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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 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, “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

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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 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 expand since 2022 when the first vehicle equipped with our solutions reached mass-production. As of the Latest Practicable Date, our solutions had 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. By the end of 2026, we expect to see our technologies deployed in more than 40 countries and regions. This 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.

A Market in Transformation—and Our Opportunities

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

This momentum reflects a broader shift in the automotive industry, as OEMs respond to consumer demand for connectivity, personalized in-cabin experiences enabled by advanced human-machine interface, and a smarter, more intuitive driving experience. Integrated domain control solutions increasingly function as the digital nerve center of the vehicle, orchestrating entertainment, connectivity, and safety features that define the next-generation driving experience. 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.

In particular, merging smart cockpit and intelligent driving systems into one cohesive domain will help automakers deliver a driving experience that is smoother, safer and more personalized. However, the core challenge of this integration lies in the varying and fluctuating computing demands between the two systems, which require a unified architecture to dynamically allocate resources as needed. A single-source provider can optimize this orchestration, ensuring that computing power is deployed efficiently across both domains, without the fragmentation and inefficiencies of multi-vendor solutions. This approach guarantees a more stable system, enhances overall efficiency, and creates an environment conducive to ongoing innovation, positioning manufacturers with a competitive edge in the rapidly advancing landscape of intelligent mobility.

Both global and China markets of integrated domain control solutions industry have and are expected to continuously experience robust growth.

- *Global.* 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

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units in 2029. In terms of revenue, the global market size of the integrated domain control solutions reached around RMB 37.9 billion in 2024 and is projected to reach RMB 274.2 billion in 2029, representing a CAGR of 48.5% from 2024 onward.

- ***In China.*** 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 RMB 21.5 billion in 2024 and is projected to reach RMB 134.7 billion in 2029, representing a CAGR of 44.3% from 2024 onward.

Despite the strong demand, many OEMs continue to face the challenge of balancing feature, performance, and cost—the FPC Trilemma. We are well positioned to help them overcome this. With deep expertise in proprietary modular design software architecture, we deliver customized solutions that enable OEMs to differentiate their vehicles and respond quickly to evolving consumer expectations. Our leadership in China’s integrated domain control solutions industry, combined with our technology and OEM partnerships, positions us to capture significant market share in China and globally as the demand continues to accelerate.

Technology Development Strategy: Single-Chip Smart Cockpit Solutions Integrating Multiple In-Vehicle Functions

Our Company was founded on the belief that AI is the definitive catalyst for the next generation of mobility. Unlike legacy providers who retroactively add AI layers to existing systems, we operate with an “AI-in-AI” philosophy, embedding artificial intelligence deeply within our organizational DNA. This AI-native foundation extends beyond product features to drive our internal R&D process, supply chain optimization and automated testing protocols.

Holistic integration enables us to deliver context-aware solutions that respond swiftly to evolving industry requirements while continuously improving our own operational efficiency. Critically, our full-stack AI capabilities extend across both the cockpit and the vehicle’s autonomous functions, all powered by proprietary algorithms spanning voice, vision and perception. By building this capability in-house and embedding it within our modular software architecture, we have created a structural technological moat that is difficult for competitors to replicate. Unlike peers who rely on third-party algorithm stacks or fragmented point solutions, our unified AI foundation enables smooth data flow between functions, continuous learning from real-world deployments, and iteration across the entire vehicle intelligence spectrum. This positions us to sustain long-term differentiation as the industry transitions toward software-defined vehicles.

Leveraging our proprietary software architecture and system-level integration capabilities, we have developed single-chip solutions that power both the cockpit and ADAS domains. In 2024, we achieved mass-production of single-chip integrated cockpit-and-parking solution, making us the first third-party provider in China’s intelligent vehicle industry to commercialize such a solution, according to Frost & Sullivan. In 2026, we further launched a fully self-developed single-chip integrated cockpit-and-driving solution based on the Qualcomm SA8775 platform, reaching a milestone in cross-domain intelligence.

We support our technology development strategy with an experienced R&D team and the use of AI-powered toolchain designed to improve development efficiency. These tools help shorten development cycles and reduce incremental R&D costs associated with each new design-win. In particular, our automated testing and digital management technologies have improved our testing efficiency by approximately tenfold, according to an evaluation conducted by an independent third party based on applicable national standards for system and software engineering. Our core R&D team is led by engineers with extensive experience in AI and automotive software, with prior experience at established technology and automotive companies.

Our Foundation & Frontier Product Roadmap

We are redefining the mobility experience by integrating fragmented vehicle functions into a single AI-driven core. Our “Foundation & Frontier” strategy operates at the intersection of intelligence and mobility, driven by a dual-engine growth model that smoothly integrates how a passenger feels with how a vehicle moves.

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The Experience Foundation: Smart Cockpit + X

Our Smart Cockpit + X product suite serves as our Experience Foundation, acting as the primary end-user touchpoint and 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 combinations by our OEM customers. Central to this ecosystem is MegaClaw, our proprietary agentic operating system.

- **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 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 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 the 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 and 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 continuously enhanced through over-the-air updates.

The Autonomy Frontier: ADAS

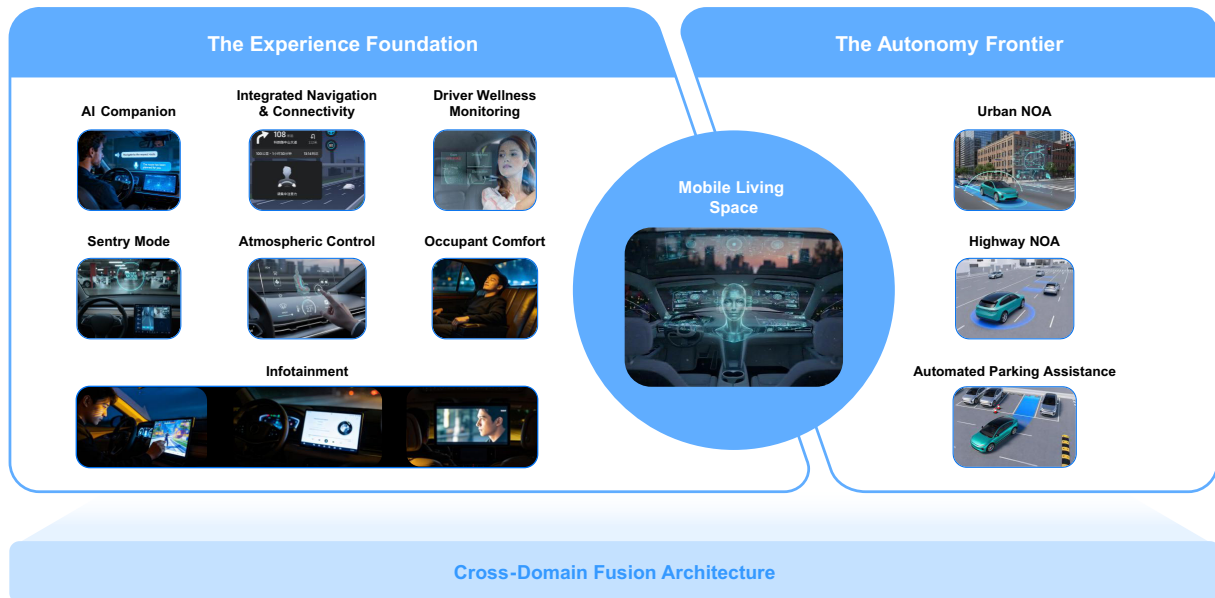
Our Autonomy Frontier leverages a single-chip integrated architecture to unify smart cockpit and ADAS within a single domain controller, significantly reducing system complexity and cost for OEMs and end-users. Having achieved mass production of an integrated cockpit-and-parking solution on a single Qualcomm SA8155 chip in 2024, we have established a solid foundation for our autonomous driving roadmap. Building on this achievement, we have developed production-ready Highway NOA (Navigate on Autopilot) and are actively advancing toward Urban NOA. Our Autonomy Frontier encompasses 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.
- **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.

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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.

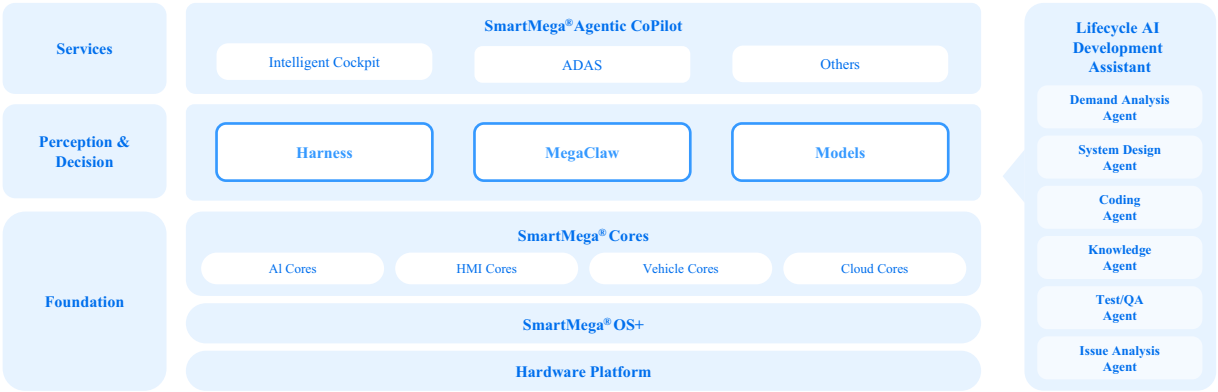
At the heart of this layer sits MegaClaw, our proprietary agentic operating system and the central “brain” of the cockpit. Built on top of third-party foundation models and our own AI stack, MegaClaw orchestrates the execution side of the loop, converting decisions into complex, multistep tasks across 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

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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 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.

What We Have Achieved

We have achieved growth in both revenue and gross profit in recent years, driven by our commitment to technological innovation and deep long-term customer relationships. From 2023 to 2025, our revenue slightly decreased from RMB1,513.0 million to RMB1,491.6 million, while our gross margin increased from 12.1% in 2023 to 24.5% in 2025.

Below are key highlights of our recent achievements:

	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.

Our delivery volume declined from 2023 to 2024, primarily due to the one-time impact from our strategic decision to discontinue relationship with the “Early OEM End-customer,” a large Chinese smart electric vehicle company, where we supplied basic domain controllers, as opposed to our integrated domain control solutions. We determined the basic domain controllers were no longer aligned with our long-term development objectives and discontinued our cooperation with the Early OEM End-customer in 2024. As a result, the delivery volume and revenue attributed to it has decreased during the Track Record Period and became nil in 2025. For more information about this “Early OEM End-customer,” see “Business— Our Customers— Major Customers—The Early OEM End-customer.” Although this decision had a one-time impact on our delivery volume and revenue, it was part of our broader strategy to redirect resources toward more technically advanced customer engagement and design-wins that are better aligned with our long-term strategies. This proactive shift has quickly generated positive results, as evidenced by an increase of our gross profit margin from 12.1% in 2023 to 21.8% in 2024, and further to 24.5% in 2025. In addition, the decline in delivery volume from 2024 to 2025 was primarily due to lower sales volume of certain OEM customers’ vehicles equipped with our solutions, which was affected by

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OEMs’ changes in product launch, production and marketing plans, in reaction to changes in market condition. However, we continued to secure new design-wins during the Track Record Period, some of which are expected to enter mass production in 2026 and beyond. As these design-wins progress, delivery volumes are expected to increase over time. During 2025 and up to the Latest Practicable Date, the cumulative number of design-wins amounted to 79, and 61 of them have converted into mass production.

Our ASP is calculated by dividing total revenue generated from delivery by delivery volume. The ASP of our solutions varies from period to period, due to a variety of factors such as the chip platform used (e.g., different generations of SoCs with varying cost and performance), hardware configurations and functional modules (such as GPUs, NPUs, memory, multi-screen support, and safety requirements), the manufacturing model used, the overall complexity and customization of the solution, and our commercial pricing strategy at different stages of a design-win. The modest decline in our ASP in 2024 was primarily due to the increased proportion of deliveries under what we refer to as the “OEM-affiliated manufacturer model,” which applies to one of our major OEM customers due to their internal production structure. See “—Production” for details. Under this model, we supply our software and select key components to a manufacturer affiliated with that OEM, rather than delivering to the OEM. Unlike typical contract manufacturing models—where we recognize revenue fully for the finished goods (i.e. the domain controllers that have been pre-installed with our proprietary operating system and software)—we only recognize revenue under the OEM-affiliated manufacturer model for the portion we supply to the affiliated manufacturer. As the share of deliveries under this model increased in 2024, it contributed to a decline in our overall ASP. The year-over-year increase in our ASP in 2025 was primarily due to the increased contribution of solutions with higher price points, which aligns with our business and profitability growth strategy. See “—Business Sustainability and Path to Profitability.”

OUR STRENGTHS

Top Player in Smart Vehicle Solutions

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 deliver next-generation, software-driven solutions that redefine the driving experience. Our integrated solutions bring premium-level features—once exclusive to luxury models—into the mass-market vehicles, breaking technological barriers for OEMs and reshaping the landscape of integrated domain control solutions and driving technology.

We possess deep expertise in both AI algorithm design and integrated domain control solutions development. As a pioneer in software-defined smart vehicle solutions, we leverage our expertise in computer science and automobile engineering to build high-efficiency vehicle control platforms.

According to Frost & Sullivan:

- We are ***among the first*** in China’s intelligent vehicle industry to develop fully standardized, modular, software-driven integrated domain control solutions enabling OEMs to efficiently build advanced automotive intelligence from scratch;
- In 2024, we became the ***first*** third-party provider to achieve mass production of a single-chip integrated cockpit-and-parking solution powered by a single automotive-grade main control chip.
- We are ***one of only two*** third-party providers to offer a full-scenario smart voice system built into the smart cockpit, achieving the highest industry voice recognition rate of 99%, compared to an industry average ranging from 75% to 85%.

Our technological leadership helps OEMs solve their most pressing challenges with innovative solutions that deliver speed, cost efficiency, and top-tier performance. Our relentless focus on innovation has propelled us to the forefront of China’s smart vehicle solutions market. In each of 2023 and 2024, we were among the top two Chinese providers of integrated domain control solutions, measured by newly installed volume according to Frost & Sullivan. In the same years, we ranked top two in installed volume of domain control solutions with

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mid-to-high computing power SoCs, according to the same source. We achieved the fastest pace in China’s integrated domain control solutions industry to reach one million cumulative delivery since mass production, significantly higher than the industry average of four to six years, according to the same source. We are well positioned to help OEMs navigate the complexities of software-defined vehicles, delivering innovation, efficiency, and scalability that drive success in the next era of mobility.

Dual Reinforcing Loops Driving Continuous Innovations

As the smart vehicle industry becomes increasingly software-defined, both OEMs and upstream chip suppliers face growing challenges in system complexity, chip-vehicle integration, and software-hardware compatibility. To this end, we operate within a dual reinforcing loop that connects the two major groups of industry players—OEMs and suppliers. This two-way dynamic enables us to transform complex hardware capabilities into production-ready solutions that are reliable and cost-effective.

For chip suppliers, we bring in advanced semiconductor technologies unlocking their full potential through system-level software integration. We work closely with them to address compatibility challenges, accelerate chip adaptation, and translate chip-level innovation into deployable features. Our long-term collaboration with Qualcomm exemplifies this approach—we support the entire lifecycle from early design adaptation to production rollout. In the Dongfeng eπ 008 design-win, for example, we use a single Qualcomm SA8155 chip to deliver our single-chip integrated cockpit-and-parking solution that can simultaneously support high-end cockpit experience and APA capabilities, which typically requires multiple chips, demonstrating our ability to fully harness chip performance through optimized architecture and software design.

For OEMs, we integrate feedback from large-scale deployments and evolving functional requirements to continuously calibrate our product offerings and ensure our technology stack remains at the forefront of the industry. We help OEMs reduce complexity, shorten development cycles, and improve unit economics through modular software architecture and fulfillment capabilities. Our solutions are designed to scale across platforms and adapt to different vehicle models. In the Dongfeng Nissan N7 design-win, our integrated domain control solution—built on the Qualcomm SA8295 chip—achieved the highest ranking among all vehicles using the same chip, according to a widely referenced third-party benchmark published in April 2025. We believe this performance showcases not only our R&D strength, but also the effectiveness of our customer collaboration loop in driving continuous product improvement.

Driving this innovation engine is our top-tier, multidisciplinary R&D team, bringing deep expertise in AI, software, hardware, and automotive systems. Working closely with our sales, fulfillment, and engineering teams, they translate market needs into production-ready solutions. Feedback from suppliers and OEMs drives our development of modular, universal software toolkits and testing protocols, empowering engineers to deliver intuitive, reliable solutions that can be adapted across vehicle lines. Even after deployment, our solutions evolve continuously. Sales and fulfillment teams stay engaged with OEMs to collect feedback and identify improvement opportunities, ensuring our offerings remain cutting-edge and aligned with real-world needs. We are also supported by our deep collaborations with research institutions which ensures we remain at the cutting edge of technology and regulatory advancements.

Highly effective R&D Powered by Profound Industry Insights

Our innovation is driven by a modular software design framework and AI-native capabilities that accelerate the development of high-quality solutions, establishing benchmarks for speed and quality.

Furthermore, our multi-disciplinary expertise across computer science and automotive engineering allows for highly disciplined capital allocation. By focusing our R&D resources on vehicle models and hardware platforms that demonstrate strong market potential and align with our software stack, we minimize integration costs and accelerate scaling.

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Our track record of efficiency is characterized by the following:

- **Accelerated modular development:** Our AI-enabled modular architecture facilitates a high module reuse rate, cutting development cycles for integrated domain control solutions to 6 to 9 months, significantly outperforming the industry average of 12 to 15 months, according to Frost & Sullivan.
- **Rapid commercialization:** We are able to convert cutting-edge research into high-value, production-ready solutions rapidly. For example, our sound-zone isolation technology transitioned from academic research to commercial deployment within just two months. This breakthrough significantly enhanced user experience while reducing hardware requirements.
- **Superior efficiency with leaner teams:** We have matched or surpassed other market players in core functionalities such as voice processing and driver/occupant monitoring systems (DMS/OMS), while maintaining leaner teams and significantly shorter ramp-up times. For example, the R&D personnel per active design-win decreased from 18 in 2023 to 14 in 2024, and further to 8 in 2025. This agility is a key differentiator in a market defined by rapid technological shifts.
- **Capital-efficient, asset-light model:** We strategically concentrate our resources on high-value software architecture and AI development while leveraging partnerships with large contract manufacturers for production. This model minimizes capital expenditure and fixed-asset investment, providing the operational agility to rapidly recalibrate our technology stack in response to market dynamics.

Our exceptional R&D efficiency is a primary driver of our profitability. With a lean R&D organization of over 600 personnel as of December 31, 2025, we delivered approximately 520,000 integrated domain controller in 2025. Leveraging this efficiency, we achieved a significant expansion in gross margin, which rose from 12.1% in 2023 to 21.8% in 2024, and reached 24.5% in 2025.

