This summary aims to give you an overview of the information contained in this Document. As this is a summary, it does not contain all the information that may be important to you. You should read the entire Document before you decide to invest in our H Shares. There are risks associated with any investment. Some of the particular risks in investing in our H Shares are set out in the section headed "Risk Factors" in this Document. You should read that section carefully before you decide to invest in our H Shares. Various expressions used in this section are defined in the sections headed "Definitions" and "Glossary of Technical Terms" in this Document.

WHO WE ARE

We are a leading software-focused L2-L2+ and L4 driving solutions provider in China, with a track record of commercialization at each of these automation levels. The chart below illustrates the classifications and definitions of each level of vehicle automation:

Definition of Vehicle Automation

	No Automation	Driver Assistance	Partial Automation		Conditional Automation	High Automation	Full Automation
	Level 0	Level 1	Level 2	Level 2+	Level 3	Level 4	Level 5
Driving & Supervising Responsibility	Drivers are responsible for driving and supervising the support feature as needed to maintain safety				Drivers are required to intervene only when requested by system in limited circumstances	Truly driver-less vehicles freeing human drivers from the need to perform driving tasks	
Feature Functionality	Limited to warnings and momentary assistance	Provide steering **OR** speed control to the driver	Provide steering **AND** brake/ acceleration support to the driver	Drive vehicles under limited conditions with human supervision	Can drive under limited conditions and will not operate unless all required conditions are met		Drive vehicles under all conditions
Example Features	Primary features mainly provide warnings	Lane centering **OR** Cruise control	Lane centering **AND** Adaptive cruise control	Highway NOA City NOA	Highway chauffeur	May achieve driving without pedal or steering wheels in certain circumstances	Drive everywhere in all conditions

Source: SAE, news, expert interviews, industry publications, CIC

For L2-L2+ solutions, we offer driving and parking solutions as well as intelligent cockpit solutions with active safety features such as Driver Monitoring Systems ("**DMS**"). We are the second largest software-focused L2-L2+ solutions provider in China that provides both driving and parking solutions in terms of installation volume in 2024, according to CIC. We are committed to serving the mass-market and making vehicle automation solution accessible to a broader population. Our L2-L2+ solutions help original equipment manufacturers ("**OEMs**") accelerate product iteration and improve R&D cost efficiency in an increasingly competitive environment. As of the Latest Practicable Date, we had obtained design wins for 198 vehicle models of 23 vehicle brands, and achieved mass-production for 105 vehicle models of six vehicle brands. In addition, 87 out of the 198 vehicle models for which we have obtained design wins cover overseas markets, and 59 of them have achieved mass-production. We have completed deliveries for mass-production in both domestic and overseas markets. We were the first Chinese provider that delivered L2-L2+ solutions in the overseas market, according to CIC.

We are also a leading L4 solutions provider in China. We offer safe and reliable L4 solutions to help fleet operators accelerate commercialization across a variety of application scenarios. In 2025, we generated revenue of RMB374.5 million from our L4 solutions, which contributed to 68.4% of our total revenue, with the majority of such revenue from L4 software solutions. As of the Latest Practicable Date, we had obtained indicative orders for L4 solutions covering over 2,500 Robobuses, Robotaxis and Robotrucks with aggregate contract value of over RMB1 billion to be delivered in the next three to five years, which demonstrated customer recognition of our ability to commercialize L4 solutions in scale.

We have successfully commercialized both L2-L2+ and L4 solutions and adopt a dual-track approach to develop our L2-L2+ and L4 solutions. We accumulate experience in research and development, engineering, verification and validation through L2-L2+ solutions, which lays the foundation for our L4 solutions developed on the same system architecture. At the same time, our L4 solutions generate high-quality data that are free from human bias and collected under real-world operating scenarios, which in turn facilitate the iteration and optimization of our L2-L2+ solutions.

Our Approach to Technology Development

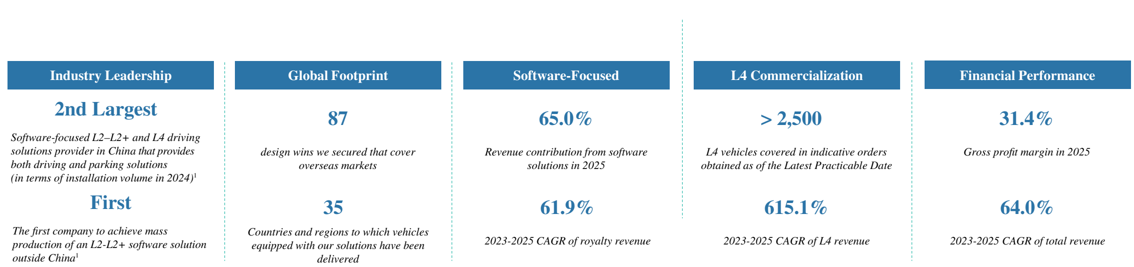
We have adopted a mass-production-oriented strategy underpinned by a forward-looking approach to technology development that is responsive to evolving regulatory frameworks, supply chain dynamics and market demand. Since our founding in 2016, we have been devoted to advancing core technologies in the field of L2-L2+ solutions and built a comprehensive technology portfolio, which includes multi-sensor fusion perception that combines data from cameras, radars and other vehicle-mounted sensors to form an accurate picture of the road environment, end-to-end driving systems that directly convert environmental input into driving decisions, and Vision-Language-Model/Vision-Language-Action (VLM/VLA) models that enable vehicles to interpret visual road scenes and language instructions before executing relevant driving actions.

Our technology development is based on CalmVolution, our proprietary, data-driven AI development platform, which includes three core subsystems: (1) the data closed-loop subsystem DataTurbo, (2) the model training and development platform CalmForge, and (3) the automated system integration platform CalmVergence, which together create a closed-loop workflow that spans the entire R&D cycle from data collection, data cleansing and data labelling to model training, system deployment, verification and validation, and data upload.

