

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 the entire Document before you decide to [REDACTED] in our [REDACTED]. There are risks associated with any [REDACTED]. Some of the particular risks in [REDACTED] in our [REDACTED] are set out in “Risk Factors”. You should read that section carefully before you decide to [REDACTED] in our [REDACTED]. Various expressions used in this section are defined in the sections headed “Definitions” and “Glossary of Technical Terms and Conventions” in this Document.

OVERVIEW

Who We Are

We are an automotive technology company dedicated to reshaping the future of mobility. We focus on delivering AI-powered integrated domain control solutions that enable automakers to build the next generation of software-defined vehicles. We are the second largest integrated domain control solutions provider in China by newly installed volume in passenger vehicles in 2024, with a market share of 9.3%.

We started with a simple, yet powerful belief: AI has the power to reshape the world—but only if it finds the right place to land. Long before AI became a buzzword it is today, we were focused on a more challenging question: where could AI truly deliver on its promise? Where could it not just exist, but thrive—both technically and commercially, and at scale? In exploring this, we found that the car—especially the cockpit—is the most suitable space for intelligent transformation. As vehicles evolve, they are no longer just machines; they have become highly interactive systems, increasingly expected to be responsive and connected.

At Megatronix, we specialize in AI-powered integrated domain control solutions that transform the way OEMs deliver next-generation vehicles, making mobility smarter, safer, and more intuitive. While our current focus is on automotive, the technologies and expertise we are developing—modular software architecture, wide integration of intelligent features within hardware, and more—are designed for wider intelligent mobility use and beyond.

In tackling the challenges of the automotive industry, we confronted one of its toughest and most persistent obstacles: the Feature-Performance-Cost (FPC) Trilemma—the challenge of simultaneously achieving advanced feature integration, high system performance, and cost efficiency, where improving one element often means compromising another. For decades, the FPC Trilemma has been a fundamental obstacle to the progress in developing the next generation of intelligent, connected vehicles.

We are turning the long-standing trilemma into an opportunity. Our proprietary solutions blend advanced features, high system performance, and cost efficiency—all without compromise—enabling automakers to cost-effectively transform smart cockpit from concept to reality. As a result, our integrated domain control solutions have become a preferred choice of automakers, and sales of these solutions have accounted for substantially all of our revenue.

We achieve this through high R&D efficiency. While many industry players pursue innovation by simply expanding headcount or increasing spending, we have focused on efficiency, agility, and technical expertise. Our engineers bridge automotive and computer science to harness the power of cutting-edge technologies such as AI to accelerate every stage of the development cycles—often achieving speeds several times faster than the industry average with leaner teams. This gives us the ability to deliver state-of-the-art solutions to OEMs, helping them get to market faster, at lower cost, and with the quality that meets—and often exceeds—consumers’ expectations.

We focus on automotive transformation, pioneering the shift toward the next generation of software-defined vehicles (SDVs). As OEMs transition from hardware-centric platforms to intelligent, fluid mobility systems, we provide the critical AI-powered integrated domain control solutions necessary to enable this technological transition. Through our solutions, we enable the transformation of vehicles from basic transportation tools into a

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sophisticated, interactive digital environment that continuously evolves over time. We believe our business is built on three key pillars:

- First, “AI-in-All” strategy. We embed AI across our organization. Beyond product features, AI drives our internal R&D, and powers our automated testing protocols. This holistic integration allows us to deliver intelligent, context-aware solutions that respond swiftly to industry development cycles and technological shifts.
- Second, our “Foundation & Frontier” product roadmap. We are redefining human-machine interaction through a synchronized two-fold strategy. We believe the future of mobility lies in integrating how passengers feel with how vehicles move. Our Smart Cockpit + X ecosystem serves as our “Experience Foundation”. Leveraging high-compute SoCs, we consolidate disparate vehicle functions into a unified core that reduces hardware complexity. Building on this foundation, we are scaling into the Autonomy Frontier which encompasses APA, Highway NOA (Navigate on Autopilot), and Urban NOA. These capabilities are software-enabled on our unified control units, allowing OEMs to offer feature-rich products without escalating costs. The Autonomy Frontier represents our transition from cabin enhancement to full-stack autonomous intelligence, driving long-term value creation.
- Third, Agile R&D enabled by modular, reusable software architecture. To support our product strategy, we have built our architecture around modular, reusable “building blocks”—software components that have been rigorously tested and optimized for real-world performance. This proprietary software architecture is designed to work across different hardware platforms by decoupling software from the underlying hardware, enabling prototyping and continuous integration. Instead of redeveloping software for every design-win, we draw from a library of pre-developed modules, which spans operating systems, AI applications and connectivity features, thereby allowing us to develop and refine individual components independently and apply the same software code across multiple vehicle models. It shortens the time-to-market for new features and ensures that we can adapt to shifting market demands and deliver over-the-air (OTA) updates support with high speed and reliability.

Our business has continued to grow steadily since 2022 when the first vehicle equipped with our solutions reached mass-production. As of the Latest Practicable Date, our solutions have been deployed across a wide range of vehicles from large OEMs, including Chery, Changan, Dongfeng, Changan Mazda, Nissan and Ford. In 2024, our solutions powered one in approximately every ten new vehicles in China equipped with an integrated domain control system. Leveraging our technology and product capabilities, we are expanding our footprints in both domestic and global markets. Our expansion not only highlights the universal power of our approach to the FPC Trilemma but also reinforces our cooperation with OEMs in building the next generation of software-defined vehicles.

OUR OFFERINGS AND BUSINESS MODEL

We offer OEMs AI-powered integrated domain control solutions, which consolidate multiple software enabled intelligent vehicle functions, including smart cockpit functions such as atmospheric control and AI companion, ADAS functions and more, into a unified physical domain controller powered by a single automotive-grade main chip.

We derive revenue primarily from sales of our integrated domain control solutions, calculated based on the number of integrated domain control solutions delivered to customers. Our revenue is tied to the volume of domain controllers embedded with our integrated solutions which typically corresponds with the number of OEMs and their vehicle production volume. As a result, as we expand our collaborations with large OEMs, both domestically and internationally, we expect our revenue to grow alongside the increasing adoption of our solutions. In addition, as more OEMs adopt our solutions, we are well-positioned to capture additional revenue opportunities from software licensing and ongoing support and services.

For further details about our offerings and business model, see “Business—Our Solutions—Our Design Philosophy: Turning Complexity into Simplicity.”