Close Cooperation with Blue-Chip Customers

We are strategically positioned to drive automotive industry’s transition toward Software-Defined Vehicles (SDVs). By leveraging our high R&D efficiency and AI-native architecture, we provide highly customizable, full-stack solutions that address the increasing complexity of next-generation vehicle platforms. Since our inception, we have rapidly achieved commercial validation, emerging as a preferred partner for large Chinese OEMs and securing significant design-wins that establish a solid foundation for long-term recurring revenue. In 2023, 2024 and 2025, the number of our OEM customers amounted to 10, 12 and 13 respectively. Our current customers include some of the industry’s most respected brands, such as Chery, Changan, Dongfeng, Changan Mazda, Nissan, Ford and BAIC. Our active design-wins increased from 26 in 2023 to 48 in 2024, and further to 75 in 2025.

The success of our deep cooperation with OEMs and ecosystem partners is evidenced by the rapid expansion of our market penetration among key customers. Our combined wallet share in our top five customers—defined as the proportion of vehicles sold by our top five customers that incorporate our solutions—increased from 1.2% in 2022 to 12.7% in 2024. This growth is even more pronounced in vehicles equipped with domain control solutions, where our penetration rate among the top five customers’ domain-controlled vehicles jumped from 8.8% in 2022 to 44.1% in 2024. These gains reflect the deepening institutional trust OEMs place in our platform for their flagship vehicle lines.

High-Performance Engineering Culture Championed by Industry Leaders

Our company is defined by an institutionalized engineering DNA that prioritizes judgment, communication, execution, and innovation. We foster an environment of “decisive judgment”, empowering our teams to cut through technical and organizational complexity to address industry challenges with clarity. This is supported by a culture of precision communication and unwavering execution, where structured alignment and accountability drive the rapid delivery of high-impact outcomes. At its foundation, our innovation strategy focuses on solving fundamental automotive pain points through efficient and enduring solutions.

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Our innovation engine is powered by a R&D team of over 600 personnel, led by a cadre of technical leaders with an average of more than 15 years of experience at top global technology and automotive companies. This multi-disciplinary team possesses comprehensive expertise across the entire software-defined vehicle stack—including AI, speech algorithms, autonomous driving, foundational software, middleware, hardware design, and automated testing. This breadth of technical capability allows us to deliver high-quality solutions that meet the stringent requirements of global OEMs.

This engineering excellence is smoothly integrated with our sales and fulfillment functions, led by automotive veterans with an average of 18 years of experience, ensuring that technological breakthroughs are commercialized with exceptional speed and quality.

The leadership team, led by our Founder and CEO, Dr. Zhuang, champions this culture with a bold strategic vision grounded in deep industry insight. Dr. Zhuang earned her Ph.D. in Computer Science from UC Berkeley, and bachelor’s and master’s degrees from Tsinghua University. Before founding our company, Dr. Zhuang held senior roles at world-renowned technology firms. She was a senior researcher at Microsoft Research and served as a senior executive responsible for technology development at Yahoo!, Cheetah Mobile, and NIO. At NIO, she led the development of the integrated domain control solution and software platform, pioneering innovations that helped define next-generation automotive experiences. Dr. Zhuang is a recognized leader in the automotive technology sector, having received prestigious accolades such as the *2025 MotorTrend Software-Defined Vehicle Innovator Awards*, *Forbes China’s 2024 Leaders in Technology and Innovation*, and *Fortune’s 2023 Most Powerful Women in China*. Under Dr. Zhuang’s leadership, we have consistently explored the frontiers of automotive intelligence while maintaining a clear trajectory for strategic growth.

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:

Advancing “AI-in-All”

To strengthen our competitive lead, we are aggressively executing our “AI-in-All” strategy.

- Engineering the Intelligence Core: We will continue to invest in the research and development of World Models and multimodal LLM to drive generative, human-like reasoning. This will enable our products to handle increasingly complex urban environments and cross-domain tasks with zero-shot generalization, aiming to set a new industry standard for safety and adaptability.
- Scaling Product-Level AI: We are accelerating the rollout of MegaClaw — our proprietary OS for AI agents — and expanding our suite of specialized AI agents to offer a more intuitive, multi-modal user experience. These product-level agents execute complex cabin and driving functions, translating our core intelligence into real-world performance, and providing a reliable and smooth experience for drivers and passengers.
- Industrializing AI-Native R&D: We are expanding our full-lifecycle AI agent toolchain to automate the entire development process — from automated coding agent to issue analysis agent. By embedding these R&D-specific agents across our workflow, we aim to further decouple our innovation velocity from headcount, ensuring that as we scale, we maintain reliable quality and advanced margins.

Expanding Product Horizons

We are accelerating our product roadmap to capture new horizons while aggressively pioneering the next generation of software-defined vehicle (SDV) architecture:

- Advancing Autonomous Driving: In developing our Autonomy Frontier, we are transitioning our ADAS roadmap from highway-centric assistance to full-stack urban autonomy. Our strategic focus is the

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development and mass deployment of Urban NOA through a SD Pro approach. By utilizing the World Model to provide human-like reasoning, we enable vehicles to navigate complex urban environments and master “corner cases” that stymie traditional rule-based systems. This phased roadmap transforms the vehicle into a continuous learning agent, ensuring our ADAS stack remains at the technological forefront and a primary driver of our growth.

- *Driving Domain Convergence:* We are accelerating the industry shift toward integrated domain control, consolidating smart cockpit, ADAS, and broader vehicle functions onto a single automotive-grade SoC. To support this, we maintain deep strategic collaborations with large semiconductor partners, optimizing our product design to maximize the effective compute power of each SoC. This co-design approach significantly reduces the Bill of Materials (BOM) and development cycles for OEMs, serving as the bridge to a Centralized Computing Platform — a unified “Intelligence Core” for the next generation of SDVs.
- *Pioneering the Future of Mobility:* We recognize that the evolution of intelligent vehicles is occurring at an exponential pace. As the boundary between the digital and physical worlds blurs, we are committed to bringing innovative features to life. By staying at the forefront of AI research, we will aggressively transform the advanced technologies into mass-market products, redefining the relationship between humans and their vehicles.

Strengthening Customer Relationships and Broadening Market Reach

We are dedicated to strengthening relationships with our OEM partners and broadening our reach to new customers in China and globally.

- *Deepening Collaboration with Existing OEMs.* We have established long-term relationships with large OEMs such as Chery, Changan, Dongfeng, Changan Mazda, Nissan, Ford and BAIC. Moving forward, we aim to further align our development cycles with theirs by engaging early in the design phase to integrate our solutions into their vehicle platforms. Leveraging our combined software and hardware expertise, we help OEMs enhance system performance and accelerate time-to-market. Beyond product launches, we provide ongoing support with continuous upgrades that improve features and performance across their vehicle portfolios. Additionally, we collaborate closely with OEM engineering teams during the early stages of vehicle development to co-create technical solutions that align with their strategic objectives.
- *Expanding our customer base through benchmark design-wins.* In addition to strengthening relationships with existing OEMs, we are aggressively broadening our reach with new domestic and international automakers. Our strategy focuses on delivering high-quality benchmark design-wins. By consistently striving to meet customer expectations in performance and reliability, we build trust and secure long-term, repeat business.

Deepening Collaborations with Our Supply Chain Partners

The smooth integration between software and complex hardware components is crucial to delivering high-quality integrated domain control solutions at scale. We are committed to strengthening partnerships with key suppliers to ensure a reliable supply chain and minimize production risks, a factor that directly influences OEMs’ supplier decisions. By collaborating closely with our suppliers, we can navigate market fluctuations and ensure consistent delivery. In addition, we will strengthen collaboration with our manufacturing partners to optimize production processes and further reduce risks. Beyond procurement, we aim to leverage our expertise in algorithms and integrated domain control solution production to jointly address technical challenges. We believe these collaborative efforts will enable us to develop more competitive, integrated solutions that meet our customers’ evolving needs.

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Expanding Globally

We are driving a focused global expansion strategy to strengthen our position in the automotive industry, accelerate market penetration, and extend our integrated domain control solutions to OEMs worldwide.

- *Expanding Global Footprint via Strategic Partnerships:* We will take a flexible approach by collaborating with both global OEMs and Tier-1 suppliers, leveraging global Tier-1 suppliers’ established relationships with international OEMs to integrate our AI-powered integrated domain control solutions into their platforms. This approach allows us to break through traditional entry barriers, leveraging our partners’ deep-rooted relationships with international OEMs to accelerate the global adoption of our technology.
- *Deepening Trust through Cultural and Technical Fluency:* With our management team’s extensive international experience, we understand the expectations of global OEMs and the nuances of regional markets. This cultural fluency allows us to build trust and forge long-term partnerships across diverse geographies.
- *Establishing Localized Operations:* To further support this growth, we are building local teams in key overseas markets, enabling us to closely align with regional needs, accelerate product development, and tap into global talents.

OUR SOLUTIONS

Our Design Philosophy: Turning Complexity into Simplicity

Traditionally, OEMs have had to rely on separate domain controllers, operating systems, and software stacks to manage different vehicle functions, resulting in higher costs, longer development cycles, and inconsistent user experiences. In the automotive industry where each vehicle model can differ significantly—even within the same brand—OEMs are often forced to develop, adapt, and validate software for each new configuration. This process is not only time-consuming and costly, but also prone to errors that compromise performance and delay time to market.

We believe standardization is the key to overcoming these challenges. We have distilled the common, essential building blocks of integrated domain control solution functionality—voice control, driver and occupant monitoring, over-the-air updates, and body-control interfaces, as well as smart parking and ADAS functions, into a modular software library: **SmartMega® Cores**. This modular library is the engine of our efficiency. Instead of reinventing the wheel for every new vehicle program, our engineers assemble and configure production-tested modules to deliver tailored functionalities across diverse vehicle models. As a result, we reuse a substantial majority of our codebase across different vehicle models—eliminating redundant development work and enabling us to scale without linearly scaling our engineering headcount. This efficiency is evidenced by the significant decrease in our R&D expenses per active design-win (defined as a design-win that is ongoing and not canceled or discontinued as of the end of the relevant period) by 33.2% between 2023 and 2024, and 34.2% between 2024 and 2025. In addition, our AI-powered modular architecture enables an effective module reuse rate—cutting development cycles for integrated domain control solutions to just 6–9 months—significantly less than the industry average of 12–15 months. More importantly, this modular foundation makes us inherently adaptable to market evolution. As new features emerge or customer requirements shift, we can rapidly integrate new capabilities by extending our module library—without disrupting existing programs or requiring massive engineering overhauls.

Beyond modularity, we are at the forefront of the industry’s transition toward cross-domain fusion, integrating the cockpit domain and the ADAS domain onto a single chip. This “cockpit-ADAS integration” eliminates the traditional separation between the two domains, enabling shared computing resources, unified sensor data processing and a streamlined software stack. By consolidating what used to be two separate electronic control units into one, we not only reduce hardware redundancy and bill-of-materials costs, but also unlock new possibilities for smooth user experiences. This is a solid step toward the ultimate central computing architecture for software-defined vehicles.

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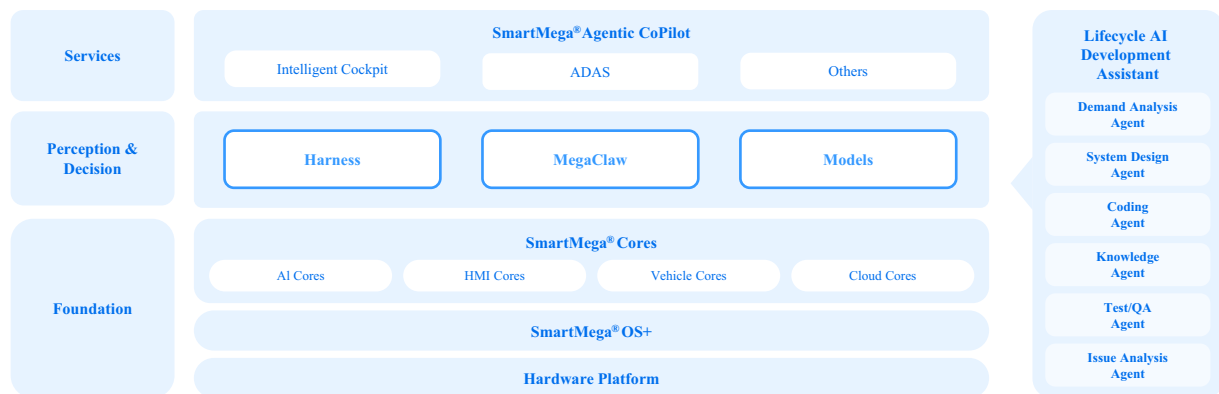
Furthermore, our AI-native software stack is engineered to dynamically allocate processing power across domains based on real-time demand, maximizing functional density on a single controller while ensuring deterministic performance for safety-critical tasks. This approach not only minimizes hardware dependencies but also streamlines mass production and delivers superior cost efficiency for our clients.

Our solutions are powered by an AI-accelerated development pipeline that transforms the latest research into production-ready features. For example, our all-scenario voice dialog system achieves over 99% recognition accuracy. We also implemented a research-based acoustic spatial model that distinguishes voices from different seats, upgrading voice recognition across the cabin in just two months. Our reinforcement learning algorithms also enable multi-language expansion: a team of just six engineers can generally add a new language to our voice dialog system in two months, significantly outpacing the industry average, according to Frost & Sullivan.

Breaking Down Our Solutions—What We Offer Exactly to OEMs

At the core of our offering is a fully integrated, software-defined solution—a domain controller powered by our complete software stack. This all-in-one package ensures that OEMs receive a fully configured solution ready to deploy, saving valuable time and resources on integration and validation.

Our solution is built on a three-layer architecture that spans from hardware foundations to intelligent services. The three-layer architecture, as well as the technology components underlying each layer, are set forth below. Our Foundation Layer supports our Perception & Decision Layer, which further supports the Service Layer built upon it. This integrated stack enables us to deliver a unified and adaptable solution that evolves with our customers’ needs.



Foundation Layer

Our Foundation Layer consist of the following components:

- **Hardware Platform.** We design and develop integrated domain controllers that incorporate automotive-grade SoCs and other critical chips sourced from top-tier suppliers such as Qualcomm, NXP and ADI, with the flexibility to extend to additional platforms. We define the hardware layout, enclosure design and system integration to meet strict automotive standards. After rigorous testing and validation processes, we work with contract manufacturers to mass-produce these integrated domain controllers, powered by our software stacks—arriving fully configured and ready for vehicle integration.

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- ***SmartMega® OS+***. SmartMega® OS+ is our automotive-grade, purpose-built operating system. It is built on proven kernels—Android, Linux, QNX, AutoSAR, RTOS—and refined for automotive reliability, security, and real-time performance. SmartMega® OS+ connects the software with hardware platform and optimizes compute resource allocation to streamline software operations. By intelligently orchestrating compute and memory resources, it enables each SoC to support a broad range of AI-enabled applications—voice, vision, ADAS—simultaneously, without compromising stability or performance.
- ***SmartMega® Cores***. Above the OS, our comprehensive modular software library provides reusable, production-tested building blocks that span the full spectrum of vehicle functions—from communication and vehicle control to vision, voice and AI capabilities. These modules serve as the foundation upon which our applications are built, enabling efficient development and customization across different vehicle models.

Perception & Decision Layer

We have built a dedicated Perception & Decision Layer that serves as the core intelligence engine between our foundation platform and Service Layer. It operates on a closed loop of perception, understanding, and decision, integrating three key components: Harness (our proprietary engineering infrastructure), third-party foundation models (LLMs) and MegaClaw, our proprietary agentic operating system.

Harness is the engineering backbone that governs every user request through a clear, end-to-end process: receiving the input, understanding the intent, deciding on the best path, executing the necessary actions, and monitoring the results. It intelligently routes each request to the most efficient path—for example, handling a simple command locally or planning a complex multi-step conversation in the cloud. Harness coordinates tasks across different agents, ensures safety by preventing unauthorized actions, and logs every step so we can replay, test and continuously improve the system. This turns a once-fragmented manual process into an industrial-grade, scalable runtime that makes our AI reliable and cost-effective.

MegaClaw sits above Harness and third-party LLMs. Harness handles real-time signal processing, context management and safety arbitration; LLMs provide deep language understanding and content generation. MegaClaw fuses their outputs into a coherent decision flow, turning raw sensor data and generic model inferences into reliable, situation-aware actions—making both cockpit and ADAS functions intuitive and responsive.

MegaClaw operates as a true cognitive engine, responsible for thinking, reasoning and decision-making. It continuously fuses real-time sensor data, user context and historical preferences to understand intent, plan responses, and coordinate complex, multi-step tasks. Its core capabilities include:

- Multi-agent coordination—managing multiple specialized AI agents to fulfill user requests.
- Tool calling—dynamically invoking vehicle functions, cloud services and third-party applications on demand.
- Contextual memory—retaining and recalling user preferences, habits and interaction history for personalized experiences.
- Logic orchestration—chaining complex workflows across domains.

A skill orchestration framework standardizes vehicle functions into decomposable skills, and a closed-loop feedback mechanism validates outcomes against sensor data, re-planning when needed – allowing even lightweight on-device models to reliably complete complex workflows. This integrated design is a core part of our technical edge and capital-efficient scalability.

Service Layer

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

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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

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.

How We Deliver Solutions to OEMs and Generate Revenue

We provide OEMs with a flexible portfolio of options—from individual in-vehicle voice and visual features to fully integrated solutions that span the Experience Foundation (smart cockpit) and the Autonomy Frontier (ADAS functions). We primarily operate under a contract manufacturing model, where every configuration we deliver comes preloaded on an integrated domain controller, complete with our comprehensive suite of algorithms. Each unit is optimized for the specific chipsets selected by the customer, ensuring smooth integration into any hardware architecture. This flexibility enables our customers to select and combine features that best align with their brand positioning, target demographics, and budget requirements. To a lesser extent, we also operate under an OEM-affiliated manufacturer model, where we supply our software and select high-value components directly to the manufacturer affiliated with the OEM who completes final assembly and delivery. See “Production —Our Production Model” for details.

Our revenue is primarily generated from the sale of integrated domain control solutions, underpinned by our ‘Foundation & Frontier’ strategy. These offerings, which enable cross-domain fusion such as single-chip integrated cockpit-and-driving solutions, are typically priced on a per-unit basis according to the volume of smart domain controllers delivered. As a result, our top-line growth is intrinsically linked to the vehicle production volumes of our OEM partners and the expanding adoption of our single-chip integrated architectures.

Leveraging our deep value chain synergies, we expect to drive sustained revenue growth as we increasingly collaborate with large domestic and international OEMs. Furthermore, as our delivery volume grows, we are strategically positioned to unlock high-margin recurring revenue streams through software licensing, modular feature updates and ongoing technical support services. For more details of our key operating and financial data during the Track Record Period, see “—Key Operating and Financial Data.”