We adopt a modular approach to develop our AI models and software modules in our solutions. This framework breaks down system functions into independent, reusable components, which effectively shortens the adaptation cycle of our driving systems to different SoC platforms and the associated marginal R&D costs. In addition, our vehicle-to-cloud collaborative architecture supports two-way data interaction between vehicles and cloud servers. Through this architecture, data generated during the operation of authorized vehicles are automatically transmitted back to our DataTurbo system, creating a cycle that links data, models and application scenarios. We also apply multimodal AI large models across our workflows to further enhance R&D efficiency. For engineering and deliveries, we have established an engineering process and verification and validation standards that are in compliance with the requirements across major markets globally, including China, Southeast Asia, the Middle East, Central Asia, the European Union and North America. Our proprietary L2-L2+ and L4 driving solutions have passed multiple international regulatory and industry requirements.

Our Operational Highlights

With a mass-production-oriented strategy, we have established a leading market position in China's vehicle automation industry and achieved solid operational performance during the Track Record Period, as illustrated in the chart below.

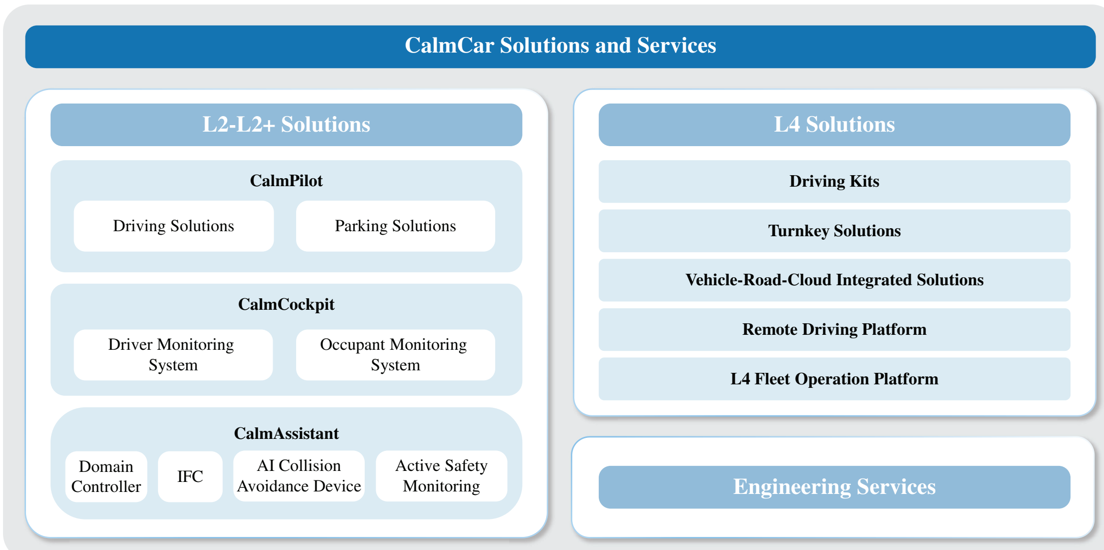


Note:

1. According to CIC.

Our Solutions and Services

Our offerings include software-only and software-and-hardware integrated solutions and span the automation levels of L2-L2+ and L4. We mainly provide software solutions for mass-produced passenger vehicles, and we do not engage in vehicle manufacturing.



OUR STRENGTHS

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

- We are a leading software-focused L2-L2+ and L4 driving solutions provider in China.
- We have advanced AI large model capabilities to deliver high-performance solutions.
- Our proprietary one-stop AI development platform enables high R&D efficiency and superior adaptability to SoC platforms.
- Our engineering capabilities ensure successful delivery and system reliability and flexibility.
- Synergistic reinforcement between our L2-L2+ mass-production experience and L4 commercialization drives efficient iteration of our technologies.
- We have established strategic collaborations with key players that offer complementary capabilities.
- Our management team possesses deep insights and extensive mass-production experience.

OUR STRATEGIES

Our development strategy will focus on four key dimensions — technology, products, market and ecosystem. Specifically, we will continue to (i) enhance the performance of our proprietary AI algorithms and strengthen our systematic R&D capabilities; (ii) accelerate the expansion of our diversified product portfolio and broaden the application scenarios of our L4 solutions; (iii) maintain long-term, stable competitiveness in the domestic market while extending our global presence; and (iv) develop diversified business models and build a more diverse and differentiated intelligent mobility service ecosystem to enhance our brand influence and industry synergies.

OUR MARKET OPPORTUNITIES

Vehicle automation has become one of the core trends re-shaping the global automotive industry. In 2024, the global market for mass-produced L2-L2+ and L4 solutions reached RMB80.5 billion, and is projected to increase to RMB279.5 billion by 2030. With the declining cost of and increasing demand for basic hardware such as domain controllers and chips, L2-L2+ solutions are expected to emerge as the most important market segment. The global market for L2-L2+ solutions is expected to reach approximately RMB245.2 billion by 2030 at a CAGR of over 13.0% from 2025 to 2030. At the same time, as hardware technologies continue to mature, the importance of software solutions will further increase in the future. According to the CIC Report, the global and China's mass-produced vehicle automation software solutions markets are expected to grow from RMB23.1 billion and RMB9.1 billion in 2024 to RMB81.1 billion and RMB31.5 billion by 2030, representing CAGRs of 17.1% and 18.9% from 2025 to 2030, respectively. As a cost-competitive player with accumulated mass-production experience in this sector, we are able to capture these emerging opportunities both domestically and globally.

China leads the global industry development of L4 driving solutions. The global market size of L4 driving solutions reached RMB8.6 billion in 2024, with China accounting for RMB4.8 billion, making it the world's largest L4 market. The global and China's L4 markets are expected to grow to RMB505.6 billion and RMB324.0 billion by 2030, respectively. We believe that, as market demand continues to grow and regulatory framework becomes clearer, we — as an L4 driving solutions provider with proven commercialization experience — will be able to secure a meaningful position in the future global market competition.