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The Experience Foundation: Smart Cockpit + X

Our Smart Cockpit + X product suite serves as our Experience Foundation, acting as our primary end-user touchpoint and a commercial anchor. The Smart Cockpit + X product suite includes software-enabled intelligent vehicle functions, such as atmospheric control, AI companion, integrated navigation & connectivity, which can be chosen individually or in different mix by our OEM customers. Central to this ecosystem is MegaClaw, our proprietary agentic operating system.

Our Experience Foundation encompass the following functions:

- **Atmospheric Control:** proactively personalizes cabin settings -including climate, ambient lighting, seat ergonomics, and mirror angles - based on real-time environment and user habits.
- **AI Companion:** understands vague or implicit requests, remembers past conversations and engages in natural, multi-turn dialogues on virtually any topic. It supports multiple languages and dialects and continuously learns from user interactions.
- **Integrated Navigation & Connectivity:** proactively anticipates user travel intentions; delivers highly personalized routes suggestions and contextual Point of Interest (POI) alerts; accurately predicts range and optimizes charging or refueling stops based on driving habits.
- **Driver Wellness Monitoring:** identifies signs of driver fatigue or distraction through driver monitoring system (“DMS”), and triggers active alerts and safety protocols once risks are detected.
- **Occupant Comfort:** automatically adjusts audio settings by analyzing passengers’ real-time behavior, including lowering volume when passengers are resting or on a call through our occupant monitoring system (“OMS”).
- **Infotainment Management:** provides smooth voice-controlled access to music, video and games, while serving as an intelligent information companion that delivers timely, context-aware content.
- **Sentry Mode:** provides 360° safety monitoring when parked; sends real-time alerts to the user’s mobile app upon detecting potential threats or incidents.
- **Telematics Solution:** connects vehicles with smartphones, which allows car owners to monitor the status and control certain functions of their vehicles remotely.
- **OTA Technology:** wirelessly upgrades vehicle functions, which maintains optimal system performance and elevates user experience. All features of our Experience Foundation are continuously enhanced through over-the-air updates.

The Autonomy Frontier: ADAS

Our Autonomy Frontier leverages a single-chip integrated architecture to unify smart cockpit and ADAS within a single domain controller, significantly reducing system complexity and cost for OEMs and end-users. Having achieved mass production of an integrated cockpit-and-parking solution on a single Qualcomm SA8155 chip in 2024, we have laid a foundation for our autonomous driving roadmap. We have developed production-ready Highway NOA and are advancing toward Urban NOA. Our Autonomy Frontier encompass the following functions:

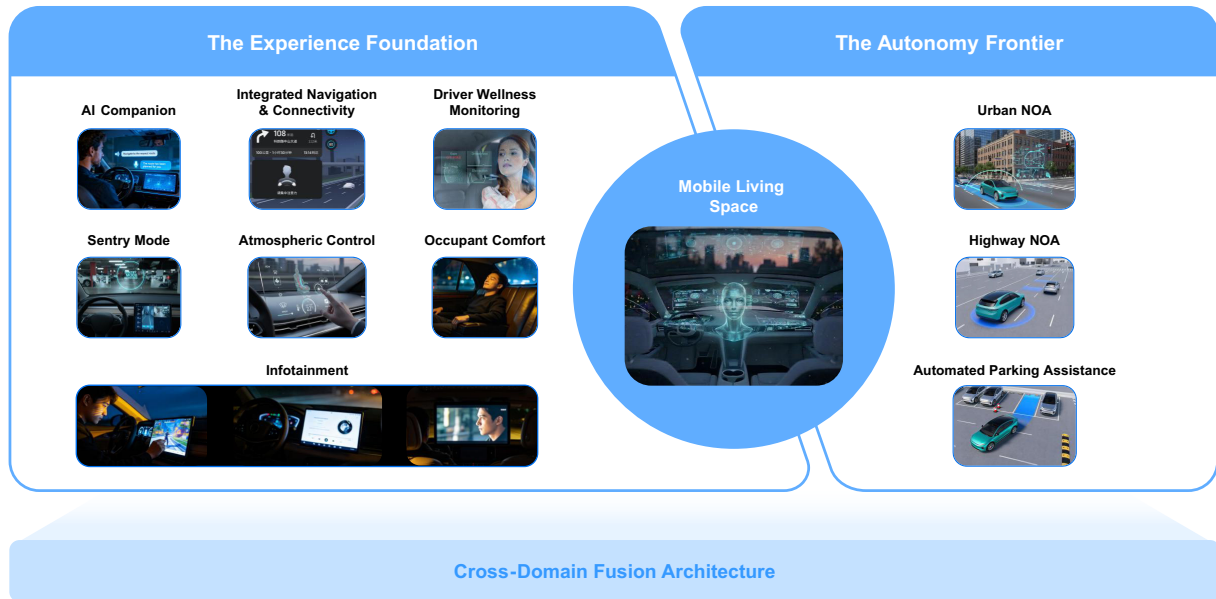
- **Automated Parking Assistance (APA):** supports supervised parking maneuvers with real-time voice and visual feedback. This product is currently in mass production.
- **Highway NOA:** provides reliable lane changes, ramp transitions and speed control on highways. This solution is currently production-ready.

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- **Urban NOA:** adopts a SD Pro approach and by utilizing the World Model capabilities to achieve navigation in complex urban traffic environments. This solution is currently under development.

Together, our “Foundation & Frontier” product roadmap forms a cohesive, cross-domain “Mobile Living Space”, which is a unified environment where the in-cabin experience and vehicle intelligence converge to address the full spectrum of user needs and redefine the mobility experience.

The diagram below illustrates how our platform brings together intelligent interaction and advanced autonomy within a unified cross-domain framework.



Our Future-ready Technology Platform

Our solutions are built on a proprietary three-layer architecture that spans from hardware foundations to intelligent services. At the Foundation Layer, our SmartMega® OS+ and modular software library (SmartMega® Cores) intelligently orchestrate automotive-grade SoCs within our integrated domain controllers. This base optimizes compute and memory resource allocation, enabling a single SoC to support a broad range of AI-enabled applications simultaneously without compromising stability or performance.

The Perception & Decision Layer serves as our intelligence engine, fusing voice, vision and vehicle context to build real-time situational awareness. It integrates our proprietary algorithms with third-party foundation models to handle ambiguous intent resolution and proactive reasoning. Operating as a closed loop of perception, understanding and decision, it continuously validates outcomes against sensor feedback and re-plans as needed – turning raw data and generic models into a reliable, context-aware decision core for both cockpit and ADAS functions.