We believe our design-win pipeline is also a key indicator of our ability to secure future revenue growth. A design-win refers to the event in which an OEM selects our solutions for integration into the design and development of a new vehicle model. After securing a design-win, our solutions typically undergo extensive testing and validation to ensure that it meets the OEM’s performance, safety, and quality standards before moving to mass production. We had 75 active design-wins in 2025, compared to 48 active design-wins in 2024 and 26 active design-wins in 2023. A substantial majority of the design-wins secured throughout the Track Record Period have been successfully converted to mass production as of the Latest Practicable Date. See “—Key Operating and Financial Data.”

Our Solutions Driven by the Foundation & Frontier Product Roadmap

We are redefining the mobility experience by integrating fragmented vehicle functions into a single AI-driven core. Our “Foundation & Frontier” product roadmap operates at the intersection of intelligence and

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mobility, driven by a dual-engine growth model that smoothly integrates how a passenger feels with how a vehicle moves.

Our Experience Foundation

Our Smart Cockpit + X ecosystem serves as our Experience Foundation—the primary end-user touchpoint and our commercial anchor. This foundation has enabled us to capture broad market adoption and create the hardware-software synergy that powers our most ambitious innovations.

Central to this ecosystem is MegaClaw, our proprietary agentic operating system that serves as the intelligent core of the cockpit. MegaClaw orchestrates all interactions, fusing voice, vision and contextual data to understand user intent, make decisions and coordinate actions across the vehicle. It operates through a closed loop of perception, understanding, decision and action, transforming the cockpit from a static interface into a proactive, adaptive intelligence that delivers immersive and personalized cabin experiences.

What distinguishes MegaClaw is its ability to act as a unified coordinator across functionalities, anticipating needs and executing multi-step tasks that span comfort, convenience and information services. Underpinning this capability is a sophisticated cloud-edge architecture that balances on-device processing for real-time responsiveness with cloud-scale intelligence for complex reasoning, ensuring that MegaClaw remains both fast and continuously evolving. Critically, MegaClaw operates within clearly defined safety boundaries. For actions involving transactions or significant physical adjustments, a human-in-the-loop confirmation is always required, ensuring that intelligence never comes at the expense of safety.

Surrounding this intelligent core is our broad and expanding portfolio of “X” capabilities—spanning atmospheric control, AI companion, integrated navigation & connectivity, and many other functions, each built to enhance safety, comfort, convenience, and user engagement. Together, they form a cohesive ecosystem where MegaClaw acts as the conductor, turning the vehicle into a truly intelligent, adaptive partner.

Atmospheric Control

Atmospheric Control agent manages a comprehensive set of vehicle body and comfort functions, including cabin temperature, airflow distribution, seat adjustment (with heating and massage), mirror positioning, ambient lighting, windows and sunroof, as well as audio volume and acoustic ambiance.

The system personalizes these settings by continuously taking into account real-time interior and exterior conditions—such as weather, road type, traffic, time of day and cabin occupancy—alongside the driver’s historical preferences. Based on this information, it automatically adjusts each function to create a context-aware environment. For example, on a rainy morning, it may close windows, activate defrosting, turn on seat heating, and lower media volume according to users’ past behavior; on a bright afternoon, it could dim ambient lights, adjust mirrors to reduce glare, and pre-cool the cabin.

This integration simplifies wiring complexity, while delivering a personalized in-cabin experience that anticipates user needs before they are spoken.

AI Companion

At the foundation of our intelligence is a deep understanding of user intent and implications. Our system continuously records user habits and historical behavior, and conversational context on-device, building a deep understanding of individual preferences and expression patterns over time. Our proprietary, full-stack AI-powered software delivers comprehensive voice interaction capabilities, encompassing voice recognition, understanding, and natural dialog. This behavioral and emotional intelligence allows the system to transcend literal commands and decipher vague or implicit cues (such as “I’m tired” or “I’ve had a rough day”), and provide appropriate responses. Our solutions enable users to access a wide range of in-car functions simply by

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speaking, whether it is navigating, selecting music or broadcasts, adjusting climate and seat settings, or casually chatting with AI Companion. Because our voice features are fully integrated with OTA updates, each new release automatically expands supported voice functions, continually increasing real-world use cases. Built to fully integrate with the architecture of chips, our voice interaction feature delivers rich, AI-driven dialog with minimal memory footprint. Our voice interaction software suite is set forth in the below chart:



Our front-end acoustic algorithm reduces engine and road noise and minimizes effect of in-vehicle echo, ensuring clear voice capture even in noisy urban environments or on the highway. Additionally, we develop an innovative speaker-identification algorithm that distinguishes between the driver, front passenger, and rear-seat occupants. This enables the system to respond only to authorized users’ commands while ignoring casual conversation from others. Unlike traditional designs that require four microphones per seat for identification, our sound source localization software achieves the same level of accuracy with just one microphone per seat—significantly reducing hardware costs on each vehicle equipped with our software. In addition, our real-time context aware speech recognition and acoustic ASR algorithms enhance the system’s ability to interpret tone, emotion, context, and intent, allowing it to more accurately capture what users are saying and respond appropriately. This combination of technologies delivers high recognition rates, fast recognition time and reliable performance, all while requiring only relatively low vehicle acoustic environment setup.

Once the system captures a voice input, our proprietary voice-processing engine categorizes it into one of two groups: (i) vehicle-control requests, such as adjusting the air conditioner, navigating to a destination, or controlling media playback; these requests are processed entirely on-device, ensuring reliable responses even in offline or low-connectivity scenarios; and (ii) conversational or “daily chat” requests, i.e. more general or casual interactions; these inputs are routed to third-party LLM or NLU models to deliver natural and emotionally aware dialogues. This hybrid approach allows us to prioritize critical vehicle functions locally while enhancing the overall user experience through advanced conversational capabilities.

Our AI Companion agent engages in fluent and clear conversations with passengers. It supports multiple languages—such as English, German and Japanese as well as regional dialects like Sichuanese and Cantonese. The system is also systematically adaptive for innovation—a team of just six engineers can generally add a new language in two months, significantly outpacing the industry average, according to Frost & Sullivan. Our customized solution further refines the AI Companion’s voice to make its tone and pronunciation feel remarkably

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fluent and natural. Moreover, our optimized algorithms take significantly less memory and lower CPU usage compared to the industry average, achieving superior efficiency, stability and responsiveness.

Moreover, the agent can chat freely with the user on virtually any topic—from daily life and work to travel and casual banter. Equipped with long-term memory, multi-turn reasoning, and the ability to recall past conversations, the system builds a coherent, personal dialogue history. It understands not only factual queries but also undertones, allowing it to respond naturally. More importantly, in addition to achieving relevant functions based on accurate understanding of the user, it is also ready to listen and talk, just like a friend—whatever the user feels like sharing, the AI Companion is there to engage.

Integrated Navigation & Connectivity

Our navigation agent goes far beyond conventional route guidance. By learning from user behavior, it proactively anticipates travel intentions—understanding when a user is likely heading to work and suggesting a detour to a preferred coffee spot. The agent enables highly personalized route suggestions and contextual POI alerts tailored to each individual’s preferences.

When a user requests a multi-destination trip—for example, “navigate to the office, then to the gym, and finally to a nearby supermarket”—MegaClaw remembers all specified locations, leveraging its tool calling capability to achieve intelligent sequencing based on real-time traffic, user preferences and the optimal route, and presenting it smoothly through natural voice interaction. Natively integrated with vehicle telemetry, it enables accurate prediction of range and intelligent plan of charging or refueling stops that adapt to the user’s driving habits in real time.

For navigation-related requests, processing happens entirely on-device, ensuring reliable responses even in offline or low-connectivity scenarios. Conversational inputs are smoothly routed to third-party LLM or NLU models to deliver a natural conversational experience. This hybrid approach allows us to prioritize critical vehicle functions locally while enhancing the overall user experience through advanced language capabilities.

Driver Wellness Monitoring

Our face ID algorithm accurately and quickly identifies vehicle occupants, forming the core of our DMS. The system continuously observes driver behavior and issues alerts when it detects distraction or drowsiness. It tracks eye gazes, blink frequency, head positions and facial expressions to detect signs of distraction, drowsiness or fatigue. When risks are detected the system proactively initiates multi-modal alerts and safety protocols, such as visual warnings, audio prompts or seat vibrations. In more advanced scenarios, it can automatically adjust cockpit conditions—dimming or brightening ambient lighting, adjusting climate control, or recommending a rest break—to help restore driver alertness.

Our technology goes beyond basic monitoring to understand driver state in context. For example, if the system detects frequent yawning or prolonged eye closure, it may infer fatigue and suggest a coffee break or navigate to a nearby rest area. All processing is performed on-device with minimal latency, ensuring real-time responsiveness while protecting user privacy. Overall, our system achieves a high recognition rate with nearly zero false positives, meaning that it almost only generates alerts when there is actual suspicious or high-risk activity. Our system operates at high speed while consuming minimal computing and memory resources.

Occupant Comfort

Our occupant monitoring system (OMS) extends intelligent awareness to all passengers, creating a personalized and comfortable environment for everyone in the vehicle. The system continuously monitors child safety and automatically adjusts the entertainment volume based on passenger behavior—for example, lowering audio when a passenger is asleep or taking a phone call.

Based on this real-time analysis, the system autonomously modulates the cockpit experience. When it detects a sleeping passenger, it automatically lowers entertainment volume, dims nearby ambient lighting and

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gradually adjusts climate settings to maintain comfort without waking them. If a passenger takes a phone call, the system attenuates audio volume and may suggest closing nearby windows to reduce background noise. For children in the rear seats, the system can provide reminders if it detects unsafe behavior or potential child presence alerts when the driver exits the vehicle.

Our face ID technology also enables smooth personalization across seating positions. When known occupants are recognized, the system automatically restores their preferred seat position, climate settings and entertainment preferences—creating a truly individualized experience for every passenger.

In addition, our gesture recognition technology enables users to control specific in-car functions with simple hand gestures, such as muting audio, answering calls or adjusting volume, minimizing distraction while keeping focus on the road. All of these capabilities operate with high accuracy and near-zero false positives, while consuming minimal computing and memory resources.

Infotainment Management

Our infotainment experience is orchestrated by MegaClaw, transforming the vehicle into a dynamic entertainment and information hub. The system centralizes all in-vehicle media, providing smooth voice-controlled access to music, video and games. Users can manage high-quality audio settings and playlist selection through natural conversation, minimizing manual screen interaction and remaining focused on the road. Whether streaming from popular platforms, playing interactive games on the central display, or enjoying immersive audio tailored to seat positions, the experience is designed to feel effortless and engaging.

Beyond entertainment, MegaClaw serves as an intelligent information companion, surfacing timely, context-aware content through natural voice interaction. Users can ask for nearby restaurant recommendations with ratings, real-time stock updates, local events or the latest movie showtimes. When a user inquires about what’s playing nearby, the system enables personalized suggestions based on both the location data and real-time listings and facilitates booking or navigation to the venue. More importantly, MegaClaw helps close the loop between information discovery and action—for example, based on its tool calling and service integration capabilities, MegaClaw facilitates the realization of functions such as restaurant recommendation and reservation assistance, or in the case of quick-service options such as coffee shops or fast-food chains, supports streamlined ordering directly through the vehicle interface. By integrating with third-party service platforms, MegaClaw links information, ecosystem services and user intent into a smooth experience. Where such interactions involve transactions, they are structured to allow users to finalize the process through familiar, established channels, ensuring a smooth experience while we continue to expand the depth of service integration over time.

All infotainment and information features are integrated with over-the-air (OTA) updates, ensuring that content libraries and voice capabilities continuously improve over the vehicle’s lifetime. This transforms the cockpit into a dynamic digital companion that keeps users informed, connected and effortlessly engaged throughout every journey.

Sentry Mode

Our off-vehicle vision recognition delivers key functions that enhance security and convenience. For example, our sentry mode continuously monitors the area around a parked vehicle and records video footage when suspicious activity is detected. Traditional sentry systems consume substantial memory due to continuous recording. Leveraging our key frame detection algorithm, our system only starts recording when it detects people nearby, significantly reducing memory requirements. Our sentry mode solution captures nearly all relevant events, while maintaining a high recall rate and low false trigger rate.

Telematics

We integrate the telematics into our integrated domain control platform via a dedicated T-Box—a compact module installed inside the chassis that connects vehicles to the internet. With our Telematics solution, car owners gain real-time visibility into critical vehicle data and can issue remote commands with ease.

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Our Telematics solution offers OEMs a reliable foundation for connectivity and data-driven services and delivers significant advantages. By integrating the smart cockpit and telematics into a single integrated domain control solution, we reduce wiring harness complexity, streamline data exchange, and enable faster response time. In addition, only using one integrated domain control solution saves valuable space, a key advantage given the limited room available inside vehicle chassis. Our integrated approach also helps OEMs accelerate development cycles, allowing them to debug and validate the cockpit and telematics systems simultaneously rather than piecemeal.

By connecting smartphones to vehicle through Bluetooth, car owners can monitor the status of doors and windows, receive alerts if any door or window is left ajar, and remotely lock and unlock their cars. Our built-in proactive monitoring system leverages vehicle-generated data, such as fuel and battery levels, distance traveled, to send timely reminders for refueling, recharging or maintenance, helping to prevent minor issues from escalating into costly repairs. Our system also monitors the cabin environment, allowing owners to preheat or precool the vehicles. In addition, the telematics systems integrated by our solution maintain ultra-sensitive to wake-up signals and show little latency even when it is in energy-saving sleep mode.

Over-The-Air Update

In today’s automotive landscape, OTA updates are no longer optional. Consumers expect their vehicles to remain up-to-date, evolving and improving long after they leave the showroom floor—without paying extra for each upgrade.

However, due to the technical complexity and high costs of implementing OTA updates, many OEMs lack the in-house resources to provide this critical functionality. As a result, they often rely on service partners to meet customer expectations. With our standardization abilities, we are able to deliver continuous feature enhancements, critical security patches and performance optimizations wirelessly across the entire vehicle lifecycle in a cost-efficient manner. In 2024 and 2025, we have assisted with completing an average of 19.6 and 39.5 OTA for our top five customers of the same year, respectively. See “—Our Customers” for further details of our top five customers for each year during the Track Record Period.

OTA technology enables vehicles to wirelessly receive updates and exchange data, making it essential for maintaining optimal system performance and elevating user experience. We engage in predictive maintenance, where we leverage our data analysis capabilities to forecast potential equipment failures before they occur, enabling proactive interventions that reduce unplanned downtime, lower maintenance costs and increase operational efficiency. To support the diverse architectures of different vehicle models, our platform includes a flexible OTA management module that can be tailored to each OEM’s unique needs—handling version control, differential patching and rollback logic.

Within our OTA framework, we categorize updates into two primary types: FOTA (Firmware Over-The-Air) and SOTA (Software Over-The-Air). FOTA upgrades the underlying systems that directly manage vehicle hardware and critical electronic control units, ensuring that foundational vehicle functions continue to perform at peak levels. SOTA, on the other hand, updates higher-level application software—such as the in-vehicle entertainment system, voice assistance visual recognition software and other functions to enhance user experience and add new features.

The Autonomy Frontier: ADAS

We believe that a fully integrated solution that includes smart cockpit, ADAS, telematics, OTA update and other features—all powered by one chip in one integrated domain control solution—will deliver significant benefits to OEMs. Our Autonomy Frontier consists of L2+ ADAS functions, which encompass automated parking assistance, Highway NOA and Urban NOA solutions. In 2024, we have achieved mass production of an integrated cockpit-and-parking solution powered by a single automotive-grade main control chip, establishing a solid foundation for our Autonomy Frontier. Building on this achievement, we have since developed Highway NOA as a production-ready ADAS capability, and are now advancing Urban NOA—moving from highway-centric assistance to complex city-street autonomy—as the next frontier in our roadmap. Our single-chip integrated cockpit-parking-driving solution is set forth in the below chart:

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Parking: Automated Parking Assistance

Our single-chip integrated cockpit-and-parking solution enables easy, safe and precise parking, whether in parallel, reverse, or angled spaces, in parking lot strips or any user-defined location. Users can also remotely park in and out through the Bluetooth key of their smartphone.

While many cars use separate domain control solutions for integrated domain control solution and parking functions which drives up costs, we are the first company in China’s integrated domain control solutions industry to deliver an integrated cockpit-and-parking solution on a single automotive-grade main control chip at mass production scale, according to Frost & Sullivan. Deploying a parking function typically requires main chips with computing power as high as 10 TOPS. Leveraging our streamlined software architecture and proprietary full-stack software with intelligent load balancing, we have significantly reduced the computing power required for parking functions to be less than 2 TOPS, while offering smooth and stable performance. As a result, our solutions lower costs for OEMs and ultimately make the vehicle model more affordable for consumers. For example, our single-chip integrated cockpit-and-parking based on Qualcomm SA8155 chip saves cost by RMB500 - RMB1,000 per vehicle for OEMs. In addition, our solution supports continuous OTA updates to keep systems up to date. We design our smart parking solution to be highly reliable. During the Track Record Period, we are not aware of any material accidents associated with our smart parking solution.

We have designed our system to intelligently reallocate cockpit compute resources between parking and non-parking, minimizing processing demands without sacrificing performance. By leveraging the vehicle’s existing camera and ultrasonic sensor interfaces and layouts, we can add the parking function with minimal hardware modifications, eliminating the need for additional SoCs or MCUs, accelerating time to market, and lowering total development costs, all while ensuring uncompromised functionality and safety.

Our single-chip integrated cockpit-and-parking solution is powered by two core software modules:

- ***Motion assistance.*** Our Full Assisted Parking Aid, or FAPA, helps drivers park their vehicles by automatically steering the car into a parking space. Drivers simply select the slot on the touchscreen, and FAPA takes care of the rest. Our FAPA software has a high parking space detection rate—exceeding 98% across multiple test vehicles—and features centimeter-level spatial mapping for precise maneuvering. Despite its optimal performance, FAPA consumes just 1.9 TOPS of computing power, leaving headroom for additional AI-driven features. Our parking solution also comes with emergency braking and reversing detection assist to prevent collisions during low-speed parking. FAPA also meets the Automotive Safety Integrity Level B (ASIL-B) requirements.
- ***Visual assistance.*** Our 360° Around-View Monitoring (360 AVM) software delivers a panoramic bird’s-eye view of the vehicle’s surroundings to enhance safety and parking precision. Through

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processing data collected from cameras and ultrasonic sensors (USS) the 360 AVM software generates a continuous, real-time view on the screen, giving drivers full awareness of their environment.

By stitching feeds from four surround-view cameras and optional front-view sensors, drivers can easily switch between 2D and 3D top, front, rear, and side perspectives with a single tap. Our solution also dynamically generates auxiliary lines which predict the vehicle’s trajectory, simplifying alignment within complex or poorly marked spaces. In addition, we also offer transparent chassis and 3D body transparency, which virtually “remove” parts of the vehicle’s structure—such as the chassis or body panels—on the display. This enables the drivers to see any objects, curbs, or pedestrians that might otherwise be hidden. Our system achieves a display latency of less than 50 ms in tests, with false-positive rate of less than 2% in obstacle detection.