OUR CUSTOMERS AND SUPPLIERS

Our customers mainly include leading OEMs that install our L2-L2+ and L4 driving solutions on their vehicles, Tier-1 Suppliers that are direct suppliers to OEMs, and fleet operators. Revenue from our five largest customers in each year of the Track Record Period amounted to RMB186.1 million, RMB215.4 million and RMB193.5 million, representing 91.4%, 44.6% and 35.3% of our total revenue for the years ended December 31, 2023, 2024 and 2025, respectively. Revenue from our largest customer in each year of the Track Record Period amounted to RMB126.5 million, RMB73.5 million and RMB57.1 million, representing 62.1%, 15.2% and 10.4% of our total revenue for the years ended December 31, 2023, 2024 and 2025, respectively. See "Business — Our Customers."

Our major suppliers are primarily suppliers of ancillary technology services, chips and sensors. While we self-develop core components of our L2-L2+ and L4 driving solutions based on our CalmVolution platform, we outsource the development of ancillary components of our solutions, such as data collection, to third party software service providers to increase efficiency and reduce overall development costs. Purchases from our five largest suppliers in each year of the Track Record Period amounted to RMB114.9 million, RMB116.0 million and RMB140.4 million, representing 72.6%, 34.9% and 23.6% of our total purchases for the years ended December 31, 2023, 2024 and 2025, respectively. Purchases from our largest supplier in each year of the Track Record Period amounted to RMB60.7 million, RMB35.6 million and RMB41.6, representing 38.4%, 10.7% and 7.0% of our total purchases for the years ended December 31, 2023, 2024 and 2025, respectively. See "Business — Our Suppliers."

SEASONALITY

Our results of operations are subject to seasonal fluctuations, primarily driven by the seasonality of the automotive industry. In particular, our revenue typically increases in the fourth quarter as OEMs generally record higher vehicle sales and accelerate vehicle model launches toward year end, and is relatively lower in the first quarter, particularly around the Chinese New Year holiday. Such seasonality is not indicative of our full-year results, and we expect its impact to continue in the future. See "Financial Information — Key Factors Affecting Our Results of Operations — Seasonality."

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables set forth summary financial data from our historical financial information for the Track Record Period, extracted from the Accountants' Report set out in Appendix I to this Document. The summary historical financial data set forth below should be read together with, and is qualified in its entirety by reference to, our consolidated financial statements in this Document, including the related notes. Our historical financial information was prepared in accordance with IFRSs.

Summary of Consolidated Statements of Profit or Loss

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

	Year ended December 31,					
	2023		2024		2025	
	RMB	*% of revenue*	*RMB*	*% of revenue*	*RMB*	*% of revenue*
	(in thousands, except for percentages and per share data)					
Revenue	203,604	100.0	482,949	100.0	547,910	100.0
Cost of revenues	(131,723)	(64.7)	(338,267)	(70.0)	(375,684)	(68.6)
Gross profit	**71,881**	**35.3**	**144,682**	**30.0**	**172,226**	**31.4**
Other income	4,020	2.0	7,852	1.6	2,572	0.5
Impairment losses (including reversals of impairment losses or impairment gains) on financial assets	(290)	(0.1)	1,363	0.3	(4,835)	(0.9)
Loss on fair value changes of financial liabilities at FVTPL	(143,082)	(70.3)	(458,398)	(94.9)	(176,905)	(32.3)
Other gains and losses	(416)	(0.2)	(267)	(0.1)	(8,280)	(1.5)
Selling and marketing expenses	(8,547)	(4.2)	(5,534)	(1.1)	(12,627)	(2.3)
Administrative expenses	(42,600)	(20.9)	(29,292)	(6.1)	(49,159)	(9.0)
Research and development expenses	(105,538)	(51.8)	(117,186)	(24.3)	(92,314)	(16.8)
[**REDACTED**] expenses	–	–	–	–	[REDACTED]	[REDACTED]
Finance costs	(6,607)	(3.2)	(5,996)	(1.2)	(18,438)	(3.4)
Loss before tax	**(231,179)**	**(113.5)**	**(462,776)**	**(95.8)**	**(207,887)**	**(37.9)**
Income tax expense	–	–	–	–	–	–
Loss and total comprehensive expense for the year	**(231,179)**	**(113.5)**	**(462,776)**	**(95.8)**	**(207,887)**	**(37.9)**

Non-IFRS Measures

To supplement our consolidated financial statements, which are presented in accordance with IFRS Accounting Standards, we use adjusted loss for the year (non-IFRS measure) as an additional financial measure, which is defined as loss and total comprehensive expense for such year adjusted by adding back (i) loss on fair value changes of financial liabilities at fair value through profit or losses, and (ii) [**REDACTED**]. The loss on fair value changes of financial liabilities at FVTPL is mainly affected by fair value of underlying equity and preferential rights. The preferential rights were terminated on June 30, 2025. This non-IFRS measure is not required by, or presented in accordance with, IFRS Accounting Standards, may not be comparable to similarly titled measures presented by other companies and should not be considered in isolation from, or as a substitute for, our IFRS results.

The following table reconciles our adjusted loss for the year (non-IFRS measure) in the periods presented to the nearest measure prepared in accordance with IFRS Accounting Standards:

	Year ended December 31,		
	2023	2024	2025
		(in thousands)	
Loss and total comprehensive expense for the year	(231,179)	(462,776)	(207,887)
Add:			
– Loss on fair value changes of financial liabilities at fair value through profit or losses	143,082	458,398	176,905
– [**REDACTED**]	–	–	[**REDACTED**]
Adjusted loss for the year (non-IFRS measure)	**(88,097)**	**(4,378)**	**(10,855)**

Our adjusted loss for the year (non-IFRS measure) decreased significantly by 95.0% from RMB88.1 million in 2023 to RMB4.4 million in 2024 and increased to RMB10.9 million in 2025. The increase from 2024 to 2025 was primarily attributable to the increase in operating expenses as we conducted more frequent marketing activities to support customer engagement, business development and commercialization of our solutions.