Underpinning this intelligence is Harness – the engineering system that makes everything work consistently at scale. Harness governs every user request through a clear process: it routes the request to the right path (such as a quick command or a complex conversation), coordinates multi-step tasks, ensures safety, and records everything for testing and improvement. This allows us to add new features quickly, keep costs low by using local processing for simple tasks, and maintain strict safety boundaries. In short, MegaClaw and the models provide the brain; Harness provides the discipline to run that brain safely and efficiently in vehicles.

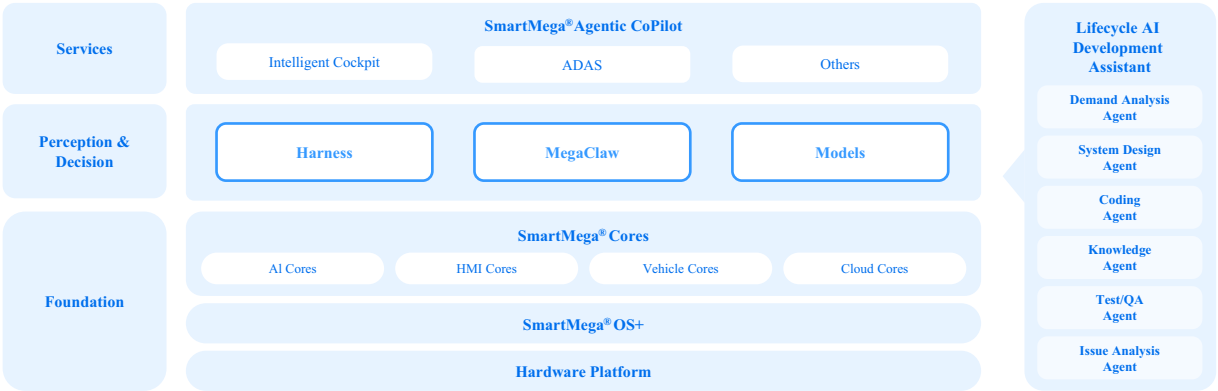
At the heart of this layer sits MegaClaw, our proprietary agentic operating system and the central “brain” of the cockpit. Built on top of thirdparty foundation models and our own AI stack, MegaClaw orchestrates the execution side of the loop, converting decisions into complex, multistep tasks across comfort, convenience and information services. A cloud-edge collaborative architecture balances on-device real-time response with cloud-scale reasoning. By abstracting model complexity through logic orchestration and multi-agent coordination, MegaClaw delivers a consistent, intuitive experience that evolves with customer needs.

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The Service Layer is organized into three core categories: Intelligent Cockpit, ADAS and Others. The Intelligent Cockpit category includes specialized agents for information, entertainment, travel/POI, atmospheric control, safety and etc., – each enables proactive, context-aware interactions that adapt to user needs and real-time conditions. The ADAS category covers driving assistance functions, including ADAS driving and APA, which intelligently support highway and parking scenarios. The Others category currently encompasses telematics and over-the-air updates functions, with technological flexibility to integrate additional intelligent services as they emerge.

When a user request is interpreted or a need is anticipated, the appropriate agents from these categories are selected and orchestrated to execute required actions – such as setting a destination, adjusting atmospheric settings, or activating parking. This completes the perception-understanding-decision-action closed loop, where lower layers handle perception and decision, and the Service Layer delivers intelligent, proactive execution.

Lifecycle AI Development Assistant is a suite of proprietary AI agents we have embedded across our entire R&D workflow—from demand analysis and system design to coding, testing and issue resolution. By automating key stages of development, this integrated tool chain greatly accelerates product iteration cycles, reduces manual engineering costs, and enforces standardized, traceable processes. As a result, we achieve higher development efficiency and quality control without linearly scaling our engineering headcount.



Our Close Partnerships with Large OEMs

China’s automotive industry has transformed into a global powerhouse, providing a solid foundation for our growth. Initially focused on domestic OEMs, our customer base has consistently expanded to include high-profile Chinese automakers and joint ventures. Today, we collaborate with some of the industry’s most respected names, such as Chery, Changan, Dongfeng, Changan Mazda, Nissan, Ford and BAIC. Our solutions have consistently powered market leaders: according to Frost & Sullivan, a vehicle model equipped with our technology became one of the top two best-selling new-energy MPVs in 2024; another model ranked among the top three best-sellers for vehicles equipped with parking and ADAS functions.

Building on this domestic success, we are aggressively accelerating our global expansion. As of the Latest Practicable Date, our collaborations already spanned 14 OEMs across China, East Asia, Europe and the United States.

We have built close relationships with our customers by supporting them through every stage of the vehicle lifecycle—from initial concept and design through R&D, production and market launch to ongoing after-sales services. During the R&D phase, we collaborate closely with OEMs to integrate our solutions into their platforms, providing end-to-end support, including software-hardware design, technical consulting and prototype testing. As vehicles enter production, we fine-tune system integration, perform validation testing, and ensure a smooth transition to mass production. Once vehicles are on the road, our partnership continues through over-the-air software updates and feature enhancements that keep vehicles at the forefront of performance and innovation.

Our solution has gained growing penetration over the years. This is evidenced by an increase of our wallet share—measured by our combined share of OEMs’ total sold vehicles incorporating our solutions—with our top five customers increased from 1.2% in 2022 to 12.7% in 2024. We saw even more significant growth in our wallet share—measured by our combined share of their sold vehicles with our integrated domain control

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solutions—from 8.8% to 44.1% over the same period. As our customers continue to integrate our solutions into their next-generation vehicles, we expect these partnerships to deepen even further, driving higher repurchase rates and reinforcing our role as a strategic technology partner.

MARKET LANDSCAPE

Integrated domain control solutions are increasingly shaping the future of both new energy vehicles and traditional internal combustion engine vehicles.

This transformation is part of a broader industry trend toward the integration of control domains that were once developed and managed separately—such as smart cockpit, ADAS-parking, ADAS-driving, telematics, OTA update, and more—into a unified, software-defined architecture. By bringing these systems together, automakers can improve overall system performance and enable more intelligent user experiences, including context-aware safety functions and personalized comfort features. Both global and China markets of integrated domain control solutions industry have and are expected to continuously experience robust growth.

