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As of March 31, 2026, RMB648.8 million, or 81.5% of our trade receivables as of December 31, 2025 had been subsequently settled. The relatively low subsequent settlement for trade receivables was mainly because the majority of these receivables had not become due as of March 31, 2026. We will diligently monitor and collect the outstanding trade receivables as they become due; however, we do not expect there is any recoverability issue for trade receivables.

### Prepayments and Other Receivables

Our prepayments and other receivables represent input VAT deductibles, raw materials prepayments, and rental deposits and guarantees. Our prepayments and other receivables decreased from RMB23.5 million as of December 31, 2023 to RMB15.7 million as of December 31, 2024, primarily attributable to a decrease of RMB8.8 million in prepayments for purchase of raw materials from third parties, which was mainly associated with the reduced procurement of raw materials as a result of improved inventory management. Our prepayments and other receivables increased to RMB50.7 million as of December 31, 2025, primarily attributable to the increase of (i) input VAT to be deducted of RMB22.2 million, (ii) prepayments for [REDACTED] expenses of RMB4.7 million, and (iii) prepayments for purchase of raw materials from third parties of RMB2.9 million.

As of March 31, 2026, RMB23.2 million, or 45.6% of our prepayments and other receivables as of December 31, 2025 had been subsequently settled.

### Financial Assets at Fair Value through Profit or Loss

We recorded financial assets at fair value through profit or loss of nil and RMB50.0 million as of December 31, 2025 and March 31, 2026, respectively.

Our investments classified as financial assets at FVTPL will comply with Chapter 14 of the Listing Rules after the [REDACTED]. In particular, any investment or disposal we make following the [REDACTED] will be assessed against the relevant percentage ratios to determine whether it constitutes a notifiable transaction under the Listing Rules, and we will ensure that all necessary disclosures, announcements, and approvals are made in a timely manner.

Our investment strategy prioritizes liquidity, safety, and reasonable returns, with the objective of preserving capital and ensuring the availability of funds to support business operations, while maintaining a conservative risk profile. During the Track Record Period, we primarily allocated surplus cash to structured deposits, which are principal-protected deposit products with low risk profiles issued by reputable commercial banks. We did not purchase any wealth management products during the Track Record Period. To ensure prudent management of surplus funds, the Group follows a centralized investment management approach under the supervision of the finance department and senior management, which reviews investment allocation on a regular basis in light of market conditions, liquidity needs and capital planning.

We have established a comprehensive internal control system governing our investment management activities. We conduct due diligence on counterparties before entering into any investment arrangement, and our finance department performs regular performance and risk reviews on existing investments. Any proposed investment exceeding RMB30.0 million must be submitted to our board of directors for review and approval. Any acquisition or disposal of material assets by us or our subsidiaries within a one-year period that exceeds 30% of our latest audited total assets shall be subject to approval by the Shareholders’ meeting. Any material deviation from approved parameters or significant market fluctuation will trigger an immediate reassessment and adjustment of the portfolio.

## FINANCIAL INFORMATION

Our board of directors and senior management are actively involved in our investment oversight. The board reviews and approves material investment proposals, policy updates, and risk management reports on a regular basis. The board also periodically reviews the adequacy and effectiveness of our internal controls and risk management systems over investment activities to ensure compliance with our internal policies and external regulatory requirements.

Our management team possesses substantial expertise in investment and treasury management. The core members of our finance department are all qualified in finance and accounting, with extensive experience in corporate finance and risk assessment. See “Directors and Senior Management.” Their professional judgment ensures that investment decisions are consistent with the Group’s overall risk appetite, capital needs, and business development strategies.

### Financial Assets at Fair Value through Other Comprehensive Income

Our financial assets at fair value through other comprehensive income represent bills receivables in the form of account receivables financing with reputable commercial banks in the PRC. We recorded financial assets at fair value through other comprehensive income of RMB13.0 million and RMB31.4 million and RMB5.3 million as of December 31, 2023, 2024 and 2025.