Revenue

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

	Year Ended December 31,					
	2023		2024		2025	
	RMB	*% of revenue*	*RMB*	*% of revenue*	*RMB*	*% of revenue*
	(in thousands, except for percentages)					
Revenue						
L2-L2+ solutions	**183,672**	**90.2**	**187,280**	**38.8**	**139,167**	**25.4**
Software development and engineering services	152,328	74.8	152,699	31.6	95,118	17.4
Software royalty	12,090	5.9	21,071	4.4	31,693	5.8
Software and hardware integrated solution	19,254	9.5	13,510	2.8	12,356	2.3
L4 solutions	**7,325**	**3.6**	**242,758**	**50.2**	**374,532**	**68.4**
Software solution	82	0.0	185,606	38.4	229,177	41.8
Software and hardware integrated solution	7,243	3.6	57,152	11.8	145,355	26.5
Engineering services	**12,607**	**6.2**	**52,511**	**10.9**	**33,693**	**6.1**
Others	**–**	**–**	**400**	**0.1**	**518**	**0.1**
Total	**203,604**	**100.0**	**482,949**	**100.0**	**547,910**	**100.0**

Our revenue was RMB203.6 million, RMB482.9 million and RMB547.9 million in 2023, 2024 and 2025. In 2023, our revenue grew primarily due to the completion of several large-scale L2-L2+ software development projects in 2023. In 2024, our revenue achieved significant growth, mainly driven by a significant increase in our L4 revenue.

Our revenue increased from RMB482.9 million in 2024 to RMB547.9 million in 2025, primarily driven by the rapid expansion of our L4 business, especially the increase in installation volume of software and hardware integrated solutions in 2025, which have higher unit prices.

Cost of Revenues

Our cost of revenues consists of (i) outsourced technical services expenses, (ii) employee benefit expenses, (iii) raw materials, (iv) travel expenses and (v) others, primarily consisting of surcharges and maintenance costs.

The following table sets forth a breakdown of our cost of revenues by nature in absolute amounts and as percentages of our total cost of revenues for the years indicated:

	Year Ended December 31,					
	2023		2024		2025	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*
	(in thousands, except for percentages)					
Cost of Revenues						
Outsourced technical services expenses	77,241	58.6	183,363	54.2	204,372	54.4
Employee benefit expenses	28,075	21.3	95,449	28.2	43,860	11.7
Raw materials	22,260	16.9	58,402	17.3	126,278	33.6
Travel expenses	1,147	0.9	691	0.2	775	0.2
Others	3,000	2.3	362	0.1	399	0.1
Total	**131,723**	**100.0**	**338,267**	**100.0**	**375,684**	**100.0**

For the years ended December 31, 2023, 2024 and 2025, our cost of revenues amounted to RMB131.7 million, RMB338.3 million and RMB375.7 million, respectively, accounting for 64.7%, 70.0% and 68.6% of our total revenue for the same years, respectively. The increase in our cost of revenues during the Track Record Period was in line with the growth of our business.

Gross Profit and Gross Profit Margin

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

	Year Ended December 31,					
	2023		2024		2025	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
		%		*%*		*%*
	(in thousands, except for percentages)					
L2-L2+ solutions	**66,877**	**36.4**	**60,616**	**32.4**	**61,014**	**43.8**
Software development and engineering	59,665	39.2	41,479	27.2	33,733	35.5
Software royalty	5,598	46.3	16,934	80.4	25,883	81.7
Software and hardware integrated solution	1,614	8.4	2,203	16.3	1,398	11.3
L4 solutions	**2,591**	**35.4**	**63,159**	**26.0**	**101,011**	**27.0**
Software solution	74	90.2	56,298	30.3	78,648	34.3
Software and hardware integrated solution	2,517	34.8	6,861	12.0	22,363	15.4
Engineering services	**2,830**	**22.4**	**20,685**	**39.4**	**10,025**	**29.8**

	Year Ended December 31,					
	2023		2024		2025	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
		%		%		%
	(in thousands, except for percentages)					
Tax surcharge	**(417)**	**N/A**	**(178)**	**N/A**	**(342)**	**N/A**
Others	**–**	**–**	**400**	**100.0**	**518**	**100.0**
Total	**71,881**	**35.3**	**144,682**	**30.0**	**172,226**	**31.4**

For the years ended December 31, 2023, 2024 and 2025, our gross profit margin was 35.3%, 30.0% and 31.4%, respectively. The slight fluctuations in our gross profit margin was primarily due to the change in mix of our solutions. The decrease in our gross profit margin from 2023 to 2024 was primarily due to the increased revenue contribution of our L4 solutions which required higher software development cost and thus a relatively lower gross profit margin compared with the gross profit margins of our L2-L2+ solutions during the respective years. The increase in our gross profit margin from 30.0% in 2024 to 31.4% in 2025 was primarily driven by the significant improvement in our L2-L2+ gross profit margin from 32.4% in 2024 to 43.8% in 2025, as we continued to accumulate project execution experience which accelerated our development speed and in turn improved cost efficiency.

For details, see "Financial Information — Description of Major Components of Results of Operations" and "Financial Information — Discussion of Historical Results of Operations."