In terms of the number of new vehicles equipped with integrated domain control solutions, global market size reached around 11.3 million units in 2024 and is projected to reach 43.3 million units in 2029. In terms of revenue, the global market size of the integrated domain control solutions reached around RMB37.9 billion in 2024 and is projected to reach RMB274.2 billion in 2029, representing a CAGR of 48.5% from 2024 onward. Around 6.8 million new vehicles were equipped with integrated domain control solutions in 2024. By 2029, this figure is expected to further expand to 22.3 million units. Market size in terms of revenue of the China integrated domain control solutions reached around RMB21.5 billion in 2024 and is projected to reach RMB134.7 billion in 2029, representing a CAGR of 44.3% from 2024 onward. For further discussion of the dynamics of the markets where we operate, see “Industry Overview.”

KEY OPERATING AND FINANCIAL DATA

The following table sets forth our key operating and financial data as of the dates and for the years indicated.

	As of / for the year ended December 31,		
	2023	2024	2025
Number of OEM customers ⁽¹⁾	10	12	13
Active design-wins ⁽²⁾	26	48	75
New design-wins ⁽²⁾	11	23	30
Number of design-wins converted into mass-production during the year	10	21	25
Cumulative number of active design-wins converted into mass production as of the end of the year	15	35	57
Delivery volume (in units) ⁽³⁾	637,980	634,337	519,506
Average selling price (ASP)(in RMB) ⁽⁴⁾	2,372	2,238	2,871
Delivery volume from the Early OEM End-customer (in units)	401,947	24,354	0
Revenue (RMB in millions)	1,513	1,420	1,492
Revenue derived from the Early OEM End-customer (RMB in millions)	885	61	0

Notes:

- (1) The number of “OEM customers” for a given year refers to the number of OEMs that have purchased our solutions and, in the event an OEM purchases our solutions through one or more designated Tier-1 suppliers, such OEM, during that year.
- (2) A “design-win” occurs when an OEM—or its designated Tier-1 supplier—selects our solution for integration into the design and development of a new vehicle model. Once selected, the solution typically undergoes a comprehensive validation process, including testing for performance, safety and quality, before entering mass production. Active design-wins for a given year refer to the design-wins that are ongoing and not canceled or discontinued as of the end of that year.
- (3) “Delivery volume” for a given year represents the number of integrated domain controllers—embedded with our solutions—that were delivered to OEMs during that year for integration into mass-production vehicles.
- (4) “Average selling price” or ASP for a given year is calculated by dividing total revenue generated from delivery during the year by the corresponding delivery volume.

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For discussion of the reasons for the changes in the above key operating and financial data and more relevant metrics, see “Financial Information—Key Operating and Financial Data” and “Financial Information—Key Financial Ratios.”

OUR STRENGTHS

Our strengths include: (i) top player in smart vehicle solutions; (ii) dual reinforcing loops driving continuous innovations; (iii) highly effective R&D powered by profound industry insights; (iv) close cooperation with blue-chip customers; and (v) high-performance engineering culture championed by industry leaders. See “Business—Our Strengths.”

OUR STRATEGIES

We are committed to sustainable, long-term growth by executing targeted strategies that capitalize on industry trends, strengthen customer relationships, and expand our global presence: (i) advancing “AI-in-All”; (ii) expanding product horizons; (iii) strengthening customer relationships and broadening market reach; (iv) deepening collaboration with our supply chain partner; and (v) expanding globally. See “Business—Our Strategies.”

CUSTOMER AND SUPPLIERS

We primarily sell AI-powered integrated domain control solutions to OEMs, who design, develop, and manufacture passenger vehicles. To a lesser extent, we also offer our solutions to suppliers of OEMs in connection with their production of passenger vehicles. The aggregate revenue generated from our top five customers in each year of the Track Record Period amounted to RMB1,379.7 million, RMB1,203.5 million and RMB1,011.1 million, which accounted for 91.2%, 84.7% and 67.8% of our total revenue, respectively. In each of the same years, revenue from the largest customer amounted to RMB801.6 million, RMB323.7 million and RMB253.0 million, which accounted for 53.0%, 22.8% and 17.0% of our total revenue, respectively.

We mainly procure two kinds of materials (1) materials for production purpose, such as chips, structural components and software; and (2) materials for research purpose, such as prototypes. We maintain stable relationships with our suppliers to ensure the stability of material supply and delivery. Purchase from our top five suppliers in each year of the Track Record Period in aggregate was RMB1,163.0 million, RMB935.9 million and RMB1,018.1 million, representing 82.4%, 77.2% and 69.6% of our total purchase amount, respectively. In each of the same years, purchase amount to our largest supplier was RMB680.7 million, RMB415.9 million and RMB573.7 million, representing 48.2%, 34.3% and 39.2% of our total purchase amount, respectively.

To the best of our knowledge, in each year during the Track Record Period and up to the Latest Practicable Date, all of our five largest customers and suppliers were Independent Third Parties.

OUR MANUFACTURER MODEL

We engage top-tier contract manufacturers to integrate our software into hardware components and assemble our integrated domain control solutions. We primarily operate under a contract manufacturing model, which allows us to retain control over key inputs while leveraging the scale and efficiency of specialized third-party manufacturers. Under this model, we procure critical raw materials ourselves and supply them to our contract manufacturing partners, who handle mass production. Once manufacturing is complete, we take ownership of the finished products—typically domain controllers pre-integrated with our proprietary software—and sell them to OEMs. In parallel, we also engage in a smaller portion of our business under what we refer to as the OEM-affiliated manufacturer model. In this structure, we supply our software and select high-value components directly to the OEM’s internal production unit, which completes final assembly and delivery. For more information, see “Business – Production.”

SALES AND MARKETING

We provide integrated solutions to OEMs by participating and winning bids in the OEMs’ competitive bidding processes. Pricing arrangements are negotiated on a case-by-case basis with customers. Our sales and

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marketing team will continue to follow and address the needs of the customers based on their strategic and technical needs. In addition, we promote our solutions through actively participating in automotive industry exhibitions and conferences, customers’ referrals and online marketing.