Case Study: First-of-Its-Kind Single-chip Integrated Cockpit-and-parking Solution on the SA 8155 Platform

In June 2024, we achieved a significant industry milestone with the delivery of our single-chip integrated cockpit-and-parking Solution on Dongfeng eπ 008 vehicle model, marking the automotive industry’s first mass-production deployment of an integrated cockpit and automated parking solution on Qualcomm’s SA8155 SoC. From initial design to mass production in June 2024, we collaborated closely with Dongfeng’s engineering team. We leveraged the existing camera and ultrasonic sensor interfaces of the vehicle, minimizing hardware modifications and preserving system architecture. Our solution meets the stringent ISO 26262 Part 2–8 functional safety requirements and has achieved ASIL-B certification. Notably, we are the first to achieve mass production on single-chip integrated cockpit-and-parking solution, which achieved high delivery volume.

Driving: highway NOA and urban NOA

Intelligent driving capabilities have become core features that OEMs increasingly prioritize in smart vehicles, driven by rising expectations around safety, automation and in-vehicle intelligence. At the same time, OEMs are seeking cost-efficient solutions that can deliver these capabilities efficiently, without adding unnecessary hardware complexity or cost.

This is made possible by our cockpit-and-driving integrated solution—powered by an integrated single chip and built entirely on our proprietary algorithms across both the cockpit and L2+ assisted driving functions. Unlike many industry approaches that rely on third-party ADAS software stacks, our solution is architected from the ground up as a unified system, enabling deeper optimization, stronger reliability, and faster iteration. Crucially, we have leveraged the World Model to accelerate the development of our driving algorithms. By learning the physical laws of the real world and simulating complex driving scenarios, the World Model allowed us to compress the development cycle of our ADAS stack and demonstrate the power of our AI-native development paradigm.

- *Delivers optimal and reliable performance.* The integrated domain control solutions we deliver are a unified hardware and software platform, with proprietary algorithms spanning cockpit-and-driving. Our self-developed BEV+Transformer perception technology builds a panoramic and highly stable environmental representation, providing a solid foundation for precise decision-making. This eliminates the integration friction that often arises when mixing solutions from different vendors, translating to fewer software bugs, more consistent performance, and lower warranty costs. As all functions are supported by one chip, OEMs can validate the entire system in a single pass, rather than testing each function separately, accelerating development cycles and shortening time to market.
- *Streamlines data exchange process.* Using an integrated single-chip solution also streamlines data processing, with encryption and decryption routines handled centrally. This not only enhances security, but also improves latency and simplifies the software stack.
- *Saves costs.* We precisely design the placement and functionality of each sensor so that cameras, radars, and ultrasonic sensors used for ADAS also support in-cockpit applications—eliminating

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redundant sensor installations. By combining cockpit-and-driving functions into one controller, OEMs can eliminate duplicate hardware and simplify wiring, significantly reducing parts, assembly, and validation costs across the vehicle line.

Our autonomous driving roadmap follows a clear progression, starting with Highway NOA and advancing toward Urban NOA.

- *Highway NOA.* Our L2+ Highway Navigate on Autopilot (Highway NOA) delivers a comprehensive yet streamlined set of driving assistance features. It combines essential safety functions—such as forward collision warning, automatic emergency braking, lane keeping assist and adaptive cruise control—with advanced highway-specific capabilities including automatic lane change, ramp merging and dynamic speed adjustment. The underlying algorithms, including perception, planning and control, are entirely proprietary, ensuring full control over performance, safety and continuous improvement. The solution is production-ready, with ongoing discussions with OEM partners to bring this capability to market.
- *Urban NOA.* Building on our Highway NOA foundation, we will extend autonomous capabilities into complex city environments. Our Urban NOA adopts a SD Pro approach, which reduces reliance on expensive, hard-to-maintain High-Definition (HD) maps and primarily relies on real-time perception of road environment. By reducing the need to create and maintain HD maps for every city street, our SD Pro approach can cover more urban driving scenarios. Leveraging our World Model-driven development approach, we will train the system to navigate intersections, handle non-motorized traffic (pedestrians and cyclists), and respond to the unpredictable nature of urban streets. Our roadmap is clearly defined: by 2027, we aim to explore a one-stage end-to-end architecture based on the Qualcomm SA8797 platform.

As part of our ongoing commercialization efforts for our single-chip integrated cockpit-and-driving solution, we have made progress in customer engagement and validation. We are currently engaging active discussion with an OEM regarding our Highway NOA solutions. As of the Latest Practicable Date, this solution has not entered into mass production.

More Initiatives

We have developed a reliable solution and kept adding and upgrading features to meet evolving customers’ demands with maximum efficiency. For example, we have developed AI-powered sound systems which deliver immersive 3D audio experiences through real-time sound-field reconstruction, loudness compensation, and other technologies. We aim to bring users optimized experience without the need for luxury audio equipment. We have also developed a vision algorithm which ensures passenger safety by identifying whether seat belts are fastened. This allows us to replace the traditional weight sensor-based system and save hardware costs. In addition, leveraging our vision recognition capabilities, our rainfall detection algorithm continuously monitors precipitation conditions through existing cameras on vehicles, saving the need of installing an additional rain and ambient light sensor. It automatically activates the wipers and adjusts their speed according to the intensity of rainfall. This automation ensures clear visibility during sudden downpours or light drizzles alike, allowing drivers to focus on the road.

As of the Latest Practicable Date, the aforesaid solutions had not yet been deployed in mass-production vehicles. We are actively exploring commercialization opportunities and expect to bring these features to market as part of OEMs’ future vehicle models. We are also actively pursuing recurring, high-margin revenue opportunities, including software licensing, OTA-based feature upgrades, and value-added services, which enhance monetization across the vehicle lifecycle. See “—Business Sustainability and Path to Profitability.”

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OUR CORE TECHNOLOGIES

Powerful Toolkit for Efficient Development

We have built a highly standardized toolkit that empowers our engineers at all levels and dramatically streamlines our development process. Our technology capabilities have helped us gain first-mover advantages in China’s smart vehicle industry. For example, we are the first third-party provider to achieve mass production of single-chip integrated cockpit-and-parking solution. Going forward, we will keep developing modular software and optimizing our R&D processes to meet evolving customer demands, guided by cutting-edge research studies and real-world feedback from our sales and fulfillment teams.

We embed AI throughout the software development process to significantly shorten iteration cycles and optimize performance. For example, we have used the following AI tools:

- SmartMega RTE Generator. Our SmartMega Real-Time Engagement Generator, or SmartMega RTE Generator, is a specialized tool for automotive software development that supports the AUTOSAR Classic Platform—a standardized framework used for software design in automobile. At its core, the generator automatically creates ARXML files, which are documents describing interactions among software components. From these ARXML blueprints, it generates both Runtime Environment (RTE) code and cross-core communication code, enabling integration across multiple software layers. By automating this process, our SmartMega RTE Generator eliminates the headaches of manually integrating multiple software components and deploying them across heterogeneous cores, reducing errors and accelerating delivery.
- Demand Analysis Agent. This agent analyzes users’ requirements by extracting key content, parsing demands, generating use cases, exporting testable cases, and producing mind maps. It transforms raw requirements into structured, actionable inputs for downstream development.
- System Design Agent. Acting as an intelligent orchestrator for the engineering workflow, the agent takes the structured outputs from the Demand Analysis Agent and drives the entire design and implementation pipeline. It handles system architecture design, component decomposition, interface definition and code scaffolding, bridging the gap between requirements and actual development.
- Coding Agent. This agent automates code generation, refactoring, and completion. It writes, reviews, and submits production-ready code, following coding standards and best practices, significantly reducing manual coding effort.
- Knowledge Agent. The Knowledge Agent manages internal documentation and knowledge bases. It provides a conversational Q&A interface that allows engineers to query technical documents, past project experiences and best practices, enabling rapid information retrieval and reuse.
- Test / QA Agent. This agent is responsible for quality assurance throughout the development lifecycle. It performs security scanning, vulnerability detection, and provides fix recommendations. For intermittent, low-reproducibility issues, it analyzes log contexts, designs stress-test code, and increases reproduction probability by orders of magnitude – turning elusive bugs into actionable findings.
- Issue Analytics Agent. By inputting a unique issue identifier, this agent autonomously extracts the problem description, diagnoses root causes across categories such as signal anomalies, functional logic errors or system crashes, and automatically updates conclusions back to the project management workflow. It closes the loop between issue detection and resolution.

Together, these AI-augmented capabilities—spanning foundational code generation and intelligent issue analysis—significantly reduce manual engineering overhead, accelerate issue resolution and improve test development efficiency. We also develop a unified architecture to allow integration of multiple functions into a single module, which avoids redundancy and improves development efficiency. For example, Our standardized module interface design allows our engineers to focus on a module’s external

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interface rather than deciphering legacy code or bulky documentation. This approach enables our R&D team to easily leverage modules from previous design-wins for customization rather than reinventing the software for each vehicle model, significantly accelerating development cycles.

Integration Capabilities

- Optimized interface between hardware and software. We optimize the interface of underlying hardware and sensors to minimize the computing power required. Our hardware-and-sensor access layers are optimized to eliminate unnecessary data copies. For example, data captured through our camera comes directly to our processing system without multiple copies. This approach accelerates data processing and saves computing power.
- Stability powered by integration. During Track Record Period, we have not received major reports that our integrated domain control system experienced latency, black screens, or flickering displays. This is made possible by our integration from the underlying operating system, BSP layer to the user-facing software applications. In addition, our rigorous testing covers the corner cases—those extreme, uncommon but dramatically damaging scenarios. By mastering every layer of the stack, from chip-level drivers through software development and validation, our integrated domain control solutions are able to run smoothly and steadily under real-world condition.

AI Algorithms

Leveraging our powerful development toolkit, we have independently developed full-stack AI algorithms that fuel our solutions across multiple domains.

- MegaClaw. MegaClaw is our proprietary agentic operating system. Our Perception & Decision Layer transforms third-party foundation models into a proactive, intelligent cockpit brain. It introduces three key innovations: a pluggable model architecture that allows smooth switching between LLM providers ; a chain-of-thought parsing engine that converts ambiguous natural language into structured execution plans and corrects ASR errors; and a skill orchestration framework based on the Model Context Protocol (MCP) that encapsulates vehicle functions into standardized skills, dynamically composing multi-step actions. A closed-loop feedback mechanism validates execution results against sensor data and re-plans when needed, enabling reliable task completion even with lightweight on-device models. These engineering contributions turn MegaClaw into a production-ready agentic OS that delivers proactive, context-aware intelligence.
- Multimodal LLM. Our mutlimodel large language model layer leverages state-of-the-art Large Language Models (LLM) from third parties, Automatic Speech Recognition (ASR), Text-to-speech (TTS) and visual recognition to enable contextual reasoning, ambiguous intent resolution, and proactive service recommendations, turning the cockpit into an intelligent companion that anticipates user needs.
- World Model. We have taken a World Model approach in our development of ADAS capabilities. The World Model is designed to simulate complex environments, including unpredictable obstacles, changing lights and dynamic weather conditions, which helps us to handle a wide spectrum of scenarios. By simulating millions of driving scenarios, the World Model also reduces the need for costly real-world testing and accelerate the deployment of new autonomous features.
- Cloud-Edge AI Architecture. Our AI systems are built on a cloud-edge architecture optimized for real-time responsiveness and deep intelligence. On the edge side, lightweight models handle time-critical tasks like voice capture and driver monitoring for low latency and privacy. On the cloud side, third-party foundation models provide deep reasoning. The key differentiator is our Harness—the engineering backbone that sits between edge and cloud. Harness intelligently routes requests, manages long- and short-term memory, enforces safety controls, and exposes all vehicle functions as standard APIs. This turns generic models into a privacy-safe and highly responsive intelligence engine for both cockpit and ADAS.

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- *On-vehicle vision algorithms.* Through advance quantization and optimization techniques, we convert our software into models that run better with chips’ processors. As a result, our algorithms are highly optimized for hardware compatibility, minimizing CPU and memory requirements while delivering reliable performance.
- *Off-vehicle vision algorithms.* For exterior awareness—such as parking assistance and spatial mapping—we fuse camera imagery with ultrasonic sensor (USS) data using multi-modal architectures. This hybrid approach yields exceptionally high parking-space detection rates and centimeter-level mapping accuracy, all while keeping system costs low by integrating radar PDC software directly into our perception framework.
- *Voice recognition and acoustic algorithms.* Our acoustic front-end combines traditional signal processing with advanced deep learning models to deliver clean audio, even in challenging environments with strong echoes and multi-directional noise. In particular, our echo-cancellation algorithm identifies and removes the effect of reverberation, while our voice-zone separation algorithm isolates the speaker’s voice from background disturbances. Our ASR models are deeply optimized for each hardware platform, ensuring efficient CPU and memory usage, requiring less than 20%-30% of the computing and memory footprint of the industry average, according to Frost & Sullivan.
- *Acoustic vehicle alerting system (AVAS).* Because electric vehicles generally have lower sound at low speed, pedestrians may fail to detect their approach. Our AVAS module alert pedestrians by simulating engine sounds or other warning sounds, while maintaining integration with our noise-control framework.
- *Natural language understanding (NLU).* We leverage third-party NLU models to enhance our voice understanding algorithm, enabling it to more accurately interpret and respond to diverse user voice inputs. This allows us to deliver more reliable voice command recognition and in-car interaction experience.

Efficient Testing Platform

We have a dedicated team of over 20 engineers focusing on developing testing tools. Our next-generation test toolkit bridges digital infrastructure with local devices—including both lab equipment and in-vehicle devices. We conduct massive parallel tests simultaneously, which significantly increases our ability to identify rare but critical issues. In addition, our AI-powered automatic scripting tool enhances our testing efficiency. Traditionally, engineers had to write testing scripts manually, an approach that consumed significant labor and time. With our automated scripting tool, engineers can generate testing scripts with just a few simple steps.

With our proprietary testing tools, we have established an end-to-end testing management system that brings all testing activities online. Each of our test engineer—whether conducting manual or automated tests—carries out their daily tasks on a single, unified platform. This high level of integration allows us to capture and analyze test data in real time, which encompass quality, process and efficiency evaluation. These data assets not only enable more precise test oversight but also provide solid, data-driven support for design-win management decisions. According to a third-party testing report, our automated testing and digital management technologies have improved our test efficiency by approximately tenfold.

OUR RESEARCH AND DEVELOPMENT CAPABILITIES

Our top-tier, multidisciplinary R&D team brings deep expertise in software, hardware, and automotive systems. Working closely with our sales, fulfillment, and engineering teams, they translate market needs into production-ready solutions. In 2023, 2024 and 2025, our research and development expenses amounted to

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RMB290.2 million, RMB357.8 million and RMB367.9 million, respectively, amounting to 19.2%, 25.2% and 24.7% of our revenue, respectively. We did not capitalize our research and development expenses during the Track Record Period.

We have established a team of dedicated R&D professionals to enhance our technological advancements. As of December 31, 2025, we had 636 R&D employees, representing approximately 77.3% of our total employees. They are led by experienced technical leaders with an average of more than 15 years’ experience in the industry, many of whom bring backgrounds from top global technology and automotive companies, and over 85% of this group hold master’s or higher degrees from top-tier universities. Our collective expertise spans across speech algorithms, autonomous driving, foundational software, middleware, hardware design, and automated testing.

We utilize a multi-division R&D structure to innovate and constantly deliver high-quality solutions. The structure of our R&D department is set forth below:

- Operating system. Our OS team primarily develop the OS and BSP hardware abstraction layer, and standardize core software modules. They are dedicated to quickly integrate software features to hardware platforms with high compatibility and flexibility.
- AI software. Our AI division leads innovation in acoustic, visual, and voice intelligence, along with MegaClaw and other AI capabilities. By delivering integrated solutions that can process and analyze information captured from sensors effectively, our AI division significantly helps OEMs lower their overall hardware costs and complexity.
- Hardware design. Our hardware design team is primarily responsible for hardware development and supervision of mass production. They work closely with supply chain partners to ensure quality standards and production efficiency are consistently maintained.
- Testing. Our testing team manages both the development of specialized testing tools and design-win-level quality validation. They are vital in conducting all phases of quality assurance testing to ensure every product meets industry standards and customer requirements.
- Fulfillment. Our fulfillment team focuses on delivery. They customize and optimize our software for specific demands of different vehicle models. From initial pilot installations through full mass production, they work closely with our customers to understand and fulfill their demands.

We have continuously improved our R&D and fulfillment efficiency, as reflected in the decline in the number of R&D and fulfillment employees required to support each design-win, from 18 in 2023 to 13 in 2024 and further to 8 in 2025. We also partner with research and academic institutions to co-develop automobile intelligence technologies and accelerate the adoption of cutting-edge research findings.

PRODUCTION

Our production process is highly structured, efficient, and leverages a collaborative model with top-tier contract manufacturers. We do not own or lease manufacturing facilities. Instead, we outsource the manufacture process and maintain strict control over design, core material procurement, and quality assurance.

Production Facilities

We engage top-tier contract manufacturers to integrate our software into hardware components and assemble our integrated domain control solutions. The following table sets forth the breakdown of movement of our contract manufacturers during the Track Record Period and up to the Latest Practicable Date. As used in the table below and the discussion that follows, a contract manufacturer refers to a manufacturer we engage primarily for the mass production of our integrated domain controllers, which are designed for use in OEMs’ vehicles; such contract manufacturer is typically not involved in producing other, less critical components unrelated to mass-production activities. During the Track Record Period, we occasionally engaged third-party manufacturers to produce ancillary or less critical components.

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Period	Opening contract manufacturers	New contract manufacturers	Terminated contract manufacturers	Closing contract manufacturers
2023	1	1	0	2
2024	2	1	0	3
2025	3	1	0	4
from January 1, 2026 till the Latest Practicable Date	4	1	0	5

In 2023, 2024 and 2025, we incurred expenses in relation to contract manufacturing of RMB113.3 million, RMB136.3 million and RMB216.8 million, respectively. As of December 31, 2025, we have cooperated with a total of four contract manufacturers, with an average partnership duration of approximately 2.5 years.

For each new OEM customer, we are required to obtain approval of our designated contract manufacturer. Such approval generally remains valid for subsequent design-wins with the same customer, unless we intend to change or add contract manufacturers, in which case renewed approval is typically required. During the Track Record Period and up to the Latest Practicable Date, none of our OEM customers refuses to approve or grants conditional approval for the contract manufacturers proposed by us. During the Track Record Period and up to the Latest Practicable Date, we have not terminated any contract manufacturers due to any material breach of the terms of contracts, nor have we engaged in any material disputes with any contract manufacturers.

