SUMMARY

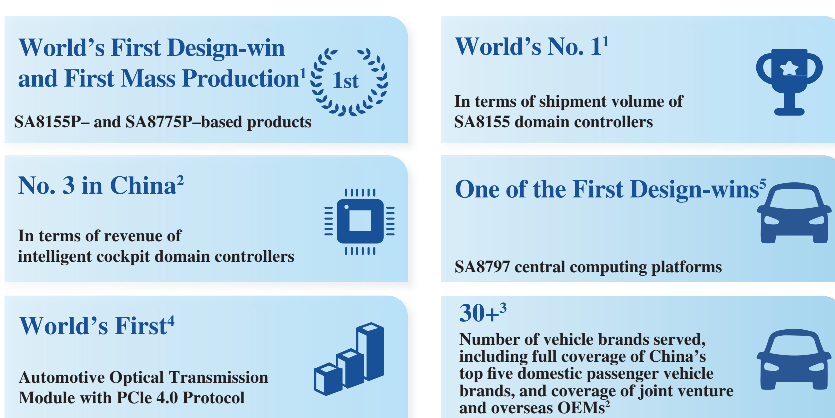
This summary aims to give you an overview of the information contained in this document. As this is a summary, it does not contain all the information that may be important to you. You should read this document in its entirety before you decide to invest in the [**REDACTED**]. *There are risks associated with any investment. Some of the particular risks in investing in the* [**REDACTED**] *are set out in "Risk Factors" of this document. You should read that section carefully before you decide to invest in the* [**REDACTED**]. *Your investment decision should be made in light of these considerations.*

OVERVIEW

Who We Are

We are a pioneer, promoter and key player in the evolution of the automotive E/E architecture. With our expertise in integrating all domains in intelligent automotive systems, we deliver integrated solutions encompassing hardware platforms, underlying software, application ecosystems and service architectures. Our product portfolio includes vehicle computing solutions and zone controllers solutions. Under our vehicle computing solutions, we offer OEMs the options of intelligent cockpit domain controller, integrated advanced driver assistance system (ADAS) and cockpit controller and the Autosee OS software platform. According to Frost & Sullivan, we ranked third in terms of revenue of intelligent cockpit domain controllers in China in 2025.

We adopt an open and collaborative approach, building strategic relationships with partners both globally and in China. By utilizing a modular structure within domain and cross-domain integrated architectures, we enable automotive OEM partners to participate in the selection of SoCs and algorithms, allowing for customized intelligent upgrades. This collaborative approach enables us to adapt to a continuously evolving technology landscape and meet diverse customer needs. As technology evolves, we leverage industry-leading resources to accelerate product innovation and development. As one of our core strategies, we proactively cooperate with various globally leading hardware partners, such as Bosch, NavInfo and Neusoft, and various chip manufacturers, such as Qualcomm, Renesas, SemiDrive and AutoChips, to develop a diverse range of products that work with all major SoC systems. We successfully achieved the world's first launch and mass production of the Qualcomm Snapdragon SA8155P–based intelligent cockpit domain controllers ("SA8155 domain controllers") in 2021 and Qualcomm Snapdragon Ride Flex SA8775P–based integrated ADAS and cockpit controllers ("SA8775 controllers") in 2025, respectively. According to Frost & Sullivan, we ranked first in terms of shipment volume of SA8155 domain controllers globally as of December 31, 2025. We also collaborate with top algorithm companies in the industry, such as Zhuoyu, to drive the implementation of autonomous driving algorithms onto our integrated ADAS and cockpit controller. We have established partnerships with multiple leading OEMs to reinforce our established industry position across a diverse customer base. As of December 31, 2025, we, as a Tier-1 supplier, have secured design-wins for mass production of our intelligent cockpit domain controllers in over 110 series of vehicle models.



Notes:

1. As of December 31, 2025 and according to Frost & Sullivan
2. In 2025 and according to Frost & Sullivan
3. As of December 31, 2025
4. According to Frost & Sullivan, as of the Latest Practicable Date and in partnership with ReinOCS
5. As of the Latest Practicable Date and according to Frost & Sullivan

Our Technologies and Solutions

We have a forward-looking perspective on automotive E/E architecture, supported by our comprehensive full-stack R&D capabilities spanning the entire technology chain. Our technological strengths lie in both hardware and software architecture, cross-domain intelligent technologies, on-device AI deployment and E/E architecture design capabilities.

Relying on these core technologies, our product portfolio has evolved beyond domain controllers to include intelligent cockpit domain controllers, integrated ADAS and cockpit controllers, as well as zone controllers. Notably, our design wins for intelligent cockpit domain controllers increased significantly, rising by 45 in 2024 and by 41 in 2025 as compared to their respective preceding year. During the Track Record Period, we delivered a cumulative aggregate of over 2.6 million shipments of vehicle computing solution and close to 60,000 zone controllers.