OUR CONTROLLING SHAREHOLDERS

Immediately after the completion of the [REDACTED] (assuming that the [REDACTED] is not exercised), 107,972,688 Shares, representing approximately [REDACTED]% of the voting rights in our enlarged total issued Shares will be controlled by Dr. Zhuang. AIZL Holdings Limited, which holds [REDACTED]% of our enlarged total issued Shares, is owned as to (i) 38% by Jade & Roc Limited, a company incorporated in the BVI, which is in turn wholly owned by Trident Trust Company (HK) Limited, acting as the trustee for the A&A Family Trust, a family trust established by Dr. Zhuang (as settlor) for the benefit of her family members; and (ii) 62% by Dr. Zhuang. MJXY Holdings Limited, which holds [REDACTED]% of our total issued Shares, is wholly owned by Jade & Roc Limited. Accordingly, Dr. Zhuang, AIZL Holdings Limited, Jade & Roc Limited, and MJXY Holdings Limited will together be the Controlling Shareholders of our Company after the [REDACTED].

PRE-[REDACTED] INVESTMENTS

We have undertaken several rounds of Pre-[REDACTED] Investments. For details of the background of our Pre-[REDACTED] Investors and the principal terms of the Pre-[REDACTED] Investments, see “History, Development and Corporate Structure—Pre-[REDACTED] Investments”.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The table below sets forth our consolidated statements of profit or loss for the years indicated derived from the Accountant’s Report included in Appendix I to this Document:

	For the year ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
	<i>(in thousands, except for percentages)</i>					
Revenue	1,513,000	100.0	1,419,735	100.0	1,491,560	100.0
Cost of Revenue	(1,329,853)	(87.9)	(1,110,454)	(78.2)	(1,125,515)	(75.5)
Gross profit	183,147	12.1	309,281	21.8	366,045	24.5
Other income	10,651	0.7	10,790	0.8	18,233	1.2
Other gains and losses	(21,340)	(1.4)	(18,068)	(1.3)	(8,070)	(0.5)
Impairment losses under expected credit loss model, net of reversal	(5,651)	(0.4)	(1,962)	(0.1)	2,499	0.2
Selling and marketing expenses	(21,726)	(1.4)	(34,402)	(2.4)	(37,966)	(2.5)
Administrative expenses	(61,605)	(4.1)	(74,966)	(5.3)	(79,787)	(5.3)
Research and development expenses	(290,154)	(19.2)	(357,764)	(25.2)	(367,931)	(24.7)
Finance costs	(1,800)	(0.1)	(8,937)	(0.6)	(12,966)	(0.9)
Change in fair value of preferred shares	(148,098)	(9.8)	(115,092)	(8.1)	(1,229,318)	(82.4)
[REDACTED] expense	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Loss before tax	(356,576)	(23.6)	(291,120)	(20.5)	(1,368,445)	(91.7)
Income tax expense	—	—	—	—	—	—
Loss for the year	(356,576)	(23.6)	(291,120)	(20.5)	(1,368,445)	(91.7)
Other comprehensive income/(expense) attributable to owners of the Company						
<i>Items that may be reclassified subsequently to profit or loss:</i>						
Exchange differences arising on translation of foreign operations	4,846	0.3	6,003	0.4	(5,863)	(0.4)
Total comprehensive expense for the year attributable to owners of the Company	(351,730)	(23.2)	(285,117)	(20.1)	(1,374,308)	(92.1)
Loss per share						
Basic and diluted (RMB)	(3.30)	(0.0)	(2.70)	(0.0)	(12.67)	(0.0)

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Non-IFRS Measures

To supplement our consolidated financial statements presented in accordance with IFRS Accounting Standards, we use adjusted net loss (non-IFRS measures) for the year, EBITDA (non-IFRS measures), and adjusted EBITDA (non-IFRS measures) as additional financial measures, which are not required by, or presented in accordance with IFRS Accounting Standards. We believe that these non-IFRS measures facilitate comparisons of operating performance from year to year and company to company. We believe that these measures provide useful information to investors in understanding and evaluating our consolidated results of operations in the same manner as they help management. However, presentation of adjusted net loss (non-IFRS measures) for the year, EBITDA (non-IFRS measures), and adjusted EBITDA (non-IFRS measures) may not be comparable to similarly titled measures presented by other companies. The use of these non-IFRS measures has limitations as an analytical tool, and investors should not consider them in isolation from, or as substitute for analysis of, our results of operations or financial condition as reported under IFRS Accounting Standards. We define adjusted net loss (non-IFRS measures) as loss for the year, adjusted for changes in fair value of preferred shares and [REDACTED] expense. Changes in fair value of preferred shares arise from the shares with special rights that we issued to certain Pre-[REDACTED] Investors. Such special rights will all be automatically terminated upon the [REDACTED]. Changes in fair value of preferred shares are non-cash in nature. For details of such preferred shares with special rights, see “History, Development and Corporate Structure—Pre-[REDACTED] Investments.” [REDACTED] expense primarily relates to the expense incurred in relation to this [REDACTED]. We define EBITDA (non-IFRS measures) as loss for the year, adjusted for income tax expenses, finance costs, and depreciation and amortization. We then add back changes in the fair value of preferred shares and [REDACTED] expense.

The following tables reconcile our non-IFRS measures for the years presented with the nearest measures prepared in accordance with IFRS Accounting Standards in absolute amounts and percentage of our revenue.

	For the Year Ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
(RMB in thousands, except for percentages)						
Loss for the year	(356,576)	(23.6)	(291,120)	(20.5)	(1,368,445)	(91.7)
Add back:						
Change in fair value of preferred shares	(148,098)	(9.8)	(115,092)	(8.1)	(1,229,318)	(82.4)
[REDACTED] expense	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Adjusted net loss (non-IFRS measures)	(208,478)	(13.8)	(176,028)	(12.4)	(119,943)	(8.0)
For the Year Ended December 31,						
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
(RMB in thousands, except for percentages)						
Loss for the year	(356,576)	(23.6)	(291,120)	(20.5)	(1,368,445)	(91.7)
Add back:						
Income tax expenses	—	—	—	—	—	—
Finance costs	(1,800)	(0.1)	(8,937)	(0.6)	(12,966)	(0.9)
Depreciation and amortization	(26,959)	(1.8)	(28,329)	(2.0)	(25,307)	(1.7)
EBITDA (non-IFRS measures)	(327,817)	(21.7)	(253,854)	(17.9)	(1,330,172)	(89.2)
Add back:						
Change in fair value of preferred shares	(148,098)	(9.8)	(115,092)	(8.1)	(1,229,318)	(82.4)
[REDACTED] expense	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Adjusted EBITDA (Non-IFRS measures)	(179,719)	(11.9)	(138,762)	(9.8)	(81,670)	(5.5)

We had consistently incurred net losses during the Track Record Period, primarily due to substantial strategic investments in research and development expenses to advance our solutions, and selling and marketing expenses to expand our customer base. Additionally, the change in the fair value of convertible redeemable

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preferred shares has been a significant factor contributing to these losses. Our net loss decreased from RMB356.6 million in 2023 to RMB291.1 million in 2024, primarily due to an increase in our gross profit, as in 2024 we discontinued our relationship with an Early OEM End-customer in which carried relatively low margins. Our net loss increased from RMB291.1 million in 2024 to RMB1,368.4 million in 2025, primarily due to the significant increase in change in fair value of preferred shares from RMB115.1 million in 2024 to RMB1,229.3 million in 2025. For further details on the factors leading to our net loss, see “Financial Information.” Additionally, see “Business—Business Sustainability and Path to Profitability” for our strategy to achieve long-term profitability.