### Restricted Cash

We had restricted cash of RMB22.3 million, RMB3.0 million and RMB49.1 million as of December 31, 2023, 2024 and 2025, which mainly represents the amount of security deposit.

### Cash and Cash Equivalents

We had cash and cash equivalents of RMB60.1 million, RMB654.2 million and RMB633.0 million as of December 31, 2023, 2024 and 2025, respectively. See “— Liquidity and Capital Resources — Cash Flow Analysis.”

### Trade and Notes Payables

Our trade and notes payables primarily represent the amounts payable to raw materials suppliers and other product and service providers. Our trade and notes payables increased from RMB460.4 million as of December 31, 2023 to RMB956.5 million as of December 31, 2024, and further increased to RMB1,037.1 million as of December 31, 2025, which aligned with our increased procurement to support our business expansion.

The following table sets forth the aging analysis of our trade and notes payables as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Within 6 months . . . . .	397,761	899,153	1,032,707
Between 6 months and 1 year . . . . .	58,717	11,410	4,104
Between 1 year and 2 years . . . . .	3,953	45,690	94
Over 2 years . . . . .	10	209	158
<b>Total . . . . .</b>	<b>460,441</b>	<b>956,462</b>	<b>1,037,063</b>

## FINANCIAL INFORMATION

Our trade and notes payables turnover days increased from 143 days in 2023 to 224 days in 2024, primarily due to the increased procurement to support our business expansion. Our trade and notes payables turnover days decreased to 187 days in 2025, primarily due to the settlement of trade payables with suppliers in 2025. Trade and notes payables turnover days are based on the average balance of trade payables 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.

As of March 31, 2026, RMB506.9 million, or 51.9% of our trade payables outstanding as of December 31, 2025 had been subsequently settled.

### Other Payables and Accruals

The following table sets forth the details of our other payables and accruals as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Payroll and welfare payables . . . . .	82,195	75,003	74,087
Payables for purchases of long-term assets . .	27,943	11,982	15,730
Accrued expenses . . . . .	20,895	58,240	59,826
Payables for [REDACTED] expenses . . . . .	–	16,581	8,845
Other taxes payables . . . . .	9,168	8,925	3,372
Others . . . . .	3,667	1,518	3,697
<b>Total</b> . . . . .	<b>143,868</b>	<b>172,249</b>	<b>165,557</b>

Our other payables and accruals increased from RMB143.9 million as of December 31, 2023 to RMB172.2 million as of December 31, 2024, primarily due to the increase in accrued expense, as well as the increase in payables for [REDACTED] expenses in relation to the [REDACTED]. Our other payables and accruals decreased to RMB165.6 million as of December 31, 2025, primarily due to the decrease in payroll and welfare payables due to operation optimization, accrued expenses and payables for [REDACTED] expenses.

As of March 31, 2026, RMB54.4 million, or 32.8% of our other payables and accruals outstanding as of December 31, 2025 had been subsequently settled.

### Contract Liabilities

Our contract liabilities primarily represent the advance payments made by customers while the underlying services or products are yet to be provided. We recorded contract liabilities of RMB13.7 million, RMB11.2 million and RMB17.4 million as of December 31, 2023, 2024 and 2025. Changes in our contract liabilities are primarily due to the fluctuations in the ordinary course of our business development as we convert advanced payments in the form of contract liabilities to recognized revenue in accordance with our accounting policy based on different phase of projects.

As of March 31, 2026, RMB10.3 million, or 58.9% of our contract liabilities outstanding as of December 31, 2025 had been subsequently recognized as revenue.

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### Property, Plant and Equipment

The following table sets forth a breakdown of our property, plant and equipment as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Machinery and molds . . . . .	89,382	91,071	88,458
Vehicles . . . . .	2,450	1,630	968
Electronic equipment and others . . . . .	18,123	12,136	16,160
Furniture . . . . .	347	324	242
Leasehold improvements . . . . .	6,420	6,280	11,565
Construction in progress . . . . .	16,221	6,712	7,855
<b>Total . . . . .</b>	<b>132,943</b>	<b>118,153</b>	<b>125,248</b>

The slight decrease in the carrying amount of our property, plant and equipment from 2023 to 2024 was primarily relating to depreciation during the ordinary business. The property, plant and equipment increased to RMB125.2 million as of December 31, 2025, primarily due to an increase in electronic equipment and others to support the development of our solutions and an increase in leasehold improvements in connection with the renovation of our product line.