Summary of Consolidated Statements of Financial Positions

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

	As of December 31,		
	2023	2024	2025
	RMB	*RMB*	*RMB*
		(in thousands)	
Total non-current assets	67,295	80,801	278,870
Total current assets	391,660	514,134	900,243
Total assets	458,955	594,935	1,179,113
Total non-current liabilities	72	71,541	7,788
Total current liabilities	1,354,198	1,881,485	633,465
Total liabilities	1,354,270	1,953,026	641,253
Net (liabilities) assets	**(895,315)**	**(1,358,091)**	**537,860**
Net current (liabilities) assets	**(962,538)**	**(1,367,351)**	**266,778**

During the Track Record Period, we recorded net liabilities of RMB895.3 million and RMB1,358.1 million as of December 31, 2023 and 2024, respectively, and net assets of RMB537.9 million as of December 31, 2025. Our net liabilities increased from RMB895.3 million as of December 31, 2023 to RMB1,358.1 million as of December 31, 2024 primarily because we recorded loss and total comprehensive expense of RMB462.8 million in 2024. We recorded a turnaround from net liabilities of RMB1,358.1 million as of December 31, 2024 to net assets of RMB537.9 million as of December 31, 2025, primarily due to the derecognition and reclassification of financial liabilities at FVTPL as equity upon the waiver of shareholders' preferential rights, and capital injections from new investors during the year.

Our net current liabilities increased from RMB962.5 million as of December 31, 2023 to RMB1,367.4 million as of December 31, 2024, primarily due to (i) an increase in financial liabilities at FVTPL of RMB426.4 million in relation to the fluctuation reflecting the fair value change in redeemable preferred equity, which is mainly affected by fair value of underlying equity and preferential rights, and (ii) an increase in current borrowings of RMB151.0 million, partially offset by (i) an increase in trade and other receivables and prepayment of RMB251.9 million, which was in line with the expansion of our business scale, and (ii) a decrease in contract liabilities of RMB67.8 million, primarily due to the receipt of certain advance payments for our projects in 2023.

We recorded a turnaround from net current liabilities of RMB1,367.4 million as of December 31, 2024 to net current assets of RMB266.8 million as of December 31, 2025, primarily due to (i) the derecognition of financial liabilities at FVTPL of RMB1,300.0 million upon the waiver of shareholders' preferential rights and their reclassification as equity, (ii) an increase in trade and other receivables and prepayment of RMB251.0 million in line with our revenue growth, and (iii) an increase in cash and cash equivalents of RMB193.9 million resulting from equity financing, partially offset by an increase in borrowings of RMB77.7 million.

For a detailed discussion of our current assets and current liabilities during the Track Record Period, see "Financial Information — Liquidity and Capital Resources — Current Assets/Liabilities."

Summary of Consolidated Statements of Cash Flows

The following table sets out a summary of our cash flows for the periods indicated:

	Year ended December 31,		
	2023	2024	2025
	RMB	*RMB* (*in thousands*)	*RMB*
Net cash generated from (used in) operating activities	114,554	(189,180)	(293,191)
Net cash generated from (used in) investing activities	10,751	(54,734)	(124,661)
Net cash (used in) generated from financing activities	(28,993)	181,615	611,743
Net increase (decrease) in cash and cash equivalents	96,312	(62,299)	193,891
Cash and cash equivalents at beginning of year	7,003	103,315	41,016
Total cash and cash equivalents at end of year	**103,315**	**41,016**	**234,907**

We recorded net cash inflow from operating activities of RMB114.6 million in 2023, and net cash used in operating activities of RMB189.2 million and RMB293.2 million in 2024 and 2025, respectively. Our net operating cash outflows in 2024 and 2025 were primarily attributable to a significant increase in trade receivables driven by the rapid growth of our revenue with pronounced seasonality, where a substantial portion of our revenue was recognized in the fourth quarter of each year while customer payments were typically received in the first half of the following year. Specifically, our trade and other receivables and prepayment increased by RMB250.9 million in

2024 and a further RMB252.4 million in 2025. In 2025, the operating cash outflow was further impacted by a decrease in trade, bills and other payables of RMB34.3 million as we proactively settled certain historical outstanding balances with suppliers following the improvement of our liquidity position.

For a detailed discussion of our consolidated cash flow data during the Track Record Period, see "Financial Information — Liquidity and Capital Resources — Cash Flows."

Key Financial Ratios

The table below sets forth our key financial ratios for the periods indicated:

	Year ended December 31,		
	2023	2024	2025
Revenue growth	18.5%	137.2%	13.5%
Gross profit margin[1]	35.3%	30.0%	31.4%
Loss and total comprehensive expense (RMB in million)	231.2	462.8	207.9

Note:

(1) Gross profit margin represents gross profit for the period divided by revenue for the period and multiplied by 100%.

OUR FINANCIAL PERFORMANCE AND PATH TO PROFITABILITY

We have achieved rapid revenue growth, and recorded gross profit margins that were above industry average according to CIC, during the Track Record Period. Our revenue grew from RMB203.6 million in 2023 to RMB547.9 million in 2025 at a CAGR of 64.0%. Our gross profit margin was 35.3%, 30.0% and 31.4% in 2023, 2024 and 2025, respectively. In 2023, 2024 and 2025, we had loss and total comprehensive expense of RMB231.2 million, RMB462.8 million and RMB207.9 million, respectively. Our loss and total comprehensive expense decreased significantly by 55.1% from RMB462.8 million in 2024 to RMB207.9 million in 2025, and our adjusted loss for the year (non-IFRS measure) decreased significantly from RMB88.1 million in 2023 to RMB10.9 million in 2025, reflecting the continued improvement in our underlying operating performance.

We believe our path to profitability is supported by our asset-light, software-focused strategy, our software royalty model with higher gross profit margin, our customer base and project pipeline, and our R&D activities. Further detailed discussions, see "Business — Our Financial Performance and Path to Profitability."

RISK FACTORS

Our business and the [**REDACTED**] involve risks as set out in "Risk Factors" in this Document. You should read that section in its entirety carefully before you decide to invest in our H Shares. Some of the major risks we face include:

- We operate in an industry that is new and rapidly evolving, and our future growth is subject to significant uncertainty.

- We operate in highly competitive markets. We may not be able to compete effectively against our existing or potential competitors.

- We have a limited operating history, which makes it difficult to forecast our future results of operations, and our historical growth may not be indicative of our future performance.