The table below sets forth selected information from our consolidated balance sheets as of the dates indicated, which has been extracted from the Accountant’s Report included in Appendix I to this Document:

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Non-current assets	69,570	84,410	89,404
Current assets	1,381,913	2,053,557	2,064,654
Total assets	1,451,483	2,137,967	2,154,058
Non-current liabilities	2,156	6,473	12,171
Current liabilities	2,816,237	3,783,521	5,168,222
Total liabilities	2,818,393	3,789,994	5,180,393
Total assets less current liabilities	(1,364,754)	(1,645,554)	(3,014,164)
Net current liabilities	(1,434,324)	(1,729,964)	(3,103,568)
Net liabilities	(1,366,910)	(1,652,027)	(3,026,335)

For more details, see “Financial Information—Discussion of Selected Items from the Consolidated Balance Sheets.”

Our net current liabilities increased from RMB3,103.6 million as of December 31, 2025 to RMB3,273.0 million as of March 31, 2026, primarily due to the decrease in trade receivables due to the seasonality of our operations, as we experienced slowdowns of the OEMs’ production schedules and temporary slowdowns around the Chinese New Year holiday period, which led to decreased trade receivables received from customers.

Our net current liabilities increased from RMB1,730.0 million as of December 31, 2024 to RMB3,103.6 million as of December 31, 2025, primarily due to the increase in our total current liabilities, as a result of the increase in our convertible redeemable preferred shares, which outweighed the increase in our total current assets, which was mainly due to the receipt of funds from our Series D+ financing.

Our net current liabilities increased from RMB1,434.3 million as of December 31, 2023 to RMB1,730.0 million as of December 31, 2024, primarily due to our higher volume of solution delivery and expanded collaboration with customers, leading to higher accrued procurement, logistics, and project-based fulfillment expenses. This was partially offset by the increase in our prepayments, deposits and other receivables, which were largely driven by our expanding project execution and pipeline, requiring advance payments to suppliers.

Our net liabilities position during the Track Record Period primarily arose from convertible redeemable preferred shares, amounting to RMB1,967.1 million, RMB2,082.1 million and RMB3,532.1 million as of December 31, 2023, 2024 and 2025, respectively, and total deficits, amounting to RMB1,366.9 million, RMB1,652.0 million and RMB3,026.3 million as of December 31, 2023, 2024 and 2025, respectively. We expect to achieve a net assets position upon the [REDACTED], as the preferred shares will be reclassified from financial liabilities to equity as a result of the automatic conversion into ordinary shares. See Note 33 to the Accountant’s Report set out in Appendix I to this Document for details.

SUMMARY

For more information, see “Financial Information—Discussion of Selected Items from the Consolidated Balance Sheets.”

The following table presents our consolidated cash flow data for the years indicated.

	For the year ended December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Net cash used in operating activities	(332,497)	(560,655)	(446,133)
Net cash (used in)/generated from investing activities	(22,821)	(225,442)	191,966
Net cash generated from financing activities	231,264	799,022	629,006
Effects of exchange rate changes	(15,994)	(11,930)	(13,998)
Net (decrease)/increase in cash and cash equivalents	(140,048)	995	360,841
Cash and cash equivalents at beginning of the year	325,774	185,726	186,721
Cash and cash equivalents at end of the year	185,726	186,721	547,562

For more details, see “Financial Information—Liquidity and Capital Resources.”

BUSINESS SUSTAINABILITY AND PATH TO PROFITABILITY

Since inception, we have prioritized technological leadership, continuous product innovation and deep, long-term customer relationships. These strategic priorities required substantial upfront investments in core technologies, core talent and infrastructure, which resulted in short-term net losses. Our accumulated deficit as of January 1, 2023, as well as net losses, adjusted net losses (non-IFRS measures), and net operating cash outflows during the Track Record Period primarily reflect these deliberate early-stage commitments.

These investments have already begun to yield results. We reached a clear commercialization inflection point in 2023, and in 2024 we delivered 634,337 units and generated RMB1.4 billion in revenue, with gross margin increased substantially from 12.1% in 2023 to 21.8% in 2024. This progress was driven by design-wins entering mass production, optimized cost and expense management, and broader reuse of standardized software and hardware components. In 2025, while our delivery volume decreased to 519,506 units, our revenue has increased to RMB1.5 billion with gross margin further increased to 24.5%, primarily driven by our launch of more solutions with higher price points.

We believe our historical losses were primarily attributable to (i) early-stage investments in R&D and commercialization; (ii) economies of scale that are still materializing; and (iii) the impact of our commercial relationship with the Early OEM End-customer.

We believe that our early-stage investments lay a solid foundation for our future long-term growth and profitability. We plan to achieve breakeven and profitability primarily through implementing the following strategies:

- **Increasing sales**
 - *Grow our customer base and increase wallet share.* Achieving scale is central to our long-term path to profitability. Over the years, we have consistently expanded our OEM customer base, deepened penetration with existing customers, and converted our design-win pipeline into recurring revenue growth. We had 13 OEM customers in 2025, increasing from 12 OEM customers in 2024 and 10 OEM customers in 2023. Our wallet share—measured by our combined share of their total sold vehicles incorporating our solutions with our top five customers increased from 1.2% in 2022 to 12.7% in 2024. Furthermore, in vehicles equipped with domain control solutions, we saw even more significant growth in our wallet share—measured by our combined share of their sold vehicles with our integrated domain control solutions—from 8.8% to 44.1% in our top five customers over the same years. We also maintained momentum in design-wins. Our active design-wins increased from 26 to 48 from 2023 to 2024. During 2025 and up to the Latest Practicable Date, the cumulative number of active design-wins amounted to 79. We secured 30 new design-wins in 2025, compared to 23 in 2024 and 11 in 2023. Among these design-wins, four,

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three and one were secured with newly acquired OEM customers in 2023, 2024 and 2025, respectively. During 2025 and up to the Latest Practicable Date, 61 of our design-wins converted into mass production. These gains reflect market recognition of our technology, the adaptability of our solutions, and the scalability of our modular software architecture. With increasing design-wins moving from development into mass production, we are positioned to drive substantial revenue growth without a proportional increase in associated costs, thereby improving operating leverage.