OUR STRENGTHS

We believe that the following competitive strengths have contributed to our success and differentiate us from our competitors.

- Promoter of global automotive intelligence, pioneer in domain controller ecosystem and key player in intelligent cockpit domain controllers;
- Comprehensive product portfolio and reliable manufacturing capabilities;
- Full-stack in-house R&D and platform-based capabilities to achieve cost reduction and efficiency enhancement;
- Open and flexible collaborative ecosystem;
- Deepened customer partnerships, unlocking possibilities along automotive value chain; and
- Efficient team productivity and experienced management team.

See "Business—Our Competitive Strengths."

OUR STRATEGIES

We are committed to reinforcing our forward-looking advantages and leading position in the global evolution of the automotive E/E architecture through the following growth strategies:

- Driving industry transformation through continuing technological innovation;
- Expanding our core products and solutions;
- Strengthening and expanding customer engagement within an open industry ecosystem; and
- Accelerating global expansion.

See "Business—Our Growth Strategies."

OUR BUSINESS MODEL

We operate an integrated business model that combines software, automotive-grade hardware and system-level engineering to deliver integrated intelligent connected vehicle (ICV) solutions to OEM customers. Our offerings span the entire development cycle of ICVs, from platform design and product R&D to mass production and lifecycle services. Through close collaboration with OEMs, we provide customized, scalable and software-defined solutions that enhance vehicle intelligence, comfort and connectivity.

Our business consists of two interrelated product lines, namely vehicle computing solutions and zone controllers, which together form a cross-domain and scalable computing framework of the vehicle, enabling OEMs to transition from distributed domain controllers to centralized and software-defined vehicle architectures. We provide these products either on a standalone basis or as customized combinations of hardware and software that are configured in accordance with the requirements of OEM vehicle programs. Leveraging our platform-based development capabilities, we design and deliver product portfolios and development scopes tailored to each OEM's technical specifications, enabling us to address differentiated needs across a broad range of vehicle models.

Vehicle Computing Solutions

Our vehicle computing solutions integrate software and hardware capabilities across intelligent cockpit, ADAS and other key vehicle functions. This product line encompasses our intelligent cockpit domain controllers, integrated ADAS and cockpit controllers, the Autosee OS software platform and display components. Together, they constitute a cross-domain and scalable E/E architecture of the vehicle and support the transformation toward software-defined architectures.

- *Intelligent cockpit domain controller.* It serves as the controller for infotainment, human-machine interaction and in-vehicle connectivity. It integrates multiple distributed ECU functions into a single computing platform, improving system stability and reducing wiring complexity. As of December 31, 2025, our intelligent cockpit domain controller portfolio primarily comprised (i) AL-C1, intelligent cockpit domain controller based on Snapdragon SA8155P, (ii) AL-C2, intelligent cockpit domain controller based on Snapdragon SA8255P, (iii) AL-N1, intelligent cockpit domain controller based on SemiDrive X9HP, (iv) AL-M1, intelligent cockpit domain controller based on MT8675 and (v) AL-M2, intelligent cockpit domain controller based on MT8676. See "Business — Our Product Portfolio — Vehicle Computing Solutions — Intelligent Cockpit Domain Controller" for details.

- *Integrated ADAS and cockpit controller.* It merges ADAS and cockpit functionalities into a single computing unit to enable cross-domain coordination and shared computing resources. This integration improves performance efficiency and supports L2+ highway and urban NOA.

- *Autosee OS software platform.* Our proprietary automotive-grade operating system connects hardware layers with intelligent applications. It provides a standardized operating environment, middleware, API framework and application layer apps, enabling OEMs to build customized HMI designs and differentiated in-vehicle experiences.

- *Display components.* We integrate high-quality, in-house produced displays into our vehicle computing solutions to ensure system-level compatibility and superior performance.

Zone Controller Solutions

Our zone controllers function as control nodes for body electronics, lighting, power distribution and comfort systems across different areas of the vehicle. They form the hardware foundation of a zonal E/E architecture that supports modular function deployment and centralized software management. Through flexible configuration and standardized interfaces, our zone controllers enable OEMs to simplify wiring harnesses, enhance reliability and reduce overall vehicle costs.

All product lines share a platform-based architecture and standardized interfaces, enabling seamless integration into a unified intelligent vehicle system. By leveraging shared software and hardware frameworks, we enhance R&D efficiency, product scalability and cross-project reusability.

We participate in OEM vehicle programs from early design stages to jointly define system requirements, perform hardware and software adaptation, and validate performance under production conditions. Through this co-development approach, we align our technology roadmap with OEM product strategies and accelerate commercialization.