### Intangible Assets

Our intangible assets consist of software. Our intangible assets decreased from RMB297.1 million as of December 31, 2023 to RMB214.3 million as of December 31, 2024, which was primarily due to amortization. Our intangible assets increased to RMB220.0 million as of December 31, 2025 primarily due to purchase of new technology license.

### Investments Accounted for Using the Equity Method

Our investments accounted for using the equity method primarily represents our equity investment in business entities that we have significant influence but not control or joint control. Our investments accounted for using the equity method decreased from RMB27.6 million as of December 31, 2023 to RMB26.1 million as of December 31, 2024, and further to RMB25.4 million as of December 31, 2025, which were primarily due to the business performance and financial results of the associates.

### LIQUIDITY AND CAPITAL RESOURCES

We have historically funded our cash requirements mainly from shareholder contributions, equity investments and bank loans. After the [REDACTED], we intend to finance our future capital requirements through cash generated from our business operations, and the net [REDACTED] from the [REDACTED]. We currently do not anticipate any changes to the availability of financing to fund our operations in the near future. We had cash and cash equivalents of RMB60.1 million, RMB654.2 million and RMB633.0 million, and had restricted cash of RMB22.3 million, RMB3.0 million and RMB49.1 million as of December 31, 2023, 2024 and 2025, respectively.

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### Cash Flow Analysis

The following table sets forth our cash flows for the years indicated.

	For the year ended December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Operating cash flows before movements in working capital . . . . .	(424,896)	(275,848)	(115,478)
Changes in working capital . . . . .	(71,758)	122,397	(300,269)
Interest received . . . . .	491	2,088	3,085
Income taxes paid . . . . .	(1,952)	(1,331)	(93)
Net cash used in operating activities . . . .	(498,115)	(152,694)	(412,755)
Net cash used in investing activities . . . .	(28,726)	(22,919)	(112,354)
Net cash generated from financing activities . . . . .	248,426	769,624	503,957
<b>Net increase/(decrease) in cash and cash equivalents . . . . .</b>	<b>(278,415)</b>	<b>594,011</b>	<b>(21,152)</b>
Cash and cash equivalents at the beginning of the year . . . . .	338,564	60,149	654,160
Effect of foreign exchange differences (net) . . . . .	0	0	0
<b>Cash and cash equivalents at the end of the year . . . . .</b>	<b>60,149</b>	<b>654,160</b>	<b>633,008</b>

#### *Net cash used in operating activities*

As part of our efforts to improve operating cash inflow, we have actively communicated with customers to shorten payment cycles and strengthen receivables management. These initiatives have led to a notable improvement in collection efficiency, with the proportion of trade and notes receivables aged within six months rising to 94.1% in 2024, compared to 84.1% in 2023. 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) decrease in trade and notes payables of RMB80.6 million due to the settlement of trade payables in all year, (ii) increase in inventories of RMB288.0 million, which was generally in line with our business expansion over time, and (iii) decrease in other payables and accruals of RMB8.1 million, primarily due to the decrease in payroll and welfare payables, partially offset by (i) decrease in trade and notes receivables of RMB46.3 million, and (ii) decrease in financial assets at fair value through other comprehensive income of RMB26.0 million. We have implemented several measures to improve our cash flow position, including: (i) enhancing collaboration across sales, marketing, production, and procurement teams to improve the accuracy of sales forecast and plan on inventory accordingly, (ii) maintain more appropriate inventory level and improve inventory turnover rate utilizing digital tools and (iii) engage in active communication with our customers to obtain more favorable credit terms and ensure timely receivables collection.

Net cash used in operating activities in 2024 was 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

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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.