- *Strategically pursue design-wins with promising commercialization potential.* We focus on design-wins with promising commercialization potential. We are also actively pursuing recurring, high-margin revenue streams including software licensing, OTA-based feature upgrades, and value-added services, which enhance monetization across the vehicle lifecycle. In 2024 and 2025, we completed an average of 19.6 and 39.5 over-the-air updates, respectively, for our top five customers during the same years. See “Business—Our Customers” for further details on our top five customers for each year during the Track Record Period.
- *Expand globally.* Building on domestic leadership, we have successfully entered the global supplier system of a large global OEM, secured a design-win with an European OEM in 2026, and started proof-of-concept (POC) projects for two large global OEMs, validating our technology against the industry’s most rigorous standards for quality and reliability. This inclusion provides a foundation of trust to secure further design-wins with major OEMs across Japan, Korea, Germany, France and other markets. Selection for global vehicle platforms offers access to significant shipment scales. As global OEMs typically operate global production and sales networks, such inclusion means that our solutions may be adopted across multiple countries and regional markets as the OEM launches new vehicle models worldwide. This volume enables us to achieve critical economies of scale, securing favorable procurement terms for semiconductors and manufacturing while strengthening our resilience against supply chain volatility. To support these initiatives, we have established dedicated teams in Japan and Germany, strengthening our local presence and enabling closer collaboration with large global OEMs.
- **Improve our gross profit margin**
 - *Optimize product portfolio.* We are strategically evolving our product portfolio toward high-value, software-intensive solutions that drive long-term unit economic expansion. By consolidating smart cockpit and ADAS functions into a single, integrated domain control solution, we significantly increase the value we deliver to our OEM customers. This approach allows us to command higher price points while providing OEMs with a competitive cost structure by eliminating the need for redundant SoCs or separate controllers. Our portfolio strategy prioritizes design-wins with high-return profiles, such as software licensing and OTA-enabled feature enhancements. These recurring revenue streams show superior unit economics compared to traditional hardware-centric models and are fundamental to our long-term profitability.
 - *Manage raw material costs more effectively.* Our unit cost structure continues to benefit from broader reuse of standardized components across OEM programs, which enables more efficient resource allocation and procurement scale. Leveraging our improved bargaining position with suppliers, we are also strengthening control over raw material and contract manufacturing costs, further enhancing gross margin resilience.
 - *Manage our contract manufacturing process more effectively.* By improving supplier terms and production management, we are strengthening control over costs and enhancing margin resilience.

Enhance our operating leverage

- *Leverage AI to further optimize R&D process.* With the core “AI-in-All” strategy, AI has been widely adopted in our R&D process. For example, AI Agents has been used to automate our code

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generation. Together with our modular software architecture, our R&D efficiency has been continuously improving throughout the Track Record Period. This is evidenced by a significant decrease in our R&D expenses per active design-win, which declined by 33.2% between 2023 and 2024, and 34.2% between 2024 and 2025. Our AI-powered modular architecture also enables a superior module reuse rate, cutting development cycles to just 6 to 9 months versus the 12 to 15 months industry average, according to Frost & Sullivan.

- *Continue to manage operating expenses diligently.* We are streamlining delivery and testing processes through improved tools, modularization, and onsite support capacity. As a result, cycle time from design-win to mass production has shortened, accelerating revenue conversion. With certain key customers, we have prioritized deeper account penetration, securing additional models and projects, rather than focusing solely on shortening payment cycles. At the same time, we have successfully negotiated more favorable payment terms with major customers and suppliers, demonstrating our strengthened bargaining power. In terms of R&D, we have continued to invest in innovation while improving efficiency and scalability. In 2023, 2024 and 2025, our research and development expenses amounted to RMB290.2 million, RMB357.8 million and RMB367.9 million, respectively, representing 19.2%, 25.2% and 24.7% of our revenue for the corresponding years. The decline in R&D expenses from 2024 to 2025 as a percentage of revenue reflects the improving return on our R&D investment.

At the same time, we have maintained disciplined cost management in other areas. Our selling and marketing expenses as a percentage of revenue were 1.4% in 2023, 2.4% in 2024 and 2.5% in 2025. Our administrative expenses as a percentage of revenue remained at a relatively low level, amounting to 4.1%, 5.3% and 5.3%, respectively, over the same years.

For more information, see “Business—Business Sustainability and Path to Profitability.”

RISK FACTORS

Our business and the [REDACTED] involve certain 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 Shares. Some of the major risks we face include: (i) The market for integrated domain control solutions is rapidly evolving. Changes in sales, production and market demand can materially and adversely affect our business, financial condition, and results of operations; (ii) Our business, financial condition, and results of operations are highly correlated with the overall performance of China’s passenger vehicle market, are subject to seasonality; (iii) Our position in the automotive value chain subjects us to uncertainties in customer forecasting and planning, which may materially and adversely affect our performance and potentially deviate from expectations; (iv) We face intense competition from both well-established companies and new market entrants. If we fail to compete effectively in areas such as technology, pricing or customer service, our business, financial condition, and results of operations may be materially and adversely affected and (v) Failure to retain our existing customers, attract new ones, or increase customer spending could materially impact our business, financial condition, and results of operation.

WORKING CAPITAL

Taking into account the financial resources available to us, including anticipated cash flow from our operating activities, existing cash and cash equivalents, available bank facilities and the estimated net [REDACTED] from the [REDACTED], our Directors believe that we have sufficient working capital for our present requirements and for the next 12 months from the date of this Document. After making reasonable inquiries of our management about our working capital, the Joint Sponsors concur with the views of our Directors.

We intend to finance our future working capital requirements and capital expenditures primarily from cash expected to be generated from operating activities, bank facilities and funds raised from financing activities, including the net [REDACTED] we will receive from the [REDACTED].