We generate revenue from a combination of hardware sales, software licensing and R&D services. By integrating hardware, software and components into synergistic, upgradable systems, we help OEMs reduce development costs, accelerate time to market and enable ongoing value creation through OTA software updates and feature enhancements. Our business model positions us as a long-term strategic partner to OEMs in their transition toward SDVs.

SALES AND MARKETING

We have established a comprehensive sales and marketing management system that integrates customer relationship management, project pricing management and brand promotion. Leveraging our experienced sales and technical teams, we focus on maintaining close collaboration with OEM customers to understand their evolving needs, deliver customized solutions and continuously enhance customer satisfaction. Our marketing initiatives further strengthen our brand awareness, ensuring the stability and sustainability of our business development.

COMPETITION

Intelligent domain controller are an essential component in the automotive industry's intelligent transformation, providing users with the most tangible and perceivable benefits from automotive intelligence technologies. We primarily operate in the intelligent domain controller and zone controller market. The markets in which we operate are in their early stage of development and are intensely competitive. The markets are characterized by rapid changes in technology, shifting customer demands and frequent introduction of new services and products. We expect competition to continue, both from current competitors, who may be well-established and enjoy greater resources or other strategic advantages, as well as from new entrants into the market, some of which may become significant players in the future. For details, see "Industry Overview."

OUR CUSTOMERS AND SUPPLIERS

During the Track Record Period, we primarily sell vehicle computing solution to OEMs, who design, develop and manufacture passenger vehicles. Our current customers include some of the Chinese top brands, such as Geely, Chery and GAC. We provide solutions to 9, 11 and 19 customers in 2023, 2024 and 2025. In 2023, 2024 and 2025, revenue from our five largest customers accounted for 99.5%, 98.7% and 90.4% of our total revenue, respectively. In 2023, 2024 and 2025, revenue from our largest customer accounted for 59.0%, 58.7% and 30.6% of our total revenue, respectively. In view of our reliance on major customers, we have adopted measures to reduce reliance. We are continuing to diversify and broaden our customer base by engaging with a wider range of OEMs and establishing overseas operation centers. At the same time, we are deepening our relationships with existing customers and working to strengthen customer loyalty by leveraging our technical capabilities and solutions-oriented expertise.

We mainly procure electronic components, such as chips and finished and semifinished PCBs and structural components. We maintain stable relationships with our suppliers to ensure the stability of material supply and delivery. In 2023, 2024 and 2025, purchases from our five largest suppliers accounted for 89.0%, 85.0% and 70.6% of our total purchases, respectively. In 2023, 2024 and 2025, purchases from our largest supplier accounted for 82.9%, 80.3% and 62.4% of our total purchases, respectively.

PRE-[REDACTED] INVESTMENTS

Since our establishment, we have attracted certain Pre-[**REDACTED**] Investors and completed several rounds of financing to raise funds for the development of our business. For further information of the principal terms of the Pre-[**REDACTED**] Investments and the identity and background of our major Pre-[**REDACTED**] Investors, see "History, Development and Corporate Structure—Pre-[**REDACTED**] Investments."

APPLICATION FOR LISTING ON THE STOCK EXCHANGE

We are applying for the Listing under Rule 8.05(3) of the Listing Rules and satisfy the market capitalization/revenue test, among other things, with reference to (i) our revenue for the year ended December 31, 2024, being RMB2,655.6 million, which exceeds HK$500 million as required by Rule 8.05(3) of the Listing Rules; and (ii) our expected market capitalization at the time of the Listing, which, based on the low end of the [**REDACTED**] range, would exceed HK$4 billion as required by Rule 8.05(3) of the Listing Rules.

RISK FACTORS

There are certain risks and uncertainties involved in investing in our H Shares, some of which are beyond our control. These risks are set out in "Risk Factors" in this document. Some of the major risks we face include: (i) if our products and solutions do not keep pace with the changing market requirements of the automotive industry, or if there is a decline in the adoption of our products and solutions, our business, financial condition and results of operations could be adversely affected; (ii) if we fail to retain existing customers, attract new customers or increase the spending by our customers, our business and results of operations may be materially and adversely affected; (iii) the market for vehicle computing solutions is rapidly evolving. Changes in sales, production and market demand can materially and adversely affect our business, financial condition and results of operations; (iv) we rely on Bosch, our largest supplier, for the procurement of PCBAs and related services, and any disruption in such supply or deterioration in our relationship with Bosch could materially and adversely affect our operations; (v) we currently have a limited number of key customers for a significant portion of our revenue. If any of these customers reduce their purchases or terminate their business with us, our revenue could be adversely affected, subsequently our results of operations; (vi) our historical performance may not be indicative of our future growth or financial results. If we fail to effectively manage the growth of our business or retain key customers, our business, financial condition and results of operations could deteriorate; (vii) we incurred net loss and net operating cash outflows during the Track Record Period, and we cannot guarantee our future financial position; (viii) our net liabilities may expose us to liquidity risks; and (ix) if our customers choose to develop their own vehicle computing solutions instead of continuing to source from us, our business, financial condition and results of operations could be materially and adversely affected.