Net cash used in operating activities in 2023 was RMB498.1 million, which consists primarily of loss before income tax of RMB736.1 million, adjusted for certain non-cash and non-operating items. Adjustments for such non-cash and non-operating items primarily include finance costs — net of RMB142.1 million. The amount was further adjusted by changes in working capital, primarily including (i) increase in trade and notes receivables of RMB275.6 million, (ii) increase in trade and notes payables of RMB254.0 million, (iii) decrease in prepayments and other receivables of RMB26.8 million, and (iv) increase in inventories of RMB77.8 million.

### *Net cash used in investing activities*

Net cash used in investing activities in 2025 was RMB112.4 million, which consists primarily of payments for financial assets at fair value through profit or loss of RMB245.0 million, payments for intangible assets of RMB96.1 million, partially offset by proceeds from disposals of financial assets at fair value through profit or loss of RMB245.3 million.

Net cash used in investing activities in 2024 was RMB22.9 million, which consists primarily of loans to related parties of RMB200.0 million, which represents loans to Jiaying Jilixin and Jiaying Yilixin, partially offset by repayment of loans from related parties of RMB204.2 million.

Net cash used in investing activities in 2023 was RMB28.7 million, which consists primarily of payments for property, plant and equipment of RMB24.6 million, partially offset by proceeds from short-term bank time deposits of RMB10.0 million.

### *Net cash generated from financing activities*

Net cash generated from financing activities in 2025 was RMB504.0 million, which consists primarily of proceeds from borrowing of RMB1,769.2 million, partially offset by repayments of borrowings of RMB1,212.5 million.

Net cash generated from financing activities in 2024 was RMB769.6 million, which consists primarily of proceeds injected by shareholders of RMB598.0 million, proceeds from issuance of shares of RMB300.0 million and proceeds from borrowings of RMB469.2 million, partially offset by repayments of borrowings of RMB560.9 million.

Net cash generated from financing activities in 2023 was RMB248.4 million, which consists primarily of proceeds from borrowings of RMB630.1 million and proceeds injected by shareholders of RMB312.4 million, partially offset by repayments of borrowings of RMB669.8 million.

## INDEBTEDNESS

The following table sets forth our indebtedness as of the dates indicated:

	As of December 31,			As of March 31,
	2023	2024	2025	2026
				<i>(unaudited)</i>
				<i>(RMB in thousands)</i>
<b>Current</b>				
Borrowings . . . . .	610,102	529,652	540,999	712,670
Lease liabilities . . . . .	12,726	8,263	6,537	7,992

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	As of December 31,			As of March 31,
	2023	2024	2025	2026
	<i>(RMB in thousands)</i>			<i>(unaudited)</i>
<b>Non-current</b>				
Borrowings . . . . .	622,193	625,546	1,200,013	1,150,789
Lease liabilities . . . . .	10,645	4,826	3,827	5,791
Redemption liabilities . . . . .	1,396,597	–	–	–
<b>Total . . . . .</b>	<b><u>2,652,263</u></b>	<b><u>1,168,287</u></b>	<b><u>1,751,376</u></b>	<b><u>1,877,242</u></b>

### Borrowings

The overall increase in the balance of our borrowings during the Track Record Period were primarily due to the growing cash requirements in line with our business expansion and our continued efforts to optimize our debt structure by making better utilization of our debt financing resources and raising funds with lower costs. Bank borrowings are primarily from well-established commercial banks in China. As of March 31, 2026, all of our borrowings were denominated in Renminbi, and had interest rates ranging from 2.20% to 6.00% per annum.