- We have incurred net losses during the Track Record Period and may not be able to achieve or subsequently maintain profitability in the future. Our new business initiatives may further impact our profitability.

- We cannot assure you that our business strategies will succeed and bring sufficient growth.

- If the market acceptance of our solutions and related technologies fails to sustain or grow, it could have an adverse impact on our business, financial condition and results of operations.

- If we are unable to develop, introduce and commercialize new solutions and improve existing solutions in a cost-effective and timely manner, our competitive position, business, results of operations and financial condition would be adversely affected.

- The loss of, or a significant reduction in sales to, one or more of our major customers or failure to attract new customers could materially and adversely affect our business, results of operations and financial condition.

- We invest significantly in research and development, and to the extent our research and development efforts are unsuccessful, our competitive position would be negatively impacted and our business, results of operations, and financial condition would be adversely affected.

- There can be no assurance that our efforts can secure design wins for our products and solutions.

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, our Controlling Shareholders include Mr. Wang, Qingyuan Tiantong, Ningbo Tiantong and WX Technology. Mr. Wang was interested in approximately 40.83% of our share capital through (i) his direct interest of approximately 27.86%; (ii) his indirect interest of approximately 8.62% through Qingyuan Tiantong, an Employees Shareholding Platform, of which Mr. Wang held as to 99% of Ningbo Tiantong, the general partner of Qingyuan Tiantong; (iii) his indirect interest of approximately 4.36% through WX Technology, an Employees Shareholding Platform, where Mr. Wang controls the management decisions of WX Technology. For details, see "Relationship with our Controlling Shareholders".

[REDACTED] INVESTORS

Our [**REDACTED**] Investments consist of several rounds of investments from the [**REDACTED**] Investors by way of transfer of equity interests and/or subscription of our Shares. For details see "History, Development and Corporate Structure — [**REDACTED**] Investments".

DIVIDEND

We did not declare or pay dividends on our Shares during and after the Track Record Period. We currently expect to retain all future earnings for use in operation and expansion of our business, and do not anticipate paying cash dividends in the foreseeable future. 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. In addition, according to our dividend policy, any distribution of dividends shall be subject to (i) our remaining after-tax profit after making up losses and allocation of common reserve fund being positive, and our belief that our cash flow is adequate and such distribution would not affect our business sustainability, (ii) our auditors issuing a standard unqualified audit report for the year of the distribution, and (iii) the absence of major investment plans or significant capital expenditures (except for investment projects with raised funds) in the next 12 months. Currently, our Company does not have any pre-determined dividend distribution ratio.

[**REDACTED**] EXPENSES

Assuming full payment of the discretionary incentive fee, the estimated total [**REDACTED**] expenses in connection with the [**REDACTED**] (based on the Maximum [**REDACTED**] and assuming that the [**REDACTED**] is not exercised) are approximately [**REDACTED**], accounting for approximately [**REDACTED**]% of our gross [**REDACTED**] from the [**REDACTED**]. Of such amount, approximately [**REDACTED**], accounting for approximately [**REDACTED**]% of our gross [**REDACTED**] from the [**REDACTED**], is expected to be charged to our consolidated statement of profit or loss, and the remaining amount of approximately [**REDACTED**] is expected to be recognized directly as a deduction from equity upon the [**REDACTED**].

FUTURE PLANS AND [**REDACTED**]

We estimate that we will receive net [**REDACTED**] from the [**REDACTED**] of approximately HK$[**REDACTED**], after deducting [**REDACTED**], fees and estimated expenses payable by us in connection with the [**REDACTED**], assuming an [**REDACTED**] of HK$[**REDACTED**] per Share, being the mid-point of the indicative [**REDACTED**] range stated in this document, and assuming no exercise of the [**REDACTED**]. We intend to use the [**REDACTED**] from the [**REDACTED**] for the purposes and in the amounts set forth below:

- Approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**] million, will be used for enhancing our R&D capabilities for our solutions and products.

- Approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**] million, will be used for capital expenditure in relation to expanding and enhancing our production capabilities for software-and-hardware integrated products and R&D infrastructure as well as investments in high-quality enterprises in the vehicle automation solution ecosystem.

- Approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**] million, will be used for expanding our global sales network.

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

For further details, see the section headed "Future Plans and [**REDACTED**]."

[REDACTED] STATISTICS

	Based on an [REDACTED] of HK$[REDACTED] per [REDACTED]	Based on an [REDACTED] of HK$[REDACTED] per [REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
Unaudited [REDACTED] adjusted consolidated net tangible assets of the Group attributable to owners of the Company as of December 31, 2025 per Share(2)	[REDACTED]	[REDACTED]

Notes:

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

(2) The unaudited [**REDACTED**] adjusted consolidated net tangible assets attributable to equity shareholders of the Company per Share has been arrived at after adjustments referred to "Appendix II – Unaudited [**REDACTED**] Financial Information" to this document.

APPLICATION FOR [REDACTED] ON THE STOCK EXCHANGE

We have applied to the Stock Exchange for the granting of [**REDACTED**], and permission to deal in, our H Shares to be converted from the Domestic Unlisted Shares, and our H Shares to be issued pursuant to the [**REDACTED**] (including any H Shares which may be issued pursuant to the [**REDACTED**]). Our [**REDACTED**] application is made on the basis that, among other things, we satisfy the [**REDACTED**] test under Rule 8.05(3) of the Listing Rules with reference to (i) our revenue for the year ended December 31, 2025, being RMB547.9 million (equivalent to approximately HK$626.8 million), which is over HK$500 million; and (ii) our expected [**REDACTED**] at the time of [**REDACTED**], which, based on the low-end of the indicative [**REDACTED**] range, exceeds HK$4 billion.

[**REDACTED**] in the H Shares on the Hong Kong Stock Exchange are expected to commence on [**REDACTED**]. No part of our H Shares is [**REDACTED**] on or dealt in on any other stock exchange, and no such [**REDACTED**] or permission to [**REDACTED**] is being or proposed to be sought in the near future.