SUMMARY OF KEY FINANCIAL INFORMATION

The following tables set forth a summary of our consolidated financial statements for the Track Record Period, extracted from the Accountants' Report set out in Appendix I to this document. The summary of consolidated financial data set forth below should be read together with, and is qualified in its entirety by reference to, the consolidated financial statements contained elsewhere in this document, including the related notes.

Summary of Consolidated Statements of Profit or Loss

The following table sets forth a summary of our consolidated statements of profit or loss, with line items in absolute amounts and as percentages of our revenue for the years indicated.

	For the Year Ended December 31,					
	2023		2024		2025	
	Amount	*% of revenue*	*Amount*	*% of revenue*	*Amount*	*% of revenue*
	(RMB in thousands, except for percentages)					
Revenue	**2,297,665**	**100.0**	**2,655,571**	**100.0**	**2,065,266**	**100.0**
Cost of revenue	(1,894,526)	(82.5)	(2,225,957)	(83.8)	(1,746,172)	(84.5)
Gross profit	**403,139**	**17.5**	**429,614**	**16.2**	**319,094**	**15.5**
Other income	48,199	2.1	37,578	1.4	48,151	2.3
Other gains and losses	(93)	–	5,511	0.2	3,218	0.2
(Provision for)/reversal of impairment losses under expected credit loss model	(13,050)	(0.6)	(18,189)	(0.7)	12,404	0.6
Selling and marketing expenses	(31,798)	(1.4)	(51,709)	(1.9)	(55,552)	(2.7)
Administrative expenses	(77,464)	(3.4)	(94,979)	(3.6)	(93,446)	(4.5)
Research and development expenses	(406,584)	(17.7)	(367,664)	(13.8)	(336,857)	(16.3)
Change in fair value of paid-in capital with preferred rights	(92,379)	(4.0)	(157,817)	(5.9)	(428,952)	(20.8)
Share of results of associates	–	–	(2,530)	(0.1)	(3,061)	(0.1)
Finance costs	(31,167)	(1.4)	(32,954)	(1.2)	(23,835)	(1.2)
[**REDACTED**] expense	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Loss before tax	**(201,197)**	**(8.8)**	**(253,139)**	**(9.5)**	**(575,709)**	**(27.9)**
Income tax expense	–	–	–	–	–	–
Exchange differences arising on translation of foreign operations	–	–	–	–	(30)	–
Loss for the year and total comprehensive expense for the year attributable to owners of the Company	**(201,197)**	**(8.8)**	**(253,139)**	**(9.5)**	**(575,739)**	**(27.9)**
Loss per share	**–**	**–**	**–**	**–**	**–**	**–**
Basic and diluted (RMB)	(1.99)	–	(2.48)	–	(3.72)	–

Non-IFRS Measure

To supplement our consolidated financial statements, which are presented in accordance with IFRS, we also use adjusted net loss (non-IFRS measure) as an additional financial measure. We believe that such non-IFRS measures facilitate comparisons of operating performance from year to year by eliminating potential impacts of certain items. We believe that such measure provides useful information for investors and others in understanding and evaluating our consolidated results of operations in the same manner as it helps our management. However, our presentation of adjusted net loss (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of such non-IFRS measures has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for 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 excluding the effects of (i) change in fair value of paid-in capital with preferred rights, which does not arise from our ordinary course of business and is a non-cash fair value change related to our preferred rights capital instruments, which was converted on equity upon the termination of such preferred rights on September 30, 2025; and (ii) [**REDACTED**] expenses, which are one-off expenses related to the [**REDACTED**]. The adjustments have been consistently made during the Track Record Period. The following table sets forth the reconciliation of our loss for the year to adjusted net loss (non-IFRS measure) for the years indicated.

	For the Year Ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Loss for the year	(201,197)	(253,139)	(575,709)
Add:			
Change in fair value of paid-in capital with preferred rights	92,379	157,817	428,952
[**REDACTED**] expense	[REDACTED]	[REDACTED]	[REDACTED]
Adjusted net loss (non-IFRS measure)	**(108,818)**	**(95,322)**	**(129,884)**

Factors Contributing to Historical Net Losses

We were in a net loss position during the Track Record Period primarily because (i) we had a concentrated product portfolio during the Track Record Period and substantially all of our revenue was generated from SA8155 domain controllers; (ii) we incurred significant cost of revenue, primarily to procure raw materials, to support the manufacturing of our domain controllers; and (iii) we incurred significant research and development expenses for the development and iteration of our products. See "Business—Business Sustainability and Path to Profitability—Factors Contributing to Historical Net Losses" for details.