The table below sets forth a breakdown of our borrowings as of the dates indicated:

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	<i>(RMB in thousands)</i>			<i>(unaudited)</i>
<b>Non-current liabilities:</b>				
Bank borrowings <sup>(1)</sup> . . . . .	135,000	110,500	657,030	601,030
Other borrowings <sup>(2)</sup> . . . . .	487,193	515,046	542,983	549,759
<b>Current liabilities:</b>				
Bank borrowings <sup>(3)</sup> . . . . .	153,000	464,666	500,385	692,670
Other borrowings <sup>(4)</sup> . . . . .	457,102	64,986	40,614	20,000
<b>Total . . . . .</b>	<b><u>1,232,295</u></b>	<b><u>1,155,198</u></b>	<b><u>1,741,012</u></b>	<b><u>1,863,459</u></b>

*Notes:*

- (1) Represents the long-term bank borrowings that were unsecured and guaranteed.
- (2) Represents the long-term other borrowings that were secured and unguaranteed.
- (3) Among the current portion of bank borrowings as of December 31, 2023, 2024 and 2025, and March 31, 2026, current portion of long-term bank borrowings that were unsecured and guaranteed amounted to RMB18.0 million, RMB141.5 million RMB48.3 million and RMB252.3 million, bank borrowings that were unsecured and guaranteed amounted to RMB130.0 million, RMB283.2 million RMB422.1 million and RMB392.4 million, bank borrowings that were secured and unguaranteed amounted to nil, RMB30.0 million RMB20.0 million and RMB20.0 million, and bank borrowings that were unsecured and unguaranteed amounted to RMB5.0 million, RMB10.0 million RMB10.0 million and RMB28.0 million.
- (4) Among the current portion of other borrowings as of December 31, 2023, 2024 and 2025, and March 31, 2026, current portion of long-term other borrowings that were secured and unguaranteed amounted to RMB250.0 million, RMB40.0 million, RMB20.0 million and nil, other borrowings that were secured and unguaranteed amounted to RMB22.5 million, RMB5.0 million, RMB0.6 million and nil, and other borrowings that were unsecured and unguaranteed amounted to RMB184.6 million, RMB20.0 million, RMB20.0 million and RMB20.0 million.

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For details, see Note 30 to the Accountant’s Report included in Appendix I to this Document. As of March 31, 2026, we had committed unutilized banking facilities of RMB2,349.8 million.

### Lease Liabilities

Our lease liabilities are in relation to properties that we lease primarily for our offices and manufacturing facilities. The following table sets forth the details of our lease liabilities as of the dates indicated.

	As of December 31,			As of March 31,
	2023	2024	2025	2026
				<i>(unaudited)</i>
		<i>(RMB in thousands)</i>		
Current lease liabilities . . . . .	12,726	8,263	6,537	7,992
Non-current lease liabilities . . . . .	10,645	4,826	3,827	5,791
<b>Total . . . . .</b>	<b>23,371</b>	<b>13,089</b>	<b>10,364</b>	<b>13,783</b>

As of December 31, 2023, 2024 and 2025, we recognized total lease liabilities of RMB23.4 million, RMB13.1 million and RMB10.4 million, respectively, which was in line with our business strategy. As of March 31, 2026, we had total lease liabilities of RMB13.8 million.

### Contingent Liabilities

As of December 31, 2023, 2024 and 2025, and March 31, 2026, we did not have any significant contingent liabilities. Our Directors confirmed that there had not been any material change in the contingent liabilities of our Company since March 31, 2026 and up to the Latest Practicable Date.

### Financial guarantee for a related party

On September 13, 2024, we, as the guarantor, entered into a maximum guarantee agreement of RMB24 million with a commercial bank in the PRC to guarantee borrowing incurred by a related party, Jiaxing Yilixin, for the period from September 13, 2024 to September 13, 2030. As of December 31, 2024, December 31, 2025 and March 31, 2026, the maximum amount of financial guarantee provided by the Group was RMB24.0 million.

### Indebtedness Statement

Our Directors confirm that there was no material covenant on any of our outstanding debt and that our Group did not experience any difficulty in obtaining bank loans and other borrowings, material default in payment of trade and non-trade payables, bank loans and other borrowings or breach of covenants during the Track Record Period and up to the date of this Document.

Save as disclosed above, as of March 31, 2026, being the most recent practicable date for determining our indebtedness, we did not have any outstanding mortgages, charges, debentures, other issued debt capital, bank overdrafts, borrowings, liabilities under acceptance or other similar indebtedness, hire purchase commitments, guarantees or other material contingent liabilities. Our Directors have confirmed that there had been no material change in our indebtedness since March 31, 2026 and up to the date of this Document.