A summary of the typical terms and conditions of our agreements with our contract manufacturers is set forth as follows: (i) **Term duration**: Our agreements’ durations typically last longer than one year or otherwise upon mutual agreements between our contract manufacturers and us; (ii) **Pricing**: Our purchase price with our contract manufacturers are agreed upon each purchase order based on the prevailing market conditions and purchase quantity under the purchase framework agreements; (iii) **Warranty**: Our contract manufacturers provide warranty periods for our products and solutions based on time or mileage, as specified in the contracts and we will be compensated for the non-conforming products supplied to us; (iv) **Payment Terms**: We typically settle the payment within 60 to 120 days after receipt of the invoices; (v) **Confidentiality**: Our contract manufacturers are obliged not to disclose, transfer or sell any confidential information obtained from us. Separate confidentiality agreements are signed to protect the intellectual properties of the contracting parties; (vi) **Termination**: Our agreements may be terminated upon mutual agreement and any termination must be notified to the other party with three-months prior notice. We can also terminate the agreements for material breach of contract, including material quality issues; (vii) **Equipment and raw material procurement**: On a case-by-case basis, we delegate procurement of certain raw materials to our contract manufacturers if they can achieve greater cost-effectiveness; (viii) **Return Policy**: We have the right to reject and return, or to request replacement or maintenance of non-conforming products, even if the non-conformity does not become apparent until the processing or production stage; and (ix) **Delivery**: Our contract manufacturers are generally responsible for delivery of products or solutions to our designated location specified in each purchase order.

In 2023, 2024 and 2025, the service fees paid to our largest contract manufacturer amounted to RMB88.1 million, RMB97.9 million and RMB186.1 million, respectively, accounting for 77.7%, 71.8% and 85.8% of the total service fees during the same period, respectively. The movement of our contract manufacturers is in line with our business growth. We began scaling up in 2022 with a delivery volume of only 120 thousand units, with most of the production not involving the use of contract manufacturers. As we continue to acquire new customers, secure additional design-wins, we have engaged more contract manufacturers to fulfill our customers’ needs. In 2023 and 2024, we engaged one new contract manufacturer for each year. In addition, we carefully select our contract manufacturers and only cooperate with reputable ones with a consistent record of quality and reliability. It is not uncommon in the smart cockpit industry to work with a small number of top-tier contract manufacturers, according to Frost & Sullivan. Our engagement of large business partners reflects quality considerations rather than high dependency. This is because the manufacturing of domain controllers involves significant technical complexity and typically requires deep and long-term collaboration between us and our contract manufacturers to optimize production processes and improve yield rates. As a result, close cooperation with a few highly capable manufacturers enhances efficiency and achieves stable delivery. We believe the current number of contract manufacturers is adequate to meet our business needs, and we will evaluate whether

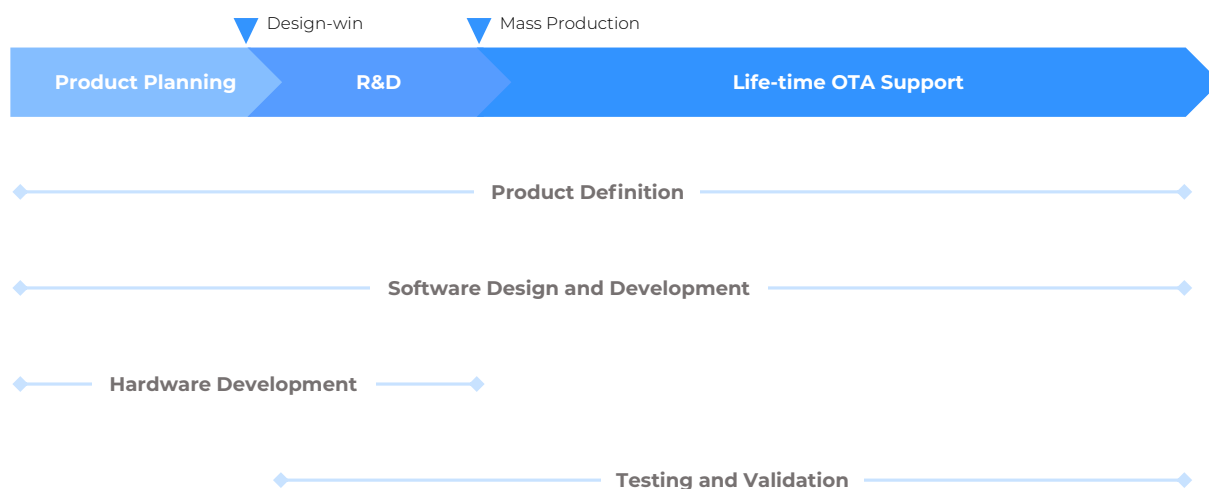
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to engage additional contract manufacturers based on our development. Apart from our existing contract manufacturers, there are 15-20 contract manufacturers in the PRC that are capable of manufacturing our products of comparable quality and terms, according to Frost & Sullivan. In addition, we have entered into long-term framework agreement and production capacity clause with key contract manufacturers to ensure that they reserve sufficient capability for us.

We have also established quality control measures to ensure the products supplied by our contract manufacturers meet the standards of us and our customers. For example, we have entered into quality assurance agreement with our contract manufacturers, pursuant to which we set detailed parameters and standards on products and manufacturing process. We require our contract manufacturers to (i) strictly follow determined parameters and standards, or seek our approvals for any proposed changes; (ii) provide product testing reports along with their provision of finished products; (iii) indemnify relevant economic loss and compensation for the related testing and logistics expenses, if we or our customers incur economic loss due to product defects caused by them; (iv) only utilize those production lines where we provide the equipments to manufacture our products; (v) designate an exclusive place to store and maintain materials related to our manufacture process; (vi) regularly count and assess the materials and issue reports; and (vii) strictly limit the use of our intellectual property only in manufacturing our products.

Our Production Process

We design and oversee our production processes in line with rigorous industry standards, and require our suppliers and partners to meet the same level of quality and compliance. The following diagram outlines the key stages of our material design and development workflow to deliver our solutions to customers:



Our key steps in customer identification and engagement include:

- Receive and evaluate RFI. Customer issues an RFI (request for information) outlining high-level product requirements. We evaluate whether to pursue the opportunity based on our existing product portfolio, alignment with our technical roadmap, and commercial potential.
- Needs assessment and technical discussions. If we decide to proceed, we enter into multiple rounds of discussions with the customer, moving from preliminary technical proposals to detailed clarifications. This iterative process, which is standard in the automotive industry given the complexity of vehicle systems, ensures our solutions address customer requirements and provides the basis for a well-formulated quotation. These discussions also cover the selection of system-on-chips (SoCs) and modules suited to the customer’s functional needs and application scenarios. While OEMs often make these choices based on vehicle model, target functions, and budget, we may also recommend SoCs and modules that best meet these objectives.

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- Submit bid. Customers review our proposed solutions and quotations alongside those of other bidding suppliers.
- Secure design-win and initiate production. Once we are selected as the winning bidder, we enter into a contract with the customer, secure the design-win, and begin the production process.

Our key steps of production process include:

- Software design and development. Based on the selected SoCs, we develop (i) operating system and other components, such as drivers, Board Support Package (BSP), hardware abstraction layer, hypervisors and (ii) AI software designs, including vision algorithms, sound process and voice interaction systems. Our software design and development processes cover the entire lifetime of vehicles, enabling constant OTA updates after vehicle delivery.
- Hardware development. Our hardware development encompasses supply chain platform design, schematic drawing, printed circuit board assembly design, functional architecture, laboratory testing, and procedure design of mass production. Through this integrated approach, we ensure that each hardware component meets stringent quality, performance, and reliability standards required for automotive applications.
- Testing and validation. Given the complexity of road condition and hardware component in an integrated domain control system, we prioritize rigorous, multidimensional testing to ensure stability and reliability of our product. Adopting a test-driven development approach, we define a clear set of validation metrics at the same time when we are confirming customers’ functional requests. As soon as key software components are completed, we begin writing test scripts and initiate automated testing, enabling us to detect and address issues at the earliest possible stage. Once we complete development and testing, we will seek formal customer approval for the mass production of our integrated domain control solutions.
- Mass production of our domain control solutions. We outsource the mass production process to contract manufacturers and typically provide weekly forecast to ensure that they deploy adequate resources for timely delivery. We pay our contract manufacturers a fixed price agreed in contract unless there is material modification of design. After a contract manufacturer completes production but before it is delivered to us, we inspect samples and components to promptly identify and resolve any potential hardware issues.
- Delivery. We typically deliver our products to the OEMs’ manufacturing facilities or their designated warehouses and pre-map the logistics process before mass production begins. We also have dedicated logistics employee to oversee the entire delivery process, including product packaging, handling, dispatch and receipt.
- After-sale services. Our quality management teams promptly address post-sales inquiries, swiftly diagnose and resolve customer issues with precision. We actively pursue OTA based feature upgrades.

Typically, the industry norm is that once a design-win is secured, it progresses into the mass production stage after a lead time of approximately 9 to 18 months, depending on the OEM’s product development cycle and the complexity of the solution. Leveraging our R&D capabilities, we are able to shorten this cycle and convert design-wins into mass production within six to nine months.

When OEMs evaluate integrated domain control solutions, they must balance the inherent trade-offs among functionality, performance, and cost. On the functionality side, OEMs assess whether the chosen SoC platform can support the full range of required vehicle features, and they place value on suppliers with demonstrated expertise in optimizing SoC capabilities for different models. Performance is driven by the solution’s software architecture and hardware adaptation, which determine whether the solution can deliver both high computing efficiency and stable, reliable operation under real-world conditions. Cost considerations extend beyond initial procurement to include development efficiency, delivery speed, and the long-term economics of maintaining and upgrading the solution, including OTA support. In this context, we believe we differentiate ourselves with our

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track record, industry reputation, and technical expertise in SoC adaptation. Our software–hardware integration capabilities, R&D and deployment processes, and OTA support allow OEMs to achieve the functionality and performance they need while maintaining cost efficiency over the full lifecycle of the vehicle.

When developing a vehicle model, OEMs generally prefer to work with a single Tier-1 provider rather than multiple providers. A strong supplier with solid software capabilities, fast response times, and reliable post-launch support can fully meet OEMs’ needs while avoiding the inefficiencies of managing multiple teams. Occasionally, OEMs may use the so-called “dual-sourcing” models, where the second supplier typically acts as a backup, developing a parallel solution, often at its own cost with little or no financial support from the OEM and taking over only if the primary supplier fails to deliver. This arrangement requires OEMs to allocate additional time and resources to oversee two suppliers, which has become increasingly impractical as development cycles shorten and competition intensifies. As of December 31, 2025, all of our active design-wins were exclusive, single-supplier mandates, reflecting OEMs’ confidence in our capabilities.

During the Track Record Period and up to the Latest Practicable Date, we are not aware of any material quality issues or product recalls in relation to our products.

Our Production Model

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. In 2023, 2024 and 2025, our delivery volume under the OEM-affiliated manufacturer model were 80,536, 296,111 and 201,464 units, respectively. As we do not supply the full system under this model, our revenue recognition is limited to the portion we contribute—typically representing a lower per-unit value compared to the full-stack solutions sold under the contract manufacturing model. Our revenue derived from the OEM-affiliated manufacturer model were RMB130.6 million, RMB390.7 million, and RMB321.2 million in 2023, 2024 and 2025, respectively, accounting for 8.6%, 27.5% and 21.5% of our total revenue in the respective periods, respectively.

Changes in the mix between these two production models may affect our total revenue, as delivery under the contract manufacturing model typically carry higher recognized revenue per unit because revenue is recognized based on the full sales value of the finished goods, while under the OEM-affiliated manufacturer model, revenue is recognized only for the software and components we supply.

QUALITY ASSURANCE

We implement a rigorous quality control system. It safeguards our products and solutions’ consistency, safety, and long-term reliability in mass production deliveries, being the cornerstone of our reputation.

We have a quality management team consisting of experienced personnel in production and quality control and is responsible for establishing and improving the overall quality system. This team conducts extensive quality monitoring and continuous improvement, including tracking key product quality issues and driving enhancements in product quality. We adopt end-to-end monitoring system to cover the entire product and solution lifecycle, from material procurement and supplier management to ongoing optimization after the delivery.

- Material procurement. We directly procure chips, our key raw materials, from third-party suppliers. We establish strict supplier selection criteria, conduct qualification reviews, on-site inspections, and sample testing to ensure that suppliers have the capability to provide high-quality products and services.

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- *Supplier management.* We outsource our production to third-party manufacturers, and closely monitor the progress and quality of the manufacturing process. Additionally, our key quality management members are physically stationed at contract manufacturing sites. With such a direct presence, we are able to provide our suppliers with real-time oversight, immediate response to emerging issues, and ensure that the quality criteria set by us are rigorously implemented at every production stage.
- *Comprehensive testing.* We incorporate multi-stage testing and verification into the products and solutions delivery. See “—Our Core Technologies—Efficient Testing Platform.”
- *Continuous improvement and rectification.* At the contract manufacturer’s site, we station dedicated quality management personnel who first audit the entire quality process for compliance with our requirements. Once defects are found, our team investigates, resolves the root cause, and updates workflow documentation and preventive solutions accordingly. Additionally, we closely track yield rates to maintain rigorous quality control.

We approach every product delivery with high standards and strict requirements. The quality standards we implement include, but are not limited to Automotive Quality Management Certification (IATF16949).

SALES AND MARKETING

Our sales and marketing effort is customized based on our customers’ strategic and technical needs. We pride ourselves on guiding customers through the successful launch of their flagship vehicles, and we have gained the reputation of efficiently tackling the complexities in digital transformation of OEMs. As a result, once we help one customer achieve commercial success in a vehicle model, the customer tends to continue selecting us for future product lines. Our reputation for delivering optimal performance and high efficiency has driven steady customer growth. Over the years, with our enhanced sales and marketing, we are an integrated solutions provider to major OEMs, facilitating us to further expand our market share both domestically and globally.

We promote our solutions through actively participating in automotive industry exhibitions and conferences, customers’ referrals and online marketing. We showcase our latest solutions, network with potential customers, and stay abreast of industry trends.

We consider various factors in pricing, such as research and development costs, hardware costs, product positioning, market demand and competitive landscape, long-term customer relationship, and our overall strategic goals. OEMs typically select integrated domain control solution providers through a competitive bidding process, and the quotation submitted by the winning bidder becomes the agreed price reflected in the contract. Given the variety and high level of customization of integrated domain control solutions, these contracts generally do not contain a pre-set price adjustment mechanism. Instead, pricing arrangements are negotiated on a case-by-case basis between us and our customers. Thereafter, adjustments may occur in three contexts: specification changes between design-win and mass production (often upward to reflect added functions), and post-production OTA upgrades that generate new software value, and negotiated annual reductions. According to Frost & Sullivan, the pricing of our solutions is consistent with industry norms.

We build a customer-centric sales and marketing team. Through our teams’ daily collaboration with our customers, we accumulate deep insights to each customers’ demands and the whole automobile industry. It allows us to adjust our product designs accordingly and gain first-mover advantage in promoting our new products.

According to Frost & Sullivan, price pressure from customers is a common feature of the automotive industry. We address this challenge through a combination of the following measures:

- **OEMs:** We help OEMs lower development and hardware costs by leveraging our technical expertise, streamlined processes, and adaptable production. This includes hardware optimization, and the ability to deliver the same hardware with more software-driven features.

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- **Supplier:** We form strategic partnerships to secure raw material prices and lock in more predictable supply terms, offsetting the impact of fluctuating average selling prices.
- **Contract manufacturers:** As our production volumes grow and our customer base expands, we negotiate more favorable terms with contract manufacturers, benefiting from our growing economies of scale and stronger bargaining power.

In terms of our own operations, we continuously enhance R&D and delivery efficiency through innovation, modular reuse, and feature upgrades. This allows us to respond faster to customer demand, reduce internal costs, and embed more value-added functionalities into our solutions, all to support higher pricing opportunities for new offerings.

BUSINESS SUSTAINABILITY AND PATH TO PROFITABILITY

Background of Historical Loss-making

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 measure), 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 loss-making position is due to a combination of the following factors:

- **Early-stage investments in R&D and commercialization.** From the outset, we made deliberate investments in foundational technologies, such as our proprietary intelligent domain control system, full-stack voice interaction, and system-level integration capabilities, that required substantial upfront R&D spending and multi-year technical iteration before becoming commercially viable. These early commitments, while generating limited near-term revenue, were indispensable in building the differentiated product architecture we have today.

In parallel, we invested in commercialization readiness through proof-of-concept pilots, joint development with OEMs, and preproduction testing. These efforts, though preceding large-scale revenue, enabled us to secure design-wins and successfully transition them into mass production, laying the foundation for stronger margins and long-term growth. During the Track Record Period, all of our design-wins progressed into mass production or had a clear mass production schedule, typically within six to nine months depending on OEM cycles and solution complexity.

As a technology company in a fast-evolving industry, we also incurred significant R&D, engineering, and go-to-market expenses ahead of revenue recognition. These investments were critical to building our proprietary integrated domain control solutions, securing OEM design-wins, and scaling operational capabilities. In addition, our customer acquisition and maintenance also required upfront spending in sales team build-up, channel development, and branding.

- **Economies of scale are still materializing.** While our revenue has grown in recent years, our current scale is not yet sufficient to fully offset structural cost pressures. In particular, our relatively limited order volumes constrain our bargaining power with component suppliers, so hardware procurement continues to represent a significant portion of our costs. Similarly, our negotiations with contract

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manufacturers are less favorable than those available to larger industry peers. In addition, because our deliveries are not yet at a scale where fixed costs can be spread thinly across units, per-unit costs remain higher than what we expect to achieve in the future.

That said, we believe the benefits of scale are beginning to emerge. As our delivery volumes grow, we are already starting to improve our position with suppliers and manufacturers. With increasing scale, we expect to secure more favorable pricing and payment terms, reuse standardized components across OEM programs, and distribute R&D and validation costs over a much larger base of deliveries. These developments will reduce per-unit costs and enhance margins, allowing us to realize the long-term profitability potential of our model.

- **The impact of our commercial relationship with the Early OEM End-customer.** The “Early OEM End-customer” is a large Chinese smart electric vehicle company to whom we supplied basic domain controllers (as opposed to our integrated domain controllers). These controllers are considered “basic” as they offer only operating system-level functionalities and lack the advanced AI-powered smart cockpit software capabilities, such as voice interaction, vision recognition, body control modules, and vehicle control units, that are embedded in our integrated domain control solutions. While our deliveries to the Early OEM End-customer helped increase delivery volumes during the Track Record Period, they had a negative impact on our overall profitability because basic domain controllers generally carry a lower gross margin profile compared to integrated domain controllers. We discontinued our business relationship with the Early OEM End-customer in early 2024. For more information about the Early OEM End-customer, see “—Our Customers—The Early OEM End-customer.”

Our Directors believe that our business is commercially viable and structurally sustainable. The combination of deliberate early-stage investments, the initial but accelerating benefits of scale, and the strategic decision to discontinue lower-margin basic controller projects has positioned us on a clear path toward margin expansion and long-term profitability. Our upfront commitments in R&D, system integration, delivery capabilities, and overseas expansion were necessary to build a solid foundation.