Fluctuations in Our Results of Operations

Our revenue increased by 15.6% from RMB2,297.7 million in 2023 to RMB2,655.6 million in 2024. This growth was primarily driven by the increase in the sales volume of SA8155 domain controllers from 623.8 thousand units in 2023 to 798.1 thousand units in 2024 reflecting our strategic decision to focus on the SA8155 platform and to secure design-wins with leading Chinese OEMs. Our revenue decreased by 22.2% from RMB2,655.6 million in 2024 to RMB2,065.3 million in 2025. This decline was primarily driven by a decrease in sales volume of SA8155 domain controllers from 798.1 thousand units to 563.1 thousand units, primarily due to the scale back of our cooperations with an OEM and a reduction in orders with another one. Notwithstanding the above, SA8155 domain controllers continued to demonstrate sustained market demand and commercial viability. Certain of our other OEM customers awarded us new design wins or increased their order volumes in 2025. Revenue attributable to our OEM customers other than the two customers mentioned above grew by approximately 31.0% from 2024 to 2025. In addition, we had been actively developing new product lines and expanding our customer base. In the second half of 2025, we began the commercialization of SA8255 domain controllers and SA8775 controllers.

Our gross profit increased from RMB403.1 million in 2023 to RMB429.6 million in 2024. Our gross profit margin decreased slightly from 17.5% in 2023 to 16.2% in 2024. The decrease in our gross profit margin was primarily due to a reduction in the average selling price of SA8155 domain controllers. Our gross profit decreased by 25.7% from RMB429.6 million in 2024 to RMB319.1 million in 2025. Our gross profit margin decreased from 16.2% in 2024 to 15.5% in 2025, because (i) the gross profit margin for SA8155 domain controllers decreased from 16.2% in 2024 to 16.0% in 2025, due to intense industry competition put pressure on the selling price of SA8155 domain controllers. Despite such decrease, our gross profit margin for SA8155 domain controllers remained among the leading levels in the industry, according to Frost & Sullivan; and (ii) we recorded revenue from intelligent domain controllers based on other SoC platforms in 2025, which, in some cases such as MTK, had a relatively low gross profit margin.

Our net loss increased by 25.8% from RMB201.2 million in 2023 to RMB253.1 million in 2024. Excluding the impact of changes in paid-in capital with preferred rights, our adjusted net loss (non-IFRS measure) decreased by 12.4% from RMB108.8 million in 2023 to RMB95.3 million in 2024. This decrease in our adjusted net loss (non-IFRS measure) was primarily attributable to an increase in gross profit as discussed above, which was partially offset by (i) an increase in selling and marketing expenses by 62.6% from RMB31.8 million in 2023 to RMB51.7 million in 2024; and (ii) an increase in administrative expenses by 22.6% from RMB77.5 million in 2023 to RMB95.0 million in 2024. Our net loss increased by 127.5% from RMB253.1 million in 2024 to RMB575.7 million in 2025. Excluding the impact of changes in paid-in capital with preferred rights and [**REDACTED**] expenses, our adjusted net loss (non-IFRS measure) increased by 36.3% from RMB95.3 million in 2024 to RMB129.9 million in 2025. This increase in our adjusted net loss (non-IFRS measure) was primarily attributable to a decrease in gross profit as discussed above, which was partially offset by a decrease in research and development expenses by 8.4% from RMB367.7 million in 2024 to RMB336.9 million in 2025, primarily because our SA8155 domain controllers had entered a more mature stage of their lifecycle, and research and development expenses for these products decreased by approximately RMB95.7 million. At the same time, we reallocated research and development resources to our high-growth SA8255 domain controllers and SA8775 controllers, increasing combined investment in these two new products by approximately RMB62.8 million, in order to accelerate their commercialization and strengthen our core competitiveness in the future.

For details, see "Financial Information—Year-to-Year Comparison of Results of Operation."

Revenue

During the Track Record Period, we generated revenue from vehicle computing solutions and zone controller solutions. The following table sets forth a breakdown of our revenue by business segments for the years indicated:

	For the Year Ended December 31,					
	2023		2024		2025	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentages)					
Vehicle computing solutions	2,297,665	100.0	2,655,571	100.0	2,010,099	97.3
– *SA8155*	2,283,821	99.4	2,631,008	99.1	1,704,869	82.5
– *SA8255*	–	–	–	–	109,036	5.3
– *SA8775*	–	–	–	–	117,284	5.7
– *Others*(1)	13,844	0.6	24,563	0.9	78,910	3.8
Zone controller solutions	–	–	–	–	55,167	2.7
Total	**2,297,665**	**100.0**	**2,655,571**	**100.0**	**2,065,266**	**100.0**

Note:

(1) Primarily representing MTK domain controllers (including MT8675 and MT8676) and SemiDrive X9.