## FINANCIAL INFORMATION

### CAPITAL EXPENDITURES AND LONG-TERM INVESTMENTS

The following table sets forth our capital expenditures and long-term investments for the years indicated.

	For the year ended December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
<b>Capital expenditures</b>			
Purchase of property, plant and equipment . . . . .	24,631	23,064	16,854
Purchase of other intangible assets . . . . .	9,732	3,840	96,090
<b>Subtotal</b> . . . . .	<b>34,363</b>	<b>26,904</b>	<b>112,994</b>
<b>Long-term investments</b>			
Investment in associates . . . . .	2,450	350	–
<b>Subtotal</b> . . . . .	<b>2,450</b>	<b>350</b>	<b>–</b>
<b>Total</b> . . . . .	<b>36,813</b>	<b>27,254</b>	<b>112,994</b>

We will continue to make capital expenditures to meet the expected growth of our business and our expansion plan. See “Future Plans and Use of [REDACTED] — Use of [REDACTED].” We intend to fund our future capital expenditures with financial resources available to us, including our existing cash balance, cash generated from our operation activities, and net [REDACTED] from the [REDACTED].

### CONTRACTUAL OBLIGATIONS

#### Capital Commitments

Our capital commitments mainly represent the capital expenditure in respect of the purchase of property, plant and equipment contracted for but not provided in the historical financial information. Our capital commitments amounted to RMB7.4 million as of December 31, 2023, RMB39.6 million as of December 31, 2024, and RMB59.6 million as of December 31, 2025 which was in line with the ongoing construction and completion of our production bases.

### KEY FINANCIAL RATIOS

	For the year ended/As of December 31,		
	2023	2024	2025
Revenue growth . . . . .	177.0%	41.4%	77.7%
Adjusted net loss margin (non-IFRS measure) . . . . .	(69.1)%	(34.7)%	(14.5)%
Current ratio <sup>(1)</sup> . . . . .	0.83	1.20	1.32
Quick ratio <sup>(2)</sup> . . . . .	0.50	0.86	0.84

*Notes:*

- (1) Calculated using current assets divided by current liabilities as of the end of the year.
- (2) Calculated using current assets less inventories and divided by current liabilities as of the end of the year.

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## FINANCIAL INFORMATION

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### RELATED PARTY TRANSACTIONS

We enter into transactions with our related parties from time to time. During the Track Record Period, we entered into a number of related party transactions, pursuant to which: (i) we sold goods to certain related parties, (ii) we purchased raw materials and services from certain related parties, (iii) we paid rental fees to certain related parties for factory premises and bore the corresponding interest on lease liabilities and (iv) we made loans to certain related parties. Substantially all of our balances with related parties were trade in nature during the Track Record Period. We expect that the balances with related parties that were non-trade in nature will be settled before the proposed [REDACTED]. For details of our related party transactions, see Note 36 to the Accountant’s Report included in Appendix I to this Document.

On September 13, 2024, we, as the guarantor, entered into a maximum guarantee agreement (the “**Maximum Guarantee Agreement**”) with a commercial bank in the PRC, as the lender, for the indebtedness incurred by Jiaxing Yilixin (the “**ESOP Platform Indebtedness**”), as the borrower, during the period between September 13, 2024 and September 13, 2030. The maximum amount of the indebtedness subject to the guarantee obligation under the Maximum Guarantee Agreement is RMB24 million, which equals to the amount under a loan arrangement extended by such commercial bank to Jiaxing Yilixin for the period between September 13, 2024 and September 13, 2030. The indebtedness subject to the Maximum Guarantee Agreement is non-trade in nature and will not be settled prior to the [REDACTED]. We have assessed that the credit risk of the guarantee has not significantly increased and remains at stage 1, so the financial guarantee liability under the Maximum Guarantee Agreement was not significant as of December 31, 2024, based on the expected credit losses in accordance with IFRS 9.