Under section 44B(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, any allotment made in respect of any application will be invalid if the [**REDACTED**] of, and permission to deal in, the H Shares on the Stock Exchange is refused before the expiration of three weeks from the date of the closing of the application lists, or such longer period (not exceeding six weeks) as may, within the said three weeks, be notified to our Company by or on behalf of the Stock Exchange.

RECENT REGULATORY DEVELOPMENT

Tariffs

We are closely monitoring potential changes in tariff policy and assessing the potential impact of such policy changes on our business operations and financial performance. For example, recently, the United States proposed to impose multiple rounds of tariffs on a wide range of goods imported from multiple countries, including China, and China responded with retaliatory tariffs. As advised by DLA Piper, our legal advisor as to international regulatory matters, U.S. import tariffs only apply to export of physical goods to the United States. Although we had historically exported certain products to the United States, the transaction amounts were minimal. During the Track Record Period, we completed a small number of export transactions with an aggregate contract value of approximately RMB68,300, primarily relating to camera equipment and related accessories. Such exports were immaterial and did not represent a significant portion of our revenue, and we have not had any exports of products to the United States since March 2025. On this basis, while such U.S. tariffs might impact global and regional economy in general and therefore might have an indirect impact on us, our Directors are of the view that such U.S. tariffs currently in force have had limited direct impact on our business, operations and financial performance during the Track Record Period and up to the Latest Practicable Date. In addition, the majority of our customers and suppliers are based in the PRC, and, we currently do not have any planned exports of goods to the United States. On this basis, the Directors are of the view that the U.S. tariffs are not expected to have any material adverse effect on the Group's business, operations or financial performance in the near future. However, given the current volatility in U.S.–China trade policy, the risk of further escalation or abrupt policy changes remains significant. As relevant policies are rapidly evolving, forecasting future implications remains challenging.

Separately, effective from October 30, 2024, the European Commission imposed countervailing duties on battery electric vehicles manufactured in China, resulting in total tariff rates ranging from 17.8% to 45.3% across the European Union, depending on the OEM with the lowest 17.8% rate applying for Tesla. During the Track Record Period and up to the Latest Practicable Date, we did not directly export any ADAS or ADS products to the European Union and did not record any revenue from the European Union in respect of such products. Accordingly, the EU countervailing duties did not have any direct impact on our products during such period. In addition, we currently have no plan to directly export ADAS or ADS products to the European Union in the near term. On this basis, the Directors are of the view that the EU countervailing duties have not had, and are not expected to have, any material adverse effect on the Group's business, operations or financial performance during the Track Record Period and up to the Latest Practicable Date, or in the near future.

U.S. Export Control Laws and Regulations

In recent years, the United States has expanded export controls restrictions on China through the Export Administration Regulations (the "**EAR**"), administered by the Bureau of Industry and Security of the United States Department of Commerce (the "**BIS**"). The United States in recent years has placed an increasing number of entities, including a number of entities in China, on the Entity List and other restricted or prohibited parties lists. In addition to naming additional persons to these lists, BIS has imposed complex and restrictive rules applicable to doing business with persons on them. We are not designated on the Entity List or any other export control or sanctions list maintained by the U.S. government. As advised by DLA Piper, our legal advisor as to international regulatory matters, our products are not subject to the EAR and our dealings with customers and suppliers are not subject to applicable U.S. export controls restrictions. We are not aware of any instances in which we have failed to comply with applicable U.S. export control or sanction laws during the Track Record Period and up to the Latest Practicable Date. In particular, during the Track Record Period and up to the Latest Practicable Date, we did not rely, and in the near term does not plan to rely, on any U.S.-origin items subject to heightened U.S. export controls or licensing requirements, such as high-performance GPUs imported from the United States, in our product pipeline. We have also established internal control procedures and policies designed to ensure compliance with applicable export control and sanctions laws and regulations, which have been reviewed and advised on by DLA Piper, as our legal adviser as to international regulatory matters. Based on the above and as advised by DLA Piper, our legal advisor as to international regulatory matters, our Directors are of the view that the current U.S. export control and sanction laws and regulations have not had, and are not expected to have any material adverse impact on our operations, financial performance or expansion plans. However, there can be no assurance that the current and/or future restrictions or regulations implemented by the U.S. government, or authorities in other jurisdictions, and related developments, will not have a negative impact on our business operations or reputation.

Global Shortage of Semiconductor Chips

Key components of our products include DRAM/NAND chips, microprocessors and other semiconductors. There has been a global shortage in the supply of DRAM/NAND chips due to a surge in demand from artificial intelligence data centers which require substantially greater memory capacity and processing bandwidth, and competition from other industries that require manufacturing capacity from the same suppliers. As a result, memory suppliers have, from time to time, prioritized allocations to artificial intelligence and data-center customers, reducing the supply available to the automotive sector. Any such disruptions could, among other things, lead suppliers to increase chip prices, thereby putting pressure on the Group's profit margins, require the Group to devote additional resources to negotiations with customers, or impact the Group's delivery schedules, any of which could in turn have an adverse effect on the Group's business, operations and financial performance. We therefore continue to monitor supply conditions closely and maintain relationships with multiple chip suppliers to mitigate potential supply chain risks.