For an analysis of the reasons for fluctuations in our revenue during the Track Record Period, see "—Fluctuations in our Results of Operations" above.

Gross Profit and Gross Profit Margin

The following table sets forth a breakdown of our gross profit and gross profit margin by product lines during the Track Record Period:

	For the Year Ended December 31,					
	2023		2024		2025	
	Gross Profit/loss	Gross Margin	Gross Profit/loss	Gross Margin	Gross Profit/loss	Gross Margin
		%		%		%
	(RMB in thousands, except for percentages)					
Vehicle computing solutions	**403,139**	**17.5**	**429,614**	**16.2**	**318,286**	**15.8**
– *SA8155*	401,036	17.6	426,712	16.2	272,341	16.0
– *Others*[(1)]	2,103	15.2	2,902	11.8	45,945	15.1
Zone controller solutions	**–**	**–**	**–**	**–**	**808**	**1.5**
Total	**403,139**	**17.5**	**429,614**	**16.2**	**319,094**	**15.5**

Note:

(1) Including SA8255, X9, MTK series domain controllers, SA8775 series controllers and others.

For an analysis of the reasons for fluctuations in our gross profit and gross profit margin during the Track Record Period, see "—Fluctuations in our Results of Operations" above.

Summary of Consolidated Statements of Financial Position

The following table sets forth a summary of our consolidated statements of financial position as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Total non-current assets	172,673	262,771	552,085
Total current assets	2,087,241	2,390,090	1,896,615
Total assets	**2,259,914**	**2,652,861**	**2,448,700**
Total current liabilities	2,760,112	2,891,914	2,057,854
Total non-current liabilities	1,172,503	1,686,787	208,778
Total liabilities	**3,932,615**	**4,578,701**	**2,266,632**
Net current liabilities	**(672,871)**	**(501,824)**	**(161,239)**
Net (liabilities)/assets	**(1,672,701)**	**(1,925,840)**	**182,068**

Net current liabilities

Our net current liabilities decreased from RMB672.9 million as of December 31, 2023 to RMB501.8 million as of December 31, 2024, primarily due to (i) a decrease of RMB223.7 million in amounts due to related parties, primarily because we accelerated the settlement of our payables in line with industry practice; (ii) an increase of RMB361.1 million in notes receivables, which was primarily due to the increase in sales to certain OEM customers during the relevant years, where the notes were the main settlement method; and (iii) an increase of RMB109.8 million in cash and cash equivalents, which was primarily attributable to the proceeds from our Series D financing and increases in bank borrowings.

Our net current liabilities decreased from RMB501.8 million as of December 31, 2024 to RMB161.2 million as of December 31, 2025, primarily due to (i) a decrease of RMB626.1 million of our amounts due to Bosch from RMB1,201.3 million as of December 31, 2024 to RMB575.2 million as of December 31, 2025, reflecting that we accelerated the settlement of our payables to Bosch; (ii) a decrease in the current portion of our borrowings of RMB348.4 million as we optimized our capital structure; and (iii) an increase of RMB135.0 million in cash and cash equivalents as we obtained proceeds from Pre-[**REDACTED**] financing of RMB570.0 million.

See "Financial Information—Liquidity and Capital Resources."

Net liabilities

Our net liabilities increased from RMB1,672.7 million as of December 31, 2023 to RMB1,925.8 million as of December 31, 2024, primarily due to an increase of RMB585.7 million in paid-in capital with preferred rights. Excluding the impact of paid-in capital with preferred rights, our net liabilities would have decreased from RMB573.7 million as of December 31, 2023 to RMB241.1 million as of December 31, 2024, which was primarily attributable to: (i) a decrease of RMB223.7 million in amounts due to related parties, primarily because we accelerated the settlement of our payables in line with industry practice; (ii) an increase of RMB361.1 million in notes receivables, which was primarily due to the increase in sales to certain OEM customers during the relevant years, where the notes were the main settlement method; and (iii) an increase of RMB109.8 million in cash and cash equivalents, which was primarily attributable to the proceeds from our Series D financing and increases in bank borrowings.

Our net position improved significantly, turning from net liabilities of RMB1,925.8 million as of December 31, 2024 to net assets of RMB182.1 million as of December 31, 2025, primarily due to: (i) a decrease of RMB1,684.7 million in paid-in capital with preferred rights resulting from the termination of such preferred rights on September 30, 2025. Paid-in capital with preferred rights were subsequently converted from liabilities to equity; (ii) an increase of RMB135.0 million in cash and cash equivalents as we obtained proceeds from Pre-[**REDACTED**] financing of RMB570.0 million.

Summary of Consolidated Statements of Cash Flows

The following table sets forth a summary of our consolidated cash flow statements for the years indicated.