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DIVIDENDS

During the Track Record Period, no dividends have been declared and paid by us. As of the Latest Practicable Date, we did not have a formal dividend policy or a fixed dividend distribution ratio. Any dividends we pay will be determined at the absolute discretion of our Board, taking into account factors including our actual and expected results of operations, cash flow and financial position, general business conditions and business strategies, expected working capital requirements and future expansion plans, legal, regulatory and other contractual restrictions, and other factors that our Board deems to be appropriate. Our Shareholders in a general meeting may approve any declaration of dividends recommended by our Board, but no dividend may exceed the amount recommended by our Board. In either case, all dividends are subject to certain restrictions under Cayman Islands law, namely that we may pay a dividend out of either profit or a share premium account, provided always that in no circumstances may a dividend be paid if this would result in our Company being unable to pay its debts as they fall due in the ordinary course of business. PRC laws require that dividends shall be paid only out of the profit for the year determined according to PRC accounting principles. PRC laws also require foreign-invested enterprises to set aside at least 10% of its after-tax profits, if any, to fund its statutory reserves, until the aggregated amount of such funds reaches 50% of their registered capital, which are not available for distribution as cash dividends. We do not expect to pay any cash dividends in the foreseeable future.

[REDACTED] EXPENSES

Based on the mid-point [REDACTED] of HK\$[REDACTED] (being the mid-point of our [REDACTED] range of HK\$[REDACTED] to HK\$[REDACTED] per [REDACTED]), the total [REDACTED] expenses (including [REDACTED]) payable by our Company are estimated to be approximately HK\$[REDACTED] (equivalent to approximately RMB[REDACTED]), assuming the [REDACTED] is not exercised. These [REDACTED] expenses mainly comprise professional fees paid and payable to the professional parties, and [REDACTED] payable to the [REDACTED], for their services rendered in relation to the [REDACTED] and the [REDACTED].

As of December 31, 2025, we incurred [REDACTED] expense of [REDACTED], of which RMB[REDACTED] was charged to the consolidated statements of profit or loss and RMB[REDACTED] was recognized as a reduction in equity upon successful [REDACTED].

[REDACTED]

SUMMARY

[REDACTED]

FUTURE PLANS AND USE OF [REDACTED]

We estimate that we will receive aggregate net [REDACTED] from the [REDACTED] (after deducting [REDACTED] fees and estimated expenses in connection with the [REDACTED] payable by us and assuming that the [REDACTED] is not exercised and an [REDACTED] of HK\$[REDACTED] per Share, being the mid-point of the indicative [REDACTED] range stated in this Document) of approximately HK[REDACTED].

We intend to use the net [REDACTED] we will receive from the [REDACTED] for the following purposes:

- (i) approximately [REDACTED]%, or HK\$[REDACTED], of the net [REDACTED] in further strengthening our research and development capabilities;
- (ii) approximately [REDACTED]%, or HK\$[REDACTED], of the net [REDACTED] will be invested to expand our product portfolio by integrating additional features into the domain control solutions;
- (iii) approximately [REDACTED]%, or HK\$[REDACTED], of the net [REDACTED] will be invested to expand our sales and go-to-market network across both domestic and international markets; and
- (iv) approximately [REDACTED]%, or HK\$[REDACTED], of the net [REDACTED] will be allocated to working capital enhancement and other general corporate purposes.

For details, see “Future Plans and Use of [REDACTED].”

LEGAL PROCEEDINGS AND COMPLIANCE

During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any actual or pending legal, arbitration or administrative proceedings (including any bankruptcy or receivership proceedings) that we believe would have a material adverse effect on our business, results of operations, financial condition or reputation and compliance.

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According to our PRC Legal Adviser, the business operations we engaged in had been carried out in compliance with applicable PRC laws and regulations in all material respects during the Track Record Period and up to the Latest Practicable Date.

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

According to Frost & Sullivan, the passenger vehicle market in China experienced a notable downturn in the first quarter of 2026. Retail sales amounted to 4.2 million units, representing a 17% decrease compared with the same period in the prior year. The contraction was more pronounced in the new energy vehicle (NEV) segment, where retail sales totaled 1.8 million units, a 24% decline year-on-year. The primary driver of this sharper decline was the adjustment to government policy incentives effective January 1, 2026, under which the NEV purchase tax rate was exempted by 50% (reduced from 10% to 5%) with the total tax benefit capped at RMB15,000 per vehicle, compared with the prior full tax exemption and tax benefit capped at RMB30,000 per vehicle in 2025. This policy change directly impacted consumer demand for NEVs, thereby influencing overall industry performance. Consequently, this market contraction affected our delivery volumes to customers and hence our revenue during the first quarter of 2026. Nevertheless, as policy incentives such as tax exemption remain in place in 2026, they are still expected to provide a positive impact on the broader Chinese automotive industry.

Despite these market headwinds, we have continued to strengthen our business pipeline. Since the beginning of 2026, we have secured four new design-wins, one of which is with a major European OEM for a global vehicle platform. Furthermore, between the start of 2026 and the Latest Practicable Date, we successfully transitioned four design-wins into mass production. These newly commercialized projects are expected to contribute to our ongoing revenue. During 2025 and up to the Latest Practicable Date, our cumulative number of secured design-wins totaled 79, of which 61 have progressed to mass production, underscoring the long-term value and maturity of our business pipeline.

While we recorded a significant increase in net loss in 2025, our adjusted net loss (non-IFRS measures), which excluded the impact of the change in fair value of preferred shares and [REDACTED] expenses, narrowed in 2025 as compared to 2024 and 2023 on an year-over-year basis. This reflects continued improvement in our core business performance. The increase in our net loss was primarily attributable to non-cash adjustments related to the change in fair value of our preferred shares.

Our Directors have confirmed that as of the date of this Document there has been no material adverse change in our financial, operational or trading position, indebtedness, contingent liabilities or prospects since December 31, 2025, being the end date of our latest audited financial statements, and there has been no event since December 31, 2025 that would materially affect the information shown in the Accountants' Report set out in Appendix I to this Document.

During the Track Record Period and up to the Latest Practicable Date, we had not been a party to, and were not aware of any threat of, any legal, arbitral or administrative proceeding which, in our opinion, would likely have a material and adverse effect on our business, financial condition or results of operations. We may from time to time become a party to various legal, arbitral or administrative proceedings arising in the ordinary course of our business. We believe that, during the Track Record Period and up to the Latest Practicable Date, we had complied in all material respects with the applicable laws and regulations relating to our business operations.

[REDACTED]