Strategies to Improve Our Performance

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 period. We also maintained momentum in design-wins. Our active design-wins increased from 26 to 48 from 2023 to 2024, and further to 75 in 2025. During 2025 and up to the Latest Practicable Date, the cumulative number of design-wins amounted to 79, and 61 of them have converted into mass production. We secured 30 new design-wins in 2025, compared to 23 in 2024 and 11 in 2023. Among these design-wins, four, three and one were secured with newly acquired OEM customers in 2023, 2024 and 2025, respectively. These gains reflect market recognition of our technology, the adaptability of our solutions, and the scalability

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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 strong commercialization potential.* We focus on design-wins with strong 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 year. 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 two well-known global OEMs and started proof-of-concept (POC) projects for them, validating our technology against the industry’s most rigorous standards for quality and reliability. Both of the POC projects were completed in 2025. This inclusion provides a foundation of trust to secure further design-wins with major OEMs across Japan, Korea, Germany, France and other markets. Entering into the supplier system of a large global OEM offers access to significant shipment scales. As large 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 OEMs launch 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. We are specifically targeting recurring revenue streams, including software licensing and OTA feature enhancements, to drive sustained gross margin expansion. 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.

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 agent has been used to automate our code 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 faster 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

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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 periods. 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, respectively. 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 periods.

OUR CUSTOMERS

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.

Our current customers include some of the industry’s most respected brands, such as Chery, Changan, Dongfeng, Changan Mazda, Nissan, Ford and BAIC. Many of the models equipped with our solutions have become top sellers in their respective segments. 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 period. This growth reflects the expanding adoption of our solutions across both existing and new vehicle platforms. As the industry has evolved, our customer base has expanded from domestic OEMs to include joint ventures and large international automakers. As of the Latest Practicable Date, we had been collaborating with a diverse group of OEMs from China, East Asia, Europe and the United States.

Major Customers

For the years ended December 31, 2023, 2024 and 2025, 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. For 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.

The following tables set out details of our five largest customers in each year of the Track Record Period. The following disclosure of our five largest customers on a “non-group” basis (i.e., companies belonging to the same corporate group are presented separately rather than as a single customer) better reflects the commercial reality of our business. While certain customers are part of the same corporate group, their subsidiaries operate with independent management, procurement processes, and decision-making authority. Treating them as a single “group customer” could obscure the separate revenue streams we derive from each entity and may not fully reflect the dynamics of our customer relationships.

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Customers	Type of Products and Services Provided	Year of Commencement of Business Relationship	Credit Term	Revenue Amount (RMB in thousands)	% of Our Total Revenue
<i>Year ended December 31, 2023</i>					
Customer A ⁽¹⁾	Integrated software- and-hardware solutions	2022	30 days	801,633	53.0
Customer B ⁽²⁾	Integrated software- and-hardware solutions	2020	90 days	274,200	18.1
Customer C ⁽³⁾	Integrated software- and-hardware solutions	2022	75 days	130,577	8.6
Customer D ⁽⁴⁾	Integrated software- and-hardware solutions	2023	90 days	88,960	5.9
Customer E ⁽⁵⁾	Integrated software- and-hardware solutions	2021	60 days	84,351	5.6
Total				1,379,721	91.2

Notes:

- (1) A cockpit, ADAS and Internet solution provider established in 1986 and headquartered in Huizhou, Guangdong, China, which is listed on the Shenzhen Stock Exchange.
- (2) An OEM primarily engaging in NEV manufacturing established in 2018 and headquartered in Chongqing, China, being a subsidiary of a large OEM in China.
- (3) A service provider for cockpit solutions and hardware manufacturer established in 2012 and headquartered in Wuhu, Anhui, China.
- (4) A company primarily engaging in vehicle manufacturing and selling established in 2000 and headquartered in Nanjing, Jiangsu, China, being subsidiary of a large Chinese OEM.
- (5) A company primarily engaging in manufacturing of high-end NEVs established in 2021 and headquartered in Wuhan, Hubei, China, being a subsidiary of a large Chinese OEM.

The following table aggregates the revenue of major customers which are members of the same group.

Major customers presented in group	Customer(s) under the group in the given year	Revenue Amount (RMB in thousands)	% of Our Total Revenue
Customer A	Customer A	801,633	53.0
Group #1	Customer B		
	Customer D	363,160	24.0
Customer C	Customer C	130,577	8.6
Group #2	Customer E	84,351	5.6

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Customers	Type of Products and Services Provided	Year of Commencement of Business Relationship	Credit Term	Revenue Amount (RMB in thousands)	% of Our Total Revenue
Year ended December 31, 2024					
Customer C ⁽¹⁾	Integrated software- and-hardware solutions	2022	75 days	323,701	22.8
Customer D ⁽²⁾	Integrated software- and-hardware solutions	2023	30 days	295,619	20.8
Customer F ⁽³⁾	Integrated software- and-hardware solutions	2022	90 days	198,971	14.0
Customer B ⁽⁴⁾	Integrated software- and-hardware solutions	2020	30 days	195,868	13.8
Customer E ⁽⁵⁾	Integrated software- and-hardware solutions	2021	60 days	189,344	13.3
Total				1,203,503	84.7

Notes:

- (1) A service provider for cockpit solutions and hardware manufacture established in 2012 and headquartered in Wuhu, Anhui, China.
- (2) A company primarily engaging in vehicle manufacturing and selling established in 2000 and headquartered in Nanjing, Jiangsu, China, being a subsidiary of a large Chinese OEM.
- (3) An OEM primarily engaging in manufacturing of mid-end passenger vehicles established in Wuhan, Hubei, China, in 2009.
- (4) An OEM primarily engaging in NEV manufacturing established in 2018 and headquartered in Chongqing, China, being a subsidiary of a large OEM in China.
- (5) A company primarily engaging in manufacturing of high-end NEVs established in 2021 and headquartered in Wuhan, Hubei, China, being a subsidiary of a large Chinese OEM.

The following table aggregates the revenue of major customers which are members of the same group.

Major customers presented in group	Customer(s) under the group in the given year	Revenue Amount (RMB in thousands)	% of Our Total Revenue
Group #1	Customer B		
	Customer D	491,487	34.6
Group #2	Customer E		
	Customer F	388,315	27.3
Customer C	Customer C	323,701	22.8

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Customers	Type of Products and Services Provided	Year of Commencement of Business Relationship	Credit Term	Revenue Amount (RMB in thousands)	% of Our Total Revenue
<i>Year ended December 31, 2025</i>					
Customer F ⁽¹⁾	Integrated software-and-hardware solutions	2022	60 days	252,981	17.0
Customer D ⁽²⁾	Integrated software-and-hardware solutions	2023	30 days	241,834	16.2
Customer E ⁽³⁾	Integrated software-and-hardware solutions	2021	60 days	195,034	13.1
Customer G ⁽⁴⁾	Integrated software-and-hardware solutions	2024	75 days	175,934	11.8
Customer C ⁽⁵⁾	Integrated software-and-hardware solutions	2022	75 days	145,271	9.7
Total				1,011,054	67.8

Notes:

- (1) An OEM primarily engaging in manufacturing of mid-end passenger vehicles established in Wuhan, Hubei, China, in 2009.
- (2) A company primarily engaging in vehicle manufacturing and selling established in 2000 and headquartered in Nanjing, Jiangsu, China, being subsidiary of a large Chinese OEM.
- (3) A company primarily engaging in manufacturing of high-end NEVs established in 2021 and headquartered in Wuhan, Hubei, China, being a subsidiary of a large Chinese OEM.
- (4) A service provider engaging in supply chain management established in 2021 and headquartered in Wuhu, Anhui, China, being a subsidiary of a large OEM in China.
- (5) A service provider for cockpit solutions and hardware manufacture established in 2012 and headquartered in Wuhu, Anhui, China.

The following table aggregates the revenue of major customers which are members of the same group.

Major customers presented in group	Customer(s) under the group in the given year	Revenue Amount (RMB in thousands)	% of Our Total Revenue
Group #2	Customer E Customer F	448,015	30.1
Group #1	Customer D	241,834	16.2
Customer G	Customer G	175,934	11.8
Customer C	Customer C	145,271	9.7

Certain customers belong to the same corporate group. Specifically, to our best knowledge, Customer B and Customer D are members of the same group, which we refer to as Group #1. Group #1 is a large Chinese OEM group primarily engaged in the manufacturing of mass-market passenger vehicles, new-energy vehicles, smart connected vehicles, entry-level to mid-range SUVs and sedans, commercial vehicles, and joint venture models. Customer B and Customer D together contributed RMB363.2 million, RMB491.5 million and RMB376.9 million, representing 24.0%, 34.6% and 25.3% of our total revenue for the respective periods. Likewise, Customer F and Customer E are members of the same group, which we refer to as Group #2. Group #2 is also a large Chinese OEM group primarily engaged in the manufacturing of mid-range passenger vehicles,

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luxury electric vehicles, luxury off-road vehicles, and other passenger vehicles. Customer F and Customer E together contributed RMB88.4 million, RMB388.3 million and RMB448.0 million, representing 5.8%, 27.3% and 30.1% of our total revenue for the respective periods.

To the best of our knowledge, during the Track Record Period and up to the Latest Practicable Date, all of our top five customers were Independent Third Parties. As of the Latest Practicable Date, to the best of our knowledge, none of our Directors, their respective close associates or any shareholder who owned more than 5% of our issued share capital had any interest in any of our five largest customers in each year during the Track Record Period.

The Early OEM End-customer

During the Track Record Period, a significant portion of our revenue was derived from a limited number of customers. In particular, Customer A, a designated Tier-1 supplier to an OEM that we refer to as the “Early OEM End-customer,” a large Chinese smart electric vehicle company, was our largest customer in 2023, accounting for approximately 53.0% of our total revenue, respectively.

As part of our early-stage go-to-market strategy, we made a deliberate decision to fulfill large-scale orders of basic domain controllers to the Early OEM End-customer via Customer A. The relationship has enabled us to validate our solutions at scale, build delivery capabilities, develop solid supplier relationships, and establish a track record of commercial execution.

Through Customer A, we supplied basic domain controllers that were integrated into the Early OEM End-customer’s passenger vehicles. Basic domain controllers are built on SoCs and fall within the category of integrated domain control solutions in the industry, according to Frost & Sullivan. They are considered “basic” because they provide only foundational, operating-system-level capabilities. They do not include smart cockpit application functions on their own and require the designated Tier-1 supplier to integrate features such as voice interaction and vision recognition at the discretion of the Tier-1 supplier or the Early OEM end-customer. By contrast, our integrated domain controllers already come with these smart cockpit functions built in. We have only sold basic domain controllers to the Early OEM End-customer (through its designated Tier-1 supplier). At the time, this cooperation offered strategic value to both parties: the Early OEM End-customer benefited from immediate access to essential vehicle capabilities, and we were able to scale our business through high-volume orders—an important factor in building early traction in a highly competitive industry.

However, as our product portfolio evolved and we began shifting toward more advanced and software-defined domain controllers with higher value-add and stronger monetization potential, we reassessed the long-term fit of our relationship with the Early OEM End-customer. In early 2024, as we began to reach critical mass production, we made a strategic decision to discontinue, and have since discontinued, our relationship with the Early OEM End-customer in order to prioritize more sophisticated, software-centric solutions that are better aligned with our long-term development and profitability objectives. Substantial revenue concentration from major customers is not uncommon in the industry, according to Frost & Sullivan.

We believe that our customer concentration during the Track Record Period reflects our deliberate strategy to scale in a highly competitive market, rather than any structural dependency or long-term risk. As our business continues to grow and we expand our portfolio of solutions to address a broader range of customer needs, we expect our customer base to continue diversifying.

We plan to mitigate our exposure to customer concentration risks through the following strategies:

- *Product optimization which increases switching cost.* We will continuously optimize our software to extract maximum functionality from given hardware platforms. For example, as we are able to integrate a wide spectrum of smart cockpit and ADAS functions on a single automotive-grade main chip while our peers require two, it becomes not commercially beneficial for OEMs to switch.

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- *Deepen relationships with existing OEMs.* We pursue long-term, strategic partnerships with existing customers such as Chery, Changan, Dongfeng, Changan Mazda, Nissan, Ford and BAIC, and will keep securing design-wins and deepen our penetration. As these new design-wins move into mass production, their contribution to our revenue mix will increase, lowering concentration risk.
- *Attract new customers via benchmark projects and reputation.* With our successful flagship programs, technological capabilities and high efficiency, we will continue attract new customers and further diversify our customer base.

Salient Terms of Contracts with Customers

A summary of the typical terms and conditions of our agreements with key customers is set forth as follows: (i) **Product specifications:** The agreements with our customers generally specify the quality requirement, development and delivery timeline, price, quantity, logistics and other detailed items; (ii) **Product liability and safety:** We are generally responsible for the quality and safety of the products provided by us. We provide standard product warranty and are required to indemnify our customers regarding the quality and/or safety of our solutions; (iii) **Warranty:** We offer a product warranty to our customers. See “—Customer Service and Warranty;” (iv) **Payment terms:** Our customers usually pay us via bank transfer or bank acceptance bills; and (v) **Intellectual property:** Generally, we own the intellectual property rights of the products we offer, and typically grant our customers right-of-use of such intellectual property rights. If we conduct certain customized development only for one customer, then the customer owns the intellectual property rights.

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

Customer Service and Warranty

Our quality management team promptly addresses post-sales inquiries, swiftly diagnosing and resolves customer issues with precision. We have not experienced any material product returns or recalls during the Track Record Period.

Our customer support centers on maintaining continuous communication, catering the customers’ demands, and providing assistance throughout the entire project—from early engagement to post-delivery support. From time to time, we go to the local area where the customer operates to ensure the progress timeline is on track and responsiveness to inquiries.

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Major Design-wins

The following table outlines the details of our major design-wins during the Track Record Period, the corresponding customers, and other relevant information:

Customer	Time of Cooperation	Solutions supplied by us	Vehicle types	Vehicle engine types	Target market	The latest status (as of the Latest Practicable Date)
Customer A ⁽¹⁾	2022 - 2024	Basic domain controller	SUVs	Extended-range electric vehicles	the PRC	Terminated
Customer B ⁽²⁾	2020 to date	Integrated domain controller	Sedans and SUVs	Extended-range electric vehicles/Electric vehicles	the PRC and overseas	Secured design-win / started mass production
Customer E ⁽³⁾	2021 to date	Integrated domain controller	Sedans, SUVs and multi-purpose vehicle (MPV)	Extended-range electric vehicles/ Electric vehicles	the PRC and overseas	Already in mass production
Customer H ⁽⁴⁾	2022 to date	Integrated domain controller	Luxury off-road vehicle	Electric vehicles	the PRC and overseas	Already in mass production
Customer F ⁽⁵⁾	2022 to date	Integrated domain controller	Sedans and SUVs	Extended-range electric vehicles/ Electric vehicles	the PRC and overseas	Secured Design-win / most in mass production
Customer C ⁽⁶⁾	2022 to date	Integrated domain controller	Sedans and SUVs	Internal combustion engine vehicles/ Electric vehicles/ Hybrid vehicles	the PRC and overseas	Secured design-win / started mass production
Customer I ⁽⁷⁾	2023 to date	Integrated domain controller	Sedans	Extended-range electric vehicles/ Electric vehicles	the PRC and overseas	Secured design-win / started mass production
Customer J ⁽⁸⁾	2024 to date	Integrated domain controller	SUVs and Pickup Trucks	Internal combustion engine vehicles/ Hybrid vehicles	the PRC and overseas	Secured design-win / started mass production
Customer K ⁽⁹⁾	2024 to date	Integrated domain controller	Sedans and SUVs	Electric vehicles/ Hybrid vehicles	the PRC	Secured design-win / started mass production
Customer L ⁽¹⁰⁾	2025 to date	Integrated domain controller	Off-road SUVs	Extended-range electric vehicles	the PRC and overseas	Secured design-win

Notes:

(1) Through Customer A, we supplied solutions to the early OEM-end customer, a large Chinese smart electric vehicle manufacturer.

(2) An OEM primarily engaging in NEV manufacturing established in 2018 and headquartered in Chongqing, China, being a subsidiary of a large OEM in China.

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- (3) A company primarily engaging in manufacturing of high-end NEVs established in 2021 and headquartered in Wuhan, Hubei, China, being a subsidiary of a large OEM.
- (4) An OEM focus on manufacturing of off-road vehicles established in 2022 and headquartered in Wuhan, Hubei, China.
- (5) An OEM primarily engaging in manufacturing of mid-end passenger vehicles established in Wuhan, Hubei, China, in 2009.
- (6) We, through Customer C, offer integrated domain controllers to a large Chinese OEM.
- (7) A joint venture OEM, engaging in manufacturing a range of vehicles, headquartered in Nanjing, Jiangsu, China, established in 2012.
- (8) A joint venture OEM, engaging in manufacturing mid-end vehicles, headquartered in Shanghai, China, established in 2021.
- (9) A joint venture OEM, engaging in manufacturing passenger vehicles, headquartered in Guangzhou, Guangdong, China, established in 2003.
- (10) An OEM primarily engaging in manufacturing of passenger and commercial vehicles established in 1958, headquartered in Beijing, China

OUR SUPPLIERS

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.

Major Suppliers

In 2023, 2024 and 2025, purchases from our top five suppliers in each year of the Track Record Period in aggregate were 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 2023, 2024 and 2025, purchase amount to our largest supplier in each year of the Track Record Period 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.

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

<u>Suppliers</u>	<u>Major Type of Products and Services Provided</u>	<u>Year of commencement of business relationship</u>	<u>Credit Term</u>	<u>Purchase Amount (RMB in thousands)</u>	<u>% of Our Total Purchase</u>
<i>Year ended December 31, 2023</i>					
Supplier A ⁽¹⁾	Chips	2021	30 days	680,708	48.2
Supplier B ⁽²⁾	Chips	2022	90 days	145,228	10.3
Supplier C ⁽³⁾	Chips	2022	90 days	142,169	10.1
Supplier D ⁽⁴⁾	Chips	2021	90 days	106,860	7.6
Supplier E ⁽⁵⁾	Contract manufacturing service	2022	120 days	88,065	6.2
Total				1,163,030	82.4

Notes:

- (1) A company primarily engaging in design and manufacturing of SoCs, established in 1999 and headquartered in Singapore.
- (2) A chip distributor established in 2014 and headquartered in Shenzhen, Guangdong, China, which is listed on the Shenzhen Stock Exchange.

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- (3) A chip distributor established in 2009 and headquartered in Hong Kong.
- (4) A chip distributor established in 1999 and headquartered in Hong Kong, which is listed on the Taiwan Stock Exchange.
- (5) A company established in 2017 in Anhui, China, which primarily engages in manufacture of automobile components and related equipment.

<u>Suppliers</u>	<u>Major Type of Products and Services Provided</u>	<u>Year of commencement of business relationship</u>	<u>Credit Term</u>	<u>Purchase Amount (RMB in thousands)</u>	<u>% of Our Total Purchase</u>
<i>Year ended December 31, 2024</i>					
Supplier A ⁽¹⁾	Chips	2021	30 days	415,861	34.3
Supplier F ⁽²⁾	Chips	2021	90 days	196,466	16.2
Supplier D ⁽³⁾	Chips	2021	90 days	157,565	13.0
Supplier E ⁽⁴⁾	Contract manufacturing service	2022	120 days	97,865	8.1
Supplier B ⁽⁵⁾	Chips	2022	90 days	68,137	5.6
Total				935,894	77.2

Notes:

- (1) A company primarily engaging in design and manufacturing of SoCs, established in 1999 and headquartered in Singapore.
- (2) A chip distributor established in 2020 and headquartered in Hong Kong.
- (3) A chip distributor established in 1999 and headquartered in Hong Kong, which is listed on the Taiwan Stock Exchange.
- (4) A company established in 2017 in Anhui, China, which primarily engages in manufacture of automobile components and related equipment.
- (5) A chip distributor established in 2014 and headquartered in Shenzhen, Guangdong, China, which is listed on the Shenzhen Stock Exchange.