	For the Year Ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Operating cash flows before changes in working capital	(37,545)	(12,301)	(99,012)
Changes in working capital	(660,172)	(999,982)	(774,507)
Interest received	747	1,224	1,366
Net cash used in operating activities	(696,970)	(1,011,059)	(872,153)
Net cash (used in)/generated from investing activities	(108,517)	(200,175)	(251,493)
Net cash generated from financing activities	836,474	1,321,034	1,258,627
Net increase/(decrease) in cash and cash equivalents	**30,987**	**109,800**	**134,981**
Cash and cash equivalents at the beginning of the year	44,667	75,654	185,454
Exchange (losses)/gains on cash and cash equivalents	–	–	–
Cash and cash equivalents at the end of year	**75,654**	**185,454**	**320,435**

For the year ended December 31, 2023, 2024 and 2025, we incurred net cash used in operating activities of RMB697.0 million, RMB1,011.1 million and RMB872.2 million, respectively. Such an operating cash outflow was mainly due to our net losses throughout the Track Record Period. See "Business—Business Sustainability and Path to Profitability—Factors Contributing to Historical Net Losses" for details.

In addition, our operating cash outflow position was also attributable to the significant amount of notes receivable we received. As of December 31, 2023, 2024 and 2025, we recorded notes receivables of RMB424.2 million, RMB785.4 million and RMB285.5 million, respectively. To proactively manage our capital resources and cash flows, we transferred certain of our notes receivables to banks for cash (*i.e.* discounting) or to our suppliers as payment (*i.e.* endorsing) on a full recourse basis. See note 22 to the Accountants' Report set out in Appendix I in this document for details. These discounting arrangements were undertaken solely as part of our financing activities to enhance our working capital and were not related to our operating activities. Excluding the impact of settlements of notes receivables, our net operating cash outflow increased from RMB161.1 million in 2023 to RMB346.1 million in 2024 and subsequently increased to RMB598.0 million in 2025. See "Financial Informaiton—Liquidity and Capital Resources—Cash Flows" for details.

Net operating cash outflows may pose certain risks for our operations, including risks related to our working capital sufficiency. See "Risk Factors—Risks Relating to Our Business and Industry—We incurred net loss and net operating cash outflows during the Track Record Period." We plan to adopt various measures to increase profitability. See "Business—Business Sustainability and Path to Profitability."

Key Financial Ratios

The following table sets forth our key financial ratios as of the dates or for the years indicated.

	For the Year Ended/As of December 31,		
	2023	2024	2025
Gross profit margin (%)[1]	17.5	16.2	15.5
Current ratio[2]	0.76	0.83	0.92
Quick ratio[3]	0.64	0.79	0.80

Notes:

(1) Gross profit margin equals gross profit divided by revenues for the year and multiplied by 100%.

(2) Current ratio is calculated as total current assets divided by total current liabilities at the end of the year.

(3) Quick ratio is calculated as current assets less inventories divided by current liabilities at the end of the year.

[REDACTED] STATISTICS

	Based on the [REDACTED] of HK$[REDACTED] per H Share	Based on the [REDACTED] of HK$[REDACTED] per H Share
Market capitalization of our Shares[1]	HK$[**REDACTED**]	HK$ [**REDACTED**]
Unaudited [**REDACTED**] adjusted consolidated tangible assets attributable to owners of the Company per Share[2]	HK$[**REDACTED**]	HK$[**REDACTED**]

Notes:

(1) The calculation of market capitalization is based on the assumptions that (i) the Share Subdivision is completed; (ii) the [**REDACTED**] is completed and [**REDACTED**] H Shares are newly issued in the [**REDACTED**], (iii) [**REDACTED**] Unlisted Shares will be converted into H shares upon the completion of the [**REDACTED**]; (iv) the [**REDACTED**] is not exercised and the options granted under the Pre-[**REDACTED**] Share Option Scheme are not exercised; and (v) [**REDACTED**] Shares are issued and outstanding following the completion of the [**REDACTED**].

(2) The unaudited [**REDACTED**] adjusted consolidated tangible assets of the Group attributable to owners of the Company as at December 31, 2025 per Share is calculated based on [**REDACTED**] Shares, being the number of Shares expected to be in issue immediately following the completion of the [**REDACTED**]. The calculation of such Shares expected to be in issue has taken into account of share division of 1 to 10 shares to be completed before the [**REDACTED**], as referred to the section headed "History, Development and Corporate Structure".