Jiaxing Yilixin is one of our Equity Incentive Platforms and therefore a member of the Single Largest Shareholders Group. The proceeds of the indebtedness incurred by Jiaxing Yilixin were used for the purposes of satisfying the payment obligation of Jiaxing Yilixin for its subscription of shares in the Company in connection with implementation of the Equity Incentive Schemes, under which certain Eligible Participants subscribed for partnership interest in Jiaxing Yilixin (which in turn subscribed for shares in the Company) and were required to fund the subscription consideration. Given the significant financial commitment involved, we supported Eligible Participants through financing arrangements to facilitate their participation, as part of our efforts to promote the sustainable growth of the performance of our Group, bring value-added benefits to the Eligible Participants while enhancing the value of our Group, and thus unify and promote the common development of both the Eligible Participants and our Group. Eligible Participants who enjoy such financial assistance remain subject to the payment obligation in relation to their subscription of partnership interests in Jiaxing Yilixin (which in turn subscribed for shares in the Company). Specifically, for 40% of the financed subscription amount, Eligible Participants are granted a 60-month interest-free period, with repayment to be made through per-share deductions from the proceeds of any disposal of their Incentive Awards. The remaining 60% is subject to repayment over six years in equal quarterly installments of principal and interest. As advised by our PRC Legal Advisor, the Company Law of the PRC was amended and enacted in July 2024, which allows a company to provide loan, security, or other financial assistance in the implementation of share incentive schemes, and the guarantee provided by us under the Maximum Guarantee Agreement in connection with the ESOP Platform Indebtedness for the purpose of subscription of the Company’s Shares by Jiaxing Yilixin is in compliance with the above provision.

The Maximum Guarantee Agreement contains customary negative covenants, including limitations on significant disposal, change of control, restructuring or insolvency, etc., and customary events of default, including material misrepresentations, material adverse changes on the Group’s business operations or financial results, and restructuring, bankruptcy or insolvency.

Our Directors are of the view that each of the related party transactions set out in Note 37 to the Accountant’s Report included in Appendix I to this Document was conducted in the ordinary course of business on an arm’s length basis and with normal commercial terms between the relevant parties. Our Directors are also of the view that our related party transactions during the Track Record Period would not distort our track record results or cause our historical results to become non-reflective of our future performance.

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## FINANCIAL INFORMATION

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Pursuant to Rule 14A.31 of the Listing Rules, continuing connected transactions are connected transactions involving the provision of goods or services or financial assistance, which are carried out on a continuing or recurring basis and are expected to extend over a period of time. The guarantee under the Maximum Guarantee Agreement is subordinate to the ESOP Platform Indebtedness, which is a one-off transaction that has been entered into prior to [REDACTED] and thus, is not subject to the requirements under Chapter 14A of the Listing Rules. Since the ESOP Platform Indebtedness and in turn, the guarantee transaction, will not be recurring after [REDACTED], it will not constitute a continuing connected transaction subject to relevant requirements under Chapter 14A of the Listing Rules after [REDACTED]. As the payment obligation on the part of Jiaxing Yilixin in connection with its subscribed Shares in our Company has been fulfilled by the relevant loan, it will not incur further indebtedness in such regard and in turn, we do not expect any further guarantee will be provided to Jiaxing Yilixin following the [REDACTED].

Except for the guarantee in connection with the ESOP Platform Indebtedness, there is no existing loan or guarantee arrangement between the Company and any other connected persons of the Company as of the Latest Practicable Date.

### OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any financial guarantees or other commitments to guarantee the payment obligations of any third parties. We have not entered into any derivative contracts that are indexed to our shares and classified as Shareholder’s equity or that are not reflected in our consolidated financial statements. Furthermore, we do not have any retained or contingent interest in assets transferred to an unconsolidated entity that serves as credit, liquidity or market risk support to such entity. We do not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or engages in leasing, hedging or product development services with us.

### FINANCIAL RISKS DISCLOSURE

We are exposed to a variety of financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risk), credit risk and liquidity risk. Our overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on our financial performance. We do not use any derivative financial instruments to hedge certain risk exposures during the Track Record Period. See Note 3 to the Accountants’ Report set out in Appendix I to this Document for details of our exposure to financial risk.