<u>Suppliers</u>	<u>Major Type of Products and Services Provided</u>	<u>Year of commencement of business relationship</u>	<u>Credit Term</u>	<u>Purchase Amount (RMB in thousands)</u>	<u>% of Our Total Purchase</u>
<i>Year ended December 31, 2025</i>					
Supplier A ⁽¹⁾	Chips	2021	30 days	573,670	39.2
Supplier E ⁽²⁾	Contract manufacturing service	2022	120 days	186,084	12.7
Supplier B ⁽³⁾	Chips	2022	(i) 90 days; or (ii) 90 days followed by settlement through a 180-day bank acceptance bill	122,803	8.4

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Suppliers	Major Type of Products and Services Provided	Year of commencement of business relationship	Credit Term	Purchase Amount (RMB in thousands)	% of Our Total Purchase
Supplier F ⁽⁴⁾	Chips	2021	90 days	91,771	6.3
Supplier G ⁽⁵⁾	Chips	2024	90 days	43,810	3.0
Total				1,018,138	69.6

Notes:

- (1) A company primarily engaging in design and manufacturing of SoCs, established in 1999 and headquartered in Singapore.
- (2) A company established in 2017 in Anhui, China, which primarily engages in manufacture of automobile components and related equipment.
- (3) A chip distributor established in 2014 and headquartered in Shenzhen, Guangdong, China, which is listed on the Shenzhen Stock Exchange.
- (4) A chip distributor established in 2020 and headquartered in Hong Kong.
- (5) A chip distributor established in 1996 and headquartered in Hong Kong.

To the best of our knowledge, during the Track Record Period and up to the Latest Practicable Date, all of our top five suppliers were Independent Third Parties. As of the Latest Practicable Date, to the best of our knowledge, none of our Directors, their respective close associates or any shareholders who owned more than 5% of our issued share capital had any interest in any of our five largest suppliers in each year during the Track Record Period.

Salient Terms of Supply Agreements

A summary of the typical terms and conditions of our purchase order with key suppliers is set forth as follows: (i) **Product and solution specifications**: We specify the products or services, price, quantity, delivery timeline and other detailed items in each purchase order. We do not have minimum purchase commitment or any penalty in case of shortfall; (ii) **Delivery**: The purchase order generally sets forth the designated third-party carrier and specifies place of delivery; (iii) **Payment terms**: We usually pay our suppliers via bank transfer or bank acceptance bills; and (iv) **Warranty**: Suppliers shall deliver products that meet the mutually agreed quality standards. The suppliers agree to repair or replace any non-conforming products.

Supply of Raw Materials and Components

We have a flexible procurement mode combining centralized control and effective delegation. For key materials such as automotive-grade chips, we handle the procurement directly, particularly when we can leverage bulk purchase to obtain discount or other favorable terms. Among other components, if our contract manufacturer are able to obtain with lower costs, we are inclined to delegate this procurement to our contract manufacturer to achieve a better cost effectiveness.

Supply Chain Risk Management

The supplier is relatively concentrating in the integrated domain control industry. We maintain stability of our procurement through establishing strategic partnership with suppliers of key raw materials. In addition, we also gain relatively high bargaining power and ordering priority with deep insights and capabilities in software development. When supply disruptions or allocation policies arise, we capitalize on these relationships to negotiate favorable terms and ensure continuity of critical components. This preferential access, combined with our proactive communication and long-standing collaboration with primary vendors, enables us to mitigate supply instability and maintain reliable production schedules.

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We closely monitor our inventory on a weekly basis to maintain tight control. Before each purchase, we review the available inventory for each component and factor in lead times, production schedules, and customer demand to manage inventory effectively and avoid unnecessary stockpiling. We draw on historical sales data and demand forecasts to determine appropriate stock levels, maintaining enough inventory to support production without overcommitting capital to unsold goods. Because our inventory is largely customer-driven, any potential excess can typically be managed through coordination with customers, product design modifications, or repurposing components in other products to minimize the risk of write-downs. Please see “Financial Information—Discussion of Selected Items from the Consolidated Balance Sheets—Assets—Inventories” for details.

We believe we have sufficient alternative suppliers for raw materials and components that can provide us with substitutes of comparable quality and prices. To ensure sufficient supply, we maintain a supplier pool of at least two suppliers for each of key components of our solutions, such as chips and storage devices. As the smart cockpit supply chain is relatively concentrated, our suppliers are typically large companies with sufficient inventory to meet our demand. According to Frost & Sullivan, maintaining alternative suppliers at this level is consistent with common practice in the integrated domain control industry. During the Track Record Period, we did not experience any disruption to our business as a result of any significant shortage or delay in supply of the products we sourced from our suppliers.

We do not believe that the COVID-19 outbreak has had a material adverse impact on our business operations, including, but not limited to, supply chain management, and financial performance during the Track Record Period for the following reasons. First, our business only began to scale in 2022, when the global semiconductor shortage had already begun to ease from the peak period in 2020 and 2021, according to Frost & Sullivan. Second, we have established a long-term and stable partnership with Supplier A, a well-known chipmaker. During the COVID-19 pandemic, Supplier A increased its investment in automotive semiconductors and prioritized supply allocation to smart cockpit customers, which helped ensure a stable supply of SoCs for our solutions.

During the Track Record Period, most of our solutions are equipped with Supplier A’s chips. The high compatibility of our solutions with Supplier A’s chips has enabled us to address a broader range of vehicle models and helped us secure additional design-wins with mainstream OEM programs. Supplier A has maintained long-standing partnerships with large OEMs in China and holds extensive commercial interests in the Chinese smart vehicle market. We also have an established business relationship with Supplier A since 2019 and are one of the few “Diamond-level” customers of Supplier A in China. These factors collectively support the continuity of our collaboration. We have established a long-term, mutually beneficial and stable relationship with Supplier A and frequently engaged in discussions with them on technological development. Under the agreements we entered into with Supplier A, Supplier A is obligated to provide Procured Components in the amount specified in the purchase orders. To facilitate the planning of manufacture and delivery, we provide Supplier A with a 12-month rolling forecast of our anticipated monthly demands. To ensure supply stability, Supplier A shall provide at least 60-day prior written notice for any potential shortage or discontinuation in supplying Procured Component. The agreements have an initial term of five years and automatically renew on a year-to-year basis under the same terms, unless either party provides written notice of termination at least 60 days prior to the applicable anniversary of the initial effective date of the agreements. Since our cooperation, we have not experienced any interruption or restriction of renewing our agreements with Supplier A or use of Supplier A’s chips. Based on the above, our Directors do not foresee any material adverse change in our on-going relationship with Supplier A.

We have entered into a *Master Evaluation Agreement* with Supplier A, which serves as the overarching contract, along with a *Master Software Agreement* and a *Components Supply Agreement* executed under it. These agreements served our long-term, on-going strategic cooperation with Supplier A, and had not specified a fixed end date, pursuant to which Supplier A provided us with their development platform and engineering support within the relevant statements of work agreed to by both parties.

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We also procured SoC samples from new suppliers to conduct sample testing in preparation of possible cooperations with new OEM customers. During the Track Record Period, except for our newly procured SoC samples, which accounted for less than 1% of our overall procurement costs in each year during the Track Record Period, all the smart cockpit domain control SoCs procured by us were chips from Supplier A. The costs of our procurement from Supplier A were RMB680.7 million, RMB415.9 million and RMB 573.7 million, respectively, representing approximately 48.2%, 34.3% and 39.2%, respectively, of our total cost of procurement in each year during the Track Record Period.

During the Track Record Period, we procured certain chips or SoCs from Supplier A that are classified under the Export Control Classification Number (“ECCN”): 5A991.g, 5A992.c and EAR99 (together, the “**Procured Components**”). As advised by our International Sanctions Legal Adviser, Hogan Lovells, the Procured Items that are classified under EAR99 consist of low-technology consumer goods and do not require a license in most situations. The Procured Components that are classified under ECCNs 5A991.g and 5A992.c are only controlled for anti-terrorism reasons, and do not fall within other highly controlled ECCNs (Export Control Classification Numbers) on the CCL (Commerce Control List) that require a license for their export, reexport, or transfer (in-country) to Mainland China, Hong Kong SAR, or Macau SAR, unless the end user(s) are (i) entities designated on the BIS Entity List, Denied Persons List, or Unverified List; and/or (ii) entities headquartered in, ordinarily resident in, or owned or controlled by governments of any Countries/Regions subject to Comprehensive Trade Embargo, as well as Russia and Belarus (these entities under (i) and (ii) are collectively referred as “**AT Restrictions Sanctioned Targets**”), or, under the U.S. Chip Export Restriction, intended for use in Mainland China, Hong Kong SAR, or Macau SAR for certain prohibited end-uses set forth in section 744.23 of the EAR. We have reviewed our customer list during the Track Record Period, and have not identified any activities with (i) persons or entities identified on the U.S. Department of Commerce, Bureau of Industry and Security’s Entity List, Denied Parties List, Unverified List, Military-End User List, or Military-Intelligence End User List; (ii) any Specially Designated Nationals and Blocked Persons; or (iii) any other AT Restrictions Sanctioned Targets. Therefore, the assessment of the International Sanctions Legal Adviser is that, during the Track Record Period, the procurement from Supplier A did not represent a violation of the U.S. Export Controls because we are not an AT Restrictions Sanctioned Target and our intended end-use of the items procured from Supplier A was not restricted by section 744.23 of the EAR.

During the Track Record Period, none of the SoCs procured by us involved wafer fabrication in the U.S. Therefore, as advised by PRC Legal Adviser, the procurement of SoCs is not subject to tariff imposed by the PRC in relation to products imported from the U.S.

Despite our established cooperation with chip suppliers, including Supplier A, our Directors are of the view that we can source such PRC-produced alternatives at comparable price and quality, and that in the event we are to localize our supply chain, it will not have a material adverse impact on our financial performance, business operation or product offering.

In recent years, an increasing number of smart vehicles in China have been equipped with domestic chips, which are comparable in both quality and price to overseas chips alternatives. According to Frost & Sullivan, there are currently 8 to 12 domestic chipmakers and 10 to 15 non-U.S. chipmakers capable of supplying SoCs qualified for use in integrated domain controllers in comparable technological sophistication and commercial terms. These potential suppliers generally possess advanced process technologies, automotive-grade product development and validation systems, and stable mass-production capabilities, enabling them to meet our requirements for performance, reliability, and supply flexibility. We have the technological capability to develop solutions based on domestic chips and, depending on customer requirements, may deliver such solutions in the future. In addition, our technology and product architecture are designed to be compatible with a wide range of chip platforms, achieving operational flexibility and supply chain resilience. With respect to switching SoC suppliers, we typically establish mature hardware adaptation and software porting procedures, supported by a systematic validation framework, allowing transition to new suppliers to be completed smoothly within approximately six months. Benefiting from our modular platform architecture and standardized development toolchain, such transitions can be managed while maintaining product performance and delivery schedules, effectively controlling related engineering efforts and switching costs and ensuring ample flexibility and ongoing optimization within the supply chain.

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OVERLAPPING OF MAJOR CUSTOMERS AND SUPPLIERS

During the Track Record Period, there was some overlapping between our major customers and suppliers. According to Frost & Sullivan, it is common for players in the automotive intelligence industry to operate across multiple segments of the value chain. As a result, it is industry practice for upstream and downstream participants to engage in commercial transactions with one another in both customer and supplier capacities.

Customer A, being our largest customer in 2023, was also our supplier in the same year. We mainly provided our integrated domain control solutions to Customer A, and Customer A mainly supplied us with certain raw materials. In 2023, the revenue contribution of Customer A amounted to RMB801.6 million, accounting for 53.0% of our total revenue in the same year. Our purchase from Customer A was insignificant, amounting to RMB0.6 million in 2023.

Customer C, being our third largest customer in 2023, largest customer in 2024 and fifth largest customer in 2025, was also a supplier in the same years. We primarily provided Customer C with our integrated domain control solutions, while Customer C supplied us with sample hardware and technical services. In addition, in 2025, Customer C became one of our contract manufacturers. In 2023, 2024 and 2025, the revenue contribution of Customer C amounted to RMB130.6 million, RMB323.7 million and RMB145.3 million, respectively, accounting for 8.6%, 22.8% and 9.7% of our total revenue in the same periods, respectively. Our purchases from Customer C amounted to RMB3.6 million in 2023, RMB0.1 million in 2024 and RMB4.1 million in 2025.

Negotiations of the terms of our sales to and purchases from the overlapping customer and supplier are conducted on a case-by-case basis and the purchases are neither interconnected nor inter-conditional with each other. All of our sales to and purchases from the overlapping customer and supplier are entered into after due consideration taking into account the prevailing purchase and selling prices at the relevant times, conducted in the ordinary course of business under normal commercial terms and on arm’s length basis.

IMPACT OF U.S. EXPORT CONTROL AND TARIFF

U.S. Export Control

During the Track Record Period, we procured certain chips or SoCs from Supplier A that are classified under the Export Control Classification Number (“ECCN”): 5A991.g, 5A992.c and EAR99 (together, the “**Procured Components**”). As advised by our International Sanctions Legal Adviser, the procurement from Supplier A did not represent a violation of the U.S. Export Controls. Therefore, our Directors are of the view that our procurement of chips have not experienced material adverse impact from the U.S. Export Controls. See “—Our Suppliers - Supply Chain Risk Management” for details.

Tariff

On May 14, 2024, the Office of the United States Trade Representative announced a plan to raise the tariff rate applicable to U.S. imports of electric vehicles from China from 25% to 100%, and these higher tariff rates on electric vehicle imports became effective in September, 2024. Separately, from October 30, 2024, the European Commission imposed higher countervailing tariffs on imports of electric vehicles made in China. These new tariffs, which will apply across the European Union, range from 17.0% to 35.5% (except for Tesla, which has been assigned a countervailing duty of 7.8%), depending on the OEM that produced the vehicle. These new tariffs are applicable to electric vehicles, not solutions that we develop; accordingly, these new U.S. and EU tariffs are not applicable to our sales.

The sales of our solutions have not experienced material adverse impact as a result of the U.S. or EU tariff. Consistent with industry practice, we primarily provide integrated domain control solutions for deployment in our customers’ mass-produced vehicles. While we are typically aware whether the vehicle models to be installed with our solutions are targeted for domestic or overseas market, we do not proactively track the specific countries where our customers sell the overseas vehicles, nor do we monitor the sources of their downstream revenue, as these factors are outside the scope of our business operations. In 2023, 2024 and 2025, revenue from our

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solutions installed in overseas vehicles constitute 0.8%, 4.4% and 7.5% of our total revenue, respectively. As of the Latest Practicable Date, our Directors do not anticipate material adverse impact to our overseas market expansion strategy as a result of the U.S. or EU tariff. For our solutions developed for overseas OEMs entering into the China’s market, their vehicle models targeted for China’s market are not subject to the U.S. or EU tariff.

On April 4, 2025, the Customs Tariff Commission of the PRC State Council (the “PRC Customs Tariff Commission”) issued an announcement to impose an additional 34% tariff on all the imported goods originating from the U.S. effective from April 10, 2025 (Announcement 2025 No.4), and subsequently issued announcements in May, August and November 2025 to adjust the measures for imposing additional tariffs on imported goods originating from the U.S. Specifically, starting from May 14, 2025, the additional tariff rate stipulated in Announcement 2025 No. 4 was adjusted from 34% to 10%, and the 24% additional tariff on imports from the U.S. was temporarily suspended within a specified period. Furthermore, starting from November 10, 2025, the additional 24% tariff on imports from the U.S. will remain suspended for one year, while the 10% additional tariff rate will continue to apply. According to relevant PRC laws and regulations, the determination of the origin of imported goods in PRC is based on where the final substantive change occurs, and the standard of which is mainly based on the change in tariff classification. The China Semiconductor Industry Association issued the Notice on the Rules for Determining the “Origin” of Semiconductor Products, suggesting that for “integrated circuits” the origin for import declaration should be declared based on the location of the “wafer fabrication foundry”.

During the Track Record Period, none of the SoCs procured by us involved wafer fabrication in the U.S. Therefore, as advised by PRC Legal Adviser, the procurement of SoCs is not subject to tariff imposed by the PRC in relation to products imported from the U.S. During the Track Record Period, all of our contract manufacturers were located in China. Therefore, our downstream production demand has not experienced material adverse impact from international trade policies, trade restrictions or tariff.

INTELLECTUAL PROPERTY

Intellectual property rights serve as a cornerstone of our business strategy and are instrumental in safeguarding our future commercial success. It is vital for us to secure and uphold our intellectual properties to safeguard our innovative technologies, inventions, and expertise. As of December 31, 2025, we maintained a patent portfolio with a total of 207 issued patents, including 159 inventions, 17 design patents and 31 utility model patents, 237 patent applications, 103 trademarks and 31 software copyrights registered in mainland China.

During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any material legal, arbitral, or administrative proceedings or claims of infringement of any intellectual property rights, in which we may be a claimant or a respondent. Our Directors confirm that they are not aware of any material legal, arbitral or administrative proceedings of infringement of any third parties’ intellectual property rights by us as of the Latest Practicable Date. See “Appendix VI—Statutory and General Information.”

EMPLOYEES

As of December 31, 2025, we had 823 employees, mainly concentrated in Beijing, Wuhan, Chongqing and Hefei. The following table sets forth a breakdown of our employees categorized by work function and location as of December 31, 2025.

	As of December 31, 2025
Function	
Research and Development	636
Sales and Marketing	59
Administration	128
Total	823

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We offer competitive salaries and benefits package, including special incentives, such as equity or option plans for core talents and management. We offer employees statutory benefits with additional commercial health insurance and wellness support. We also promote a collaborative corporate culture and career development experience, providing new and current employees with systematic induction and on-the-job training, management skills upgrading, professional growth support, as well as clear promotion channels.

We enter into standard labor contracts with all employees and require confidentiality and non-compete agreements from our research and development staff, as well as our middle- to-senior-level managers. We believe that we have good working relationships with our employees. Our employees are not represented by a labor union. During the Track Record Period, we did not experience any significant labor disputes with our existing or departing employees, demonstrating our commitment to maintaining positive relationships.

PRIVACY AND DATA SECURITY

We have implemented data privacy and security procedures which are designed to safeguard data and information, ensure regulatory compliance, and promote best practices across our operations. We maintain comprehensive protection measures, including constant IT monitoring, information security protocols, classified document management, to ensure that our data remains secure, compliant, and fully under our control. We intend to align with best practices in the domain of global information security, and have obtained ISO 27001 Information Security Management System certification for the relevant information security management system, to foster robust internal controls.