DIVIDEND

We did not declare or pay dividends on our H Shares during and after the Track Record Period. We do not have any formal dividend policy or pre-determined dividend payout ratio. 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 Board of Directors 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 Directors may deem relevant. Regulations in the PRC currently permit payment of dividends of a PRC company only out of accumulated distributable after-tax profits less any recovery of accumulated losses and appropriations to statutory and other reserves that it is required to make, as determined in accordance with its articles of association and the accounting standards and regulations in China. As advised by our PRC Legal Adviser, our Company may not declare and pay dividends before making up for the accumulated losses and setting aside the required reserve fund in accordance with the PRC laws and regulations. There is no assurance that dividends of such amount or any amount will be declared or distributed each year or in any year.

FUTURE PLANS AND USE OF [REDACTED]

Assuming an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**] (being the midpoint of the range of the [**REDACTED**] stated in this document), we estimate that we will receive [**REDACTED**] of approximately HK$[**REDACTED**] from the [**REDACTED**] after deducting the [**REDACTED**] commissions and other estimated expenses in connection with the [**REDACTED**] (assuming the [**REDACTED**] is not exercised). We intend to use our [**REDACTED**] for the purposes and in the amounts set forth below.

- Approximately [50.0]% (or HK$[**REDACTED**]) will be used for the research and development of intelligent vehicle solutions, of which,
  - approximately [31.0]% (or HK$[**REDACTED**]) will be allocated to the development of vehicle computing solutions;
  - approximately [11.0]% (or HK$[**REDACTED**]) will be allocated to AI capability enhancement, focusing on AI engineering and product capabilities, data processing platforms and AI Agent products integrating cloud-edge collaboration for personalized and real-time user experiences;
  - approximately [8.0]% (or HK$[**REDACTED**]) will be used for the development of next-generation zone controller to enhance distributed data processing, signal control and power distribution capabilities across vehicle regions, supporting safe, efficient and coordinated intelligent-vehicle operation;

- Approximately [23.0]% (or HK$[**REDACTED**]) will be used to strengthen our internationalization capabilities;
- Approximately [17.0]% (or HK$[**REDACTED**]) will be used to enhance our production capabilities; and
- Approximately [10.0]% (or HK$[**REDACTED**]) will be used for working capital and other general corporate purposes

[REDACTED] EXPENSES

Based on the [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**], the total estimated [**REDACTED**] expenses in relation to the [**REDACTED**] is approximately RMB[**REDACTED**] (assuming the [**REDACTED**] is not exercised), representing [**REDACTED**]% of the total gross [**REDACTED**] from the [**REDACTED**] of approximately HK$[**REDACTED**] (equivalent to RMB[**REDACTED**]). We incurred [**REDACTED**] expenses of [**REDACTED**] as of December 31, 2025. We expect to incur [**REDACTED**] expenses of approximately RMB[**REDACTED**], of which RMB[**REDACTED**] is expected to be charged to our consolidated statement of comprehensive income and RMB[**REDACTED**] will be deducted from equity. The amount of the [**REDACTED**]-related expenses of approximately RMB[**REDACTED**], which mainly includes [**REDACTED**], is expected to be accounted for as a deduction from equity upon the completion of the [**REDACTED**]. The amount of the non-[**REDACTED**]-related expenses of approximately RMB[**REDACTED**] primarily include fees and expenses of legal advisers and accountants of RMB[**REDACTED**] and other fees and expenses of RMB[**REDACTED**].

RECENT DEVELOPMENTS

Subsequent to the Track Record Period, we have made continued progress in expanding our mass-production pipeline with three of our intelligent cockpit domain controller solution projects entering mass production. In addition, we secured six design wins, including vehicle computing solutions based on our AL-C1 series, AL-C2 series and the Qualcomm 8797-based central computing platform ("SA8797 central computing platform"), as well as one zone controller solution. These include a design win of Qualcomm 8797-based central computing platform from a German OEM. This further strengthens our mass-production portfolio across multiple product lines and SoC platforms, as well as our overseas capabilities.

In addition, our Autosee OS obtained a new design win with a leading NEV OEM subsequent to the Track Record Period. The collaboration covers this OEM's overseas models across four major regional markets, including Europe and the Middle East. This partnership validates our technological strengths and mass-production delivery capabilities in Autosee OS, and establishes a solid commercial foundation for expanding into the overseas intelligent voice markets.

We expect our net loss (non-IFRS measure) in 2026 to increase as compared with 2025, primarily because we are incurring significant investments in product iteration for our next-generation products. As a result, we have seen higher research and development expenses as we continue to iterate on and broaden our product portfolio.

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, save as disclosed above, up to the date of this document, there has been no material adverse change in our financial or trading position or prospects since December 31, 2025 (being the end date of the year reported on in the Accountants' Report in Appendix I to this document) and there has been no event since December 31, 2025 that would materially affect the information as set out in the Accountants' Report in Appendix I to this document.

CSRC FILING

We submitted a filing to the CSRC for application of listing of the H Shares on the Stock Exchange and the [**REDACTED**] on December 3, 2025. The CSRC [confirmed] our completion of filing on [●].