### DIVIDENDS

No dividend was paid or declared by our Company or other entities comprising our Group during the Track Record Period. As of the Latest Practicable Date, we did not have a formal dividend policy or a fixed dividend distribution ratio. The declaration and payment of any dividends in the future will be determined by our Shareholders and subject to our Articles of Association and the PRC Company Law, and will depend on a number of factors, including our earnings and financial condition, operating requirements, capital requirements and any other conditions that our Shareholders may deem relevant. As confirmed by our PRC Legal Advisor, any future net profit that we make will have to be applied to make up for our historically accumulated losses in accordance with the PRC laws, after which we will be obliged to allocate 10% of our profit to our statutory common reserve fund until such fund has reached more than 50% of our registered capital. We will therefore only be able to declare dividends after (i) all our historically accumulated losses have been made up for, and (ii) we have allocated sufficient profit to our statutory common reserve fund as described above.

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## FINANCIAL INFORMATION

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After the [REDACTED], we may declare and pay dividends mainly by cash or by stock that we consider appropriate. Decisions to declare or to pay any dividends in the future, will depend on, among other things, our Company’s profitability, operation and development plans, external financing environment, costs of capital, our Company’s cash flows and other factors that our Directors may consider relevant. Our ability to make dividends in the future also depends on whether we can receive dividends from our subsidiaries.

### WORKING CAPITAL SUFFICIENCY

Our Directors are of the opinion that, taking into account the financial resources available to our Group, including the estimated net [REDACTED] from the [REDACTED] and the expected cash generated from operating activities, we have sufficient working capital for our present requirements and for the next 12 months from the date of this Document.

### DISTRIBUTABLE RESERVES

As of December 31, 2025, we had no distributable reserves.

### [REDACTED] EXPENSES

Our [REDACTED] expenses mainly include (i) [REDACTED] expenses, such as [REDACTED] fees and [REDACTED], and (ii) non-[REDACTED] expenses, comprising professional fees paid to our legal advisors and Reporting Accountant for their services rendered in relation to the [REDACTED] and the [REDACTED], and other fees and expenses. Assuming full payment of the discretionary incentive fee, the estimated total [REDACTED] expenses (based on the mid-point of the [REDACTED] and assuming that the [REDACTED] is not exercised) for the [REDACTED] are approximately RMB[REDACTED], accounting for approximately of [REDACTED]% of our gross [REDACTED]. Among such estimated total [REDACTED] expenses, we expect to pay [REDACTED] expenses of RMB[REDACTED], professional fees for our legal advisors and Reporting Accountant of RMB[REDACTED] and other fees and expenses of RMB[REDACTED]. An estimated amount of RMB[REDACTED] for our [REDACTED] expenses, accounting for approximately [REDACTED]% of our gross [REDACTED], is expected to be expensed through the statement of profit or loss and an estimated amount of RMB[REDACTED] is expected to be recognized directly as a deduction from equity upon the [REDACTED]. We did not recognize any [REDACTED] expenses in 2023. We recognized [REDACTED] expenses of RMB15.0 million in 2024 and RMB12.4 million in 2025. The [REDACTED] expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

### NO MATERIAL ADVERSE CHANGE

Our Directors have confirmed that, up to the date of this Document, there had been no material adverse change in our financial, operational or trading position, indebtedness, contingent liabilities or prospects since December 31, 2025, which is the end date of the years reported on in the Accountant’s Report included in Appendix I to this Document, and there had been no event since December 31, 2025 that would materially affect the information shown in the Accountant’s Report set out in Appendix I to this Document.

### DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors confirm that, except for the amounts due from related parties as disclosed in this section, as of the Latest Practicable Date, there were no circumstances that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

### UNAUDITED [REDACTED] ADJUSTED NET TANGIBLE ASSETS

Please refer to “Appendix II — Unaudited [REDACTED] Financial Information” for further details.