As our customers are business entities rather than individuals, we do not collect, process or share any personal information from end users of our products and solutions. For the data we collect and generate in the ordinary course of our business, we currently store it in the PRC without involving any cross-border transfer of important data or personal information. We were not aware of any significant incidents of data or personal information leakage throughout the Track Record Period and up to the Latest Practicable Date. We believe that as of the Latest Practicable Date, we had been in compliance with applicable PRC laws in respect of data protection in material aspects.

AWARDS AND ACHIEVEMENTS

No.	Year	Award or Recognition	Issuing Authority
1.	2025	2025 China Automotive Supply Chain Innovation Achievements (2025中國汽車供應鏈創新成果)	China Association of Automobile Manufacturers (中國汽車工業協會)
2.	2025	2025 SDV Innovator Awards-Leader	Motor Trend
3.	2024	National Specialized and New “Little Giant” Enterprises (國家級專精特新“小巨人”)	Ministry of Industry and Information Technology of China (中工信部)
4.	2024	The Top 100 Unicorns of CCID (2024) “Hard Technology” Unicorn Enterprises 賽迪科創獨角獸百強(2024)“硬科技”獨角獸企業	China Center For Information industry Development (工信部賽迪研究院賽迪科創)
5.	2024	2024 Excellent Innovation Cases in the Field of ‘Smart Cockpit’ of China’s Automotive Software 2024中國汽車軟件“智能座艙”領域優秀創新案例	China Automotive Industry Association (中國汽車工業協會)
6.	2023	“The integrated solution of smart cockpit and smart parking” won the “2023 Leading Technology Achievement in Automotive Smart Cockpit”. “智能座艙與智能泊車一體化方案”獲“2023汽車智能座艙領先科技成果”	China Society of Automotive Engineers (中國汽車工程學會)

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COMPETITION

We face intense competition from both well-established companies and new market entrants. Our business depends on our ability to maintain and strengthen our competitive position in the global and China’s integrated domain control solutions industries, which are characterized by rapid technological advances, aggressive pricing, and ever-evolving customer requirements. Our competitors include large, well-capitalized Tier 1 suppliers, global automotive electronics conglomerates, and OEM in-house programs that often have deeper R&D budgets, established brand reputations, and long-standing relationships with OEMs. We also compete with new entrants that may be preparing to enter—or are already entering—the global and China’s integrated domain control solutions industries. Some of these competitors may have begun, or may soon begin, pursuing large-scale deployment of autonomous vehicle technologies independently. For more information, see “Risk Factors—Risks Relating to our Business and Industry— 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.”

SEASONALITY

Our financial performance is subject to seasonal fluctuations that align with automotive production and sales cycles. Revenue typically trends lowest in the first quarter of the year, primarily due to OEMs’ production schedules and temporary slowdowns around the Chinese New Year holiday period. Revenue generally increases through the second and third quarters as OEMs ramp up vehicle production to meet annual targets and prepare for model year launches, culminating in a peak during the fourth quarter. This seasonality also affects working capital dynamics, as higher production levels in the second half of the year often lead to increased inventory, which may temporarily impact our cash flow and liquidity. Such fluctuations are seasonal in nature and thus our quarterly or half-year results may not be indicative of our results of operations for the full year. See “Risk Factors—Risks Relating to our Business and Industry—Our business is subject to seasonality.”

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Megatronix regards environmental, social, and governance (ESG) factors as an essential part of corporate operations and development, promoting the integration of ESG into business operations.

ESG Governance

We continue to optimize the ESG governance system and build an ESG management framework with clear responsibilities and efficient operation. As the highest decision-making body for our ESG affairs, the Board of Directors is responsible for reviewing major ESG matters, supervising the implementation of ESG strategic goals and management policies, and regularly evaluating the effectiveness of their implementation. At this stage, the Investor Relations Department, as the primary coordinating department for ESG work, takes the lead in identifying and evaluating ESG risk and opportunities, formulating corresponding response strategies, regularly tracking and evaluating implementation progress, and promoting the deep integration of ESG and business operations. As the primary coordinating department for the company’s ESG initiatives, the Investor Relations Department regularly communicates ESG-related information to the Board of Directors through reporting meetings. In daily operations, the department irregularly monitors updates on ESG regulations, consolidates ESG-related developments provided by various business units and external advisors, responds to investor inquiries regarding the company’s ESG activities, and synchronizes the latest regulatory policies and industry compliance requirements with the Board. During the annual review meeting, the Investor Relations Department reports to the Board on the progress of the company’s ESG initiatives, achievement of key ESG performance indicators, annual target completion rates, gap analyses compared with industry benchmarks, and proposes action plans for the upcoming year based on the review findings.

As the executive department, each business department is responsible for implementing the specific requirements of ESG work into daily business activities.

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ESG Materiality Assessment and Risk Management

We attach great importance to sustainable development management. In line with industry development trends, it conducts ESG materiality topics and risk identification through industry benchmarking, research and communication, etc.

- We refer to the Hong Kong Stock Exchange’s *Environmental, Social and Governance Reporting Code* and identify our relevant ESG material topics based on our actual operating conditions and industry development trends.
- We engage external experts to provide professional advice and guidance to assist us in analyzing the importance of ESG topics to corporate development and to stakeholders, prioritizing ESG topics, and identifying highly important issues.
- We review the ranking of importance and determine which ESG topics that have a significant impact on our sustainable development.

Based on the results of our materiality assessment, we believe that product quality and safety, R&D innovation, and employee rights and care are our key ESG topics. We actively take measures to manage and mitigate ESG-related risks, strengthening our risk resilience capabilities by formulating specific management methods for each topic, incorporating ESG considerations into our ESG strategy and development plan, and other relevant initiatives.

As of December 31, 2025, we have not been penalized for violating any product quality and safety, occupational health and safety, or social and environmental laws and regulations. In addition, we have not experienced any significant impact on our business, strategy, or financial performance due to environmental, social, and climate-related risks.

Environmental

We comply with the *Environmental Protection Law of the People’s Republic of China* and other relevant environmental laws and regulations and continue to enhance our environmental management system. We conduct a comprehensive assessment based on multiple factors, including current laws and regulations, business development expectations, and technical feasibility. We set the following environmental-related goals to promote our green and low-carbon development:

- Greenhouse gas emission target. Based on 2022 as the baseline, the intensity of greenhouse gas (Scope 1 and Scope 2) emissions is expected to be reduced by 5% by 2030.
- Waste reduction target. Based on 2022 as the baseline, the density of non-hazardous waste emissions is expected to be reduced by 5% by 2030.
- Energy utilization target. Based on 2022 as the baseline, energy consumption intensity is expected to be reduced by 5% by 2030.
- Water resource use target. Based on 2022 as the baseline, water withdrawal density is expected to decrease by 2% by 2030.

When establishing environment-related goals, the Company comprehensively considers multiple factors, including current laws and regulations, business development expectations, and technological feasibility. Using 2022 as the base year and ensuring compliance with environmental regulations such as the Environmental Protection Law of the People’s Republic of China, the Company has set ESG targets based on industry trends and its actual operational conditions. The establishment of these goals fully takes into account the current effectiveness of the Company’s environmental management system, anticipated technological improvements, and

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appropriate risk buffers. Given that the Company is in a phase of business expansion and may scale up following a potential [REDACTED], all targets are expressed in intensity or density metrics to ensure comparability and achievability.

Emissions Management

The waste we discharge mainly includes domestic sewage, toner cartridges, and paper generated by office use, etc., and does not involve the production and discharge of industrial wastewater or exhaust gas. We strictly abide by the *Water Pollution Prevention and Control Law of the People’s Republic of China* and the *Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution Caused by Solid Wastes* and other laws and regulations on emissions. Domestic sewage is discharged in compliance with the municipal pipe network, and waste is collected and processed by the property management company.

The amounts of waste we discharged during the Track Record Period were as follows:

Indicator	Unit	2023	2024	2025
Hazardous waste (toner cartridges, ink cartridges, etc.)	ton	0.007	0.009	0.015
General waste (mainly office papers)	ton	0.66	0.96	1.08

Energy and Resource Management

We strictly adhere to the *Energy Conservation Law of the People’s Republic of China* and other relevant energy laws and regulations and encourage our employees to conserve energy and resources. The only energy we consume is electricity. All water resources we used come from the municipal water supply. From 2023 to 2025, the electricity and water consumption have shown an upward trend due to our expanding workforce and office space. The change in our revenue also contributes to the changes in electricity intensity. As of December 31, 2025, we have not encountered any difficulties in obtaining water resources. Based on the characteristics of our products and services, the use of packaging materials is not currently involved.

Indicator	Unit	2023	2024	2025
Electricity consumption	kWh	876,429	1,120,005	1,646,280
Electricity Intensity	kWh/million revenue	582.43	784.34	1,103.73
Water consumption	m ³	2,580	3,045	4,105

Addressing Climate Change

We are committed to low-carbon sustainable development, gradually improving climate governance, and paying attention to the potential impact of climate change on us. Through policy research and business analysis, we identify risks and opportunities related to climate change, assess the impact of these factors on our operations and development, and formulate response measures.

- **Physical Risks:** Extreme weather like typhoons and heatwaves can disrupt employee commute and operations. We implement emergency plans and adjust work arrangements based on weather alerts to ensure safety and continuity.
- **Transition Risks:** Growing client focus on climate action poses reputational risks. We respond by innovating to offer more sustainable, low-carbon services that meet evolving market demands.
- **Opportunities:** Providing eco-friendly solutions enhances our brand and opens new market opportunities, helping us grow as a leader in sustainability.

Currently, we only use electricity, which does not involve Scope 1 emissions. To reduce greenhouse gas emissions, we promote low-carbon travel. By cooperating with a third-party business travel platform, we saved a total of 61,884 paper travel invoices in 2025, and encouraged employees to adopt green travel practices, reducing carbon emissions by 56.31 kg.

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Indicator	Unit	2023	2024	2025
Scope 2 greenhouse gas emissions	tCO ₂ e	470.29	600.99	873.52
Scope 2 greenhouse gas emissions intensity	tCO ₂ e / RMB million of revenue	0.31	0.42	0.59

We have focused on quantifying two categories within Scope 3 greenhouse gas emissions: Business Travel (Category 6) and Downstream Transportation and Distribution (Category 9). The accounting scope covers relevant emission data from 2023 to 2025. For both categories, the calculation methodology follows the Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard. Emission factors for greenhouse gas emissions (Scope 3—Category 6: Business Travel) are sourced from the Chinese Products Carbon Footprint Factors Database and the U.S. Environmentally-Extended Input-Output (USEEIO) database. Emission factors for greenhouse gas emissions (Scope 3—Category 9: Downstream Transportation and Distribution) are sourced from the Chinese Products Carbon Footprint Factors Database.

Indicator	Unit	2023	2024	2025
Scope 3 greenhouse gas emissions				
(Category 6: Business Travel)	tCO ₂ e	296.20	410.64	344.86
Business Travel - Airplane	tCO ₂ e	115.39	177.21	136.07
Business Travel - Car	tCO ₂ e	129.21	170.32	156.58
Business Travel - Train	tCO ₂ e	51.60	63.11	52.21
Scope 3 greenhouse gas emissions				
(Category 9: Downstream Transportation and Distribution)	tCO ₂ e	2.58	10.12	14.76

Society

Product Quality and Service

We have formulated and strictly implemented internal systems such as the *Emergency Preparedness and Response Control Procedure*, the *Control Procedures for Problem Solving and Corrective Actions of Issues*, the *Management Measures for Handling Emergencies*, the *Processing Procedures for Customer Complaints and Pre-sales Product Return*. We have obtained ISO9001 Quality Management System Certification and ISO26262 Road Vehicles Functional Safety Certification.

For the production and delivery process in the factory, we have formulated quality management methods covering control methods, control frequency and abnormal handling measures. For potential risks such as staffing, equipment operation failures and natural disasters, the Company has formulated a comprehensive emergency response plan. The products of Megatronix are mainly on-board software for vehicles, which are relatively less prone to recall issues. As of the end of December 2025, we have not had any product recalls for safety and health reasons.

We have set up a full-time customer complaint handling team to ensure that customer complaints are responded to within 24 hours and the results of the whole process are tracked. In the past three years, the average customer satisfaction score of Megatronix has reached 98 points.

R&D and Innovation

Megatronix strictly abides by the *Copyright Law of the People’s Republic of China* and the *Patent Law of the People’s Republic of China*, formulates the *Intellectual Property Management System* and the *Invention and Creation Reward System*, and has formulated an established R&D and innovation management system. The Company has obtained the CMMI L3 Software Capability Maturity Model Integration Certification, ASPICE L2 Automotive Software Process Improvement and Capacity Determination Certification, ISO27001 Information Security Certification and ISO21434 Cybersecurity Engineering Certification, providing standardized support for technological innovation.

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In terms of intellectual property and trademark and patent management, the Company has established a strict protection mechanism to prevent various legal risks by setting confidentiality clauses in labor contracts. At the same time, we provide training on intellectual property protection for new employees. As of the end of December 2025, we have obtained a total of 341 intellectual property rights.

In terms of information security and data management, the Company has formulated the *General Principles of Data, Cyber and Information Security Management* and the *IT Information Security Management Policy* to build a data security protection mechanism. To ensure the effective implementation of the system, the Company regularly organizes information security training for relevant employees.

Human Capital

Megatronix strictly abides by the *Labor Law of the People’s Republic of China* and the *Labor Contract Law of the People’s Republic of China*, and formulates internal systems such as the *Employee Handbook*, the *Performance Management System*, and *Broadband Remuneration* to ensure that the entire employment process is legal and compliant. In terms of employment management, the Company strictly implements the identity verification system, requires valid identity documents when joining the Company, and resolutely eliminates illegal acts such as employment of child labor and forced labor. We have not had any incidents of employment of child labor or forced labor. In terms of talent selection, the Company fully respects talent diversity and eliminates any form of recruitment discrimination in every link from job responsibilities to resume screening.

Megatronix strictly abides by the *Work Safety Law of the People’s Republic of China* and *Law of the People’s Republic of China on Prevention and Control of Occupational Diseases* and other laws and regulations in relation to employment and work safety in all material aspects to build a comprehensive employee health and safety protection system. In order to effectively prevent occupational health risks, we have entrusted a third-party testing agency with CMA certification before the newly renovated office area is put into use. At the same time, the Company provides emergency rescue knowledge training and conducts emergency safety drills from time to time.

The Company has established a training system that covers the entire cycle of talent selection, training, employment and retention. To improve employee skills, the Company conducts special training for employees in different positions based on their positions and needs for work skills. From 2023 to 2025, our employee training coverage rate reached 100%, and the average training time for both male and female employees was 8 hours.

Responsible Supply Chain

Megatronix has formulated internal systems such as the *Management Procedures for Procurements and Suppliers*, the *General Principles for Procurement*, and the *Management Control Procedures for Logistics*, standardizing supplier management for the entire process from access to assessment.

In the process of supplier selection and onboarding, we have established a complete grading assessment mechanism, conducting comprehensive evaluations of suppliers from the three dimensions of quality, procurement and logistics on a monthly basis. We incorporate ESG factors into the evaluation system and requires suppliers to obtain ISO/TS169491 Quality System Certification and ISO14001 Environmental Management System Certification. At the same time, we clearly stipulate in the *General Principles for Procurement* signed with suppliers that suppliers should ensure the strict compliance of their products with environmental, health and safety requirements.

Business Ethics

In accordance with the *Anti-Unfair Competition Law of the People’s Republic of China*, the *Criminal Law of the People’s Republic of China* and other laws and regulations, Megatronix has formulated the *Anti-Commercial Bribery Management System* to improve the anti-corruption compliance management framework. We have established an Anti-Commercial Bribery Committee, has straight paths of reporting channels such as reporting mailboxes, etc., strictly implements the confidentiality system for whistleblowers, and resolutely cracked down

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on violations of business ethics. From 2023 to 2025, we have not encountered any lawsuits. We require all employees to sign the *Integrity and Self-discipline Agreement* and conducts business ethics training from time to time to guide employees to establish correct values and professional ethics. In 2025, the average duration of anti-corruption training per employee was 0.5 hours.

Public Welfare and Charity

We attach great importance to the investment in education, and has become a title sponsor of the Alumni Conference Room of Tsinghua University, building a high-quality academic exchange venue for students. In addition, we encourage employees to actively participate in volunteer activities and convey love and warmth with personal strength.

INSURANCE

We are beneficiary of the property insurance purchased by our contract manufacturers, which covers potential risks and liabilities associated with our equipment and raw materials used in the manufacturing process. We also provide social insurance including pension insurance, maternity insurance, unemployment insurance, work-related injury insurance, and medical insurance for our employees based in China pursuant to PRC laws and regulations. We also provide commercial medical insurance for our employees. We consider our insurance coverage to be adequate as we have in place all the mandatory insurance policies required by PRC laws and regulations and in accordance with the commercial practices in our industry. However, our insurance policies are subject to limitations. See “Risk Factors — Risks Relating to Our Business and Industry — We may not have sufficient insurance coverage to cover our business risks.”

PROPERTIES

Our corporate headquarters is located in Beijing. As of the Latest Practicable Date, we leased nine properties in the PRC with an aggregate gross floor area of 9608.5 square meters. Our leased properties are primarily used as office space. We believe our current facilities are sufficient to meet our near-term needs, and additional space can be obtained on commercially reasonable terms to meet our future needs. We do not anticipate undue difficulty in renewing our leases upon their expiration.

As of December 31, 2025, none of the properties leased by us had a carrying amount of 15% or more of our consolidated total assets. According to Chapter 5 of the Listing Rules and section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this Document is exempt from the requirements of section 342(1)(b) of the Companies (Winding up and Miscellaneous Provisions) Ordinance to include all interests in land or buildings in a valuation report as described under paragraph 34(2) of the Third Schedule to the Companies (Winding up and Miscellaneous Provisions) Ordinance.

LEGAL PROCEEDINGS AND COMPLIANCE

We may from time to time become a party to various litigation, arbitration or administrative proceedings arising in the ordinary course of our business. See “Risk Factors—Risks Relating to our Business and Industry—We may be exposed to risks related to litigation and administrative proceedings that could materially and adversely affect our business, financial condition, and results of operations”.

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. 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.

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RISK MANAGEMENT AND INTERNAL CONTROL

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

Financial Reporting Risk Management

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

Internal Control Risk Management

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

Human Resources Risk Management

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

Audit Committee Experience and Qualification and Board Oversight

We have established an Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D.3 of the Corporate Governance Code. The Audit Committee consists of three Directors, namely Mr. Shi Kangping, Mr. Zhang Chen and Ms. Cui Jing. For the professional qualifications and experiences of the members of our audit committee, see “Directors and Senior Management—Board Committees.”

LICENSES AND PERMITS

During the Track Record Period and up to the Latest Practicable Date, we have obtained all requisite licenses and permits, from the relevant government authorities that are material for our business operations in the PRC. As advised by our PRC Legal Adviser, all material requisite licenses and permits obtained by us remained in full effect during the Track Record Period and up to the Latest Practicable Date.