U.S. Outbound Investment Rule

Effective on January 2, 2025, the final rule issued by Treasury to implement the executive order of August 9, 2023 imposes investment prohibition and notification requirements on U.S. Persons for a wide range of investments in entities associated with China (including Hong Kong and Macau) that are engaged in activities relating to three sectors: (i) semiconductors and microelectronics, (ii) quantum information technologies, and (iii) AI systems. U.S. persons subject to the Outbound Investment Rule are prohibited from making, or required to report, certain investments in covered foreign persons, which are defined as "covered transactions," and include acquisitions of equity interests (including contingent equity interests), certain debt financing, joint ventures, and certain investments as a limited partner in a non-U.S. person pooled investment fund. As advised by DLA Piper, our legal advisor as to international regulatory matters, our Directors are of the view that the Company, Suzhou Calmcar Electronics Technology Co., Limited, is not a "covered foreign person" as defined in the Outbound Investment Rule because the Company, Suzhou Calmcar Electronics Technology Co., Limited, does not engage in any "covered activity" as defined in the Outbound Investment Rule or otherwise meet the definition of a "covered foreign person" provided in the Outbound Investment Rule. Specifically, although two subsidiaries of the Company may be viewed as engaging in the "development" of "AI systems", and therefore may themselves constitute "covered foreign persons" under the Outbound Investment Rule, the Company itself (Suzhou Calmcar Electronics Technology Co., Limited) does not engage in any "covered activities" and does not derive or incur more than 50 percent of its revenue, net income, capital expenditures, or operating expenses from or through such subsidiaries. Accordingly, as advised by DLA Piper, our legal advisor as to international regulatory matters, the Directors are of the view that the Company, Suzhou Calmcar Electronics Technology Co., Limited, would not constitute a "covered foreign person" under the Outbound Investment Rule. However, there is no assurance that Treasury will take the same view. If we were to be deemed a covered foreign person due to changes in our business operations, amendments to relevant laws and regulations or other factors, our ability to raise capital would be significantly and negatively affected.

See "Risk Factors — Risks Relating to the Jurisdiction in Which We Operate — Changes in international trade policies, geopolitics and trade protection measures, export control, economic or trade sanctions and tariffs may materially and adversely affect our business, financial condition and results of operations."

The Regulations of the Assisted-driving Solutions in the PRC

In February 2026, the Ministry of Industry and Information Technology (MIIT) released the mandatory national standard "Intelligent and Connected Vehicles — Safety Requirements for Automated Driving Systems (Draft for Comments)" (智能網聯汽車自動駕駛系統安全要求(徵求意見稿)), explicitly stipulating for the first time that L3 and above systems must meet the highest level of ASIL-D functional safety requirements. The standard also incorporates core modules such as Safety Lifecycle Management and Safety of the Intended Functionality (SOTIF) into the rigorous management system for automotive safety components. Concurrently, two mandatory national standards — "Technical Requirements for Vehicle Information Security" (汽車整車信息安全技術要求) and "Intelligent and Connected Vehicles — Data Recording System for Automated Driving" (智能網聯汽車自動駕駛數據記錄系統) — came into effect on January 1, 2026. The former establishes that when an L3 system is properly activated and has not issued a request to intervene, the vehicle manufacturer shall bear the relevant liability in accordance with the law in the event of an accident, while the latter mandates that L3 and above vehicles must be equipped with an event data recorder (often referred to as a "black box") to completely retain key data from before and after an accident. In parallel, regions including Shanghai, Beijing, and Tianjin have introduced relevant local regulations, carrying out institutional explorations regarding autonomous driving testing, demonstration, and commercial application. On February 28, 2026, the Ministry of Public Security (MPS) issued the "Safety Traffic Regulations for Road Testing and Demonstration Application of Intelligent Connected Vehicles" (智能網聯汽車道路測試與示範應用安全通行規範), which will take effect on July 1, 2026. The regulations stipulate the traffic rules, driving standards, safety requirements, and principles for emergency response and accident liability determination for intelligent connected vehicles conducting road testing and demonstration applications on public roads.

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

We have obtained 50 additional design wins from nine vehicle brands subsequent to the Track Record Period. We have made steady progress in the commercialization of our L4 business across Robotaxi, Robobus and Robotruck projects. We have recently continued to advance the commercialization of our L4 solutions and obtained relevant road testing and demonstration application permits or notices for selected L4 projects. For Robotaxi, ConnectOne passed Guangzhou's Intelligent Connected Vehicle Road Test Examination in October 2025, and its commercial operation in Guangzhou is expected to commence in the second half of 2026. We are also delivering 1,000 Robotaxis to Lenovo Connect over a two-year period for operation across approximately 15 cities. For Robobus, after the Track Record Period, we launched a new autonomous Robobus operation route in Suzhou, connecting the University of Chinese Academy of Chinese Medical Sciences in Suzhou with Suzhou Rail Transit Line 7. We have also obtained relevant road testing and demonstration application notices in Suzhou for certain L4 projects, which support our continued testing, demonstration application and operational preparation for L4 solutions in approved scenarios. The obtaining and renewal of the above permits are subject to the approval process of relevant authorities and changes in the regulatory environment. We are also aware of recent media reports regarding the suspension of new autonomous driving permits in the PRC. Our existing approved L4 activities have not been ordered to suspend or cease, and our mass-production business relating to L2-L2+ solutions is not directly affected by such developments. However, changes in laws, regulations or approval practices, prolonged approval delays, heightened regulatory scrutiny or suspension of new permits could affect the timing and pace of road testing, demonstration applications, commercial pilot operations and overall commercialization of our L4 solutions. See "Business — Licenses, Permits and Approvals", "Regulatory Overview" and "Risk Factors — We operate in a highly regulated and evolving industry, and any adverse regulatory changes, non-compliance or failure to obtain or maintain necessary approvals, licenses and permits in a timely manner may adversely affect our business" for details.

In addition, we expect to incur net loss in 2026 because we are still in the ramp-up stage and expect to continue to make significant R&D investment, and we also expect to incur one-off share-based payment expenses in 2026. However, we expect our net operating cash flow to turn positive in 2026, primarily driven by the collection of a substantial portion of our outstanding trade receivables, resulting in an overall improvement in our cash flow position. For details of the reasons for our losses, see "Business — Business Sustainability."

After due and careful consideration, our Directors confirm that, up to the date of this document, there has not been any material adverse change in our financial or trading position or prospects since December 31, 2025, and there has been no event since December 31, 2025 which would materially affect the information shown in the Accountants' Report in Appendix I to this document.